

FOR IMMEDIATE RELEASE
July 20, 1990

CONTACT: WALT RIKER
(202) 224-5358

DOLE ISSUES STATEMENT ON 1990 FARM BILL
"WE MUST BE BUDGET CONSCIOUS WITH THIS BILL," DOLE SAYS AS DEBATE
BEGINS ON THE SENATE FLOOR

WE HAVE FINALLY BEGUN FLOOR DEBATE ON THE 1990 FARM BILL. WINTER WHEAT PRODUCERS AND OTHER FARMERS NEED TO KNOW WHAT KIND OF FARM PROGRAM WE ARE GOING TO HAVE FOR THE CROP YEAR ALREADY UPON US. I HAVE ASKED SECRETARY YEUTTER TO MAKE SOME KIND OF ANNOUNCEMENT REGARDING THE 1991 ACREAGE REDUCTION REQUIREMENT AND HE HAS AGREED TO DO SO BY THE END OF THE MONTH.

YESTERDAY'S BUDGET FIX

I WANT TO CONGRATULATE THE CHAIRMAN AND THE RANKING MEMBER OF THE COMMITTEE FOR OFFERING THEIR BUDGET-RELATED AMENDMENT YESTERDAY, BUT I THINK IT IS IMPORTANT TO REVIEW THE BIDDING AND PUT THIS AMENDMENT IN CONTEXT -- BECAUSE WHERE YOU STAND MAY DEPEND UPON WHERE YOU SIT. LET ME BE CLEAR ABOUT ONE FACT: THIS AMENDMENT DOES NOT SPELL THE END OF THE BUDGET STORY.

THE CURRENT LAW BASELINE, JUST UPDATED THIS WEEK BY OMB, PROJECTS SPENDING ON COMMODITY PROGRAMS OF ABOUT \$54 BILLION OVER THE NEXT FIVE YEARS. CBO'S BASELINE IS \$52 BILLION, NOT TREMENDOUSLY DIFFERENT FROM OMB'S.

BILL STILL OVER BUDGET

THE COMMITTEE ORIGINALLY CAME FORWARD WITH A BILL THAT IS PROJECTED TO COST ALMOST \$60 BILLION. THIS IS A NUMBER SUBJECT TO GREAT UNCERTAINTY; IT COULD BE MORE. BUT THE COMMITTEE BILL WAS CLEARLY AN INCREASE OVER CURRENT LAW -- THIS AT A TIME WHEN, RIGHT DOWN THE HALL FROM THIS FLOOR, THE BUDGET SUMMITTEERS ARE MEETING TO TRY TO CUT A DEFICIT THAT IS NOW OVER \$200 BILLION FOR FISCAL YEAR 1991.

SO I DON'T THINK IT WAS REALISTIC OF THE COMMITTEE TO COME FORWARD WITH A BILL THAT WAS A \$6 BILLION BUDGET INCREASE. DON'T GET ME WRONG. I SUPPORT A STRONG AGRICULTURE PROGRAM. I COME FROM RURAL AMERICA.

BE HONEST WITH PRODUCERS

BUT FARMERS WANT TO BE LEVELLED WITH. THEY DON'T WANT TO HEAR ONE STORY FROM THIS SENATE WHEN WE PASS A BILL, ONLY TO GET THE REAL BAD NEWS IN A FEW MONTHS. SO LET'S LOOK AT WHERE WE ARE. THE AMENDMENT OFFERED BY THE COMMITTEE YESTERDAY WOULD CUT ABOUT FOUR BILLION DOLLARS FROM THEIR ORIGINAL BILL OVER FIVE YEARS. THAT LEAVES THE BILL \$1.6 BILLION OVER THE CURRENT LAW BASELINE. AND THE BIGGEST PART OF THE SAVINGS -- \$3 BILLION OF THE \$4 BILLION CUT -- CAME FROM A SHIFT IN REPAYMENT DATES FOR LOANS. SO IT'S NOT COMPLETELY REAL SAVINGS.

DON'T IGNORE FUTURE CUTS

BUT EVEN WITH THE AMENDMENT, A BILL THAT IS ABOUT \$1.5 BILLION OVER THE BASELINE IGNORES THE FACT THAT ADDITIONAL CUTS ARE AROUND THE CORNER. THE ADMINISTRATION HAS ASKED FOR \$1.1 BILLION IN FARM PROGRAM SAVINGS THIS YEAR -- \$18.7 BILLION OVER FIVE YEARS.

- 2 -

AND THE SUMMIT IS TALKING ABOUT SAVINGS OF ANYWHERE FROM \$6 TO \$18 BILLION BELOW THE CURRENT LAW BASELINE. SO WE'VE GOT TO BE REALISTIC. THE DEFICIT IS NOW \$168 BILLION --\$231 BILLION IF YOU COUNT THE S&L'S. WE FACE A SEQUESTER OF OVER \$100 BILLION IN JUST TWO AND ONE HALF MONTHS. THAT MEANS, IF THERE IS NO BUDGET AGREEMENT, A CUT OF 38% ACROSS THE BOARD IN ALL FARM PROGRAMS.

SO RURAL AMERICA SHOULD WANT TO SEE A SUCCESSFUL BUDGET SUMMIT. THEY SHOULD WANT AN AGREEMENT. AND IF THERE IS TO BE A SUCCESSFUL SUMMIT - IF THERE IS TO BE AN AGREEMENT - AGRICULTURE WILL HAVE TO DO ITS PART. THOSE WHO WISH TO OFFER AMENDMENTS TO RAISE SPENDING OR THOSE WHO THINK OUR JOB IS DONE SHOULD KEEP THIS IN MIND. SO LET'S NOT MISLEAD THE PRODUCERS OUT THERE. LET'S NOT SEND THEM THE WRONG SIGNAL.

SUBSTITUTE RECOGNIZES BUDGET

I HAVE A SUBSTITUTE DRAFTED, WHICH I HAVE DISCUSSED WITH SENATOR LUGAR, THAT WOULD AT LEAST BRING OUR BILL SLIGHTLY BELOW CURRENT SERVICES. IT ALSO MOVES US CLOSER TO THE 1985 FARM BILL WHICH MOST FARMERS AND MEMBERS OF CONGRESS SAY WAS A GOOD BILL, AND PROBABLY ONE OF THE MOST SUCCESSFUL FARM BILLS IN HISTORY. THE WHITE HOUSE HAS SAID IT WILL VETO THIS BILL IF IT IS NOT BROUGHT IN LINE WITH THE SUMMIT AGREEMENT. I APPRECIATE OUR CHAIRMAN'S COMMITMENT TO FORESTALL FINAL CONSIDERATION OF A FARM BILL CONFERENCE REPORT UNTIL AND UNLESS THE BILL MEETS SUMMIT AGREEMENT SPENDING LEVELS.

ALSO NEED POLICY REVISIONS

I ALSO HOPE WE ARE ABLE TO MAKE SOME POLICY IMPROVEMENTS HERE ON THE FLOOR. IT WILL MAKE OUR JOB A LITTLE EASIER LATER ON. I KNOW SENATORS GRASSLEY AND BOSCHWITZ WILL HAVE SOME SUGGESTIONS ON FLEXIBILITY. SENATORS McCONNELL AND FOWLER APPARENTLY HAVE A DAIRY PLAN. SENATORS CHAFFEE, ROTH, AND METZENBAUM HAVE SOME HONEY AND PEANUT IDEAS THAT DESERVE CONSIDERATION. THERE ARE MANY OTHERS WHO MAY HAVE AMENDMENTS AS WELL.

THE BOTTOM LINE IS THAT THERE ARE GOING TO HAVE TO BE BUDGET SAVINGS BELOW THE BASELINE. IT COULD BE ABOUT A BILLION FOR NEXT YEAR. AND IT COULD BE SEVERAL BILLION OVER FIVE YEARS. AND WE SHOULD BEGIN NOW TO TALK ABOUT OPTIONS FOR ACHIEVING THOSE SAVINGS.

THOMAS JEFFERSON ONCE SAID THAT "THE WHOLE OF GOVERNMENT CONSISTS OF THE ART OF BEING HONEST." LET'S BE HONEST TO OUR FARMERS. WE NEED A BUDGET AGREEMENT. AND AGRICULTURE WILL HAVE TO DO ITS PART. YESTERDAY'S AMENDMENT WAS ONLY A FIRST STEP.

##