

REMARKS OF HONORABLE BOB DOLE  
NATIONAL COUNCIL OF FARMER COOPERATIVES

WASHINGTON HILTON HOTEL  
WASHINGTON, D.C.  
WEDNESDAY, JANUARY 13, 1971

AMERICA IN THE 1970'S

ABOUT ALL THAT CAN BE SAID WITH ANY CERTAINTY ABOUT THE FUTURE IS THAT IT LIES AHEAD. BUT THE REAL QUESTION IS: WHAT KIND OF A FUTURE LIES AHEAD? OF COURSE, WE CAN ONLY SURMISE THE ANSWER, AND THE BEST OF SURMISES IS UNAVOIDABLY TEMPERED BY THE HOPES AND FEARS AND THE PHILOSOPHY OF ANY WOULD-BE PROPHET. MY VIEW OF THE FUTURE IS BASED BOTH ON WHAT I THINK WILL HAPPEN AND WHAT I HOPE WILL HAPPEN. WITH LUCK, THESE HOPES AND THE ACTUAL EVENTS WILL BE CLOSE.

WITHIN OUR COUNTRY IT IS HARD TO KNOW WHAT TO PREDICT FOR THIS NEW DECADE -- A SMOGLESS AUTOMOBILE ENGINE, AN ECOLOGICALLY HARMLESS SUPERSONIC TRANSPORT, AN END TO WATER POLLUTION, BREAKTHROUGHS IN WELFARE, RACE RELATIONS AND EDUCATION, OR FULL EMPLOYMENT WITHOUT INFLATION.

ALL OF THESE THINGS ARE POSSIBLE. THERE IS NO DOUBT IN ANYONE'S MIND THAT WE CAN BUILD A SMOGLESS AUTO -- AND WE CAN FORGE STRONGER BONDS BETWEEN OUR PEOPLE AND IMPROVE THE QUALITY OF AMERICAN LIFE -- FROM THE WATER WE DRINK TO THE HEALTH CARE WE RECEIVE.

-2-

I BELIEVE THE 1970'S WILL HOLD MUCH MORE IN THE WAY OF CONTINUING REFORM AND POSITIVE CHANGE IN AMERICAN GOVERNMENT. THERE ARE MANY AREAS IN WHICH THIS REFORM IS NEEDED, BUT THERE ARE SOME AREAS WHICH ARE ESPECIALLY RIPE FOR THOROUGH OVERHAUL.

#### REVENUE SHARING

OVER THE YEARS, AS THE FEDERAL GOVERNMENT'S TAX-GATHERING ABILITIES HAVE INCREASED BY SUCH DRAMATIC PROPORTIONS, OTHER GOVERNMENTS -- STATES, CITIES, AND SPECIAL UNITS SUCH AS SCHOOL AND PUBLIC UTILITY DISTRICTS -- HAVE FOUND THEMSELVES SEVERELY LIMITED BOTH IN THE SOURCES OF FUNDS AVAILABLE TO THEM AND IN THE EXTENT TO WHICH THESE SOURCES CAN BE TAPPED. EVERY YEAR THE SQUEEZE ON THE TAXPAYER INCREASES. AND EVERY YEAR WE HEAR THE CRIES OF GOVERNORS, MAYORS AND SCHOOL SUPERINTENDENTS OVER THE CRIPPLING POLITICAL AND ECONOMIC SITUATION THEY FACE IN TRYING TO PROVIDE STATE AND LOCAL SERVICES ON EVER TIGHTER AND MORE INADEQUATE BUDGETS. THE FEDERAL GOVERNMENT HAS TAKEN THE GIANT SLICE OUT OF THE TAX-REVENUE PIE. AND THE CRUMBS LEFT OVER JUST CANNOT ADEQUATELY SUPPORT LOCAL GOVERNMENT.

THUS, I BELIEVE A FEDERAL REVENUE-SHARING SYSTEM WILL BE ADOPTED IN THIS COUNTRY WITHIN THE NEXT DECADE. ALTHOUGH THE LAST CONGRESS DID NOT ACT ON A PROPOSAL PRESENTED TO IT BY THE PRESIDENT, IMPLEMENTATION



-3-

OF SUCH A PLAN IS A TOP GOAL FOR THE NEW CONGRESS. AS A MEANS OF MAKING FEDERALISM ONCE AGAIN THE HALLMARK OF OUR GOVERNMENTAL SYSTEM, THE GOVERNMENT IN WASHINGTON MUST TURN BACK MONEY FROM ITS SOURCES. IT MUST HELP PROVIDE THE MEANS FOR STATES AND CITIES AND OTHER UNITS TO EFFECTIVELY TAKE UP THEIR SHARE OF THE BURDEN OF PROVIDING VITAL SERVICES TO THE PEOPLE. THE ONLY ALTERNATIVES TO SUCH STRENGTHENING OF LOCAL GOVERNMENTS ARE FURTHER EXPANSION AND INEFFICIENCY OF THE FEDERAL BUREAUCRACY IN, OR TOTAL COLLAPSE AND STAGNATION OF THE SMALL GOVERNMENTAL UNITS.

THE MOST DESIRABLE GOVERNMENT HAS ALWAYS BEEN THAT GOVERNMENT WHICH IS CLOSEST AND MOST RESPONSIVE TO THE NEEDS AND FEELINGS OF THE PEOPLE. GROWTH AND EXPANSION OF THE FEDERAL GOVERNMENT OVER THE PAST 40 YEARS HAS PROVEN THAT BIGNESS AND CENTRALIZATION OF GOVERNMENT CANNOT DO THE JOBS OF SMALLER AND MORE LOCALIZED UNITS. THE TIME IS AT HAND TO REVERSE THE TREND OF FOUR DECADES AND REVITALIZE STATE AND LOCAL GOVERNMENTS. THE KEY TO THIS REVITALIZATION IS MONEY, AND A FEDERAL REVENUE-SHARING SYSTEM IS THE FIRST STEP.

-4-

#### HUMAN NEEDS

AS THE POPULATION OF THE UNITED STATES HAS INCREASED IN SIZE, THE COMPLEXITY OF SEEING TO THE BASIC HUMAN NEEDS OF OUR PEOPLE HAS ALSO INCREASED. UNFORTUNATELY, OUR COUNTRY'S CAPACITY TO DEAL WITH THIS TASK HAS NOT BEEN EFFICIENTLY OR EFFECTIVELY EMPLOYED. THE WELFARE-PUBLIC ASSISTANCE SYSTEM OF TODAY IS A TOTAL DISASTER. A SYSTEM CONCEIVED WITH THE BEST OF INTENTIONS, IT HAS NOT ONLY FAILED TO BRING THE RELIEF FROM DIFFICULTY IT WAS DESIGNED FOR, BUT IT HAS INTENSIFIED AND INCREASED THE MISERY OF ITS BENEFICIARIES. IT IS COSTING TAXPAYERS IN EVERY STATE COUNTLESS BILLIONS OF DOLLARS EACH YEAR, AND IT IS DEMEANING AND ERODING THE SELF-RESPECT OF MILLIONS OF AMERICANS WHO SEEK NOTHING MORE THAN A DECENT LIFE AND A WAY OUT OF THE POVERTY, ILLNESS AND SQUALOR IN WHICH THEY FIND THEMSELVES.

NATIONALLY, ANNUAL PAYMENTS FOR AID TO DEPENDENT CHILDREN WENT UP 374 PER CENT IN THE DECADE JUST COMPLETED. AND JUST AS AN EXAMPLE, LOOK AT THE FIGURES FOR MY HOMESTATE OF KANSAS. BETWEEN AUGUST, 1969, AND AUGUST, 1970, THE WELFARE ROLLS INCREASED 23.7 PER CENT. THAT IS IN JUST ONE YEAR. AND FROM FISCAL YEAR 1965 TO FISCAL YEAR 1969, KANSAS



-5-

WELFARE EXPENDITURES WENT FROM \$7.8 MILLION TO \$10.6 MILLION. EVEN AT THAT, KANSAS WAS JUST ABOUT IN THE MIDDLE OF THE NATIONAL PICTURE WITH 27 STATES HAVING EVEN GREATER RATES OF INCREASE.

THERE HAS BEEN MUCH TALK IN RECENT YEARS OF THE NEED TO CHANGE OUR WELFARE SYSTEM, OF THE NEED TO ELIMINATE THE INEQUITIES IN IT, OF THE NEED TO REMEDY THE SHORTCOMINGS. THE DECADE OF THE SEVENTIES WILL REQUIRE REAL AND MEANINGFUL REFORM OF THE WELFARE SYSTEM, BECAUSE THE HUMAN AND MONETARY COSTS OF THE PRESENT SYSTEM ARE INTOLERABLE AND UNACCEPTABLE. THIS REFORM MUST REMOVE THE SELF-PERPETUATING SPIRAL INTO SQUALOR AND DESPAIR FROM THE PRESENT WELFARE PLAN, AND IN ITS PLACE IT MUST ESTABLISH A WORK-RELATED, SELF-IMPROVEMENT-FOCUSED, ACHIEVEMENT-ORIENTED PROGRAM. THIS REFORM WILL HAVE TO REACH OUT TO THE REAL NEEDS OF THE ILL, THE AGED AND ESPECIALLY TO THOSE PEOPLE CAUGHT IN THE POVERTY CYCLE. IT WILL HAVE TO PROVIDE THEM CARE, TRAINING, EDUCATION AND REAL ASSISTANCE IN IMPROVING THE QUALITY OF THEIR LIVES AND THEIR FAMILIES' FUTURES.

CONGRESS DID NOT ACT ON PRESIDENT NIXON'S WELFARE REFORM PROPOSAL IN 1970, BUT THE DECADE OF THE '70'S WILL -- IT MUST -- SEE A THOROUGH-GOING CHANGE IN WELFARE ASSISTANCE. WE ARE NOT JUST TALKING ABOUT A NATIONAL GOAL: WELFARE REFORM IS A NATIONAL NECESSITY. AND EARLY IN THE NEW CONGRESS A NEW, UPDATED WELFARE REFORM PACKAGE WILL BE SENT TO CAPITOL HILL BY THE PRESIDENT.

-6-

### FARM PROGRAMS -- A LOOK AT THE 70'S

I WOULD LIKE TO MAKE A FEW BRIEF COMMENTS CONCERNING THE FUTURE DIRECTION OF UNITED STATES DOMESTIC AND INTERNATIONAL AGRICULTURAL POLICY IN THE 1970'S AND THE FRAMEWORK IN WHICH IT WILL EXIST.

WE ALL REALIZE THAT THIS IS AN EXTREMELY COMPLEX, DYNAMIC INDUSTRY, AND THAT THERE ARE MULTIPLE FORCES WHICH WILL SHAPE THE FUTURE OF AGRICULTURE. **X** SOME OF THESE FACTORS ARE: REDUCED FARM NUMBERS IN AMERICA'S GROWING TOTAL POPULATION, TECHNOLOGICAL CHANGES BOTH INSIDE AND OUTSIDE AGRICULTURE, FOREIGN MARKET DEVELOPMENTS, SPECIAL GOVERNMENT FOOD PROGRAMS, AND SHIFTING CONSUMER PREFERENCES.

WHILE NO ONE CAN EXACTLY FORESEE CHANGES IN DEMAND, TECHNOLOGY, PRODUCTION AND PRICES OF FARM PRODUCTS, THOSE OF US WHO ARE CONCERNED WITH AGRICULTURE IN AMERICA MUST CONTINUALLY LOOK AHEAD AND TRY TO ANALYZE PRESENT TRENDS AND FUTURE PROSPECTS.

### DOMESTIC POLICIES OF THE FUTURE

THE AGRICULTURAL POLICIES OF THE FUTURE STRIKE ME AS ONES OF GRADUALLY INCREASING ORIENTATION TOWARD A FREE MARKET ECONOMY -- AS OPPOSED TO PAST AND CURRENT GOVERNMENT-CONTROLLED MARKET ECONOMY.



-7-

✓ WITHIN THIS FRAMEWORK, THE OBJECTIVES SHOULD BE:

- ✓ (1) SATISFACTORY LEVELS OF PRICE AND INCOME;
- ✓ (2) GROWTH IN DOMESTIC AND EXPORT MARKETS;
- ✓ (3) REMOVAL OF OBSTACLES TO MORE EFFICIENT FARM OPERATION;
- ✓ (4) PORTRAYAL OF RURAL AMERICA AS A MUCH MORE ATTRACTIVE PLACE  
TO WORK AND LIVE;
- ✓ (5) DEVELOPMENT OF <sup>A</sup> DOMESTIC FOOD PROGRAM DESIGNED TO REACH AND  
NOURISH THE NEEDY.

AGAINST THIS BACKGROUND OF OBJECTIVES, I VISUALIZE THAT THROUGH THE 70'S COMMODITY LOAN RATES WILL BE ESTABLISHED AT LEVELS THAT WILL MOVE THEM INTO EXPANDED USES. THESE WILL BE SUPPLEMENTED BY PAYMENTS, WHERE NEEDED.

IMPLICIT IN THIS CONCEPT IS THE NEED FOR AGRICULTURE TO HOLD AND EXPAND ITS MARKETS -- AGAINST INDUSTRIAL AND SYNTHETIC COMPETITORS, AS WELL AS AGAINST FOREIGN COMPETITION.

#### INTERNATIONAL TRADE

IT IS HIGHLY IMPORTANT THAT WE EXPAND OUR AGRICULTURAL EXPORTS. IN CONSIDERING FARM POLICY, ONE MUST BE SENSITIVE TO THE FACT THAT EXPORT OUTLETS FOR FEED GRAINS, WHEAT, COTTON AND SOYBEANS, INCLUDING THE PRODUCTS,


-8-

PROVIDE AN IMPORTANT SHARE OF THE MARKET. AND WE HAVE TO BE MOST CONCERNED WITH THE NEED TO MAINTAIN AND EXPAND THESE OUTLETS. IN THE LAST FISCAL YEAR, FARM EXPORTS EXCEEDED \$6.6 BILLION. COMMERCIAL DOLLAR SALES HIT A NEW HIGH -- OVER \$5.6 BILLION.

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

IF U.S. FARM EXPORTS ARE TO REACH \$10 BILLION BY 1980 -- A NECESSARY OBJECTIVE -- THEY MUST MOVE FREELY IN THE MARKETS OF THE WORLD.

FUNDAMENTALLY, I ENDORSE THE CONCEPT OF A LIBERAL APPROACH TO TRADE, BUT I AM DEEPLY CONCERNED BY THE IMPLICATIONS OF DEVELOPMENTS AFFECTING TRADE AROUND THE NUCLEUS OF THE EUROPEAN ECONOMIC COMMUNITY.

 AGRICULTURE HAS RECEIVED ENTIRELY TOO LITTLE ATTENTION IN NEGOTIATIONS FOR TRADE LIBERALIZATION. SOME OF THE ATTENTION IT DID RECEIVE WAS COUNTERPRODUCTIVE -- ESPECIALLY THE INTERNATIONAL GRAINS ARRANGEMENT.



-9-

AN OBJECTIVE ANALYSIS OF THE RESULTS OF THE KENNEDY ROUND TRADE NEGOTIATIONS WOULD HAVE TO SHOW THE FOLLOWING:

- ✓ (1) THERE WAS NO AMELIORATION IN THE VARIABLE LEVY SYSTEM OF THE EEC. ACTUALLY, WE SAW IT EXTENDED AND GIVEN GREATER EMPHASIS.
- ✓ (2) NO PRODUCTION-STIMULATING SUPPORT PRICE WAS REDUCED OR EVEN MODIFIED.
- ✓ (3) SUBSIDIZATION OF EXPORTS WAS INCREASED.
- ✓ (4) FOR THE MODEST REDUCTIONS IN DUTIES NEGOTIATED, THE UNITED STATES "BOUND AGAINST INCREASE" ITS DUTY ON "CANNED PORK" -- A RAPIDLY EXPANDING IMPORT. IT WAS A POOR BARGAIN.

OUR EXPERIENCE WITH A FEED GRAIN AGREEMENT AND ITS COMPLETE UNILATERAL DISREGARD BY THE UNITED KINGDOM IS NO BETTER THAN THE IGA.

AN OBJECTIVE ANALYSIS OF THE WORLD AGRICULTURAL COMMODITY TRADING SCENE LEADS TO THE CONCLUSION THAT:

- (1) THE LOOPHOLES IN THE GATT HAVE BEEN EXPLOITED BY THE EEC WITH NO CHALLENGES, EVEN FROM THE UNITED STATES.
- (2) EXPORT SUBSIDIES HAVE BEEN USED TO EXPAND MARKETS IN VIOLATION OF GATT REGULATIONS.

-10-

(3) THE WHOLE VARIABLE LEVY SYSTEM -- SO DAMAGING TO OUR FEED GRAIN AND WHEAT EXPORTS -- IS A VIOLATION OF GATT PRINCIPLES. THE UNITED STATES HAS NEVER CHALLENGED THE LEGALITY OF THIS TECHNIQUE FOR CONTROLLING IMPORTS.

(4) THE EEC HAS BEEN DEVELOPING PREFERENTIAL "ARRANGEMENTS" WITH GATT MEMBERS -- IN VIOLATION OF THE MOST-FAVORED-NATION PRINCIPLE.

AS THE NUMBER OF COUNTRIES INVOLVED IN THE SPECIAL ARRANGEMENTS HAVE INCREASED -- WITH NO ACTION OR REACTION FROM THE UNITED STATES -- THE NUMBER OF GATT NATIONS INVOLVED IN THE EEC ORBIT HAS ALSO INCREASED, AND ONE-COUNTRY - ONE-VOTE SYSTEM OF THE GATT MAKES IT UNLIKELY THAT THE UNITED STATES CAN WIN ENOUGH VOTES TO EFFECTIVELY CHALLENGE THESE ACTIVITIES.

ON DECEMBER 16, 1970, I WROTE PRESIDENT NIXON URGING THAT THE UNITED STATES NOT ACCEDE TO THE UNITED KINGDOM'S PROPOSAL TO INCREASE THEIR MINIMUM IMPORT PRICE ON GRAINS THIS SPRING AND THEN CONVERT TO A VARIABLE LEVY SYSTEM AFTER JULY 1, 1971. SUCH A POLICY WOULD BE EXTREMELY DISADVANTAGEOUS TO AMERICAN AGRICULTURE AND WOULD BE MERELY A PROTECTIVE INSTRUMENT FOR THE UNITED KINGDOM TO USE IN QUALIFYING FOR MEMBERSHIP IN THE EEC.



-11-

LAST FRIDAY, JANUARY 8, THE PRESIDENT REPLIED TO MY LETTER SAYING HE HAD "INFORMED THE BRITISH THAT WE COULD NOT GO ALONG WITH THEIR PROPOSALS." AND HE ALSO INDICATED TO PRIME MINISTER HEATH THAT WE REMAIN UNWILLING TO ACCEDE TO THE BRITISH REQUEST.

SO I AM HOPEFUL THAT U.S. AGRICULTURE WILL BE ABLE TO COMPETE FREELY AND FAIRLY IN WORLD MARKETS. BUT I ALSO FEEL THAT THIS COUNTRY MUST TAKE FIRM STEPS TO DEAL WITH ANY THREATS TO ITS MARKETS WHICH ARE IN VIOLATION OF EITHER THE SPIRIT OR THE LETTER OF GATT AND OTHER INTERNATIONAL ARRANGEMENTS.

*Handwritten note:*  
I call this a letter -  
I don't think it is  
a letter.

-12-

SPIRIT OF '76

I HAVE A GREAT FAITH IN THE AMERICAN PEOPLE. WE CAN ACCOMPLISH MUCH IF WE HAVE THE WILL. AND THIS BRINGS ME TO THE ONE CLEAR VIEW I SEE OF THE '70'S.

I PREDICT THAT THE '70'S WILL BRING ABOUT A RENEWAL OF THE AMERICAN SPIRIT, THE SPIRIT OF '76. THIS SPIRIT HAS SUSTAINED AMERICA FOR NEARLY TWO HUNDRED YEARS AS WE FOUGHT THE BRITISH, FOUGHT OURSELVES, FOUGHT THE GERMANS AND THE JAPANESE. IT CARRIED US THROUGH THE WILDERNESS AND ACROSS A CONTINENT. IT SUSTAINED US DURING WAR, DURING DEPRESSION AND DURING NATURAL DISASTER. ONLY IN THE LAST FEW YEARS HAS IT BEGUN TO FLAG. AND THAT, I BELIEVE, HAS BEEN ONLY A TEMPORARY THING; BROUGHT ABOUT BY A GOVERNMENT THAT EXPECTED TO DO TOO MUCH FOR ITS PEOPLE AND DID NOT EXPECT ENOUGH FROM THEM; BROUGHT ABOUT BY A TECHNOLOGICAL EXPLOSION THAT BROUGHT US TOO MUCH TOO FAST AND AN ACCOMPANYING INFORMATION REVOLUTION THAT LEFT US SEEING THE WORLD MORE STARKLY AND IN MORE DETAIL THAN EVER BEFORE.

BUT NOW THERE IS THE BEGINNING OF A REVIVAL OF THE AMERICAN SPIRIT AND A DECLINE IN THE MINDLESS, MEANINGLESS, ANSWERLESS REVOLT WE HAVE SEEN AGAINST OUR SOCIETY AND ITS TIMELESS VALUES IN THE PAST FEW YEARS.



-13-

THE CITIES WERE CALMER LAST SUMMER. THE CAMPUSES WERE QUIETER THIS FALL. THE BUSINESS COMMUNITY IS REFLECTING A GROWING OPTIMISM. THERE IS NOT SO MUCH EXPRESSION OF THE FEELING "WHAT'S THE USE" AND "NOTHING IS BETTER THAN WHAT WE'VE GOT" ANY MORE. THERE IS A GROWING REVULSION AGAINST VIOLENCE FOR VIOLENCE'S SAKE OR AS A SIGN OF REBELLION AGAINST THE ESTABLISHMENT. THERE IS MORE THE SPIRIT OF "LET'S MOVE AHEAD. LET'S MAKE THE SYSTEM WORK, AND LET'S MAKE PROGRESS UNDER THE SYSTEM."

OF COURSE, YOUTH WANTS CHANGE TODAY, AND IT IS IMPATIENT FOR IT. BUT THAT IS NOT NEW. THE HISTORY OF AMERICA HAS BEEN A HISTORY OF CHANGE.

THE SPIRIT OF AMERICA HAS ALWAYS BEEN THE SPIRIT OF CHANGE. WE HAVE NEVER BEEN SATISFIED WITH THE STATUS QUO. WE HAVE ALWAYS SOUGHT IMPROVEMENT AND BETTERMENT FOR OURSELVES, OUR CHILDREN, OUR COUNTRY.

#### A DECADE OF PROGRESS

BECAUSE I SEE THIS RENEWAL OF THIS SPIRIT, I PREDICT A DECADE OF PROGRESS FOR AMERICA IN THE '70'S -- A DECADE IN WHICH WE MAKE GREAT STRIDES

-14-

IN SOLVING PROBLEMS AND A DECADE WHICH WILL BRING THE FIRST YEARS OF  
WHAT HAS BECOME PRESIDENT NIXON'S DREAM, A GENERATION OF PEACE.

AND I BELIEVE, AND CONFIDENTLY PREDICT, THAT THE AMERICA OF  
THE '70'S -- IF WE WORK AT THAT TASK AS A UNITED PEOPLE -- CAN BE THE  
BEST AMERICA IN OUR HISTORY.