

REMARKS OF SENATOR BOB DOLE
ANNUAL MEETING OF CHIKASKIA AND INDIAN HILLS
REGIONAL PLANNING COMMISSIONS
PRATT, KANSAS
SATURDAY, FEBRUARY 2, 1974

IT IS A PLEASURE TO BE HERE AT THIS ANNUAL MEETING OF THE
CHIKASKIA AND INDIAN HILLS REGIONAL PLANNING COMMISSIONS TO ADDRESS
BRIEFLY YOUR MEMBERSHIP, AND THE PEOPLE OF THE SUNFLOWER RESOURCE
CONSERVATION AND DEVELOPMENT PROJECT.

-2-

ONE INTEREST THAT SERVES AS OUR COMMON INTEREST IS THE DEVELOPMENT AND PROSPERITY OF RURAL AREAS. WE CAN TAKE A LOOK AT THE NATIONAL ANALYSIS OF OUR CURRENT CONDITION, THE ECONOMY, THE ENERGY PICTURE, EMPLOYMENT FIGURES AND THE LIKE, AND THEY ARE MEANINGLESS UNLESS WE BRING THEM INTO SHARPER FOCUS AND SEE TO WHAT EXTENT THE PROGRESS, OR LACK OF PROGRESS, IN SOLVING NATIONAL PROBLEMS, APPLIES TO RURAL AMERICA.

-3-

ENERGY, AN EXAMPLE

WE HAVE, FOR EXAMPLE, SOME ENCOURAGING FORECASTS WITH RESPECT TO THE ENERGY CRISIS. NO ONE CONTENTS OR PREDICTS THAT IT WILL GO AWAY IN THE NEAR FUTURE, OF COURSE. BUT, APPARENTLY BECAUSE OF THE SUCCESS OF VOLUNTARY CONSERVATION MEASURES AND BECAUSE -- ON A NATIONWIDE SCALE -- THE WINTER HAS BEEN A MILD ONE, RESERVES OF MANY PETROLEUM PRODUCTS ARE SAID TO BE UP AND THE FUTURE IS THEREFORE SAID TO BE SOMEWHAT BRIGHTER. TOSS INTO THE EQUATION THE PRESIDENT'S ANNOUNCEMENT THAT THE ARAB STATES ARE GOING TO GIVE APPARENTLY SERIOUS CONSIDERATION TO ENDING THE OIL EMGARGO, AND THE PICUTRE BRIGHTENS A LITTLE MORE.

-4-

BUT I KNOW FULL WELL, AND YOU KNOW FIRST HAND, THAT THESE BRIGHT SPOTS IN AN OTHERWISE GLOOMY ENERGY SITUATION MEAN LITTLE TO RURAL HOMEOWNERS, IN AND OF THEMSELVES.

NATIONALLY, THE WEATHER HAS BEEN MILD. BUT I WAS HERE IN EARLY JANUARY, AND I KNOW WHAT IT WAS LIKE. FIFTEEN BELOW AND TWENTY BELOW AND COLDER.

NATIONALLY, FUEL RESERVES ARE UP. HEATING OIL APPEARS TO BE IN GOOD SUPPLY, AND THE PRICE IS FALLING. BUT THAT CAN BE LITTLE COMFORT TO THE RURAL HOMEOWNER WHO HEATS WITH PROPANE FOR WHICH HE IS STILL PAYING TWO AND THREE TIMES AS MUCH THIS YEAR AS LAST.

-5-

UNFAIR TO RURAL RESIDENTS

THE CHALLENGE, THEREFORE, IS TO MAKE SURE THAT THE PROGRESS WE MAKE IN MEETING THE PROBLEMS FACING RURAL AMERICANS AT LEAST KEEPS PACE WITH THE PROGRESS WE MAY MAKE WITH THE PROBLEMS OF THE NATION AT LARGE.

OVERALL, WITH RESPECT TO ENERGY, FOR EXAMPLE, I BELIEVE THAT THE COST OF LIVING COUNCIL REGULATIONS GOVERNING PETROLEUM PRODUCT PRICING, CONTAINED A LOOPHOLE WHICH WORKED AN UNFAIR DISADVANTAGE ON PEOPLE LIVING IN RURAL AREAS.

-6-

WE ARE WORKING TO CLOSE THAT LOOPHOLE. ON WEDNESDAY, WILLIAM SIMON, WITH WHOM I HAVE BEEN WORKING DIRECTLY ON THIS PROBLEM, ANNOUNCED A CHANGE IN THE REGULATIONS WHICH SHOULD BRING TO AN IMMEDIATE HALT THE OUTRAGEOUS ESCALATION IN PROPANE PRICES.

STRONG ACTION NEEDED

THAT IS A START, BUT IT DOESN'T GO FAR ENOUGH. SO I HAVE INTRODUCED LEGISLATION IN THE SENATE TO ORDER A ROLL BACK OF PROPANE PRICES -- A ROLL-BACK THE EFFECT OF WHICH, I WOULD EXPECT, WOULD BE TO AT LEAST CUT IN HALF THE MONTHLY FUEL BILLS OF PEOPLE WHO HEAT WITH PROPANE. AND I INTEND TO PURSUE THIS MATTER.

-7-

IF I CAN'T GET QUICK ACTION ON THE MEASURE THROUGH COMMITTEE CONSIDERATION, THEN I WILL INTRODUCE IT AS AN AMENDMENT ON THE FLOOR OF THE SENATE AT THE EARLIEST OPPORTUNITY.

THAT, SIMPLY, IS PART OF THE JOB OF A MEMBER OF OUR NOW URBAN ORIENTED AND BIG CITY DOMINATED CONGRESS WHO REPRESENTS A STATE LIKE KANSAS WITH HEAVY AGRICULTURAL AND RURAL INTERESTS. WE WHO REPRESENT STATES WITH LARGE RURAL POPULATIONS MUST SEE TO IT THAT THE OVERALL NATIONAL IMPROVEMENT WHICH FEDERAL GOVERNMENT FORECASTERS MAY ROSILY PREDICT DOES NOT SUBMERGE OR OBSCURE PERSISTENT PROBLEMS OF RURAL AREAS.

-8-

THE ENERGY CRISIS -- AND THE PROPANE VERSUS HEATING OIL CONTRASTS -- PROVIDES ONE EXAMPLE. BUT IT IS ONLY ONE EXAMPLE OF A MORE GENERAL OVERSIGHT REPEATED OFTEN AND REQUIRING CONSTANT ATTENTION BY THE CONGRESS.

TOWARD A BETTER BALANCE

NATIONALLY, THROUGHOUT MOST OF THE DECADE OF THE SIXTIES, THE ECONOMIC FOCUS OF CONGRESSIONAL ATTENTION WAS THE CITIES. SAVE THE CITIES WAS THE BATTLE CRY OF THAT DECADE, AND SAVE THE CITIES WAS THE WATCHWORD OF THE URBAN DOMINATED CONGRESS.

-9-

NONE CRITICIZED THIS EFFORT. BUT THERE WERE THOSE OF US WHO SAW A DANGER IN PURSUING SUCH AN UNBALANCED COURSE, FOCUSING TOO NARROWLY ON ONE SEGMENT OF THE POPULATION AND ONE SECTOR OF THE COUNTRY.

IT WAS OUT OF THIS REALIZATION THAT THE RURAL DEVELOPMENT ACT EMERGED AND OUT OF THAT THAT THESE RURAL REGIONAL PLANNING CONCEPTS TOOK LIFE.

I CONGRATULATE YOU ON YOUR EFFORTS -- AND ON YOUR ACHIEVEMENTS -- AS YOU WORK TOGETHER TO SOLVE YOUR COMMON PROBLEMS AND MEET YOUR COMMON CHALLENGES.

-10-

THROUGH THE MULTI-COUNTY EFFORTS OF CHIKASKIA AND INDIAN HILLS
REGIONAL PLANNING AND OF THE SUNFLOWER RC AND D YOU HAVE FOUND AN
EFFECTIVE WAY TO POOL YOUR RESOURCES AND MANPOWER IN A COOPERATIVE
APPROACH TO DEFINING, AND ATTACKING YOUR OWN PROBLEMS.

IT IS THE TASK OF THE FEDERAL GOVERNMENT TO HELP YOU IN THAT
JOB BUT NOT TO DICTATE HOW YOU SHALL DO IT.

-11-

IMPACT OF NATIONAL POLICY

IT IS ALSO THE TASK OF THE FEDERAL GOVERNMENT, IN MAKING ITS DECISIONS OF NATIONAL POLICY, TO TAKE ADEQUATELY INTO ACCOUNT THE EFFECT OF THOSE DECISIONS NOT JUST ON THE NATION AS A WHOLE, BUT ON ITS VARIOUS PARTS -- ON THE ECONOMY AS A WHOLE, BUSINESS AND FARM; ON THE SOCIETY AS A WHOLE, URBAN AND RURAL.

IT IS AT THIS POINT, AND THROUGH THIS GOVERNMENTAL PROCESS, THAT ALL OUR INTERESTS MERGE AND INTERACT.

-12-

WHAT MAY BE CONSTRUED AS A FOREIGN POLICY OR INTERNATIONAL ECONOMIC DECISION, SUCH AS WHETHER OR NOT TO IMPOSE LIMITS ON WHEAT EXPORT OR SUSPEND WHEAT IMPORT QUOTAS, THOUGH IT IS A DECISION MADE IN WASHINGTON, NONETHELESS HAS A VERY DIRECT AND IMMEDIATE IMPACT ON PRATT COUNTY, KANSAS, AND ON THE PEOPLE OF THIS WHOLE AREA.

I WAS DEEPLY CONCERNED BY THE PROPOSALS TO LIMIT EXPORTS OF WHEAT WHICH WERE WIDELY DISCUSSED LAST YEAR AND EARLIER THIS YEAR. I DO NOT THINK THAT THERE IS MUCH BENEFIT TO BE GAINED IN DISCUSSING THE MOTIVATION OF THE PROPONENTS. BUT I BELIEVE WE ALL UNDERSTAND THE IMPLICATIONS, NOT JUST IN TERMS OF ECONOMIC AND TRADE POLICY BUT IN TERMS OF THE ECONOMY OF A STATE LIKE KANSAS.

-13-

AGRICULTURE AND BALANCE OF TRADE

FOR THE 11 MONTHS JANUARY THROUGH NOVEMBER, U.S. AGRICULTURAL TRADE RESULTED IN A POSITIVE BALANCE OF \$8.1 BILLION. THIS MORE THAN OFFSET THE \$7.5 BILLION DEFICIT INCURRED BY TRADE IN NONAGRICULTURAL PRODUCTS, SO THAT THE TOTAL U.S. INTERNATIONAL TRADE ACCOUNT FOR 11 MONTHS STOOD AT OVER A HALF BILLION DOLLARS ON THE POSITIVE SIDE.

THE 1973 FARM EXPORT TOTAL EXCEEDED THE 1972 RECORD OF \$9.4 BILLION BY ABOUT \$8.0 BILLION.

A RECORD FARM EXPORT TOTAL FOR THE YEAR PUT THIS COUNTRY WELL ON THE WAY TO ITS FIRST FAVORABLE TRADE BALANCE SINCE 1970.

-14-

1971 AND 1972 WERE YEARS OF TRADE DEFICITS, AND WE SAW A
DECLINE IN THE VALUE OF THE DOLLAR. 1973, WITH ITS GREAT FARM EXPORTS,
RESULTED IN GREAT RECOVERY IN OUR TRADE POSITION, AND DAILY WE READ OF
THE STRENGTHENING OF THE DOLLAR. AGRICULTURE'S CONTRIBUTION TO THIS
RECOVERY IS EVIDENT IN THE FACT THAT OUR FAVORABLE BALANCE OF
AGRICULTURAL TRADE IN JANUARY-NOVEMBER WAS UP \$5.7 BILLION COMPARED WITH
A YEAR EARLIER.

-15-

AS SECRETARY BUTZ RECENTLY SAID: "AMERICAN FARMERS, BY VIRTUE OF THEIR SUPERIOR ABILITY TO PRODUCE, HAVE MARKETING ENOUGH PRODUCTS TO FOREIGN CUSTOMERS THIS YEAR TO OFFSET THE VALUE OF ALL OUR IMPORTS OF COFFEE, COCOA, BANANAS, AND OTHER AGRICULTURAL PRODUCTS, ALL OF OUR PETROLEUM IMPORTS FOR THE YEAR, PLUS A SUBSTANTIAL BALANCE TO APPLY AGAINST OTHER NONAGRICULTURAL IMPORTS.

"THIS IS PROOF ONCE AGAIN THAT AGRICULTURE'S EXPORT TRADE IS ESSENTIAL, NOT ONLY TO FARM PROSPERITY, BUT ALSO TO OUR NATIONAL ECONOMY."

-16-

AGRICULTURAL STORY TO TELL

THAT IS A GREAT CONTRIBUTION! I FIND IT ESSENTIAL TO TELL THIS STORY AT EVERY OPPORTUNITY. WHAT WOULD OUR NATIONAL AND KANSAS ECONOMY BE WITHOUT THIS PERFORMANCE BY OUR FARMERS. AGRICULTURAL EXPORTS NOW REPRESENT NEARLY ONE-FOURTH OF ALL U.S. EXPORTS. IT IS THE BRIGHTEST SPOT IN OUR NATIONAL TRADE PICTURE. WE WILL NEED THIS STRONG AGRICULTURAL TRADE EVEN MORE AS OUR DEPENDENCE ON FOREIGN SOURCES INCREASES FOR THE BASIC MATERIALS OF INDUSTRY. THE BASIC FACT IS THAT THE FARM EXPORT BALANCE OF TRADE IS STRENGTHENING THE VALUE OF THE DOLLAR AND MAKING THE UNITED STATES STRONGER NOT WEAKER.

-17-

THERE WAS ONE SUGGESTION THAT EXPORTS OF WHEAT BE LIMITED TO 10 MILLION BUSHELS PER WEEK FOR THE BALANCE OF THE MARKETING YEAR. THIS SEEMS AT FIRST GLANCE AS A SENSIBLE THING TO DO IN A TIME OF TIGHT SUPPLIES.

HOWEVER, THE FIRST EFFECT WOULD BE A SHARP DROP IN THE MARKET PRICE OF WHEAT -- BETWEEN \$1 - \$2 PER BUSHEL. IN THE MIDDLE OF THIS MONTH, THERE WERE ABOUT 900 MILLION BUSHELS OF WHEAT IN THE UNITED STATES. THE PROPOSED SIMPLE ACT OF EXPORT CONTROL IMPOSITION WOULD HAVE REDUCED THE VALUE OF THIS SUPPLY BY OVER \$1 BILLION. A MAJOR PART OF THIS LOSS WOULD ACCRUE TO THE KANSAS WHEAT GROWER. THEIR REDUCED PURCHASING POWER WOULD AFFECT ADVERSELY YOUR COMMUNITIES AND EVERY COMMUNITY IN THE STATE.

-18-

THE UNITED STATES IS AN IMPORTANT MEMBER OF THE TRADING WORLD AND A SIGNIFICANT PART OF THE WORLD ECONOMY. THIS COUNTRY CANNOT MAINTAIN ITS CURRENT STANDARD OF LIVING WITHOUT MASSIVE IMPORTS OF FUELS, RAW MATERIALS, BANANAS, COFFEE, SHOES, AUTOMOBILES, TV SETS, AND OTHER LOW-COST CONSUMER ITEMS. FURTHERMORE, WE CANNOT IMPORT THESE ITEMS IF WE DO NOT EXPORT. THIS NATION WOULD GO BANKRUPT.

WHEAT AND OTHER FARM PRODUCTS ARE FACTORS IN THE AMERICAN ECONOMY IN WHICH WE RETAIN A COMPARATIVE ECONOMIC ADVANTAGE. THE \$5 BILLION WHICH THE UNITED STATES WILL EARN FROM WHEAT EXPORTS SHOULD BE APPLAUDED, NOT CRITICIZED.

-19-

THE UNITED STATES DOES HAVE SOMETHING FOREIGN BUYERS WANT -- WHEAT. WE'RE THE WORLD'S BIGGEST AND MOST EFFICIENT SUPPLIER. WE HAVE THE LAND, THE CLIMATE, THE WORLD'S BEST-EDUCATED AND MOST CAPABLE WHEAT FARMERS, BACKED BY FARM SUPPLY INDUSTRIES AND A MARKETING SYSTEM TO MATCH.

SINCE WE HAVE THE WHEAT THAT OTHER COUNTRIES WANT, THE PROPOSAL TO LIMIT EXPORTS MADE NO SENSE UNLESS IT COULD BE DEMONSTRATED THAT OUR OWN DOMESTIC SUPPLIES WERE SO SHORT AS TO BE CRITICAL.

IN THE LONG-TERM INTERESTS OF THE AMERICAN FARMER, HOWEVER, THE UNITED STATES MUST REMAIN A RELIABLE SUPPLIER.

-20-

AND I AM NOW CONVINCED, ESPECIALLY IN VIEW OF THE FACT THAT SUBSTANTIAL QUANTITIES OF U. S. '74 WHEAT CROP WILL BE AVAILABLE IN LATE MAY AND JUNE, THAT THE U. S. SUPPLY SITUATION, ALTHOUGH TIGHT, WILL NOT BE AS CRITICAL AS SOME PREDICT.

THERE HAS BEEN SCARE TALK AND DIRE PREDICTIONS ABOUT THIS, BUT AS YET NO PROOF THAT WE FACE A DISASTROUS SUPPLY SHORTAGE. BUT TO INTRODUCE THE THREAT OF DOLLAR-A-LOAF BREAD TO A NATION OF 210 MILLION CONSUMERS ALREADY SERIOUSLY DISTURBED ABOUT INFLATION IS TO DO THEM A DISSERVICE AND, INEVITABLY, TO SET OFF A POPULAR DEMAND FOR ACTION.

-21-

LESSER OF TWO EVILS

I AM PLEASED THAT, IN ATTEMPTING TO COME TO GRIPS WITH THIS
ISSUE OF WIDESPREAD NATIONAL CONCERN, THE FEDERAL GOVERNMENT DID NOT
CHOOSE TO LIMIT EXPORTS. THIS IS NOT TO SAY THAT I FAVOR THE DECISION
TO TEMPORARILY SUSPEND WHEAT IMPORT QUOTAS UNTIL JUNE 30th, WHICH WAS
ANNOUNCED LAST WEEK.

BUT I DO VIEW IT AS BY FAR THE LESSER OF TWO EVILS.

-22-

IN TERMS OF ALLEVIATING THE THREAT TO OUR OWN DOMESTIC WHEAT SUPPLIES, I FEEL THE SUSPENSION WILL PROVE INEFFECTIVE -- BUT THAT IS BECAUSE I AM STILL CONVINCED THAT THE THREAT IS UNPROVEN.

THOUGH I OPPOSED THE SUSPENSION AND WROTE THE PRESIDENT AS LATE AS LAST WEEK URGING THAT HE NOT TAKE THAT ACTION, I AM WILLING TO ADMIT THAT IT MAY BE PRODUCTIVE IN ONE SENSE. IT MAY FORESTALL ANY FURTHER CALLS FOR ACTION TO INTERFERE WITH THOSE AGRICULTURAL TRADE PRACTICES WHICH HAVE SO IMPROVED THE SITUATION OF THE AMERICAN FARMER OVER THE COURSE OF THE LAST FEW YEARS.

-23-

AND, IN THE FINAL ANALYSIS, SINCE CANADIAN WHEAT IS CURRENTLY SELLING AT A HIGHER PRICE THAN OUR OWN, THERE IS LIKELY TO BE LITTLE MARKET DISTORTION AS A RESULT OF THE SUSPENSION OF THE IMPORT QUOTAS. IF THE SHORTAGE MATERIALIZES, AND WE HAVE TO SEEK WHEAT FROM FOREIGN PRODUCERS, FINE. WE CAN BUY IT FROM THE CANADIANS AND OTHERS, AND WE CAN BUY AS MUCH AS WE NEED.

BUT IF, AS I SUSPECT, THERE IS NO CRITICAL SHORTAGE BETWEEN NOW AND THE TIME THIS YEAR'S CROP STARTS COMING IN, THE SUSPENSION OF QUOTAS WILL HAVE DONE NOTHING TO ADVERSELY AFFECT THE LONG OVERDUE TREND TOWARD IMPROVEMENT IN THE ECONOMIC CONDITION OF THE AMERICAN FARMER.

-24-

I BELIEVE THAT TREND WILL CONTINUE IN THE YEARS AHEAD. WITH THE WORK THE GROUPS LIKE YOURS, WHICH CAN CAPITALIZE ON COOPERATION AND COMMON EFFORT, THE IMPROVEMENT IN THE STANDARD OF LIVING OF THE AMERICAN FARMER WILL FORM THE BASE ON WHICH A RURAL RENAISSANCE CAN BE ESTABLISHED AND IN WHICH RURAL AREAS WILL FLOURISH AGAIN.