

REMARKS OF HONORABLE BOB DOLE

MIDWEST FERTILIZER CONFERENCE
PALMER HOUSE, CHICAGO ILLINOIS
TUESDAY, FEBRUARY 17, 1970

I AM APPRECIATIVE OF THE OPPORTUNITY TO PARTICIPATE IN THIS, THE 27TH ANNUAL MIDWEST FERTILIZER CONFERENCE. IT IS A GREAT FEELING TO BE AMONG FRIENDS HERE -- MANY OF WHOM HAVE DEDICATED THEIR LIVES TO THE PROGRESS OF AGRICULTURE.

THE ADVANCEMENT OF AGRICULTURAL PRODUCTIVITY HAS PROVED AND CONTINUES TO BE VITAL TO THIS NATION. IT UNDERGIRDS MANY OF THE SIGNIFICANT DECISIONS BOTH DOMESTICALLY AND INTERNATIONALLY. THERE IS NO QUESTION IN MY MIND THAT THE VITALITY OF AMERICAN AGRICULTURE WILL CONTINUE TO DEMAND THE EXTENSIVE USE OF FERTILIZERS INTO THE FORESEEABLE FUTURE.

JUST AS AN EXERCISE IN APPRECIATING THE DIMENSIONS OF THE CONTRIBUTIONS OF FERTILIZERS TO OUR NATIONAL WELL-BEING, I THINK WE SHOULD STEP BACK AND CONTEMPLATE THE EFFECTS ON A U. S. AGRICULTURE WITHOUT THEM. YIELDS WOULD SHRINK. PRICES OF FARM PRODUCTS WOULD SKYROCKET. INSTEAD OF ACQUIRING THE MOST NUTRITIOUS DIET AT LESS THAN 17 PERCENT OF OUR DISPOSABLE INCOME -- THE LOWEST IN THE WORLD -- WE WOULD HAVE TO SPEND POSSIBLY 40

-2-

PERCENT FOR FOOD. WHILE I HAVE SET THIS UP AS A STRAWMAN TO BE DEMOLISHED, I BELIEVE IT MAKES THE BASIC POINT OF THE IMPORTANCE OF FERTILIZERS TO OUR DAILY LIVING.

NIXON APPROVAL

I WANT TO ASSURE YOU THAT THE NIXON TEAM IN WASHINGTON BELIEVES IN AND INTENDS TO SUPPORT RESEARCH. FOR RESEARCH HAS BEEN, IS AND WILL CONTINUE TO BE THE MAINSPRING OF OUR AGRICULTURAL PROGRESS. RESEARCH AND TECHNOLOGY WILL BE THE GENIE TO OPEN WIDE THE DOORS TO MORE ABUNDANT FOOD SUPPLIES FOR AN EXPANDING POPULATION.

IF WE ARE TO UNDERSTAND THE NIXON APPROACH TO FARM ISSUES, WE MUST RECOGNIZE THAT ANY SOLUTIONS MUST FIRST OF ALL BE GOOD FOR FARMERS IN THE LONG RUN.

FARMERS ARE DOING A WONDERFUL JOB. YOU ALL KNOW THE STORY AND THE FIGURES.

THE INCREASE IN PRODUCTIVITY ON THE FARM HAS EXCEEDED THAT IN THE FACTORY.

THE FARMER'S EFFICIENCY ENABLES HIM TODAY TO PRODUCE FOR HIMSELF AND OVER 40 OTHERS, AND THIS HAS HELPED MAKE OUR STANDARD OF LIVING THE HIGHEST IN THE WORLD. FARMERS HAVE TAKEN HOLD OF ADVANCES IN TECHNOLOGY TO PRODUCE BETTER AND BETTER COMMODITIES IN GREATER AND GREATER VOLUME AND MARKET THEM AT FAIR AND REASONABLE PRICES.

-3-

MY ADMIRATION FOR THE JOB FARMERS ARE DOING IS EXCEEDED ONLY BY MY SYMPATHY FOR THEIR PROBLEMS. THE COST-PRICE SQUEEZE IS A BASIC ECONOMIC FACTOR IN AGRICULTURE THAT DISTURBS ME GREATLY, AS IT DOES ALL FARMERS. WE ARE TRYING TO HOLD THE LINE ON INFLATION.

STATE OF UNION

IN HIS STATE OF THE UNION MESSAGE, PRESIDENT NIXON SAID:

"WHEN I SPEAK OF ACTIONS WHICH WOULD BE BENEFICIAL TO THE AMERICAN PEOPLE, I CAN THINK OF NONE MORE IMPORTANT THAN FOR THE CONGRESS TO JOIN THIS ADMINISTRATION IN THE BATTLE TO STOP THE RISE IN THE COST OF LIVING.

"NOW, I REALIZE IT IS TEMPTING TO BLAME SOMEONE ELSE FOR INFLATION.

"SOME BLAME BUSINESS FOR RAISING PRICES..

"SOME BLAME UNIONS FOR ASKING FOR MORE WAGES.

"BUT A REVIEW OF THE STARK FISCAL FACTS OF THE 1960'S CLEARLY DEMONSTRATES WHERE THE PRIMARY BLAME FOR RISING PRICES MUST BE PLACED.

"IN THE DECADE OF THE SIXTIES THE FEDERAL GOVERNMENT SPENT \$57 BILLION MORE THAN IT TOOK IN IN TAXES.

"IN THAT SAME DECADE THE AMERICAN PEOPLE PAID THE BILL FOR THAT DEFICIT IN PRICE INCREASES WHICH RAISED THE COST OF LIVING FOR THE AVERAGE FAMILY OF FOUR BY \$200 PER MONTH IN AMERICA.

-4-

"NOW MILLIONS OF AMERICANS ARE FORCED TO GO INTO DEBT TODAY BECAUSE THE FEDERAL GOVERNMENT DECIDED TO GO INTO DEBT YESTERDAY. WE MUST BALANCE OUR FEDERAL BUDGET SO THAT AMERICAN FAMILIES WILL HAVE A BETTER CHANCE TO BALANCE THEIR FAMILY BUDGETS.

"ONLY WITH THE COOPERATION OF THE CONGRESS CAN WE MEET THIS HIGHEST PRIORITY OBJECTIVE OF RESPONSIBLE GOVERNMENT.

"WE ARE ON THE RIGHT TRACK.

"WE HAD A BALANCED BUDGET IN 1969.

"THIS ADMINISTRATION CUT MORE THAN \$7 BILLION OUT OF SPENDING PLANS IN ORDER TO PRODUCE A SURPLUS IN 1970.

"IN SPITE OF THE FACT THAT CONGRESS REDUCED REVENUES BY \$3 BILLION, I SHALL RECOMMEND A BALANCED BUDGET FOR 1971."

INFLATION

AS I HAVE INDICATED, INFLATION IS ONE OF THE MAJOR PROBLEM AREAS AFFECTING AGRICULTURE.

BETWEEN 1939 AND 1952 THE INDEX OF PRICES PAID BY FARMERS INCLUDING INTEREST AND TAXES MORE THAN DOUBLED -- RISING FROM 42 TO 98 (1957-59 = 100). IN CONTRAST, DURING THE EISENHOWER YEARS, THE 1960 LEVEL WAS 102 -- UP ONLY 4 PERCENT FROM 1952. BUT MOST OF THE DAMAGE HAD ALREADY BEEN DONE. BETWEEN 1960 AND 1968, THE

-5-

PRICES PAID BY FARMERS LEAPED UPWARD BY 20 PERCENT TO END THE YEAR AT 123. INFLATED COSTS GET FROZEN INTO THE FARMERS' ECONOMIC STRUCTURE. THIS ADVERSELY AFFECTS NET FARM INCOME, AND IT WILL CONTINUE TO DO SO UNTIL WE STOP IT -- AND STOP IT WE WILL!

SPECIFICALLY IN THE FARM AREA, THE NIXON ADMINISTRATION RECOGNIZES THAT THERE ARE THREE ADJECTIVES WHICH DESCRIBE THE SCIENTIFIC REVOLUTION WHICH AGRICULTURE IS NOW UNDERGOING. AGAINST THE REALITIES OF THE WORDS, IRREVERSIBLE, CUMULATIVE AND CONTINUOUS, THE ADMINISTRATION IS TAKING MAJOR ACTIONS AND PROPOSING NEW LEGISLATION. LET US TOGETHER EXAMINE SOME OF THE NEW ELEMENTS ON THE SCENE.

FIRST PROGRAMS TO FEED THE POOR HAVE BEEN EXPANDED. ACTUALLY, THIS WAS ONE OF THE TOP PRIORITIES ASSIGNED TO SECRETARY OF AGRICULTURE HARDIN. IN JUST ONE YEAR SIGNIFICANT PROGRESS HAS BEEN MADE IN MEETING THE PRESIDENT'S COMMITMENT "TO WIPE POVERTY-RELATED MALNUTRITION AND HUNGER FROM OUR LAND." IN EARLY 1969, THERE WERE 485 COUNTIES AND INDEPENDENT CITIES OF THE 3,129 IN THE NATION WITH NO FOOD PROGRAMS. BY JULY 1, 1970, WE ARE VIRTUALLY CERTAIN THAT THERE WILL BE A FOOD STAMP OR COMMODITY DISTRIBUTION PROGRAM IN EVERY COUNTY AND INDEPENDENT CITY IN THE NATION.

-6-

NUTRITION

AS A MEMBER OF THE SENATE'S SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS, I HAVE SEEN HUNGER AND WHAT IT DOES TO PEOPLE.

UNDER THIS ADMINISTRATION, THE FEEDING PROGRAMS HAVE BEEN IMPROVED, AND MANY NEEDY PEOPLE, HERETOFORE OUTSIDE THE PROGRAM, WILL BE REACHED.

THE FOOD STAMP SCHEDULES HAVE BEEN RESTRUCTURED SO THAT ALL INCOME GROUPS, INCLUDING THE LOWEST, CAN NOW BUY A MORE ADE-
QUATE DIET.

UNDER THE NEW SCHEDULES, A FAMILY OF FOUR WILL RECEIVE \$106 WORTH OF FOOD COUPONS EACH MONTH -- AN 83 PERCENT BOOST OVER THE PREVIOUS MINIMUM OF \$58 A MONTH. COUPON ALLOTMENTS ARE NOW ALSO SET AT A UNIFORM LEVEL NATIONALLY, ELIMINATING THE SEPARATE SCHEDULES THAT HAD BEEN USED FOR NORTH AND SOUTH.

THE IMPROVEMENTS HAVE BEEN MADE POSSIBLE BY THE \$610 MIL-
LION PROVIDED IN USDA APPROPRIATIONS FOR FISCAL YEAR 1970 OPERA-
TION OF THE PROGRAM.

IN 1969, 5,000 PERSONS, RESIDENTS OF DEPRESSED AREAS, WERE HIRED BY THE EXTENSION SERVICE TO HELP THEIR NEIGHBORS STRECH
STRETCH FOOD DOLLARS AND SERVE NUTRITIOUS MEALS. THESE WORKERS,

-7-

MANY OF THEM PREVIOUSLY UNEMPLOYED AND MORE THAN 60 PERCENT FROM MINORITY GROUPS -- ARE NOW EARNING MONEY BY USING THEIR SPECIAL INTENSIVE TRAINING TO TEACH FOOD BUYING, MEAL PLANNING AND BUDGETING WITHIN DEPRESSED AREAS. THEY ARE CLOSING A COMMUNICATIONS GAP.

FARM PROPOSALS

THE ADMINISTRATION IS PRESSING THE LEGISLATIVE PROPOSALS FOR A MAJOR EXPANSION OF THE FOOD STAMP PROGRAM. CONGRESS IS STILL CONSIDERING THIS PROPOSAL AND IT IS EXPECTED THAT LEGISLATION WILL BE COMPLETED IN THE NEAR FUTURE. THIS WILL GIVE US AN ADDITIONAL TOOL.

THERE IS AGREEMENT AMONG THINKING PEOPLE ON THE BASIC NEED FOR FARM PROGRAMS. THERE IS RECOGNITION THAT THE AGRICULTURAL PLANT IS OF SUCH CAPACITY THAT WE WOULD HAVE SERIOUS OVERPRODUCTION SHOULD WE NOT OFFER ADJUSTMENT PROGRAMS.

THERE IS ALSO AGREEMENT AMONG THINKING PEOPLE THAT THE LOAN LEVELS SHOULD BE SUCH AS WILL PERMIT COMMODITIES TO MOVE INTO USE AND NOT GIVE OUR OVERSEAS COMPETITORS UNWARRENTED COMFORT, NOR PROVIDE THEM AN INDUCEMENT TO EXPAND PRODUCTION OF COMPETITIVE CROPS OR TO USE SUBSTITUTES. WE SHOULD AVOID A BUILD-UP OF STOCKS IN GOVERNMENT HANDS. FOR WE NEED EXPORT GROWTH IF WE ARE TO REVERSE THE DECLINE OF THE PAST TWO YEARS

-8-

IN OUR AGRICULTURAL SHIPMENTS AND TO HELP OUR BALANCE OF PAYMENTS SITUATION. EXPORT OUTLETS FOR FEED GRAINS, SOYBEANS, WHEAT, AND COTTON PROVIDE AN IMPORTANT SHARE OF THE EXPORT MARKET FOR FARM PRODUCTS.

ANOTHER FACTOR TAKEN INTO CONSIDERATION IS THE FACT THAT OPPORTUNITIES EXIST FOR GRAIN AND SOYBEAN FARMERS TO EXPAND UTILIZATION OF FEEDSTUFFS BY OUR OWN LIVESTOCK AND POULTRY INDUSTRIES. THE EXPANSION IN BEEF AND POULTRY CONSUMPTION, FOR EXAMPLE, HAS BEEN SPECTACULAR IN THE LAST 10 YEARS.

INCREASED USE OF LIVESTOCK AND POULTRY PRODUCTS IS A MEASURE OF IMPROVED DIETS FOR MANY PEOPLE -- A FACTOR THAT WE ARE INCREASINGLY AWARE OF IN THE PLANNING OF GOVERNMENT FOOD PROGRAMS. BOTH THE FOOD STAMP AND DIRECT FOOD DISTRIBUTION PROGRAMS ARE MAKING GREATER USE OF MEAT AND POULTRY. IF CONGRESS PASSES PRESIDENT NIXON'S PROPOSED FAMILY ASSISTANCE PROGRAM, THIS WILL WORK DIRECTLY TO INCREASE THE EFFECTIVE DEMAND FOR LIVESTOCK AND POULTRY PRODUCTS.

SO OUR PROGRAMS MUST LOOK TO EXPANDED MARKETS, BOTH AT HOME AND OVERSEAS. WE MUST BE PREPARED TO COMPETE FOR MAXIMUM UTILIZATION OF OUR PRODUCTS THROUGHOUT THE WORLD.

-9-

PROPOSED ACT OF 1970

A PROPOSED "AGRICULTURAL ACT OF 1970" HAS BEEN DEVELOPED AS THE RESULT OF MANY WORK SESSIONS AND DISCUSSIONS BETWEEN OFFICIALS OF THE U.S. DEPARTMENT OF AGRICULTURE AND MEMBERS OF THE HOUSE COMMITTEE ON AGRICULTURE. THE PROPOSED FARM LEGISLATION HAS AS ITS OBJECTIVES THE FOLLOWING:

1. TO GIVE FARMERS A WIDER RANGE OF DECISION-MAKING ON THEIR OWN FARMS. THIS WOULD BE ACCOMPLISHED THROUGH INCREASED OPPORTUNITY AND FLEXIBILITY FOR FARMERS TO SPECIALIZE IN THOSE CROPS WHICH WILL MAXIMIZE THEIR NET RETURNS. FARMERS WOULD BE FREE TO DO THE KIND OF FARMING THEY ARE BEST PREPARED TO DO -- IN TERMS OF ABILITY, DESIRE, LAND, EQUIPMENT, AND OTHER CAPITAL.
2. TO HELP FARMERS IMPROVE CASH MARKETS FOR THEIR COMMODITIES AND DEVELOP A GREATER RELIANCE ON THE MARKETPLACE AS A SOURCE OF FARM INCOME.
3. TO PROTECT FARM INCOME. LOANS WOULD BE AUTHORIZED TO ASSIST PRODUCERS IN THE ORDERLY MARKETING OF THEIR CROPS.
4. TO HELP BALANCE SUPPLY AND DEMAND IN AGRICULTURE. SUBSIDY PAYMENTS WOULD BE AUTHORIZED FOR FARMERS WHO SET ASIDE A

-10-

A PORTION OF THEIR CROPLAND AND DEVOTE IT TO APPROVED CONSERVATION USES, RATHER THAN USING IT FOR PRODUCTION OF UNNEEDED CROPS FOR WHICH THERE IS NO MARKET.

THE ABOVE OBJECTIVES ARE INCORPORATED IN THE SO-CALLED "SET-ASIDE" APPROACH. THE PROPOSED PROGRAM WOULD BE ENTIRELY VOLUNTARY. THOSE WHO WISH TO STAY OUT OF THE PROGRAM WOULD BE FREE TO DO SO. HOWEVER, THEY WOULD RECEIVE NO PAYMENTS AND WOULD NOT BE ELIGIBLE FOR LOANS. YOU MAY BE SURE THAT THIS PROGRAM WILL RECEIVE CAREFUL ANALYSIS BY THE CONGRESS TO MAKE SURE THAT EACH DETAIL FITS THE OVERALL OBJECTIVES OF EXPANDING OPPORTUNITIES AND HIGHER INCOME FOR FARMERS.

P.L. 480

THOSE WHO HAVE STUDIED AND ADMIRERD THE FOOD FOR PEACE PROGRAM -- INITIATED BY PRESIDENT EISENHOWER IN 1954 -- QUICKLY RECOGNIZED THAT THE PROGRAM WAS MUCH MORE SIGNIFICANT THAN THE INITIAL CONCEPT OF SURPLUS DISPOSAL. TO THIS WAS ADDED THE POSITIVE VIEW THAT THE PROGRAM COULD BE USED TO ADVANCE THE FOREIGN ECONOMIC POLICY OF THE UNITED STATES.

THE UNITED STATES IS THE POSSESSOR, IN ITS AGRICULTURAL PRODUCTIVE CAPABILITY, OF A GREAT ASSET WHICH CAN BE SHARED WITH OUR FRIENDS AND WHICH OUR RIVALS LACK. U.S. AGRICULTURE REPRESENTS OUR GREATEST ABSOLUTE AND RELATIVE ADVANTAGE OVER THE

-11-

COMMUNIST WORLD. THUS, WE SHOULD BE BOLD IN OUR USE OF THIS TOOL -- NOT PASSIVE.

THE FACT THAT THE FOOD FOR PEACE PROGRAM SERVES TWO PURPOSES (SURPLUS DISPOSAL AND FOREIGN ASSISTANCE) RATHER THAN ONE IS TO ITS CREDIT, NOT TO ITS DISCREDIT. THE FACT THAT IT RELIEVES OUR INVENTORY DOES NOT DETRACT FROM ITS MERITS AS FOREIGN ASSISTANCE. AND THE FACT THAT IT HELPS OUR FRIENDS DOES NOT DIMINISH ITS USEFULNESS AS A MEAN OF REDUCING OUR STORAGE CHARGES AND OTHER FARM PROGRAM COSTS. IT THUS BECOMES A MATTER OF WISELY ADMINISTERING A PROGRAM USEFUL BOTH TO HIM WHO SUPPLIES AND HIM WHO RECEIVES, IT MEANS NOT ONLY SOLVING PROBLEMS BUT SEIZING OPPORTUNITIES.

AMERICAN AGRICULTURAL CAPABILITY IS A TREMENDOUS ASSET TO THE WHOLE FREE WORLD. IN ANY EXAMINATION WE MUST CONSIDER HOW TO USE THIS TO THE ADVANTAGE OF THE FOOD DEFICIT DEVELOPING COUNTRIES. THE FUNDAMENTAL FACT IS THE QUANTITIES OF AGRICULTURAL COMMODITIES MADE AVAILABLE ON CONCESSIONAL TERMS, MAKES AVAILABLE CAPITAL RESOURCES TO INCREASE NOT ONLY AGRICULTURAL PRODUCTION, BUT ALSO THOSE NEEDED FOR INDUSTRIALIZATION.

-12-

THE POTENTIAL ADVANTAGES ARE GREAT -- AND AT LITTLE
NET COST TO THE U.S. TREASURY.

THERE HAS NOT BEEN ENOUGH EMPHASIS ON THE FACT THAT
THE P.L. 480 PROGRAM ENABLED SEVERAL OF THE CURRENT MAJOR
COMMERCIAL IMPORTERS OF AGRICULTURAL COMMODITIES TO GRADUATE
FROM P.L. 480 CONCESSIONAL IMPORTING NATIONS. ALSO, AS A PART
OF P.L. 480 AGREEMENTS, SALES MUST BE PRECEDED BY, OR ACCOM-
PANIED BY, DOLLAR IMPORTS TO REFLECT NORMAL PURCHASES -- THE
CONCEPT OF ADDITIONALITY.

THE TOTAL STORY HAS NEVER BEEN TOLD. BECAUSE OF BUDGET
BUREAU LIMITATIONS, THE ADMINISTRATION IS NOT UTILIZING FULLY
A GREAT BASIC TOOL OF FOREIGN AID.

P.L. 480 - BENEFITS

TO DATE, THE PROGRAM HAS BEEN CONSIDERED BY THE BUREAU
OF THE BUDGET IN TERMS OF ITS INITIAL BUDGETARY OUTLAYS. THERE
HAS BEEN NO STUDY OF THE RETURNS TO THE TREASURY -- IN OTHER
WORDS, THE REAL NET COSTS. LET US EXAMINE SOME OF THE BENEFITS:

1. IT GENERATES HIGHER FARM INCOME -- WITH INCREASED TAX RECEIPTS.

-13-

2. IT INCREASES EMPLOYMENT -- BOTH RURAL AND NON-FARM -- WITH INCREASED TAX RECEIPTS AND REDUCED WELFARE AND UNEMPLOYMENT INSURANCE COSTS.
3. IT REDUCES CCC ACQUISITIONS WITH CONCOMITANT STORAGE AND INTEREST COSTS.
4. IT INCREASES THE AMOUNT OF AGRICULTURAL COMMODITIES PROCESSED AND SHIPPED, WITH RESULTANT EMPLOYMENT INCREASES AND PROFITS -- BOTH OF WHICH INCREASE TAX REVENUES.
5. IT IMPROVES THE HEALTH OF FOOD RECIPIENTS AND IMPROVES INTERNATIONAL RELATIONS.

I WOULD URGE PRESIDENT NIXON TO USE HIS AUTHORITY TO MOVE LARGER QUANTITIES OF AGRICULTURAL COMMODITIES INTO EXPORT UNDER THE FOOD FOR PEACE PROGRAM.

IT IS PHYSICALLY, SCIENTIFICALLY AND TECHNOLOGICALLY POSSIBLE TO BANISH HUNGER AND MALNUTRITION IN THIS GREAT LAND--- AND INCREASE FARM INCOME. SUCH A VICTORY WILL NOT BE EASY. IT WILL CALL FOR A HIGHER LEVEL OF SOCIAL, POLITICAL AND ECONOMIC ENGINEERING THAN MANKIND HAS YET ACHIEVED.

IF WE SUCCEED, THE SPIRITUAL AND ECONOMIC REWARDS WILL BE GREAT FOR ALL OF US.

-14-

LET US WHO SHARE IN THE MIRACLE OF AMERICAN AGRICULTURE
CONTINUE TO WORK FOR A FUTURE IN WHICH OUR ENERGIES AND OUR PRO-
DUCTIVITY WILL BE DEVOTED TO MAKING LIFE HAPPIER, FREER AND MORE
ABUNDANT FOR THE WHOLE FAMILY OF MAN.

THANK YOU.