

News from Senator

BOB DOLE



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STATEMENT OF SENATOR BOB DOLE
SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY
"HEARING IN PREPARATION FOR 1990 FARM BILL:
THE ADMINISTRATION'S VIEWS"
FEBRUARY 7, 1990

MR. CHAIRMAN: I WANT TO COMMEND THE EFFORTS OF THE ADMINISTRATION IN OUTLINING THEIR PROPOSALS FOR THE 1990 FARM BILL. THE PROPOSALS ARE AN ATTEMPT TO ENSURE THAT THE FIRST FARM BILL DISCUSSIONS OUT OF THE STARTING BLOCKS ARE POLICY DRIVEN, NOT BUDGET DRIVEN. IN THE PAST IT SEEMS VARIOUS ADMINISTRATIONS HAVE PRESENTED OVERALL FARM BILLS THAT HAVE BEEN MORE OUT OF CONSIDERATION FOR BOTTOMLINE NUMBERS THAN COMMON-SENSE POLICY FOR THE AMERICAN FARMER.

NO DOUBT, THE BUDGET WILL PLAY A KEY ROLE IN THE FINAL WRITING OF THE 1990 FARM BILL. HOWEVER, THE ADMINISTRATION'S PROPOSALS GIVE US A SOLID STARTING POINT, RECOGNIZING OF COURSE THAT WE'LL HAVE PLENTY OF WORK TO DO BEFORE WE HAMMER OUT A NEW BILL. WE NEED TO DEVELOP THE BEST POLICIES AND THEN PRODUCE A BUDGET PACKAGE THAT IS RESPONSIBLE.

ONE-YEAR EXTENSION OF THE 1985 BILL

STILL, A TOP PRIORITY FOR 1990 MUST BE PROMPT ACTION, ESPECIALLY FOR WINTER WHEAT FARMERS. THEY NEED TO KNOW THE FARM PROGRAM BEFORE THEY PLANT THEIR CROPS. THEREFORE, IF THE FARM BILL IS NOT COMPLETED BY MID-SUMMER, I WILL PUSH FOR THE OPTION TO HAVE A ONE-YEAR EXTENSION OF THE 1985 ACT. FARMERS SHOULD BE PROTECTED IF THE FARM BILL IS NOT COMPLETED BEFORE CROP PLANTING. I COMMEND THE ADMINISTRATION FOR THEIR DESIRE TO HAVE THE FARM BILL COMPLETED BY MID-SUMMER.

FLEXIBILITY

IT APPEARS THE ADMINISTRATION'S PROPOSALS ARE CONSISTENT WITH MANY OF THE IDEAS ADVANCED TO DATE BY MEMBERS OF THIS COMMITTEE. THE PROPOSALS ARE CONSISTENT WITH NORMAL CROP ACRES (NCA) IDEAS THAT MANY OF US HAVE TALKED ABOUT. NO DOUBT ABOUT IT, FARMERS NEED FLEXIBILITY -- THAT WILL BE A KEY ISSUE AS WE MOVE THE BILL ALONG.

ENVIRONMENT

THE ADMINISTRATION PROPOSALS ARE ALSO SENSITIVE TO ENVIRONMENTAL CONCERNS. AS I'VE SAID BEFORE, THE AMERICAN FARMER HAS BEEN A TRUE ENVIRONMENTALIST -- HE HAS BEEN A RESPONSIBLE STEWARD OF AMERICA'S GREAT NATURAL RESOURCES. YES, ENVIRONMENTAL ISSUES WILL GET PLENTY OF HEADLINE COVERAGE, BUT WE NEED TO STAY OBJECTIVE AND BALANCED SO WE DON'T LET THE RADICALS AND NON-FARM GROUPS DICTATE THE FUTURE OF AMERICAN AGRICULTURE.

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CROP INSURANCE

THE CROP INSURANCE ISSUE IS CERTAINLY AN AREA THAT DESERVES THE FULL ATTENTION OF THE ADMINISTRATION AND THE COMMITTEE. THE ADMINISTRATION PROPOSALS CALL FOR THE ELIMINATION OF THE CURRENT CROP INSURANCE PROGRAM. I'M NOT READY TO GIVE UP ON THE CONCEPT OF A WORKABLE CROP INSURANCE PROGRAM WITHOUT TAKING A CLOSER LOOK AT SOME ALTERNATIVES. THERE IS A LOT OF SUPPORT IN FARM COUNTRY FOR THE PROGRAM. THIS IS EVIDENT IN THE INCREASING PERCENT OF ACREAGE SIGN-UP.

EXPORT ENHANCEMENT PROGRAM

ON THE EXPORT ENHANCEMENT FRONT, I AGREE THAT CONGRESS SHOULD BE CAUTIOUS IN SETTING SPECIFIED LIMITS ON THE PROGRAM. THERE IS NO DOUBT THAT "EEP" HAS BEEN ONE OF THE REAL SUCCESS STORIES OF THE 1985 FARM BILL. "EEP" CONVINCED THE COMPETITION THAT WE WERE SERIOUS ABOUT COMPETING IN THE MARKETPLACE, AND IT HAS GIVEN US NEW LEVERAGE IN THE CURRENT GATT NEGOTIATIONS. SINCE THE ENACTMENT OF "EEP" IN 1985 WE HAVE SPENT \$2.7 BILLION AND AT THE SAME TIME SOLD NEARLY \$10 BILLION OF FARM PRODUCTS. THOSE FIGURES DEMONSTRATE HOW FAR WE'VE COME SINCE THE DAYS OF MOUNTAINS OF SURPLUS GRAIN AND NOWHERE TO SELL IT.

FmHA -- REFORM NEEDED

AS FAR AS AGRICULTURAL CREDIT IS CONCERNED, WE NEED REFORM, AND WE NEED IT SOON. THERE IS REAL ABUSE IN SOME OF THE PROGRAM, ESPECIALLY IN THE SIZE OF WRITE-DOWNS AND BUY-OUTS. WE NEED TO ESTABLISH SOME LIMITS ON HOW THE GOVERNMENT FORGIVES, AND MAKE CERTAIN THE FAMILY FARMER IS GETTING A FAIR SHAKE. SENATOR KASSEBAUM AND I INTRODUCED SEVERAL REFORM PROPOSALS LAST YEAR THAT THE ADMINISTRATION ADDRESSED IN THEIR PROPOSALS. SENATOR KASSEBAUM AND I PLAN TO FOLLOW UP ON THIS ISSUE THIS YEAR AS WELL.

1985 BILL -- GOOD BUILDING BLOCK FOR 1990

AS WE BEGIN WORK ON THE 1990 BILL WE CAN TAKE ENCOURAGEMENT FROM THE GOOD WORK WE DID ON THE 1985 BILL. THE 1985 BILL PROVIDES A SOLID BUILDING BLOCK. THE 1985 BILL DID THREE BASIC THINGS:

- 1) PROVIDED FOR THE PROTECTION OF FARMER'S INCOME
- 2) INCREASED BOTH THE VOLUME AND THE VALUE OF AGRICULTURAL EXPORTS
- 3) BUDGETARY RESPONSIBLE - TODAY'S AG PROGRAMS COST LESS THAN HALF OF THE 1986 TOTALS.

THE 1985 FARM BILL CAME AT A TIME OF REAL FINANCIAL CRISIS FOR THE AMERICAN FARMER AND HELPED TURN THE CORNER. SOME FARMERS WILL TELL YOU STRAIGHT OUT - IT WAS A REAL LIFE-SAVER.

1990 FARM BILL

THE 1990 FARM BILL POSES NEW CHALLENGES TO BE FACED SINCE THE 1985 BILL. WE NEED THE POLICIES TO BE MORE FLEXIBLE, TO ALLOW FARMERS TO OPERATE MORE EFFICIENTLY IN THEIR PRODUCTION DECISIONS. WE MUST ALSO INCREASE OUR SENSITIVITY TOWARDS ENVIRONMENTAL CONCERNS, YET AT THE SAME TIME REMAIN RESPONSIBLE SO THAT WE DON'T PLACE UNDUE BURDENS ON FARMERS. AND THE BOTTOM LINE IS THAT THE BUDGET MUST COME INTO THE DEBATE AT SOME TIME.

THIS ADMINISTRATION PROPOSAL MAY NOT BE THE PERFECT PACKAGE WE ARE LOOKING FOR, BUT IT DOES PROVIDE A GOOD BASE FOR US TO WORK FROM.

1990 CHALLENGE: ELECTION SEASON

WITH 1990 BEING AN ELECTION YEAR, 9 OF THE 19 MEMBERS ON THE AGRICULTURE COMMITTEE WILL BE UP FOR RE-ELECTION. WITH THIS IN MIND WE MUST WORK QUICKLY IN HOPES OF MINIMIZING THE POLITICAL ASPECTS OF THE DISCUSSION.

LET ME REMIND THE COMMITTEE; FARMERS WANT A FARM PROGRAM, NOT A POLITICAL PROGRAM.

CONCLUSION

I HAVE BEEN LOOKING AT A NUMBER OF OPTIONS, AND I LOOK FORWARD TO WORKING WITH THE COMMITTEE AND THE ADMINISTRATION AS WE MOVE FORWARD.