

*Not all
cases - use
lower cases
7 Appointments
fall.*

FUTURE FARMERS OF AMERICA
REMARKS OF SENATOR BOB DOLE
MONDAY, JULY 19, 1976

I AM ALWAYS PLEASED TO HAVE THE OPPORTUNITY TO ADDRESS THE FUTURE FARMERS OF AMERICA. YOUR ORGANIZATION IS ONE OF THE KEY GROUPS THAT IS RESPONSIBLE FOR THE HIGH LEVEL OF PRODUCTIVITY WE HAVE IN AMERICAN AGRICULTURE. I COMMEND YOU.

THERE ARE A GREAT MANY LEGISLATIVE ISSUES THAT CONGRESS HAS DEALT WITH, OR WILL BE DEALING WITH, THAT ARE VITALLY IMPORTANT TO AGRICULTURE. THESE ACTIONS TAKEN BY CONGRESS WILL AFFECT YOU AND OTHER FARMERS AS YOU GO ABOUT YOUR BUSINESS IN THE YEARS TO COME. BECAUSE THE POLICIES SET BY CONGRESS ARE SO IMPORTANT TO FUTURE FARMERS, AND TO TODAY'S FARMERS, IT IS IMPORTANT THAT WE HAVE YOUR VIEWS AND THE VIEWS OF THE FUTURE FARMERS OF AMERICA THAT YOU REPRESENT.

I WOULD JUST LIKE TO COMMENT BRIEFLY ON SOME OF THE MORE IMPORTANT FARM ISSUES BEFORE CONGRESS. PERHAPS A RUN-DOWN OF THESE ISSUES WILL CREATE THE OPPORTUNITY FOR SOME EXCHANGE. I WOULD CHERISH YOUR VIEWS. YOU ARE THE NEW GENERATION OF FARM LEADERS. AND YOU HAVE A FRESH OUTLOOK AND THE NEW IDEAS.

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IN GENERAL, IT'S MY BELIEF THAT SOME LAWS PASSED BY CONGRESS HAVE BEEN RESTRICTIVE AND BURDENSOME TO AMERICAN FARMERS. AMERICAN AGRICULTURE IS THE MOST PRODUCTIVE AND SUCCESSFUL IN THE WORLD, AND THE CONGRESS CAN BEST HELP KEEP IT THAT WAY BY PASSING LEGISLATION THAT IS SUPPORTIVE, NOT RESTRICTIVE

GRAIN INSPECTION

ONE AREA WHERE LEGISLATION PASSED BY CONGRESS COULD BE BURDENSOME TO FARMERS IS THE GRAIN INSPECTION BILL. THIS BILL IS NOW IN A JOINT CONFERENCE COMMITTEE -- OF WHICH I AM A MEMBER -- WHERE WE HAVE BEEN UNABLE TO RESOLVE SEVERAL MAJOR DIFFERENCES BETWEEN THE VERSIONS OF THE BILLS ADOPTED IN THE HOUSE AND THE SENATE.

THE SENATE BILL GOES BEYOND THE DEFICIENCIES THAT WERE UNCOVERED IN THE VARIOUS INVESTIGATIONS THAT HAVE BEEN MADE, AND PROVIDES FOR A COMPLETE FEDERAL TAKEOVER OF GRAIN INSPECTION AT THE PORTS AND AT THE 25 MAJOR INLAND TERMINALS. IT WOULD ALSO CREATE AN ADDITIONAL SEPARATE AGENCY TO ADMINISTER THE SYSTEM.

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THE SENATE BILL REPLACES EVEN THOSE SYSTEMS THAT ARE WORKING WELL AND WHERE NO PROBLEMS HAVE BEEN FOUND.

IN MY JUDGEMENT, A COMPLETE FEDERAL TAKEOVER OF THE GRAIN INSPECTION SYSTEM COULD LEAD TO UNNECESSARY FEDERAL RED-TAPE FOR FARMERS. I ATTEMPTED TO AMEND THE BILL IN THE SENATE TO AVOID THIS POSSIBILITY AND WAS NARROWLY DEFEATED.

THERE ARE SEVERAL PROVISIONS IN BOTH THE SENATE AND THE HOUSE BILLS THAT ARE NECESSARY AND PROPER. THESE ARE:

- ELIMINATION OF CONFLICTS OF INTEREST IN STATE AND PRIVATE INSPECTION AGENCIES;
- INCREASED FEDERAL SUPERVISION OF GRAIN INSPECTION;
- INCREASED PENALTIES FOR VIOLATIONS OF THE ACT;
- SUPERVISION OF WEIGHING AS PART OF GRAIN INSPECTION;
- FAIR AND REASONABLE INSPECTION FEES.

ALL OF THESE LATTER PROVISIONS GO A LONG WAY TOWARD CORRECTING THE INADEQUACIES OF THE PRESENT ACT, AND SHOULD BE ENACTED.

BEFORE CONGRESS RECESSED I PROPOSED A COMPROMISE IN THE CONFERENCE COMMITTEE TO AVOID THE UNNECESSARY EXPANSION OF THE FEDERAL BUREAUCRACY. HOPEFULLY WE MAY REACH SOME AGREEMENT ON THIS WHEN THE CONFEREES MEET AGAIN.

THE GRAIN INSPECTION SYSTEM NEEDS REFORM...NOT OVERKILL.

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OSHA

FARM SAFETY REGULATIONS BY OSHA--THE OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION--IS ANOTHER AREA OF GOVERNMENT THAT COULD BECOME TROUBLESOME FOR FARMERS. RECENTLY THE HOUSE AND SENATE SEPARATELY ADOPTED TEMPORARY EXEMPTIONS FOR MOST FARMERS.

WE PLAN TO HOLD HEARINGS IN THE SENATE AGRICULTURE COMMITTEE IN THE NEXT FEW WEEKS ON THE OSHA FARM SAFETY PROGRAM. I THINK THERE IS A NEED FOR MORE SAFETY IN AGRICULTURE AND HOPEFULLY WE WILL BE ABLE TO MAKE SOME RECOMMENDATIONS ON IMPROVING THE PROGRAM.

EPA

ANOTHER AREA IS THE SO-CALLED "DREDGE AND FILL" LAW, WHICH AT ONE POINT WAS INTERPRETED TO REQUIRE FEDERAL PERMITS FOR FARM PONDS. I WILL BE TESTIFYING NEXT WEEK IN SUPPORT OF AMENDING THE LAW TO AVOID THIS KIND OF OVER-REGULATION.

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EXPORT ADMINISTRATION ACT

RENEWAL OF THE EXPORT ADMINISTRATION ACT, WHICH IS THE BASIC LEGISLATION RELATING TO AGRICULTURAL EXPORTS, IS SCHEDULED TO BE CONSIDERED ON THE SENATE FLOOR IN EARLY AUGUST. AT THAT TIME, I PLAN TO OFFER AN AMENDMENT TO PROHIBIT IMPLICIT TYPES OF EXPORT CONTROLS SUCH AS "PRIOR APPROVAL REPORTING" AND "VOLUNTARY RESTRAINTS" WHICH HAVE THE SAME EFFECT AS ACTUAL EXPORT EMBARGOES.

I HAVE CONSISTENTLY OPPOSED EXPORT CONTROLS ON AGRICULTURAL PRODUCTS. CONTROLS OF ONE SORT OR ANOTHER HAVE COST OUR NATION'S FARMERS MILLIONS OF DOLLARS IN THE PAST.

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BEEF RESEARCH AND INFORMATION ACT

THE BEEF RESEARCH AND INFORMATION ACT WAS PASSED BY CONGRESS TO HELP CATTLEMEN HELP THEMSELVES, AND WAS RECENTLY SIGNED INTO LAW BY THE PRESIDENT. THIS BILL WILL AUTHORIZE A REFERENDUM OF CATTLE PRODUCERS TO DETERMINE IF THEY WANT A MANDATORY CHECK-OFF PROGRAM. THE CHECK-OFF WOULD BE NOT MORE THAN ONE-HALF OF ONE PERCENT OF THE PROCEEDS FROM THE SALE OF AN ANIMAL. IT WOULD RAISE FROM 20 TO 50 MILLION DOLLARS PER YEAR FOR RESEARCH AND IMPROVEMENT IN BEEF OPERATIONS, AND FOR INFORMING THE PUBLIC ON THE NUTRITIONAL VALUE OF BEEF.

HOPEFULLY, IF THE REFERENDUM PASSES, THE PROGRAM WILL BE A FORM OF SELF-HELP FOR CATTLEMEN TO GET THROUGH PERIODS LIKE THE PRESENT WHEN PRICES ARE DEPRESSED.

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PACKER BONDING

BANKRUPTCY OF PACKING HOUSES HAS CAUSED PROBLEMS THAT ARE ALSO BEING ADDRESSED BY CONGRESS. THE SENATE HAS PASSED A BILL WITH SEVERAL IMPORTANT PROVISIONS. IT:

- REQUIRES A PACKER TO OBTAIN A BOND EQUAL TO 2-DAY KILL;
- REQUIRES THE PACKER TO PAY THE SELLER FOR HIS ANIMALS THE DAY FOLLOWING THE TRANSFER OF POSSESSION;
- CREATES A TRUST IN THE EVENT OF PACKER BANKRUPTCY EQUAL TO THE CLAIMS FILED FROM UNPAID SELLERS OF LIVESTOCK WITH FUNDS FROM INVENTORIES AND ACCOUNTS RECEIVABLE.

HOPEFULLY THE HOUSE WILL ACCEPT THE SENATE-PASSED BILL, WHICH WILL HELP PROTECT LIVESTOCK PRODUCERS FROM LOSING THEIR MONEY DUE TO PACKING HOUSE BANKRUPTCY.

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ESTATE TAX REFORM

WITHIN THE NEXT WEEK OR TWO, THE SENATE WILL TAKE UP THE FINANCE COMMITTEE'S RECOMMENDED CHANGES IN THE FEDERAL ESTATE TAX LAW. THE COMMITTEE BILL, WHICH I SUPPORT, WOULD, VIA A NEW TAX CREDIT SYSTEM, INCREASE THE FEDERAL ESTATE TAX EXEMPTION LEVEL FROM \$60,000 TO \$200,000 OVER THE NEXT FOUR YEARS. THIS INCREASE IN THE EXEMPTION LEVEL HAS ALSO BEEN RECOMMENDED BY THE HOUSE WAYS AND MEANS COMMITTEE AND, IF OTHER ELEMENTS OF THE ESTATE TAX REFORM PACKAGE CAN BE AGREED UPON, MAY BE ENACTED THIS YEAR.

AN IMPORTANT PART OF THE FINANCE COMMITTEE'S ESTATE TAX AMENDMENTS IS THE SECTION I AUTHORED WHICH WILL REQUIRE THAT FARMLAND BE VALUED ON THE BASIS OF ITS VALUE AS A FARM RATHER THAN ON THE BASIS OF ITS POTENTIAL DEVELOPMENT VALUE. THIS MUCH NEEDED REFORM, WHICH WILL SAVE FARM ESTATES MILLIONS OF DOLLARS OF TAXES EACH YEAR, WILL RESULT IN LOWER VALUATIONS FOR FARM ESTATES AND, THUS, GREATLY REDUCE THE TAX BURDEN ON FARM FAMILIES.

THESE ESTATE TAX REFORMS ARE URGENTLY NEEDED SO THAT THE FAMILY FARM CAN BE PRESERVED IN AMERICA. IF NO ACTION IS TAKEN SOON, WE WILL CONTINUE TO SEE FAMILY FARMS BEING SOLD JUST TO PAY THE FEDERAL ESTATE TAXES.

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TAX INCENTIVES FOR FARM EXPORTS

LAST MONTH, THE SENATE ADOPTED MY AMENDMENTS TO THE DOMESTIC INTERNATIONAL SALES CORPORATION PROVISIONS OF THE TAX CODE. THE SO-CALLED "DISC" PROVISIONS PROVIDE AN INDUCEMENT FOR EXPORTS OF AMERICAN PRODUCTS, INCLUDING AGRICULTURAL COMMODITIES. LAST YEAR, IN ITS TAX REFORM BILL, THE HOUSE OF REPRESENTATIVES VOTED TO DELETE AGRICULTURAL PRODUCTS FROM THE DISC PROGRAM, THUS MAKING OUR FARM PRODUCTS FINANCIALLY LESS ATTRACTIVE TO FOREIGN BUYERS. MY AMENDMENT RESTORES AGRICULTURAL PRODUCTS TO THE DISC PROGRAM AND, IN FACT, GIVES FARM EXPORTS A SLIGHTLY BETTER TAX INCENTIVE THAN THAT GRANTED TO MANUFACTURED COMMODITIES. THIS INCENTIVE SYSTEM WILL REDUCE TAXES ON FARM EXPORTS BY TENS OF MILLIONS OF DOLLARS EACH YEAR, THUS ENABLING AGRICULTURE TO CONTINUE ITS 20-PLUS BILLION DOLLAR CONTRIBUTION TO OUR BALANCE OF TRADE. I AM HOPEFUL THAT THE SENATE VERSION WILL BE ENACTED SO THAT WE CAN CONTINUE TO ENCOURAGE EXPORTS OF AMERICAN FARM PRODUCTS IN THE FUTURE.

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AGRICULTURAL RESEARCH

AGRICULTURAL RESEARCH HAS BEEN A KEY TO THE SUCCESS OF AMERICAN FARMERS AND RECENTLY, I INTRODUCED A BILL TO PLACE INCREASED EMPHASIS ON AGRICULTURAL RESEARCH IN THIS COUNTRY. THE BILL WOULD PROVIDE ROUGHLY 100 MILLION DOLLARS MORE FOR RESEARCH ON AGRICULTURAL PRODUCTION AND MARKETING DURING THE NEXT FISCAL YEAR. PART OF THESE FUNDS WOULD ALSO GO FOR FOOD NUTRITION RESEARCH. THE LAND-GRANT UNIVERSITIES AND USDA HAVE BEEN SUPPORTERS OF THE PROPOSED LEGISLATION.

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FOOD COMMISSION

THE SENATE AGRICULTURAL COMMITTEE RECENTLY HELD HEARINGS ON BILLS WHICH WOULD ESTABLISH A FOOD COMMISSION SIMILAR TO THE ONE WHICH OPERATED IN 1964-1966.

MY CONCERN AS WE CONTEMPLATE ANOTHER FOOD COMMISSION IS THAT WE DO NOT REPEAT THE MISTAKES OF A DECADE AGO. AT THAT TIME, THE FOOD COMMISSION WAS ESTABLISHED TO EXAMINE ALL ASPECTS OF FOOD PRICES, BUT THE STUDY WAS NOT DONE IN A COMPREHENSIVE MANNER. MANY IN CONGRESS COMPLAINED AT THE END OF THE STUDY THAT THE RESULTS HAD ALREADY BEEN DETERMINED BEFORE THE COMMISSION BEGAN ITS WORK.

IF ANOTHER FOOD COMMISSION IS ESTABLISHED, I HAVE EMPHASIZED THAT IT SHOULD LOOK AT ALL ASPECTS OF FOOD PRICES. IT SHOULD, FOR EXAMPLE, EXAMINE LABOR UNION POLICIES, GOVERNMENT REGULATIONS, MARKETING ORDERS AND OTHER FACTORS THAT CONTRIBUTE TO FOOD PRICES.

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1977 FARM BILL

LOOKING TO THE FUTURE, THE PRESENT FARM PROGRAMS EXPIRE DECEMBER 31, 1977. A NEW FARM BILL WILL HAVE TO BE READY FOR SENATE CONSIDERATION BY MAY 15, NEXT YEAR, DUE TO THE CONGRESSIONAL BUDGET PROCESS. BETWEEN NOW AND THEN, A GREAT DEAL OF CONSIDERATION WILL BE GIVEN TO WHAT SHOULD GO INTO THE NEW BILL.

BASICALLY, THE PRESENT FARM PROGRAM IS WORKING WELL. ITS CONTINUED SUCCESS DEPENDS ON CONTINUED WORLDWIDE DEMAND, UNFETTERED ACCESS TO MARKETS, AND THE ABILITY TO PRODUCE TO MEET THAT DEMAND.

I ANTICIPATE THREE PARTICULAR AREAS OF CONSIDERATION BY THE SENATE AGRICULTURE COMMITTEE WHEN THE NEW BILL IS CONSIDERED:

- INEQUITIES OF THE PRESENT DISASTER PAYMENT PROGRAM BASED ON OUTDATED ALLOTMENT FIGURES;
- POSSIBLE ADJUSTMENT IN TARGET PRICES TO REFLECT INCREASED COST OF PRODUCTION SINCE 1973 WHEN THE LEVELS WERE SET BY LAW;
- ADJUSTMENT OF LOAN LEVELS TO ASSURE PRODUCERS A FALL-BACK POSITION IN THE EVENT WE SHOULD RETURN TO A SURPLUS POSITION.

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I THINK YOU WILL AGREE THAT THE FARM ISSUES FACING CONGRESS ARE IMPORTANT TO ALL PARTS OF AGRICULTURE. I HOPE YOU IN THE FFA WILL LET US HEAR FROM YOU ON THESE MATTERS--WE VALUE YOUR COMMENTS. AND HOPEFULLY OUR ACTIONS IN CONGRESS WILL GIVE YOU THE FREEDOM AND FLEXIBILITY YOU NEED TO KEEP AMERICAN AGRICULTURE THE BEST IN THE WORLD.