

News from Senator

BOB DOLE



(R - Kansas)

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DOLE INTRODUCES DEMAND-ORIENTED FARM LEGISLATION

-- Senator Bob Dole (R-Kansas) today announced the introduction of two bills on the opening day of the 98th Congress designed to boost both the domestic consumption and foreign purchases of U. S. farm products.

According to Dole, "this legislation responds to the realities posed by burgeoning supplies in American warehouses, untapped demand in the domestic market, and cut-throat competition for fewer and small markets abroad."

"These two bills, "The Domestic Commodity Distribution and Food Assistance Act" and "The Agricultural Export Expansion Act of 1983", are designed to draw down the chronic and burdensome stocks of wheat, feed grains, dairy products and other commodities that have been weighing on farm prices for the past several years," said Dole. "We need to open the channels to needy people in this country who are going hungry while stocks of butter, cheese and grain are approaching quality deterioration and costing taxpayer millions of dollars in storage charges."

"My legislation would give direct access to these supplies by eligible recipient agencies involved in food programs for the poor and elderly. The USDA estimates that over \$1.0 billion in commodities would be drawn out of government ownership during the first year alone. This double benefit to less fortunate Americans and to farmers who want to see government supplies reduced is enough to justify the estimated \$52 million administrative cost of the program,"

In announcing his proposed legislation to expand farm exports, Dole said, "It is time for everyone involved in agriculture, including Washington politicians and representatives of farm and commodity organizations, to start taking a long-term and realistic look at the problems facing American agriculture in the 1980's and what can and cannot realistically be done about them."

Citing the possible \$15 billion cost of commodity support programs forecast in Fiscal Year 1984, Dole stated that "with other major government assistance programs being scaled back, American taxpayers are running out of patience with band-aid solutions that treat the symptoms instead of the disease. U. S. farmers don't want to depend on increasing handouts from Washington either. We have to find ways to make more efficient use of scarce financial resources. The era of ever-expanding entitlement programs is ending for every sector of the economy."

Specifics of the "The Agricultural Export Expansion Act" are as follows:

- Sec. 2. Findings and Declaration of Policy: The Congress declares that expansion of agricultural exports is of fundamental economic importance to the Nation and is one of the highest national priorities.
- Sec. 3. Export PIK Authority: Allows the Secretary of Agriculture to make surplus commodities available at no cost to foreign countries which purchase U. S. agricultural products.
- Sec. 4. Section 416 Authority: Allows the Secretary to donate surplus commodities abroad through public and private non-profit agencies for humanitarian purposes.

- Sec. 5. Export Promotion through Reduction in Target Price Increases:
Allows the Secretary to reduce by one-half the scheduled increases in target prices for 1984 and 1985 crops, with any savings required to be used to promote farm exports:
- Increase of 10 percent in the budget for the Foreign Market Development Cooperator Program administered by the Foreign Agricultural Service.
 - Balance of savings to constitute an "Agricultural Export Promotion Revolving Fund: for direct short and intermediate-term credits, with repayments available for new loans.
 - USDA estimates that the savings from this adjustment will total \$185 million in Fiscal Year 1984, \$458 million in Fiscal Year 1985 and \$443 million in Fiscal Year 1986, creating a revolving fund of over \$1.0 billion for export promotion.
- Sec. 6. Economic Support Fund: Requires no less than 20 percent of the Fund be used for purchases of U. S. agricultural exports, including at least one-half in processed or value-added products.
- Sec. 7. State Department Report: Requires the Secretary of State to report by July 1, 1983, on additional programs and funding available for expanding U. S. Farm exports.
- Sec. 8. Long-Term Agreement Negotiations: Requires the President or his deputy to report by March 31, 1983, on the status of negotiations on a new long-term agreement on agricultural trade with the Soviet Union, and expresses the sense of Congress that the U. S. should initiate such negotiations.
- Sec. 9. Report on Bilateral Agreements: Requires the Secretary of Agricultural to report by July 1, 1983, on the expansion of bilateral agricultural trade.