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REMARKS BY SENATOR BOB DOLE

GREAT PLAINS WHEAT INC.
WICHITA, KANSAS
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Mary Flannery

Don Doughty

I WELCOME THIS OPPORTUNITY TO BE WITH YOU TODAY. GREAT PLAINS WHEAT, AS YOU KNOW, WAS INITIATED BY CONGRESSMAN CLIFFORD HOPE OF GARDEN CITY, AND I AM SURE HE WOULD BE PROUD OF THE STRIDES IN MARKET DEVELOPMENT THAT HAVE BEEN MADE SINCE ITS INCEPTION.

THE FARM BILL AND NEEDED FOLLOW-UP

WHILE THE CARTER ADMINISTRATION SPOKESMEN WILL UNDOUBTEDLY TAKE CREDIT FOR THE FARM LEGISLATION AGREED UPON BY HOUSE AND SENATE CONFEREES TODAY, IT SHOULD BE AND WILL BE REMEMBERED BY FARMERS ACROSS THIS NATION AND OTHER RURAL AMERICANS THAT THE CARTER ADMINISTRATION FOUGHT THE BILL AT EVERY STEP.

CAMPAIGN PROMISES BY CANDIDATE CARTER ARE ONE THING, BUT PERFORMANCE BY PRESIDENT CARTER AND HIS SECRETARY OF AGRICULTURE, ROBERT BERGLAND, ARE QUITE ANOTHER. HEARINGS ON FARM LEGISLATION WERE WELL UNDERWAY WHEN SECRETARY BERGLAND TESTIFIED BEFORE THE SENATE AGRICULTURE COMMITTEE ON MARCH 23. MOST MEMBERS OF THAT COMMITTEE -- DEMOCRATS AS WELL AS REPUBLICANS -- WERE SHOCKED AT THE PROGRAM HE OFFERED AMERICAN FARMERS. IN NEARLY EVERY CASE HE ATTEMPTED TO CUT BACK ON PROGRAMS, AND EVEN

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AT THAT EARLY STAGE SUGGESTED THE PRESIDENT VETO ANYTHING ABOVE THE LEVELS OFFERED BY THE ADMINISTRATION. THE CONSTANT THREAT OF A VETO HAS BEEN USED REPEATEDLY IN EFFORTS TO KNOCK DOWN PRICE SUPPORT LEVELS, PARTICULARLY IN THE WHEAT AND FEED GRAIN AREAS. IT IS FAIR TO SAY THAT THE CARTER ADMINISTRATION WAS DRAGGED KICKING AND SCREAMING THROUGHOUT THE DEVELOPMENT OF THE BILL, AND I AM CERTAIN MOST AMERICAN FARMERS ARE COGNIZANT OF THIS. THE ADMINISTRATION LEAD THE EFFORTS TO KILL MY PROPOSAL TO INCREASE THE WHEAT TARGET PRICE FOR 1977 FROM \$2.65 TO \$2.90 PER BUSHEL. THAT ADMINISTRATION EFFORT FAILED BECAUSE DEMOCRATIC AND REPUBLICAN SENATORS, TRULY CONCERNED ABOUT FARMERS, NARROWLY PREVAILED BY A VOTE OF 50-46.

FOLLOWING THE FARM BILL CONFERENCE, I COMMENDED THE REPUBLICAN AND DEMOCRAT CONFEREES WHO PUT THE GOOD OF THE FARMERS AHEAD OF THE WISHES OF THE CARTER ADMINISTRATION. THE END RESULT IS A PRETTY GOOD FARM BILL. IT WAS HAMMERED OUT FOR THE MOST PART ON A BIPARTISAN BASIS. IT IS WITHOUT QUESTION A FAR BETTER PROGRAM THAN CARTER ADVOCATED AS PRESIDENT, BUT FAR LESS THAN HE ADVOCATED AS A CANDIDATE.

ALL OF US CAN NOW BE THANKFUL THAT THE ADMINISTRATION WILL STOP THE CONTINUAL REFERENCE TO THE USE OF THE VETO POWER, WHILE THE

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CONGRESS -- CERTAINLY AS RESPONSIBLE A BODY AS THE EXECUTIVE
BRANCH -- HAS WORKED ITS WILL. OF COURSE, NOT EVERY ONE
OBTAINED WHAT HE WANTED, BUT A SPIRIT OF COMPROMISE PERVADED
THE DISCUSSIONS.

I SHOULD NOW LIKE TO MENTION SOME OF THE MAJOR FEATURES OF THE
FARM BILL OF INTEREST TO YOU, WITH SOME OF THE DETAIL IN BRIEF
FORM.

(INSERT FULL TEXT OF FARM SUMMARY)

THIS BILL WILL NOT SOLVE THE CRISIS CONDITIONS ON U.S. FARMS --
ONLY STRONGER DEMANDS IN WORLD MARKETS RESULTING IN MORE FAVOR-
ABLE PRICES CAN DO THAT -- BUT IT WILL HELP ALLEVIATE THE
SITUATION WHICH HAS BEEN DESCRIBED BY ELLIOTT JANEWAY, THE
ECONOMIST-WRITER, AS FOLLOWS:

"THE FARM BELT CRUNCH IS THE RESULT OF A DOUBLE
PINCH. INFLATION OF COST IS ACCOUNTING FOR
ONLY HALF OF THE DAMAGE: DEFLATION OF INCOMES
FOR THE OTHER HALF. THIS ONE-TWO PUNCH FROM
COST INFLATION AND INCOME DEFLATION TAKES A
CRUELER TOLL OF ITS VICTIM THAN THE FAMILIAR
RHETORIC OF 'STAGFLATION' WOULD SUGGEST."

FARMERS HAVE PUT IT MORE SIMPLY:

"WE ARE GOING BROKE."

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I AM GLAD WE HAVE A BILL THAT WILL HELP OUT. HOWEVER, IT IS NOW TIME TO GET ON WITH THE JOB OF HELPING OUR FARM FAMILIES. IT IS NOW TIME FOR THE EXECUTIVE BRANCH TO STOP DEVOTING ITS ENERGIES TO THE NEGATIVISM OF VETO STATEMENTS TO THE CONSTRUCTIVE JOB AHEAD FOR WHICH THE CONGRESS HAS PROVIDED THE TOOLS. ALL OF US ARE DISTRESSED BY LOW FARM PRICES. THIS BILL PROVIDES TOOLS FOR IMPROVING THEM. LET ME ENUMERATE SPECIFIC ACTIONS WHICH SHOULD BE TAKEN:

(1) ANNOUNCE RIGHT NOW THE QUANTITIES OF VARIOUS COMMODITIES WHICH WILL BE APPROVED FOR SHIPMENT UNDER THE FOOD FOR PEACE PROGRAM. THIS WILL INCREASE DEMAND NOW. I KNOW HOW MUCH ENERGY SENATOR HUBERT H. HUMPHREY HAS DEVOTED ON BEHALF OF THIS PROGRAM, AND THE WORLD SHOULD BE GRATEFUL FOR HIS ENDEAVORS. HE WAS THERE AT THE CONCEPTION AND INCEPTION.

(2) GET OUT THE REGULATIONS UNDER THE DOLE BILL TO ASSURE FOREIGN COUNTRIES THAT RESERVE STOCKS OF AGRICULTURAL COMMODITIES STORED IN THE UNITED STATES, UNDER SPECIFIED CONDITIONS, WILL NOT BE SUBJECT TO EXPORT CONTROLS. WE NEED THE INCREASED DEMAND REFLECTED NOW IN THE MARKET.

(3) MOVE EXPEDITIOUSLY TO ANNOUNCE THE SIZE OF THE CCC EXPORT CREDIT SALES PROGRAM FOR THE NEXT FISCAL YEAR. THIS IS A VALU-

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ABLE TOOL TO ENABLE US TO COMPETE WITH OTHER EXPORTERS, ESPECIALLY CANADA AND AUSTRALIA ON WHEAT.

(4) ANNOUNCE THAT THEY WILL VIGOROUSLY SUPPORT THE DOLE BILL TO AUTHORIZE CCC CREDIT TO CERTAIN WORLD MARKETS WHERE IT IS CURRENTLY PROHIBITED -- ESPECIALLY THE PEOPLES REPUBLIC OF CHINA. THE PEOPLES REPUBLIC OF CHINA HAS BOUGHT ABOUT 9 MILLION TONS OF WHEAT -- NONE FROM THE UNITED STATES.

IT IS MY EARNEST HOPE THIS BILL -- EQUITABLE TO FARMERS, CONSUMERS, AND TAXPAYERS -- WILL BE VIGOROUSLY ADMINISTERED IN THE NATIONAL INTEREST. THIS BILL WILL HELP RESTORE THE FINANCIAL HEALTH OF FARM FAMILIES AND MAINTAIN THE PHYSICAL HEALTH OF THE NEEDY.

I AM PARTICULARLY PLEASED WITH THE ACTION CONGRESS TOOK WITH RESPECT TO COTTON, RICE AND PEANUTS. THERE IS VERY LITTLE DISAGREEMENT ON DAIRY LEGISLATION. I DO HAVE RESERVATIONS ON THE WHEAT AND FEED GRAIN SECTIONS, AND THEREFORE RESERVE THE RIGHT TO CONTINUE OUR EFFORTS TO IMPROVE THESE PROGRAMS.

I AM PERSONALLY PLEASED THAT THE MANY AMENDMENTS I OFFERED TO CLEAN UP ALLEGED SHORTCOMINGS IN THE P.L. 480 PROGRAM WERE

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ADOPTED, THE FEDERAL GRAIN INSPECTION ACT HAS BEEN IMPROVED, AND THE COST OF THE PROGRAM WILL BE PAID BY THE FEDERAL GOVERNMENT AND NOT BY THE BELEAGUERED PRODUCERS. LET ME JUST SAY THAT GREAT STRIDES WERE NOT IN REVAMPING RESEARCH PROGRAMS, AND IN MY VIEW -- ONE NOT SHARED BY ALL MY COLLEAGUES -- THE FOOD STAMP PROGRAM OFFERS MORE HOPE TO MANY AMERICANS WHO SHOULD BE PARTICIPATING, WHILE AT THE SAME TIME REDUCING OPPORTUNITIES FOR THOSE WHO HAVE ABUSED THE PROGRAM.

I SHALL LOOK FORWARD TO WORKING WITH YOUR ORGANIZATION -- GREAT PLAINS WHEAT -- TO SECURE PROPER AND EARLY IMPLEMENTATION OF THE NEW FARM BILL.

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SUMMARY OF FARM BILL

LIMITATION OF PAYMENT

THE LIMITATION ON PAYMENTS RECEIVED BY FARMERS PARTICIPATING
IN THESE PROGRAMS SHALL BE AS FOLLOWS:

1978 -- \$40,000; 1979--\$45,000; and 1980--\$50,000

RICE PAYMENTS WHICH UNDER EXISTING LAW IS \$55,000 WILL BE REDUCED
EACH YEAR REACHING \$50,000 BY 1980.

DISASTER PAYMENTS ARE EXEMPT FROM PAYMENT LIMITATIONS.

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CONTINUATION OF MAJOR COMMODITY PROGRAMS FOR FOUR YEARS

<u>COMMODITY</u>	<u>TARGET</u>		<u>LOAN</u>	
	<u>1977</u>	<u>1978</u>	<u>1977</u>	<u>1978</u>
WHEAT	\$2.90	\$3.00	\$2.25	\$2.35

THE WHEAT TARGET PRICE FOR 1978 OF \$3.00 SHALL BE ADJUSTED TO \$3.05 PER BUSHEL IF U.S. WHEAT PRODUCTION IS NO MORE THAN 1.8 BILLION BUSHEL. BEYOND 1978, TARGET PRICES WILL BE ADJUSTED ACCORDING TO THE COST OF PRODUCTION. THE LOAN LEVEL MAY BE ADJUSTED DOWNWARD BY THE SECRETARY OF AGRICULTURE BY A MAXIMUM OF 10% PER ANNUM TO A FLOOR LEVEL OF \$2.00 PER BUSHEL IF NEEDED TO KEEP U.S. WHEAT COMPETITIVE IN WORLD MARKETS. (FINDLEY AMENDMENT)

<u>COMMODITY</u>	<u>TARGET</u>		<u>LOAN</u>	
	<u>1977</u>	<u>1978</u>	<u>1977</u>	<u>1978</u>
CORN	\$2.00	\$2.00	\$2.00	\$2.00

CORN TARGETS BEYOND 1978 WILL BE ADJUSTED ACCORDING TO THE COST OF PRODUCTION AND THE SECRETARY MAY ADJUST THE LOAN LEVEL DOWNWARD TO A FLOOR OF \$1.75 IF NEEDED TO KEEP U.S. CORN COMPETITIVE IN WORLD MARKETS.

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SOYBEANS

THERE SHALL BE A MANDATORY PRICE SUPPORT FOR SOYBEANS FOR THE 1978 THROUGH 1981 CROPS. THE SECRETARY SHALL MAKE AVAILABLE LOANS AND PURCHASES BUT NO MINIMUM LEVEL SHALL BE REQUIRED. THE SECRETARY MAY NOT REQUIRE A SET-ASIDE OF SOYBEANS AS A CONDITION OF ELIGIBILITY FOR PRICE SUPPORT FOR ANY COMMODITY.

PLANTED ACRES REPLACE ALLOTMENTS

THE ALLOTMENT SYSTEM WHICH HAS BEEN IN PLACE--WHEN PROGRAMS WERE IN EFFECT--SINCE THE 1930'S SHALL BE REPLACED WITH A CURRENT ACREAGE PLANTED SYSTEM, THUS AVOIDING SOME OF THE PROBLEMS THAT HAVE DEVELOPED THROUGH THE YEARS CONCERNING THE ALLOTMENT SYSTEM.

SUGAR PROGRAM

U.S. PRODUCERS OF CANE AND SUGAR BEETS WILL HAVE A SUPPORTED MARKET FOR THEIR CROPS FOR 1977 AND 1978 AT $52\frac{1}{2}\%$ TO 65% OF PARITY, BUT NOT LESS THAN 13.5¢ PER POUND RAW SUGAR EQUIVALENT. THE NEW SUGAR PROVISION DOES NOT AFFECT THE SECRETARY'S EXISTING AUTHORITY UNDER OTHER PROVISIONS TO ESTABLISH A PRICE SUPPORT PROGRAM FOR THAT PORTION OF THE 1977 CROP OF SUGAR CANE AND SUGAR BEETS MARKETING PRIOR TO IMPLEMENTATION OF SUCH LOANS OR PURCHASES.

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(HAWAII) IMPORT FEES ON IMPORTED SUGAR, WHICH ARE LIKELY TO BE IMPOSED UNDER SECTION 22, WILL PROVIDE REVENUE OF \$300-400 MILLION PER ANNUM.

THE NEW SUGAR PROGRAM WILL "SELF-DESTRUCT" IF AND WHEN AN INTERNATIONAL SUGAR AGREEMENT IS EFFECTIVE IN ASSURING DOMESTIC PRODUCERS NOT LESS THAN 13.5¢ PER POUND.

INTERNATIONAL FOOD RESERVES

PROVISION FOR AN INTERNATIONAL FOOD RESERVE OF 2 TO 6 MILLION TONS WAS DEFEATED. SUBSTITUTED WAS A STATEMENT THAT "ENCOURAGED" RATHER AND "AUTHORIZED" THE PRESIDENT TO ENTER INTO NEGOTIATIONS WITH OTHER NATIONS TO DEVELOP AN INTERNATIONAL SYSTEM OF FOOD RESERVES TO PROVIDE FOR HUMANITARIAN OR EMERGENCY PURPOSES.

AGRICURAL RESEARCH

THE RESEARCH PORTION OF THE BILL FIRMLY ESTABLISHED THE USDA AS THE LEAD AGENCY IN THE FEDERAL GOVERNMENT FOR RESEARCH, EXTENSION AND TEACHING IN THE FOOD AND AGRICULTURAL SCIENCES.

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THIS BILL SHOULD MEAN MORE DIRECTION AND ACCOUNTABILITY IN
AGRICULTURAL RESEARCH.

RURAL DEVELOPMENT

RURAL COMMUNITY FIRE PROTECTION UNDER THE RURAL DEVELOPMENT
ACT OF 1972 WAS EXTENDED TO SEPTEMBER 30, 1980. FUNDING AT
~~\$3.5~~ MILLION WAS INCLUDED IN THE APPROPRIATIONS BILL.

THE AGRICULTURAL CONSERVATION PROGRAM AUTHORIZING THE MAKING
OF PAYMENTS TO AGRICULTURAL PRODUCERS WAS AMENDED TO INCLUDE
FINANCIAL ASSISTANCE TO AGRICULTURAL PRODUCERS FOR CARRYING OUT
ENDURING (LONG-TERM) CONSERVATION AND ENVIRONMENTAL ENHANCEMENT
MEASURES.

THE LEVEL OF FUNDING NEEDING CONGRESSIONAL APPROVAL FOR
WATERSHED PROJECTS WAS RAISED FROM \$250,000 TO \$1,000,000.

EXTENSION OF THE FOOD FOR PEACE PROGRAM (P.L. 480)

THE FOOD FOR PEACE PROGRAM WAS EXTENDED FOR FOUR YEARS WITH
GREATER EXPORT POTENTIAL, A LINKAGE OF FOOD ASSISTANCE TO ECONOMIC

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DEVELOPMENT IN P.L. 480 RECIPIENT COUNTRIES, AND A NUMBER OF PROVISIONS DESIGNED TO PREVENT PROGRAM ABUSE.

WHEAT AND WHEAT FOODS RESEARCH AND EDUCATION ACT

ESTABLISHES A COUNCIL TO ADMINISTER RESEARCH GENERATED BY AN INDUSTRY SPONSORED END PRODUCT ASSESSMENT. NO COST TO THE U.S. GOVERNMENT. COUNCIL AND PROGRAM ARE RESPONSIBLE TO THE SECRETARY OF AGRICULTURE. MAJOR PURPOSE IS TO AUTHORIZE A COOPERATIVE PROGRAM OF RESEARCH AND NUTRITION EDUCATION AMONG PRODUCERS, PROCESSORS, END PRODUCT MANUFACTURERS AND CONSUMERS.

IT IS INTERESTING TO NOTE THAT THE PROVISIONS OF THIS SECTION OF THE FARM BILL WERE CONTAINED IN A BILL INTRODUCED BY SENATOR FRANK CARLSON BACK IN THE 1960'S, AND WHICH I INTRODUCED IN SUBSEQUENT CONGRESSES SINCE REPLACING HIM IN 1968.

FIELD SUPERVISION OF INSPECTION OR WEIGHING UNDER THE U.S. GRAIN STANDARDS ACT SHALL BE FINANCED BY APPROPRIATED FUNDS. THE NEW FARM BILL WILL REQUIRE FEDERAL SUPERVISION ADEQUATE TO REASONABLY ASSURE THE INTEGRITY OF THE SYSTEM. IT ELIMINATES THE EXCESSIVE RECORD KEEPING REQUIREMENT CONTAINED IN THE BILL PASSED IN 1976.