

REMARKS OF SENATOR BOB DOLE
BEFORE THE
KANSAS DIVISION OF THE ASSOCIATED MILK PRODUCERS
CENTURY II, WICHITA, KANSAS
JULY 5, 1974

IT IS A PLEASURE FOR ME TO ADDRESS THE MEMBERS OF THE KANSAS DIVISION OF THE ASSOCIATED MILK PRODUCERS. TWICE A DAY, SEVEN DAYS A WEEK, YOU MAKE A VITAL CONTRIBUTION TO THIS NATION'S WELL-BEING AND THE GOOD HEALTH OF OUR PEOPLE BY PROVIDING THE WORLD'S MOST NUTRITIOUS FOOD. YOUR INDUSTRY, THE DAIRY INDUSTRY, REPRESENTS AN IMPORTANT PART OF OUR ECONOMY AND I APPRECIATE THIS OPPORTUNITY TO COMMENT ON THE ENVIRONMENT IN CONGRESS AS IT RELATES TO YOU.

IN THE PAST YEAR, WE HAVE SEEN THE ECONOMIC CONDITIONS IN THE DAIRY INDUSTRY BECOME INCREASINGLY DIFFICULT. YOUR TOUGHNESS AND INGENUITY IN COPING WITH THE SITUATION ARE TO BE HIGHLY COMMENDED. YOU HAVE TIGHTENED YOUR BELTS AND ECONOMIZED AND MADE YOUR OPERATIONS MORE EFFICIENT WHEN LESSER MEN WOULD HAVE GIVEN UP.

THE CONDITIONS AND DIFFICULTIES YOU FACE HAVE BEEN RECOGNIZED BY MANY OF US IN THE CONGRESS, BUT I THINK PUBLIC LEADERS AS A GROUP HAVE FAILED TO BE AS RESPONSIVE TO YOUR NEEDS AS THEY SHOULD BE.

22.

ECONOMIC DIFFICULTIES

THE ECONOMIC CONDITIONS IN THE DAIRY BUSINESS AND ALL OF AGRICULTURE HAVE BECOME MORE AND MORE ADVERSE IN RECENT MONTHS. FEED COSTS HAVE BEEN GOING UP SHARPLY. TAXES HAVE BEEN INCREASING. GASOLINE AND OTHER FUELS ALONG WITH FERTILIZERS, WAGES AND OTHER FIXED COSTS HAVE RISEN DRAMATICALLY.

IN ORDER TO REMAIN COMPETITIVE, YOU HAVE BEEN FORCED TO MAKE LARGER CAPITAL INVESTMENTS. AND THE PRICES OF MANUFACTURED GOODS HAVE GONE STEADILY UP.

AT THE SAME TIME, YOU HAVE FACED DECLINING PRICES FOR YOUR PRODUCTS. YOU HAVE HAD TO COMPETE WITH FOREIGN DAIRY PRODUCTS FROM COUNTRIES WHERE GOVERNMENT SUBSIDIES ARE PAID TO GIVE AN UNFAIR ADVANTAGE IN OUR MARKET.

IN THE FIRST ELEVEN MONTHS OF FISCAL YEAR 1974, WE SAW DAIRY IMPORTS RISE 130 PERCENT OVER THE SAME PERIOD LAST YEAR. AT THE SAME TIME, OUR DAIRY EXPORTS HAVE DECLINED 54 PERCENT.

UNFAIR CRITICISM

YET, IN SPITE OF THE EXISTENCE OF THESE PROBLEMS AND IN SPITE OF THE AWARENESS OF THESE PROBLEMS BY MANY PERSONS INVOLVED IN PUBLIC LIFE TODAY, THERE SEEMS TO BE LITTLE SYMPATHETIC RESPONSE TO THOSE PROBLEMS FROM WASHINGTON.

WHY?

A BASIC REASON IS BECAUSE M-I-L-K HAS BECOME A FOUR-LETTER WORD IN WASHINGTON POLITICS.

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ALMOST DAILY THE NATION'S MEDIA CARRY A STORY ABOUT CAMPAIGN GIFTS, ABOUT ANTI-TRUST SUITS, ABOUT FARM ORGANIZATION LITIGATION, ABOUT BULGING POLITICAL KITTIES HELD BY DAIRY CO-OPS, ABOUT INDICTMENTS, AND GRAND JURY TESTIMONY.

THE REACTION OF MANY PUBLIC OFFICIALS, THE PRESS, AND THE PUBLIC AT LARGE HAS BEEN TO QUESTION WHETHER THERE IS ANY NATIONAL GOOD INVOLVED IN ADVOCACY FOR HIGHER GOVERNMENT SUPPORTS ON MANUFACTURING MILK, FOR GREATER RESTRICTIONS ON IMPORTED DAIRY PRODUCTS, AND FOR HIGHER PRICES TO BE FIXED UNDER FEDERAL MILK ORDERS.

ULTIMATE DANGER TO CONSUMER

IN MY OPINION, SUCH MISGUIDED REACTIONS ARE DANGEROUS TO THE WELL-BEING OF MILLIONS OF AMERICAN CONSUMERS AND UNFAIR TO YOU AND THOUSANDS OF OTHER DAIRY FARMERS.

IT IS BECOMING MORE AND MORE DIFFICULT TO SUPPORT THE LEGITIMATE WELFARE OF OUR DAIRY INDUSTRY IN THE CURRENT WASHINGTON CLIMATE WITHOUT CREATING THE IMPRESSION THAT SUCH SUPPORT IS A DIRECT RESULT OF GENEROUS POLITICAL CONTRIBUTIONS.

DAIRY PROGRAMS DESERVE SUPPORT

I BELIEVE THAT NOTWITHSTANDING SUCH DIFFICULTIES, REAL OR IMAGINED, DAIRY FARMERS NEED HELP.

24.

I AM NOT ONE OF THOSE PEOPLE, NOR ARE ANY OF YOU THE TYPE OF PERSON, WHO BELIEVES THAT WE CAN SOLVE ALL OF THE PROBLEMS OF OUR PEOPLE BY ACTION IN WASHINGTON. BUT I DO BELIEVE THAT WE CAN -- AND SHOULD -- TAKE SOME ACTIONS WHICH WILL HELP LAY THE GROUNDWORK FOR SOLUTIONS.

IN THE CASE OF AGRICULTURE AND THE DAIRY INDUSTRY, THIS IS A CONTINUING PROPOSITION. WE IN THE SENATE AGRICULTURE COMMITTEE WORKED HARD ON THIS A YEAR AGO. WE HAVE BEEN WORKING ON IT THIS YEAR AND WILL BE CONTINUING IN THE FUTURE.

AT THIS TIME A YEAR AGO, CONGRESS WAS IN THE FINAL STAGES OF WRITING THE FARM LEGISLATION THAT WAS FINALLY ENACTED AS THE AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973. AMONG THE PROVISIONS RELATING TO THE

DAIRY INDUSTRY, I SPONSORED AMENDMENTS TO RAISE PRICE SUPPORTS AND TO ESTABLISH A CLEAR AND DEFINITE LIMITATION ON THE LEVEL OF DAIRY PRODUCT IMPORTS THAT COULD BE BROUGHT INTO THIS COUNTRY.

WHEN THE SENATE AGRICULTURE COMMITTEE WROTE ~~THAT LEGISLATION,~~ *THE 1973 FARM BILL,* WE INCLUDED A NUMBER OF PROVISIONS WHICH WERE AIMED AT STRENGTHENING THE MARKETING CAPABILITIES OF THE DAIRY FARMERS. THESE INCLUDED AMENDMENTS TO THE AGRICULTURAL MARKETING AGREEMENT ACT WHICH WERE DEVELOPED BY THE COMMITTEE ON THE BASIS OF TESTIMONY BY DAIRY FARMERS, COOPERATIVE LEADERS FROM ACROSS THE COUNTRY, AND THE NATIONAL MILK PRODUCERS FEDERATION.

9.5.

UNFORTUNATELY, A GOOD MANY OF THE COMMITTEE'S PROVISIONS OF THE FARM BILL, AS THEY APPLIED TO THE DAIRY INDUSTRY, WERE DEFEATED DURING A RATHER BITTER FIGHT ON THE SENATE FLOOR, INCLUDING THE MARKETING AND IMPORT AMENDMENTS. THE FIGHT DIDN'T GET AT THE BASIC QUESTION OF WHETHER OR NOT THESE MEASURES WERE NEEDED -- THE SENATE MADE ITS DECISION LARGELY ON THE BASIS OF OPPOSITION BY THE DEPARTMENT OF JUSTICE TO THE PROPOSED CHANGES IN THE MARKETING ACT.

HOWEVER, WE WERE ABLE TO GET A NUMBER OF NECESSARY FEATURES INCLUDED IN THE FARM BILL, INCLUDING MY AMENDMENT TO INCREASE THE DAIRY PRICE SUPPORT LEVEL FROM 75 TO 80 PERCENT OF PARITY THROUGH MARCH 31, 1975.

IT IS MY CONVICTION THAT INCENTIVES TO DAIRY FARMERS ARE AN IMPORTANT PART OF OUR RESPONSIBILITIES IN CONGRESS. I HAVE STATED ON THE SENATE FLOOR THAT UNLESS WE PROVIDE PROPER INCENTIVES TO OUR DAIRY FARMERS, MILK PRODUCTION WILL DROP AND CONSUMERS WILL ULTIMATELY SUFFER THE RESULTS OF OUR NEGLECT. IN MAY, MILK PRODUCTION DECLINED FOR THE 20th STRAIGHT MONTH, AND I BELIEVE THIS REFLECTS THE FAILURE TO BE RESPONSIVE TO THE DAIRY INDUSTRY. THIS NEGLECT HAS TAKEN A GREAT MANY FORMS, SUCH AS FAILURE TO RECOGNIZE THE LEGITIMATE INCOME NEEDS OF FARMERS, AND FAILURE TO RECOGNIZE THE ADVERSE IMPACT THAT UNNEEDED AND FOREIGN-SUBSIDIZED DAIRY PRODUCT IMPORTS CAN HAVE ON THIS MARKET.

77.6.

TRADE BILL

RIGHT NOW, THE SENATE FINANCE COMMITTEE IS WORKING ON THE TRADE REFORM ACT. THIS PROPOSED LEGISLATION PROVIDES THE BASIC AUTHORITY FOR THE UNITED STATES TO PARTICIPATE IN A GENERAL ROUND OF TRADE NEGOTIATIONS AIMED AT EXPANDING WORLD TRADE. IN MY OPINION, THE BILL WOULD BE BENEFICIAL TO THE DAIRY INDUSTRY AND TO ALL OF AGRICULTURE. OF PARTICULAR IMPORTANCE, IT WOULD GIVE THE CONGRESS A LARGER ROLE IN IMPOSING COUNTERVAILING DUTIES ON SUBSIDIZED DAIRY IMPORTS.

THE TRADE BILL ^{WOULD} ~~WILL~~ OPEN UP THE POSSIBILITIES FOR EXPANDED EXPORTS OF OUR FARM COMMODITIES. HERE IN KANSAS WE KNOW HOW IMPORTANT THIS IS TO OUR WHEAT PRODUCERS. YOU IN THE DAIRY INDUSTRY HAVE SOME OF THE MOST

EFFICIENT OPERATIONS IN THE WORLD AND IT APPEARS THAT IF THE PROBLEM OF FOREIGN SUBSIDIES COULD BE OVERCOME, YOUR PRODUCTS WOULD BECOME MUCH MORE ATTRACTIVE IN BOTH THE DOMESTIC AND WORLD MARKETS. NEGOTIATIONS WITH OTHER COUNTRIES TO PROMOTE EQUITABLE TRADE CONDITIONS AND THE INCREASED THREAT OF COUNTERVAILING DUTIES COULD BE BENEFICIAL TO YOUR MARKETING POSITION.

BUT THERE HAVE BEEN SOME SUGGESTIONS THAT THE DAIRY INDUSTRY COULD BE TRADED AWAY AS A PART OF THE TALKS PLANNED UNDER THE TRADE BILL. I AM OPPOSED TO ANY SUCH MOVE JUST AS I HAVE BEEN OPPOSED TO UNNECESSARY AND UNNEEDED IMPORTS OF DAIRY PRODUCTS. AS WE PROCEED TO WORK ON THE TRADE REFORM ACT, I WILL BE WORKING WITH OTHER MEMBERS OF THE FINANCE COMMITTEE TO SEE THAT THERE IS NO TRADE-OFF OF THE DAIRY INDUSTRY.

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UNFORTUNATELY, THE TRADE REFORM ACT HAS BEEN STUCK IN THE FINANCE COMMITTEE FOR SEVERAL MONTHS BECAUSE OF CONTROVERSY OVER THE SOVIET EMIGRATION POLICY. WHEN THE FOURTH OF JULY RECESS ENDS ON JULY 8, I PLAN TO JOIN ABOUT 20 OF MY COLLEAGUES ON THE SENATE FLOOR IN A COLLOQUY TO EMPHASIZE THE IMPORTANCE OF GETTING THE TRADE BILL BEFORE THE SENATE. IN THE MEANTIME, I BELIEVE THAT IMPORTS REMAIN ONE OF THE BIGGEST PROBLEMS FOR YOUR INDUSTRY AND IT IS MY INTENTION TO CONTINUE WORKING FOR A LIMITATION OF IMPORTS.

RESOLUTION ASKS FOR ACTION

JUST LAST WEEK THE AGRICULTURE COMMITTEE ACTED ON A PROPOSAL I ADVANCED TO SEND A STRONGLY WORDED RESOLUTION TO THE PRESIDENT SETTING

FORTH OUR VIEW THAT A STRONG AND VIABLE LIVESTOCK AND DAIRY INDUSTRY IS ESSENTIAL TO OUR NATION. THIS RESOLUTION CALLS FOR A ROLLBACK OF BUTTER, BUTTEROIL, CHEDDAR CHEESE, AND NONFAT DRY MILK IMPORTS TO THE LEVEL AUTHORIZED UNDER SECTION 22 IMPORT QUOTAS IN EFFECT ON JUNE 1, 1971.

THIS IS MORE THAN MERELY A SUGGESTION OF WHAT WE ON THE COMMITTEE FEEL SHOULD BE DONE. AS A PART OF THE RESOLUTION, WE HAVE CALLED FOR A REPORT WITHIN 30 DAYS OF THE PROGRESS THAT IS BEING MADE ON THESE ACTIONS.

IN ADDITION, I PERSONALLY INTEND TO ADD TO THE FIRST APPROPRIATE BILL AN AMENDMENT TO REIMPOSE IMPORT QUOTAS ON DAIRY PRODUCTS, MEAT AND WHEAT, WHEN THE PRESENT RECESS ENDS. NEARLY HALF THE SENATE HAS ENDORSED THE IMPORT QUOTA ISSUE PUBLICLY AND IN MY OPINION, IT IS TIME FOR CONGRESS TO ACT. THE EFFORTS MADE BY THE DEPARTMENT OF AGRICULTURE ON IMPORTS HAVE BEEN INADEQUATE AND I HOPE THE CONGRESS WILL MOVE PROMPTLY ON MY PROPOSAL.

15. *S*

RECENTLY

IN OTHER ACTION ~~LAST WEEK~~, THE SENATE APPROVED A MODIFIED VERSION OF MY BILL TO PROVIDE A PROGRAM OF GUARANTEED LOANS TO AID LIVESTOCK PRODUCERS WHOSE CONTINUED OPERATIONS ARE THREATENED BY LOW PRICES FOR LIVESTOCK AND LIVESTOCK PRODUCTS, INCLUDING MILK.

LOANS ARE NOT THE FINAL ANSWER TO THE BASIC PROBLEM THOUGH. THE ONLY REALLY EFFECTIVE ANSWER IS AN IMPROVED PRICE. BUT THE ASSURED AVAILABILITY OF CREDIT WILL PERMIT PRODUCERS TO CONTINUE THEIR OPERATIONS UNTIL THIS ADVERSE SITUATION CAN BE TURNED AROUND AND WE CAN GET THAT PRICE.

ACTIONS OF THE INDUSTRY

THE ACTIONS YOU ARE TAKING WITHIN THE INDUSTRY ARE VITAL TO OVERCOMING THE ECONOMIC SQUEEZE YOU ARE FACING. ONE OF THE VERY REAL PROBLEMS YOU AS FARMERS HAVE FACED OVER THE YEARS HAS BEEN YOUR INABILITY TO EXERCISE A DIRECT INFLUENCE IN THE MARKETPLACE. NO MATTER WHAT YOU PRODUCE -- WHEAT, MILK OR FEED GRAINS -- YOUR MARKETING STRENGTH IS EXTREMELY LIMITED WHEN YOU STAND ALONE.

THROUGH THE CREATION OF ORGANIZATIONS SUCH AS THE ASSOCIATED MILK PRODUCERS, YOU HAVE TAKEN A GREAT STEP TOWARD DEALING WITH THIS PROBLEM. YOU HAVE DEVELOPED COMPETITIVE MARKETING STRENGTHS AND ABILITIES THAT YOU COULD NEVER GAIN BY WORKING ALONE.

~~17.~~ 9.

INFORMATION VITAL

THE WELL-BEING OF YOUR INDUSTRY MAY BE VIEWED AS A MATTER OF INFORMATION. THE NUMBER OF WELL-INFORMED MEMBERS IN YOUR COOPERATIVE WILL HAVE A DIRECT BEARING ON YOUR COMPETITIVE EFFECTIVENESS.

KEEPING YOUR PUBLIC LEADERS AND THE CONSUMING PUBLIC INFORMED ABOUT THE DAIRY BUSINESS IS NO LESS IMPORTANT. EFFORTS TO THIS END ARE THE KEY TO ESTABLISHING THE FACT THAT M-I-L-K SPELLS THE NAME OF THE WORLD'S MOST NUTRITIOUS FOOD AND STANDS FOR ONE OF THE MOST IMPORTANT INDUSTRIES IN THE COUNTRY.

YOU CAN BE ASSURED THAT MYSELF AND MANY OTHER SENATORS ARE AWARE AND GREATLY CONCERNED ABOUT THE SITUATION YOU ARE IN TODAY. WE SHALL CONTINUE TO INITIATE AND SUPPORT LEGISLATION THAT WILL BE RESPONSIVE TO YOUR PROBLEMS.

AGAIN, LET ME EXPRESS MY APPRECIATION FOR THE OPPORTUNITY TO SPEAK TO YOU HERE, AND AS A MEMBER OF THE SENATE AGRICULTURE COMMITTEE, I LOOK FORWARD TO WORKING TOWARD A GOAL WE HOLD IN COMMON -- INSURING A SUPPLY OF DAIRY FOODS ADEQUATE TO MEET THE NEEDS OF THIS GREAT NATION.

THANK YOU.

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