

REMARKS OF SENATOR BOB DOLE

AMERICAN FEED MANUFACTURERS' ASSOCIATION

MINNEAPOLIS, MINNESOTA

WEDNESDAY, MAY 25, 1977

But - Joe.

BY COINCIDENCE, I BRING NEWS OF THE SENATE PASSAGE OF
A FARM BILL. THE BILL THAT THE SENATE PASSED LAST NIGHT DOES
NOT CONTAIN EVERYTHING THAT I WOULD HAVE LIKED. IT DOES NOT
INCLUDE EVERYTHING THAT AMERICAN AGRICULTURE NEEDS AND DESERVES
TO PROVIDE A STABLE, RELIABLE SUPPLY OF FOOD FOR THE AMERICAN
PEOPLE -- AND FOR THE EXPORT MARKETS THAT HAVE BECOME SO
IMPORTANT IF THIS NATION IS TO MAINTAIN A FAVORABLE BALANCE
OF FOREIGN TRADE.

*Content: Farm Bill
Upcoming Energy Bill*

THE SENATE BILL PROVIDES SOME MINIMUM PROTECTION TO FARMERS AGAINST SHARP DIPS IN COMMODITY PRICES. IT IS FAIR TO CONSUMERS AND TAXPAYERS. IT IS, I BELIEVE, A REASONABLE BASIS FOR THE CONFERENCE WITH THE HOUSE AFTER THAT BODY ACTS ON ITS OWN BILL. AT THIS STAGE, IT'S RISKY TO ANTICIPATE WHAT THE HOUSE WILL DO, OR WHAT THE CONFERENCE COMMITTEE WILL DO, OR WHAT THE PRESIDENT WILL DO.

- CAMPAIGN PLEDGE -

ONCE THE REPRESENTATIVES OF THE AMERICAN PEOPLE HAVE ACTED -- PRODUCERS AND CONSUMERS, URBAN AND RURAL RESIDENTS ALIKE -- I CANNOT IMAGINE THAT THE PRESIDENT WOULD DISREGARD HIS AND HIS RUNNING MATE'S EXPLICIT CAMPAIGN STATEMENTS AND VETO THE FARM BILL. WHEN HE WAS IN KANSAS LAST OCTOBER, VICE PRESIDENTIAL CANDIDATE MONDALE SPECIFICALLY ENDORSED A SUPPORT PRICE OF \$3 A BUSHEL FOR WHEAT. THE LEGISLATION THAT

WE PASSED WAS A COMPROMISE. IT WOULD SET THE TARGET PRICE
FOR THIS YEAR'S WHEAT CROP AT \$2.90 -- WHICH IS STILL UNDER
THE AVERAGE COST OF PRODUCTION. THE TARGET PRICE FOR WHEAT
FOR NEXT YEAR WOULD BE \$3.10 A BUSHEL. THE TARGET PRICE FOR
CORN WOULD BE \$1.70 THIS YEAR AND \$2.28 NEXT YEAR. THEREAFTER
THE BILL CONTAINS A MECHANISM FOR AUTOMATIC ADJUSTMENTS FOR
BOTH WHEAT AND FEED GRAINS IN STEP WITH CHANGES IN THE
AVERAGE COST OF PRODUCTION. THE ^{Loan Rate} ~~PRICE~~ FOR SOYBEAN S
~~IS~~ IS \$4.00 A BUSHEL.

DURING THE FIRST FOUR MONTHS OF THIS ADMINISTRATION,
THERE HAVE BEEN BOTHERSOME INDICATIONS THAT THE PRESIDENT
IS INSENSITIVE TO THE NEEDS OF CERTAIN LESS DENSELY POPULATED
REGIONS OF THE COUNTRY . . . THE DECISION TO TRY TO STOP
WATER DEVELOPMENT PROJECTS THAT ARE URGENTLY REQUIRED . . .
THE ADVOCACY OF AN ENERGY PROGRAM THAT WOULD DRASTICALLY
RAISE THE TAX ON GASOLINE, PUTTING AN EXTRA BURDEN ON PEOPLE
IN RURAL AREAS AND, ACCORDING TO THE LATEST BUT NOT NECESSARILY
THE LAST WORD FROM THE WHITE HOUSE, WOULD DEVOTE SOME OF
THESE FUNDS TO URBAN MASS TRANSIT . . . AND NOW THE TALK OF
A FARM BILL VETO.

- 4 A -

I AM CERTAIN THAT OUR COMPETITORS IN EXPORT MARKETS, SUCH AS CANADA, AUSTRALIA, AND ARGENTINA, WILL WANT TO GIVE BOB BERGLAND A "TOP SALESMAN" AWARD FOR THEIR GRAIN AFTER HEARING HIS STATEMENT IN CANADA ON MAY 19TH. SECRETARY BERGLAND SAID HE "WANTS U.S. GRAIN TO HAVE AS HIGH A REPUTATION FOR QUALITY AS CANADA". COMPETITORS CAN MAKE SALES POINTS WITH THAT KIND OF STATEMENT FROM AN AMERICAN SECRETARY OF AGRICULTURE.

THE SECRETARY ALSO PRAISED CANADA'S GRAIN MARKETING SYSTEM AS MORE EFFICIENT THAN OURS. WHAT HE IS SAYING IS THAT THE GOVERNMENT -- IN THE FORM OF THE CANADIAN WHEAT BOARD -- CAN BE MORE EFFICIENT AND AGGRESSIVE IN FINDING MARKETS THAN 35 U.S. COMPANIES.

- 4 B -

THE GOVERNMENT IS ALL-KNOWING AND HAS THE ABILITY TO
ESTABLISH PRICES BETTER THAN THE FREE MARKET.

THE MIRACULOUSLY EFFICIENT SYSTEM WHICH FREE
ENTERPRISE HAS DEVELOPED FOR THE PRODUCTION, MARKETING,
DISTRIBUTION AND PROCESSING OF FOOD IS A REAL TRIBUTE TO WHAT
FREE MEN IN A FREE SOCIETY CAN DO.

THE DISAGREEMENT BETWEEN CONGRESS AND THE ADMINISTRATION OVER THE PROJECTED COST OF THE FARM PROGRAM IS DUE, PRINCIPALLY, TO DIFFERENT ASSUMPTIONS ABOUT WHAT THE WEATHER IS LIKELY TO BE. TO TRY TO DEMONSTRATE THAT THE PROGRAM WOULD COST MORE THAN THE ADMINISTRATION'S ARBITRARY LIMITS, THE PRESIDENT CHOOSES TO ASSUME THAT THE WEATHER WILL BE "ABNORMALLY GOOD" FOR EACH OF THE NEXT FIVE YEARS. THIS IS ESPECIALLY DIFFICULT TO UNDERSTAND, SINCE SECRETARY BERGLAND HAS SAID ON SEVERAL OCCASIONS THAT AS A FARMER, HE ONLY EXPERIENCED "NORMAL" WEATHER IN 2 OUT OF 27 YEARS. IF THE WEATHER FOLLOWS PAST PATTERNS -- THAT IS, IF IT IS ABOUT LIKE IT HAS BEEN IN RECENT YEARS -- THE PROVISIONS IN THE SENATE BILL WOULD BE WITHIN THE ADMINISTRATION'S OWN COST LIMITATIONS.

I CANNOT BELIEVE THAT PRESIDENT CARTER WOULD OVERRULE
THE COLLECTIVE JUDGMENT OF CONGRESS ON A MATTER OF SUCH
VITAL CONCERN TO SO MANY AMERICANS -- CERTAINLY NOT BECAUSE
OF A DISAGREEMENT OVER SOMETHING NO ONE CAN PREDICT --
THE LONG-RANGE WEATHER FORECAST. THE ESSENTIAL THING --
AND SOMETHING I FEEL DEEPLY ABOUT -- IS THAT OUR PROGRAM
MUST INDUCE FARMERS TO PRODUCE ABUNDANTLY AND PROFITABLY.
YOUR BEST CUSTOMERS ARE PROSPEROUS CUSTOMERS.

- PROBLEM ONE OF EFFICIENCY AND PRODUCTIVITY -

THE FARM "PROBLEM" -- IF IT IS A PROBLEM -- IS A
FAMILIAR ONE: THE AMAZING EFFICIENCY AND PRODUCTIVITY OF
AMERICAN AGRICULTURE.

WHENEVER THE WEATHER IS GOOD, THE AMERICAN FARMER AND
AMERICAN AGRIBUSINESS ARE LIKELY TO PRODUCE MORE THAN ENOUGH
OF SEVERAL COMMODITIES.

UNLESS EXPORT DEMAND REMAINS HIGH, THIS ABUNDANCE
LEADS TO SURPLUSES WHICH LEADS TO LOWER PRICES. THE
PHENOMENAL PROGRESS MADE OVER THE YEARS BY THE FEED COMPANIES
AND THE CUSTOMERS THAT YOU SUPPLY IS ONE OF THE MAJOR
REASONS, OF COURSE, FOR THIS CONSTANTLY INCREASING FARM
PRODUCTIVITY.

ALL OF THE BIGGEST GRAIN EXPORTING COUNTRIES ARE
EXPECTING BUMPER CROPS THIS YEAR. THE 1976-77 WORLD WHEAT
HARVEST MAY TOP 400 MILLION TONS, WHICH WOULD BE 10 PERCENT
OVER THE PREVIOUS RECORD HIGH. AT THE END OF THE CURRENT
CROP YEAR, THE WORLD IS EXPECTED TO HAVE SOME 40 TO 50 MILLION
TONS OF WHEAT OVER AND ABOVE CURRENT REQUIREMENTS.

GOOD CROPS IN THE SOVIET UNION AND THE INDIAN SUBCONTINENT CONTRIBUTED TO A SLACKENING OF DEMAND AND LOWER PRICES FOR WHEAT. U.S. GRAIN EXPORTS WILL BE 5 TO 10 MILLION TONS UNDER LAST YEAR.

- WHEAT PRICES PLUMMET -

IT IS NOT ALWAYS EASY TO DRIVE HOME THE POINT IN WASHINGTON, BUT THE DIFFERENCE OF A FEW CENTS IN THE PRICE OF A FARM PRODUCT MAY BE THE DIFFERENCE BETWEEN MAKING A SUBSISTENCE LIVING AND ECONOMIC RUIN FOR A FARM FAMILY. THE PRICE OF WHEAT HAS PLUMMETED FROM ALMOST \$5 A BUSHEL JUST A FEW MONTHS AGO TO UNDER \$2 NOW. FARMERS ARE LOSING MONEY. SOME ARE FILING FOR BANKRUPTCY. OTHERS IN MY STATE OF KANSAS ARE HAVING TO BREAK UP THEIR FARMS AND SELL OFF PART OF THEIR LAND.

THE POLITICAL SYSTEM IS IN A CONTINUING STATE OF FLUX.
WHAT WE JUST EXPERIENCED YESTERDAY IN THE SENATE DEMONSTRATES
THE INCREASING DIFFICULTY IN PROTECTING GOOD FARM INCOME.
THERE SIMPLY AREN'T AS MANY FARM REPRESENTATIVES IN CONGRESS
OR IN THE EXECUTIVE BRANCH AS THERE USED TO BE -- THE
PRESIDENT'S PEANUT INTERESTS NOTWITHSTANDING. FOR EVERY
FIVE PEOPLE WHO LIVED ON A FARM 40 YEARS AGO, THERE ARE
ONLY TWO LIVING THERE TODAY.

- EXPORT TO SURVIVE -

WHAT THIS TELLS US, MORE THAN EVER BEFORE, IS THAT
A HEALTHY AMERICAN AGRICULTURE IS DEPENDENT ON EXPORTS.
FARMERS MUST EXPORT TO SURVIVE. THERE IS NO ESCAPING THAT
FACT OF LIFE.

IN THE LAST FEW YEARS, FARM EXPORTS JUST ABOUT COVERED THE COST OF OUR PETROLEUM IMPORTS. BUT WITH EARNINGS FROM FARM EXPORTS OFF -- AND OIL PRICES UP -- THE TRADE IMBALANCE IS WORSE. LAST MONTH, THE TRADE DEFICIT WAS TWO BILLION, 387 MILLION DOLLARS.

WITHOUT THE FABULOUS PRODUCTIVITY OF OUR FARMERS AND EXPORT MARKETS FOR THEIR PRODUCTS, THIS IMBALANCE WOULD BE MUCH GREATER.

IN FACT, IT WOULD BE A NATIONAL DISASTER. THE VALUE OF THE DOLLAR ABSOLUTELY DEPENDS ON FARM EXPORTS. FARM EXPORTS ACCOUNT FOR ONE DOLLAR OUT OF EVERY 5 DOLLARS EARNED IN TRADE WITH FOREIGN COUNTRIES -- AMOUNTING TO ABOUT 22 BILLION DOLLARS A YEAR. NEARLY ONE OUT OF THREE ACRES OF

U. S. CROPLAND IS DEVOTED TO PRODUCTION FOR FOREIGN CONSUMERS. AMERICAN FARMERS PRODUCE ABOUT ONE-FOURTH OF THE WORLD'S WHEAT AND FEEDGRAINS.

THE DOLLARS THAT WE SPEND FOR FOREIGN OIL CAN BE RETURNED ONLY BECAUSE OF WHAT WE DO BETTER THAN ANYONE ELSE IN THE WORLD -- AND THAT IS, GROW FOOD IN ABUNDANCE. THE SECRETARY NEEDS TO AGGRESSIVELY SEEK ADDITIONAL EXPORT MARKETS BY USING ALL THE TOOLS AT HIS DISPOSAL.

THE TRADE POLICY DISCUSSIONS THAT ARE UNDERWAY NOW IN GENEVA WILL HAVE A LOT TO DO WITH THE FUTURE OF OUR FARM EXPORTS. THE CONSTITUENCIES THAT ARE IMPORTANT TO THE PRESIDENTIAL BRANCH OF THE DEMOCRATIC PARTY ARE SPEAKING OUT. THEY ARE EXERTING PROTECTIONIST PRESSURE ON BEHALF OF CERTAIN IMPORTANT INDUSTRIES THAT HAVE BEEN SUFFERING UNEMPLOYMENT CAUSED BY FOREIGN COMPETITION.

PRESIDENT CARTER'S RECENT ECONOMIC POLICY DISCUSSIONS IN EUROPE BROUGHT EVIDENCE THAT THE EUROPEAN COMMON MARKET COUNTRIES ARE DETERMINED TO ACT IN THEIR SELF INTEREST. THIS DETERMINATION CAN ONLY BE HARDENED IF WE INSIST ON UNREASONABLE BARRIERS TO IMPORTS.

WESTERN EUROPE IS OUR BEST MARKET FOR FARM GOODS.
AS YOU KNOW, THE EUROPEAN COMMUNITY SOMETIMES EMPLOYS
TRADE RESTRICTIONS AND EXPORT SUBSIDIES THAT DISCRIMINATE
UNFAIRLY AGAINST OUR FARM EXPORTS, AND, IN THE PAST, THE
EUROPEANS HAVE BEEN MORE INTERESTED IN STABILIZATION OF
PRICES AND TRADE THAN THEY WERE IN LIBERALIZING TRADE.

THE PRICE OF FAILURE IN GENEVA IS NOTHING LESS THAN
THE SERIOUS RISK OF RETURNING TO THE KIND OF DOG-EAT-DOG
TRADE POLICIES WHICH BROUGHT THE WORLD TO ECONOMIC DISASTER
IN THE 1930'S.

FOR AGRICULTURAL COMMODITIES TO BE TREATED FAIRLY, IT
IS ESSENTIAL THAT THE FARM AND INDUSTRIAL TRADE NEGOTIATIONS
BE KEPT TIED TOGETHER.

THERE IS NO REASON WHY THE SALE OF VW AUTOMOBILES
IN THE U.S. SHOULD NOT BE ON THE SAME CONFERENCE TABLE AT
THE SAME TIME THAT BARRIERS STANDING IN THE WAY OF FARM
EXPORTS IN EUROPE ARE UNDER CONSIDERATION.

THE LOAN RATES EXPECTED TO EMERGE FROM THE CONFERENCE
WILL BE COMPETITIVE ENOUGH FOR COMMODITIES TO MOVE IN EXPORT
MARKETS AT WORLD PRICES. I DO NOT FORESEE A BIG BUILD-UP
OF C.C.C. STOCKS. A LOAN RESEAL PROGRAM, IF NEEDED, WOULD
PREVENT THIS.

- WHEAT SALES TO CHINA -

AS YOU KNOW, THE U.S. GOVERNMENT IS PROHIBITED UNDER PRESENT LAW FROM MAKING C.C.C. CREDIT TERMS AVAILABLE TO THE PEOPLE'S REPUBLIC OF CHINA AND THE SOVIET UNION AND SEVERAL OTHER EASTERN EUROPEAN COUNTRIES. I INTRODUCED A BILL LAST MONTH WHICH WOULD LIFT THIS CREDIT RESTRICTION. THIS WOULD NOT ONLY BE GOOD BUSINESS FOR AMERICAN FARMERS, BUT IT WOULD SAVE THE GOVERNMENT GRAIN STORAGE COSTS AND REDUCE THE BUDGET OUTLAY FOR PAYMENTS TO FARMERS. THE PRC HAS CONTRACTED FOR THE PURCHASE OF 5 MILLION METRIC TONS OF WHEAT ALREADY IN THIS FISCAL YEAR, ALL OF IT SO FAR FROM OUR COMPETITORS, PRINCIPALLY CANADA AND AUSTRALIA.

- VETO OVER EXPORT CONTROLS -

IN ADDITION, THE SENATE RECENTLY ADOPTED AN AMENDMENT I OFFERED TO THE EXPORT ADMINISTRATION ACT, WHICH WOULD GIVE CONGRESS A VETO POWER OVER ANY IMPOSITION OF EXPORT CONTROLS ON FARM COMMODITIES. THE PRESIDENT WOULD BE REQUIRED TO REPORT, IN DETAIL, WHY EXPORT CONTROLS HAD BEEN IMPOSED. CONGRESS WOULD THEN HAVE 30 DAYS TO REVERSE THE DECISION BY ACTION OF BOTH HOUSES. NO LONGER WOULD WE BE REQUIRED TO ACCEPT VAGUE EXPLANATIONS BY THE ADMINISTRATION OF THE FOREIGN POLICY OR DOMESTIC SHORTAGE REASONS FOR CONTROLS.

- AGAINST COMMODITY AGREEMENTS -

THE ADMINISTRATION IS REPORTED TO BE FLIRTING WITH
INTERNATIONAL COMMODITY AGREEMENTS FOR SUGAR AND WHEAT.
I BELIEVE STRONGLY THAT WE SHOULD AVOID INVOLVING THE
UNITED STATES IN COMMODITY AGREEMENTS THAT CONTAIN MAXIMUM
AND MINIMUM PRICE PROVISIONS, OR OTHER MEASURES AIMED AT
PRICE AND MARKET STABILITY. OUR PAST EXPERIENCE WITH THIS
APPROACH BROUGHT ABOUT MARKET DISRUPTION AND LONG-TERM
HARM TO BOTH PRODUCERS AND CONSUMERS.

THE LAST INTERNATIONAL GRAINS ARRANGEMENT WITH MAXIMUM AND MINIMUM PRICES WAS AN INTERNATIONAL ECONOMIC FAILURE. WHEN HE SIGNED THE AGREEMENT FOR THE UNITED STATES, THE THEN PRESIDENT JOHNSON SAID HE THOUGHT IT WOULD PROVIDE NEW PRICE INSURANCE TO THE U.S. WHEAT PRODUCERS.

IT PROVED TO BE LOWER PRICE INSURANCE AND A STRATEGY FOR LOSING MARKETS. OTHER COUNTRIES UNDERSOLD US. WE WERE LEFT "HOLDING THE BAG" -- A BAG FULL OF UNEXPORTED WHEAT. TO BE EFFECTIVE IN STABILIZING MARKETS AND PRICES, ENOUGH EXPORTERS AND IMPORTERS MUST PARTICIPATE TO ACHIEVE A DEGREE OF MONOPOLY POWER. GETTING IMPORTERS TO GO ALONG IS DIFFICULT, ESPECIALLY IN YEARS OF LARGE SUPPLIES AND WORLD SHORTAGES.

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- P.L. 480 -

THE TITLE I ALLOCATION FORMULA (75/25) WAS MODIFIED TO GIVE MORE FLEXIBILITY TO FARM EXPORTS UNDER THE TITLE I PROGRAM. THE SECRETARY RATHER THAN THE PRESIDENT WILL HAVE WAIVER AUTHORITY AND THE POOREST COUNTRY CRITERION FOR THE 75% CATEGORY WAS MOVED UP FROM \$300 PER CAPITA GNP TO \$520. THIS WILL ADD SOME NEW COUNTRIES TO THE CATEGORY, NOTABLY JORDAN, MOROCCO, GHANA, SENEGAL AND HONDURAS. PROVISIONS ARE MADE FOR 5% OF THE FUNDS GENERATED UNDER TITLE I TO BE USED BY THE SECRETARY OF AGRICULTURE FOR FACILITIES TO AID DISTRIBUTION AND CONSUMPTION OF FARM COMMODITIES. THIS HOPEFULLY WILL RESULT IN CONSTRUCTION OF GRAIN STORAGE FACILITIES IN DEVELOPING COUNTRIES. OTHER FEATURES OF THE PROGRAM SHOULD RESULT IN INCREASED EXPORTS OF BOTH DONATED FOOD

AND CONCESSIONAL SALES. AMENDMENTS WHICH I INTRODUCED WERE ACCEPTED WHICH WOULD GIVE THE SECRETARY NEEDED TOOLS TO CLEAN UP CERTAIN ALLEGED PROGRAM ABUSES. ALLEGATIONS OF WRONGDOING INVOLVE SOME MEMBERS OF CONGRESS, CERTAIN RICE EXPORTERS, AND CERTAIN SHIPPING AGENTS, AND ARE A PART OF A CURRENT JUSTICE DEPARTMENT INVESTIGATION. PASSAGE OF MY AMENDMENTS SHOULD HELP THE SECRETARY OF AGRICULTURE CLEAN UP THE EXISTING PROGRAM ABUSES.

- STRATEGIC IMPORTANCE OF FOOD -

INCREASINGLY, WE LIVE IN A WORLD IN WHICH FOOD -- AND ENERGY -- ARE STRATEGIC INSTRUMENTS OF FOREIGN POLICY.

FREIGHTERS LOADED WITH GRAIN, AND TANKERS FILLED
WITH OIL, ARE AS IMPORTANT TODAY AS RIVAL FLEETS OF
BATTLESHIPS WERE IN AN EARLIER AGE. BECAUSE AGRICULTURE
CONTRIBUTES SO SIGNIFICANTLY TO OUR ECONOMIC, AND THEREFORE
OUR POLITICAL, STRENGTH IN THE WORLD, THERE ARE DIRECT LINKS
BETWEEN OUR NATIONAL SECURITY AND OUR FOREIGN POLICY ON
ONE HAND, AND OUR FARM POLICY ON THE OTHER.

- ENERGY PLANS -

A LITTLE EARLIER, I REFERRED TO THE DECLINING NUMERICAL STRENGTH OF RURAL REPRESENTATIVES IN CONGRESS. THERE WAS A TIME NOT TOO LONG AGO WHEN MANY OF THE CABINET OFFICERS, AGENCY HEADS, AND WHITE HOUSE STAFF ASSISTANTS WERE LIKELY TO BE FROM A FARM BACKGROUND. BUT NOT ANYMORE. THE PRESIDENT'S ENERGY RECOMMENDATIONS WERE SINGULARLY UNSYMPATHETIC TO THE INTERESTS OF THE AMERICAN FARMER. THE PRESIDENT MADE NO MENTION OF EXEMPTING AGRICULTURAL USE FROM THE PROPOSED TAX ON GASOLINE. THE TAX THAT HE PROPOSED WOULD HIT HARDEST THOSE WHO MUST DRIVE THEIR CARS THE LONGEST DISTANCES AND DO NOT HAVE ACCESS TO PUBLIC TRANSPORTATION.

THE REBATES THAT HE SUGGESTED WOULD GO EQUALLY TO THOSE WHO NEED THEIR CARS FOR ESSENTIAL PURPOSES AND THOSE WHO DO NOT OWN CARS AT ALL BUT WHO RIDE THE SUBWAY OR BUS TO WORK OR SHOP.

IN ANY SHORTAGE OF ENERGY, THE GOVERNMENT WILL OBVIOUSLY BE ASKED TO ALLOCATE SCARCE SUPPLIES -- ALLOCATE THEM AMONG REGIONS, AMONG STATES, AMONG URBAN, SUBURBAN, AND RURAL USERS. WHAT IS A FAIR DIVISION OF A LIMITED AMOUNT OF FUEL BETWEEN FERTILIZER AND POWER LAWNMOWERS? BETWEEN A TRACTOR AND A SNOWMOBILE? THESE WILL BE TOUGH, CONTROVERSIAL ISSUES TO BE SETTLED, AGRICULTURE WILL BE CLAMORING FOR JUST RECOGNITION, OF COURSE, BUT SO WILL A LOT OF OTHER INTERESTS. AND IT WILL BE A MATTER OF WHOSE VOICE CRIES OUT THE LOUDEST.

- INCENTIVES FOR INCREASED SUPPLIES -

THIS IS A REASON WHY ALL OF US MUST WORK TO DEVELOP A SENSIBLE COMPREHENSIVE ENERGY POLICY -- ONE THAT WILL PROVIDE FOR CONSERVATION, YES; BUT ALSO ONE THAT WILL ENCOURAGE DOMESTIC PRODUCERS TO INVEST IN NEW FACILITIES AND STEP UP THEIR OPERATIONS. INSTEAD OF LEVYING ALL KINDS OF TAXES THAT WILL BE BOTH INFLATIONARY AND CREATE MORE UNEMPLOYMENT, BOTH AT THE SAME TIME, WE SHOULD AT LEAST TRY TO PROVIDE A REASONABLE ECONOMIC INCENTIVE FOR INCREASED SUPPLIES.

I COMMEND YOUR COMPANIES FOR THE ROLE THAT YOU PLAY
IN HELPING TO FEED A HUNGRY NATION BETTER. HOWEVER, AS YOU
KNOW, OUR FOOD EXPORTS ARE PAYING OUR EXTRAVAGANT ENERGY
BILLS -- ENERGY WHICH YOU NEED TO RUN YOUR OPERATIONS.
MORE SIGNIFICANT PERHAPS THAN SALT TALKS, IT IS TRADE AMONG
NATIONS WHICH WEAVES A SEAMLESS WEB OF PEACEFUL INTERDEPENDENCE
ACROSS NATIONAL BOUNDARIES. A PROSPEROUS, PRODUCTIVE
AMERICAN AGRICULTURE CAN BE THE KEY TO A WIDER PROSPERITY --
NOT ONLY AMONG CONSUMERS AT HOME, BUT AMONG MANY FOREIGN
PEOPLES WHO NEED AND WANT TO BUY WHAT WE CAN PRODUCE MOST
EFFICIENTLY.