



NEWS from U.S. Senator Bob Dole

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STATEMENT BY SENATOR BOB DOLE

DAY OF DECISION FOR THE AMERICAN FARMER

Washington, D.C.
April 12, 1978

Mr. Dole. Mr. President, this afternoon the House of Representatives will take up the Conference Report on H.R. 6782, the Emergency Agricultural Act of 1978.

The House considers this important legislation in an atmosphere of concern for our nation's farmers and with a sense of urgency for the financial pressures which confront America's farm families.

We can be proud that the United States Senate has already gone on record in favor of this market-oriented farm program, an initiative which will enable the American farmer to continue to produce abundant supplies of food for America and the world. It is a fiscally responsible program, one which will give farmers a reasonable prospect of making a profit without inordinately increasing food prices for the American consumer. It is a proposal which merits the support of the House of Representatives.

Without more money from the marketplace and some limited additional funds from the government, farmers face financial disaster. The need for emergency farm legislation has been fully documented in hearings before the Senate and the House Agriculture Committees.

WHITE HOUSE PRESSURES

I am concerned and disturbed about the atmosphere created by the White House and the U.S.D.A. in their efforts to defeat any and all attempts by the Congress to deal effectively with the farm crisis.

The House vote comes at a time when the White House has announced the bill will be vetoed if passed and has circulated vague and unreasonable objections to the bill.

I have found the cost figures used by the White House on the Bill to be inaccurate and exaggerated. The White House and the U.S.D.A. have used "worst-case" figures. They have deliberately tried to scare the Congress and the American public into being against the emergency legislation.

I am hopeful that our colleagues in the House of Representatives will not be distracted by the exaggerated cost estimates on the bill or the threat of a Presidential veto.

Monday, I wrote my colleagues in the House a letter stating my objections to the White House claims. I ask unanimous consent for the letter to be inserted in the Record.

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PRESIDENT SACRIFICES FARMERS

The President has been against all attempts by Congress to assist the farmer. The President seems to be willing to sacrifice our nation's family farmers in the name of inflation. I believe this is a smoke screen and is being used to hide the President's lack of concern about the farming situation.

In his inflation message yesterday, the President asserted that "inflation cannot be solved by placing the burden of fighting it only on a few."

FARMERS BEARING THE BURDEN

I tell my colleagues today the nation's farmers are less than 5% of the total population, and they have been bearing more than their fair share of the burden. The President by fighting the farm bill and announcing a veto is ensuring that the burden of fighting inflation will continue to be placed on a few.

BURDEN OF INFLATION

Farmers have been bearing the burden of inflation by accepting low prices for what they sell and paying higher and higher prices for what they buy.

They have been bearing the burden through huge financial losses on their farms.

They have been bearing the burden through bankruptcy, increased borrowing at the bank and by selling their farms and moving to the city.

They have been bearing the burden by selling equity in their farms to foreign countries through grain exports that are sold below the costs of production.

They have been bearing the burden of inflation long enough. They cannot bear it any longer and survive.

Last fall the farmers started telling America they could bear the burden no longer by themselves. By the thousands they have come to Washington to tell their story.

DEAF EARS AT WHITE HOUSE

The farmer's story has been heard and understood by Congress and the American people. The only roadblock has been the White House and the U.S.D.A. The people who work at that level seem to have deaf ears.

TIME FOR ACTION

The time for action is now. I call upon my colleagues in the House of Representatives to make their own decision, independent of White House pressures.

The Emergency Agriculture Act of 1978 was adopted by the Senate and the Senate-House Conference Committee after several months of deliberation. The Act was carefully considered and will provide reasonable farm incomes, protect consumers from extreme price rises, enhance our balance of payments and agricultural exports and allow us adequate reserves to meet our humanitarian food commitments.

I urge my colleagues in the House to support the bill and urge the President to reconsider his objections and announced veto threat.

The bill is a small price to pay for the economic health of our farmers, for economic vitality in rural America, for the creation of jobs in the agri-business sector of our economy, and for the assurance of a plentiful, reasonably priced food supply for the America people and the world.

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The following is the text of the "Dear Colleague" letter sent to House members on April 10th:

Today the Senate accepted the House-Senate Conference Report on the Emergency Agricultural Act of 1978, H.R. 6782. An affirmative Senate vote, 49 yeas to 41 nays, was achieved in spite of a strong concerted Administration effort to defeat any emergency farm legislation by the use of "worst-case" figures.

Both USDA and CBO estimates for H.R. 6782 failed to recognize that payment limitations per farm of \$40,000 as specified in last year's farm bill will apply to H.R. 6782. We deliberately structured the flexible parity provision to benefit the small family farmer. We did not include any exemption for existing payment limitations. Perhaps they failed to take this into account because President Carter has mistakenly claimed that this bill "would direct the vast majority of its benefits to a small number of the very largest of our farmers".

Further, the CBO in their cost estimates assumes that 90 percent of wheat producers will choose the 50 percent set-aside. In their earlier estimate they assumed an average of a 35 percent participation level. CBO and USDA are using farm price levels so low under the program that it distorts the deficiency payment cost estimates.

CBO estimates of cost over a two-year period of 5.3 billion would be reduced \$1.4 billion using a 35 percent participation level and another \$1.9 billion if we assume that prices to farmers will average out at just current levels. This leaves a cost of only \$2.0 billion -- not even considering the fact that neither CBO nor the USDA took into account the payment limitation factor.

Other scare stories are that consumer prices will be raised inordinately and that we may draw down grain stocks too far.

My reply is that with a carryover of 233 billion tons of wheat and feed grains and nearly 6 million bales of cotton, we face no danger of shortages from the effects of this one-year bill.

Concerning the cost of this bill at the grocery store, a family of four will pay somewhere between \$1 and \$2 more per week. A recent Harris poll showed that a majority of Americans are willing to have food prices rise by five percent to help farmers achieve their income goals.

I urge my colleagues in the House to put the need for saving the family farmer in the proper perspective and to analyze objectively the figures that are being orchestrated by the Administration. I believe that your objective analysis will result in your support of the "Emergency Agricultural Act of 1978".

Sincerely yours,
BOB DOLE
United States Senate