

STATEMENT BY SENATOR BOB DOLE  
AT THE  
ECONOMIC SUMMIT CONFERENCE ON INFLATION  
WASHINGTON HILTON HOTEL  
WASHINGTON, D.C.  
FRIDAY, SEPTEMBER 27, 1974

*Mr. Dole - Sen. Dole*

THE AMERICAN FARMERS' CAPACITY TO PRODUCE FOOD IS THIS NATION'S GREATEST ASSET.

AGRICULTURE IS AMERICA'S NUMBER ONE INDUSTRY, AND UNFORTUNATELY THE PRICES CONSUMERS ARE PAYING FOR AGRICULTURAL PRODUCTS ARE THE NUMBER ONE MOST VISIBLE AND MOST DISTRESSING SYMPTOMS OF INFLATION.

IT'S AN ECONOMIC FUNDAMENTAL THAT YOU CAN'T SOLVE THE PROBLEM BY TREATING THE SYMPTOM. NOR CAN YOU DO A HALF-WAY JOB. WE MUST STOP THE RISE IN THE COST OF FOOD PRODUCTION IF WE'RE SERIOUS ABOUT STOPPING THE RISE IN THE COST OF FOOD PRODUCTS.

*Bill Dole  
Ray V. - Co  
Dole  
Dole*

5.

THERE IS JUST NO JUSTIFICATION FOR FEDERAL SPENDING ON A GIVEN PROGRAM TO INCREASE 40,000 PERCENT IN A DOZEN YEARS AND TO HAVE THE CONGRESS OF THE UNITED STATES POWERLESS TO DO ANYTHING ABOUT IT.

INFLATIONARY IMPACT STATEMENT

I HAVE PROPOSED AN INFLATIONARY IMPACT LAW WHICH WOULD REQUIRE THAT THE NEW CONGRESSIONAL BUDGET OFFICE REVIEW ANY AND ALL PROPOSED LEGISLATION BEFORE IT'S BROUGHT TO THE FLOOR AND PUT A COST ESTIMATE ON THE BILL THAT CAN TELL MEMBERS NOT JUST WHAT IT WILL COST IN THE CURRENT FISCAL YEAR BUT WHAT IT IS LIKELY TO COST FIVE AND TEN YEARS HENCE.

I KNOW THE PEOPLE OF KANSAS DON'T GO OUT AND BUY SOMETHING WITHOUT KNOWING HOW MUCH IT'S GOING TO COST OF HOW LONG THEY WILL HAVE TO KEEP THE PAYMENTS UP. I DON'T THINK THE FEDERAL GOVERNMENT SHOULD ACT ANY DIFFERENTLY.

4.

ANOTHER POSITIVE APPROACH TO STOPPING INFLATION IS TO HELP DEVELOP EXPORT MARKETS FOR OUR MEAT AND POULTRY. THERE IS GOOD REASON TO BELIEVE THAT POTENTIAL MARKETS EXIST FOR BEEF AND PORK IN OTHER NATIONS WHERE PRICES FOR BEEF RANGE FROM \$10 TO \$25 PER POUND. LET'S HAVE OUR STATE AND COMMERCE DEPARTMENTS LOOK INTO THIS POSSIBILITY WHICH WOULD ADD NEW INCENTIVES FOR PRODUCTION HERE AT HOME. MORE PRODUCTION WOULD MEAN BETTER CONSUMER PRICES.

AS LONG AS CONGRESS CONTINUES TO LEGISLATE IN THE DARK, WE'RE GOING TO HAVE RUN-AWAY FEDERAL SPENDING. WE HAVE PROGRAMS ON THE BOOKS NOW WHICH WERE PASSED INTO LAW A DECADE OR SO AGO, AND THEY'LL RUN US INTO BANKRUPTCY IF WE DON'T GET A HANDLE ON THEM. MANY OF THESE PROGRAMS STARTED OFF SMALL, BUT THEY GROW -- AND THEY GROW LIKE TOPY -- OUT OF ANYONE'S CONTROL.



3.

WE MUST NOT LET GOVERNMENT CONTINUE TO SPEND MORE THAN IT CAN AFFORD TO SPEND. WE'VE BEEN TALKING ABOUT CUTTING FEDERAL SPENDING FOR A LONG TIME. THIS YEAR WE TOOK SOME ACTION IN THE SENATE, BUT NOT ENOUGH TO SATISFY ME.

#### POSITIVE SUGGESTIONS

AGRICULTURE IS ONE AREA OF OUR ECONOMY WHERE PRODUCTIVITY IS NO PROBLEM! AS LONG AS WE PROVIDE OUR FARMERS THE SUPPLIES THEY NEED, THEY WILL PRODUCE THE FOOD WE NEED WITH AMPLE LEFT OVER FOR EXPORT DEMAND.

AND THAT BRINGS ME TO A DEFINITE POSITIVE STEP GOVERNMENT CAN TAKE TO STOP INFLATION AND THAT IS TO WORK HARDER TO CLEAN UP THE ROADBLOCK BETWEEN FARMERS AND THE SUPPLIES FARMERS NEED. TOP ON THE LIST OF THESE NEEDS IS FERTILIZER WITHOUT WHICH WE COULD SEE AS MUCH AS A 20 PERCENT DROP IN CERTAIN CROPS THAT DEPEND ON A READY SUPPLY.

2.

DON'T REPEAT PAST MISTAKES

THERE ARE CERTAIN THINGS WE MUST DO TO BEAT INFLATION. AND THERE ARE OTHER THINGS WE MUST NOT DO. WE MUST NOT MAKE THE WAGE AND PRICE CONTROLS MISTAKE AGAIN.

AND WE MUST NOT SET UP GOVERNMENT HELD OR SUBSIDIZED GRAIN RESERVES. WE KNOW WHAT THIS DOES TO PRODUCTION INCENTIVES FOR FARMERS. ANY RESERVE OR SURPLUS IS A THREAT TO FARMERS FOR THOSE COMMODITIES WOULD INHIBIT THE ORDERLY MARKETING THAT OUR FARMERS ARE NOW EXPERIENCING FOR THE FIRST TIME IN 20 OR 30 YEARS.

WE MUST NOT MAKE THE SOYBEAN MISTAKE AGAIN BY IMPOSING EXPORT CONTROLS. IF WE TRY IT ACROSS THE BOARD, IT WOULD DROP FARM PRICES HERE AT HOME -- WITHOUT DOING A THING TO BRING FARMERS' COSTS DOWN -- AND IF THAT WEREN'T ENOUGH, IT WOULD ACCELERATE THE DETERIORATION OF OUR TRADE BALANCE PICTURE.

6.

LIKE AMERICANS GENERALLY, FARMERS ARE PAYING MORE FOR EVERYTHING THEY BUY. THAT INCLUDES EVERYTHING FROM FUEL TO FERTILIZER, FROM PESTICIDES TO TRACTORS, AND YES, LIKE EVERYONE ELSE, THEY ARE PAYING MORE FOR MONEY IN TERMS OF HIGHER INTEREST RATES. YOU CAN'T RUN A FARM BY THE SEAT OF YOUR PANTS ANY MORE. THE AVERAGE AMERICAN FARMER HAS AN INVESTMENT OF A QUARTER MILLION DOLLARS IN HIS OPERATION. LIKE OTHER BUSINESSMEN, HE HAS AN OVERHEAD TO WORRY ABOUT, OFTEN A PAYROLL TO MEET, AND A LOT OF BILLS TO PAY.

INFLATION, COMPOUNDED BY SERIOUS SHORTAGES OF THE THINGS HE NEEDS TO DO HIS JOB, IS THE FARMER'S BIGGEST PROBLEM, BUT IT ISN'T JUST HIS PROBLEM -- IT'S EVERYBODY'S PROBLEM. SINCE IT'S A PROBLEM GOVERNMENT DID THE MOST TO CREATE, IT'S A PROBLEM GOVERNMENT MUST DO THE MOST TO SOLVE.

WE HOPE THIS SUMMIT MARKS THE BEGINNING OF THAT EFFORT.

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