



NEWS from

U.S. Senator Bob Dole

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DOLE MEETS WITH REPRESENTATIVES OF AMERICAN AGRICULTURE MOVEMENT

WASHINGTON, D.C.--Senator Bob Dole, Ranking Republican on the Senate Agriculture Committee, met today and discussed farm issues, policies, and problems with representatives of the American Agriculture Movement.

The text of Senator Dole's comments follows:

You have come from all over this great Nation to highlight attention to the seriousness of the economic plight of farmers. You deserve the gratitude of all Americans for calling attention to the seriousness of the situation on the farms and in rural America. Since we cannot have a healthy national economy without a healthy agricultural economy, all Americans have a vital interest in the issues of your concern. I am here to receive from your leaders the thoughts as presented in your issue paper that I understand you will present today. Also, I want to assure you that the Senate Agriculture Committee will hold field hearings in January. At that time you can present, in a formal manner specific ideas for action by the Congress and the Administration.

Speaking of administrative actions, I believe that the Carter Administration has not moved speedily enough in implementing existing legislative provisions.

More Aggressive Export Policy Needed

Let us together review some of my more recent recommendations to the Carter Administration - proposals with which I feel you will agree.

We need a more aggressive and realistic export policy to better meet the competition that we are facing in world markets. We must not be residual suppliers. The following recommendations, if implemented, will help both the farmers' income and the economy of the entire nation:

(1) Commit Additional CCC Credits Immediately. In a letter of October 20, 1977, to President Carter, sixteen of my colleagues on the Senate Agriculture Committee and I asked that the Administration double the funding level of \$750 million for CCC credits, announced on August 18, 1977. On November 17, 1977, Secretary Bergland announced that the CCC credit allocation of \$750 million would be increased to \$1.5 billion. This increase, if committed promptly, should help U.S. farm exports more readily compete with credits offered by Canada, Australia, and others in world grain and other commodity markets.

The CCC credit program, as Secretary Bergland has testified, "makes money for the Government" since the interest rates received by CCC are higher than the rates paid by them to the U.S. Treasury for money. The repayment record also has been excellent. I am pleased that the Administration has now responded to the need for additional CCC credits and I urge that these new credits be committed as lines of credit for our overseas customers at an early date in order to maximize export opportunities.

(2) Expand Export-Import Bank Credits. On September 8, 1977, I wrote the President of the Export-Import Bank, asking that the Eximbank's farm commodity export policy be revised. I suggested that the meager \$70-95 million financing of agricultural exports in recent years be increased to at least \$500 million annually. Farm exports, which annually represent over 20 percent of total U.S. exports, deserve a more equitable share of the \$6-10 billion of annual U.S. export financing. If farmers do not get a better break from Eximbank in the near future, I will introduce legislation in the next session of Congress to accomplish that objective.

(3) Support CCC Credit Legislation. Moreover, I invite the Administration to support my bill and that of Senator Humphrey to authorize CCC credits to such non-market economy countries as the People's Republic of China, the Soviet Union and Eastern European countries such as East Germany and Czechoslovakia. However, credits to the Soviet Union would be provided or increased by the number of Jews permitted to emigrate. I also oppose extending such credits to Vietnam, North Korea, Cambodia, Laos and Cuba. Also, I will work with the Administration to obtain legislation which will provide "intermediate" CCC credits so that we can take advantage of export opportunities that require credits with terms longer than the current maximum of three years.

(4) Better Use of Food for Peace. Another important export tool that is not being sufficiently utilized is the PL 480 or Food for Peace Program. This legislation was signed by President Eisenhower back in 1954. During the last 23 years, with bipartisan support, over \$30 billion worth of farm commodities have been exported under its provisions. The great value of this program, in terms of lives saved and new markets developed, is impossible to comprehend. It is one of the great practical humanitarian steps of this and any other generation.

In a letter to Secretary Bergland, I recommended that \$1 billion worth of grain and other farm commodities be exported under Title I of PL 480 to help meet the food needs of developing countries in fiscal year 1978. The Administration was nearly a month late in announcing their FY 78 allocation of only \$800 million worth of commodities. This allocation compares with the Ford Administration's allocation of September 22, 1976, of \$866 million worth of commodities for FY 77.

A year ago, Title I agreements for \$311 million worth of farm commodities representing almost 2 million metric tons were signed in October and November. On November 16, 1977, most of my colleagues on the Senate Agriculture Committee joined me in a letter to Chairman Talmadge asking for Committee hearings on the unusual delay in PL 480 programming this fiscal year. Additionally, I have asked President Carter to personally intervene to obtain immediate resumption of PL 480 programming and shipments which are still delayed with only one agreement (Egypt) signed since the new fiscal year began on October 1.

I am concerned that the PL 480 leadership in the Carter Administration is good at conducting seminars and appointing task forces but appear to be a bit short on their capability to execute programs that are timely and meaningful to American farmers, as well as to hungry people in developing countries. Starving and hungry people do not eat seminars or option papers. Yesterday's hungry people cannot eat twice as much tomorrow.

(5) More Attention to Market Development. I would like to see the Administration spend less time at international commodity agreement conferences and direct more of their resources into market development activities. The USDA - industry cooperator market development program is not receiving the attention that it should be getting. There is far less real activity by these programs in world markets than there was 10 years ago.

We need to be carrying the message to overseas markets more vigorously than is being done that we are not only a dependable supplier but that we have the widest range of commodity qualities of any exporting country in the world. We should follow up these messages by servicing more adequately the markets in which we sell.

(6) Use of PL 480 to Improve Storage and Handling Facilities. I urge the Administration to make use of existing authority provided under Section 104(b)(1) of Public Law 480 to write into Title I agreement provisions for the generation of foreign currencies to be made available to the Secretary of Agriculture to fund projects in PL 480 recipient countries to improve storage, handling and distribution of farm commodities. This would materially assist in the consumption, distribution, and reduction of waste of food. Such facilities would be used for both PL 480 and commercial imports as we have seen demonstrated in India in the past following U.S. assistance provided that country for storage facilities.

(7) Implement Legislation Enabling Importers to Store Purchases in U.S. Also, I urge the Administration to implement immediately the provisions of legislation that I sponsored to enable commercial grain importing countries to purchase U.S. grain, and store it in the United States for 12 months or longer for subsequent export without export restraints or controls.

(8) Geneva Trade Negotiations. Further, I would urge that the Administration's trade negotiators in Geneva not be "mousetrapped" into any agreements that would work to the detriment of U.S. farm exports. I believe that we must not give away easier access to U.S. markets for industrial goods or agricultural commodities by reduced tariff or non-tariff barriers without gaining greater access to the markets of the world for U.S. agriculture. Greater access to world markets is the most important objective for U.S. agriculture. Both industrial and farm items must be brought along together as the trade negotiations proceed. We must not be the forgotten relatives as we were during the Kennedy round.

Summary of Recommendations

In summary then, I would like to urge the Administration to facilitate farm exports:

- (1) Committing the additional CCC credits immediately to lines of credit so that export opportunities do not slip away;
- (2) Increasing PL 480, Title I - \$1 billion worth of commodities, up from the \$800 million announced for FY 78 and speed up programming immediately;
- (3) Expanding Eximbank financing of farm commodities from the \$75 million allocated to finance cotton to Japan to at least \$500 million for the export of farm commodities;
- (4) Supporting CCC credit legislation to provide financing of commodities to better meet competition in countries such as the People's Republic of China, the Soviet Union and certain Eastern European countries;
- (5) Supporting with adequate resources and new ideas a more vigorous market development effort;
- (6) Making the most of the U.S. agriculture efficiency and gain concessions for U.S. farm exports in the Geneva trade negotiations;
- (7) Using PL 480 to improve storage and handling facilities for U.S. grain and other commodities imported in developing countries; and,
- (8) Implementing legislation enabling commercial grain importers to purchase U.S. grain and store it in the United States for subsequent export.

In addition to my recommendations to stimulate exports, I urge the Secretary of Agriculture to use the disaster reserves provision of the new farm bill. This section permits him to purchase wheat, feedgrains, hay or other livestock forages for disposition in disaster situations where CCC stocks are not available at locations where they may be economically used. During the current period of low prices it seems prudent for the Secretary to use his authority to acquire such stocks which would be of great value in case of natural disaster.

Seizing opportunities for greater domestic demand and utilizing export authority is extremely important to farmers. Recent failures have been reflected in prices received at lower levels. I have suggested administrative actions and sponsored legislation which would help farmers achieve parity for their commodities. It is my contention that farmers would today be in a much better mood and financial condition if the Carter Administration would have moved quickly to reflect the true situation. Let us have less rhetoric and position papers and more constructive action!