

REMARKS OF SENATOR BOB DOLE
YANKEE MILK
MARIOTT HOTEL
NEWTON, MASSACHUSETTS
MONDAY, OCTOBER 24, 1977

FIRST OF ALL, I COMMEND YANKEE MILK AND OTHER DAIRY COOPERATIVES THROUGHOUT THE NATION FOR THEIR MODERN, EFFICIENT, AND THOROUGH MARKETING OF THE MILK THEIR MEMBERS PRODUCE. OUR DAIRY COOPERATIVES ARE LEADERS IN THE MOVEMENT OF FARMERS WORKING TOGETHER TO HELP THEMSELVES.

1977 FARM BILL

I AM CERTAIN YOU ARE WELL AWARE OF MOST OF THE PROVISIONS OF THE 1977 FARM BILL--BUT LET ME REVIEW SOME OF THE HIGHLIGHTS:

- (1) THE PRICE OF MILK WILL BE SUPPORTED AT NOT LESS THAN 80 PERCENT PARITY WITH SEMIANNUAL ADJUSTMENTS.
- (2) THE SECRETARY OF AGRICULTURE WILL HAVE DISCRETIONARY AUTHORITY TO MAKE QUARTERLY ADJUSTMENTS TO THE SUPPORT PRICE.

- (3) EXTENSION OF MILK MARKETING ORDER AUTHORIZATION FOR BASE EXCESS PLANS, LOUISVILLE PLANS, AND CLASS I BASE PLANS.
- (4) INDEMNITY PAYMENTS ARE EXTENDED AND EXPANDED TO DAIRY FARMERS FOR CONTAMINATION FROM NUCLEAR RADIATION OR FALL-OUT OR RESIDUES OF CHEMICALS OR TOXIC SUBSTANCES WHICH WERE NOT USED CONTRARY TO REGULATIONS OR LABELING INSTRUCTIONS.
- (5) THE SECRETARY IS REQUIRED TO ISSUE MILK CONTENT STANDARDS FOR ICE CREAM. THE ADOPTION OF THIS PROVISION WAS THE OUTGROWTH OF CURRENT EFFORTS BY THE FOOD AND DRUG ADMINISTRATION TO MODIFY THE EXISTING STANDARD OF IDENTITY FOR ICE CREAM. AS YOU KNOW, FDA WOULD PERMIT CASEIN AND NON-DAIRY INGREDIENTS TO BE SUBSTITUTED FOR MILK SOLIDS IN THE MANUFACTURE OF ICE CREAM THEREBY HAVING HAD AN IMPACT ON DAIRY PRICES.

THIS BILL--SIGNED BY THE PRESIDENT ON SEPTEMBER 29, 1977--HAS EXTENDED MOST FARM PROGRAMS; SOME RECEIVED MINOR CHANGES WHILE OTHERS UNDERWENT MAJOR REVISIONS.

THE 1977 ACT HAS ADEQUATE AUTHORITY TO PROVIDE FAIR AND ADEQUATE PRICE PROTECTION FOR ALL FARM COMMODITIES. TO ACCOMPLISH THIS, HOWEVER, IT MUST BE PROPERLY ADMINISTERED.

POORLY ADMINISTERED--SO FAR

- SET ASIDE REQUIREMENTS ARE INADEQUATE TO REDUCE PRODUCTION SUFFICIENTLY TO INCREASE PRICES PAID TO FARMERS.
- LITTLE OR NO ACTIVITY IS TAKING PLACE IN EXPANDING EXPORTS.
- REDUCTION OF IMPORTS IN THE INTEREST OF SUGAR BEET AND CANE FARMERS IS NOT BEING IMPLEMENTED AS DIRECTED IN THE LAW.
- THERE HAS BEEN A PRE-OCCUPATION BY THE ADMINISTRATION FOR INTERNATIONAL COMMODITY AGREEMENTS.

THE NEW CONSUMER PRICE INDEX ROSE BY .3 PERCENT NATIONALLY IN SEPTEMBER-- IT ACTUALLY DECLINED IN THIS AREA, BUT ACCORDING TO THE NEW YORK TIMES SATURDAY, THIS IS CONSIDERED GOOD NEWS AND PRESIDENT CARTER WAS "PARTICULARLY PLEASED." DECLINING FARM PRICES WERE LISTED AS A PRINCIPAL FACTOR IN THE MODERATE INCREASE. IT IS ONE THING TO BE CONCERNED ABOUT INFLATION, BUT I FAIL TO UNDERSTAND WHY ANYONE WOULD EXPRESS PLEASURE WITH LOW PRICES PAID TO FARMERS.

IT IS TOO EARLY TO MAKE A FINAL JUDGEMENT ON THE ADMINISTRATION'S PERFORMANCE. THE FOLLOWING POSITIVE ACTIONS WOULD HELP THE AMERICAN FARMERS:

- (1) INCREASE CCC CREDITS FROM THE \$750 MILLION AMOUNT ON AUGUST 12, 1977 TO \$1.5 BILLION. LAST THURSDAY, OCTOBER 20, 1977, 17 OF THE 18 MEMBERS OF THE SENATE AGRICULTURE COMMITTEE JOINED ME IN A LETTER TO PRESIDENT CARTER URGING THAT THIS BE DONE.
- (2) INCREASE P.L. 480 TITLE I FUNDING FROM \$800 MILLION TO AT LEAST \$1 BILLION. OUR FARMERS NEED THE EXPORT MARKETS AND HUNGRY PEOPLE OVERSEAS NEED THE FOOD. THE ADMINISTRATION'S RESPONSE TO THIS HAS BEEN THE TARDY ANNOUNCEMENT ON OCTOBER 20, 1977, OF AN ALLOCATION OF ONLY \$800 MILLION. THIS COMPARES WITH THE FORD ADMINISTRATION'S ALLOCATION LAST YEAR ON SEPTEMBER 22, 1976 OF \$866 MILLION FOR TITLE I AT A TIME WHEN STOCKS WERE NOT NEARLY AS LARGE OR PRICES SO LOW.

- (3) RESTRICT EXCESSIVE IMPORTS OF AGRICULTURAL COMMODITIES. WE HAVE WITNESSED WHAT IMPORTS OF MEAT, DAIRY PRODUCTS AND SUGAR CAN DO TO FARM MARKETS IN THE PAST THROUGH CIRCUMVENTION OF IMPORT REGULATIONS.
- (4) THE IMPORTANCE OF ASSURING FEED SUPPLIES TO DEFICIT AREAS HAS NOT ESCAPED OUR NOTICE. TO RESPOND TO PROBLEMS GENERATED BY NATURAL DISASTERS, WE HAVE PROVIDED TWO APPROACHES TO MEETING THE PROBLEMS OF THOSE PRODUCERS ADVERSELY AFFECTED. THESE ARE:

--A DISASTER RESERVE UNDER WHICH THE SECRETARY OF AGRICULTURE IS AUTHORIZED TO PURCHASE FEED GRAINS, HAY OR OTHER FORAGES AT SUCH LEVELS AS HE DETERMINES APPROPRIATE. ALSO, HE MAY DISPOSE OF THESE COMMODITIES TO MEET EMERGENCY AND DISASTER SITUATIONS.

I REGRET TO STATE THAT THE SECRETARY HAS NOT IMPLEMENTED THIS AUTHORIZATION, DESPITE THE FACT THAT THE CCC OWNS NO FEED GRAINS.

--EMERGENCY FEED PROGRAM WHICH AUTHORIZES THE SECRETARY TO BE REIMBURSED UP TO 50 PERCENT OF THE COST OF FEED PURCHASED BY ELIGIBLE PERSONS DURING AN EMERGENCY, AS ANNOUNCED BY THE SECRETARY. THIS PROGRAM IS IN EFFECT,

I FEEL IT IS ESSENTIAL THAT BOTH PROGRAMS BE IMPLEMENTED TO ASSURE YOU FEEDS DURING EMERGENCY PERIODS.

- (5) RE-EVALUATE THE RECENTLY ANNOUNCED SET ASIDE PROVISIONS FOR WHEAT AND FEED GRAINS. PRESENT PRICES OF \$1.70 FOR CORN AND \$2.10 FOR WHEAT ARE FAR BELOW THE COST OF PRODUCTION. THE ADMINISTRATION HAS SAID THEY WILL NOT CONSIDER MAKING PAYMENTS TO FARMERS FOR SETTING ASIDE THEIR LAND. A MODEST PAYMENT WOULD ENCOURAGE FARMERS TO PARTICIPATE IN THE SET ASIDE.

WHILE I AM HERE TO SPEAK, I AM ALSO HERE TO LISTEN. WE NEED TO DEVELOP NEW AND INNOVATIVE WAYS TO INCREASE MARKETS FOR FLUID MILK. I SHALL BE GLAD TO WORK WITH YOUR REPRESENTATIVES TO ACCOMPLISH THIS OBJECTIVE. THE CARTER ADMINISTRATION IS NOT USING THE TWO MOST IMPORTANT TOOLS AT ITS DISPOSAL TO PLAN A FAVORABLE PRICE IMPACT.

ENERGY

DOMESTICALLY, THE CHIEF INITIATIVE OF THE ADMINISTRATION HAS BEEN ITS ENERGY PROPOSAL. LET ME SAY FIRST THAT THIS IS NOT A PARTISAN ISSUE. AND SECOND, CONGRESS HAS NOT TREATED IT AS A PARTISAN ISSUE. IT IS, AFTER ALL, A DEMOCRATIC CONTROLLED CONGRESS, AND IT IS A CONGRESS MR. CARTER SAID HE WOULD WORK WITH CLOSELY. SO WE CAN AGREE THAT OUR ENERGY SITUATION AND THE PROBLEM OF PASSING AN ENERGY BILL IS NOT ONE THAT CAN BE LAID AT THE DOOR OF THE REPUBLICAN MINORITY.

THE ADMINISTRATION'S SO-CALLED NATIONAL ENERGY PLAN IS NOT AN ENERGY BILL TO BEGIN WITH. IT IS A GIANT TAX BILL. IT IS INFLATIONARY. IT IS DESIGNED TO REDISTRIBUTE INCOME. EVEN WITH THE REDISTRIBUTION OF INCOME, IT WOULD HEAVILY DAMAGE THE REAL INCOME OF THE LOWEST INCOME GROUPS IN AMERICA.

UNDER THE ADMINISTRATION'S ENERGY TAX PLAN THE COST OF GASOLINE WOULD INCREASE 8 CENTS A GALLON. THE AVERAGE PRICE OF A UTILITY BILL WOULD HAVE GONE UP MORE THAN \$200 A YEAR IN SOME PARTS OF THE COUNTRY. LOW INCOME PURCHASERS WOULD BE DISCRIMINATED AGAINST BY THE SO-CALLED GAS GUZZLER TAX.

ACCORDING TO THE TREASURY, NEARLY \$6.8 BILLION IN TAXES PER YEAR WOULD BE TAKEN FROM THE POCKETS OF INDIVIDUALS EARNING BETWEEN \$10,000 TO \$30,000.

THE CARTER ENERGY TAX PLAN WAS DESIGNED TO ARTIFICIALLY PUSH THE PRICE OF ENERGY UP. THE HIGHER PRICES ACCRUING TO THE GOVERNMENT IN THE FORM OF TAXES WOULD DO NOTHING MORE THAN PROVIDE A LARGE SURPLUS OF REVENUES-- NOT SOLVE OUR DEPENDENCE ON IMPORTED OIL.

BECAUSE AGRICULTURE IS SO DEPENDENT ON ENERGY, IT IS IMPORTANT FOR YOU TO REALIZE THAT WHAT THE ADMINISTRATION PLAN GIVES YOU IS HIGHER PRICES NOT ENERGY SECURITY.

THIS SO-CALLED POLICY FOR "THE PEOPLE", WOULD PROVIDE NO MORE ENERGY FOR THE PEOPLE, NO MORE SAFETY FOR THE PEOPLE FROM ARAB EMBARGOES AND BOYCOTTS, NO MORE ASSURANCE FOR THE PEOPLE THAT THEY WON'T FACE ONE ENERGY CRISIS AFTER ANOTHER--EACH WORSE THAN THE LAST. IT WOULD MOVE BILLIONS OF DOLLARS OF THE PEOPLE'S MONEY AROUND THROUGH REBATES AND OTHER INCOME REDISTRIBUTION SCHEMES--ALL THIS FOR "THE PEOPLE".

DESPITE THE ADMINISTRATION'S EMPHASIS ON "THE PEOPLE", WHO IS FOR THE PRESIDENT'S POLICY? LABOR OPPOSES THAT BILL, CONSUMER GROUPS OPPOSE IT. BUSINESS OPPOSES IT, KEY MEMBERS OF HIS OWN PARTY OPPOSE IT.

SO WHERE DOES THE BLAME LIE? THE OIL INDUSTRY. THEY ARE GUILTY OF "WAR PROFITEERING", ACCORDING TO MR. CARTER. THEY ARE RIPPING OFF "THE PEOPLE". I COULDN'T BELIEVE THE PRESIDENT WAS TALKING ABOUT THE BUSINESS LEADERS AND THE HUNDREDS OF THOUSANDS OF WORKING MEN AND WOMEN WHO TAKE THE FINANCIAL AND SOMETIMES PHYSICAL RISKS AND LABOR SO LONG AND HARD TO PROVIDE ENERGY FOR THIS NATION. THE INDUSTRY IS NOT WITHOUT FAULT AND CERTAINLY SHOULD NOT BE PERMITTED A "WINDFALL" PROFIT--BUT IT'S A LITTLE LIKE BLAMING THE DAIRY PRODUCERS FOR INCREASED MILK PRICES.

UPCOMING PROSPECTS

THE FULL SENATE WILL START TO CONSIDER THE ENERGY TAX PROVISIONS TOMORROW. AS A MEMBER OF THE SENATE FINANCE COMMITTEE, I HAVE BEEN INVOLVED IN THIS LEGISLATION FOR NEARLY THREE MONTHS. WHILE THE COMMITTEE BILL NO LONGER HAS THE BURDENSOME TAXES PRESCRIBED BY THE PRESIDENT, IT CONTAINS A SERIES OF VERY GENEROUS TAX CREDITS, SOME UNNECESSARY, FOR ENERGY PRODUCTION AND CONSERVATION.

I AM SO CONCERNED THAT I VOTED NOT TO REPORT A BILL. HOPEFULLY WE CAN STILL COME UP WITH A RESPONSIBLE PIECE OF LEGISLATION BEFORE WE ADJOURN.

ECONOMY IN DOUBT

OUR PROBLEMS--UNFORTUNATELY--ARE NOT LIMITED TO ENERGY. OUR ECONOMY IS FALTERING. OUR DOLLAR IS WEAK. OUR BUSINESS COMMUNITY IS RAPIDLY LOSING CONFIDENCE IN THE COMMERCIAL ENVIRONMENT. THE RECOVERY WHICH BEGAN OVER A YEAR AGO IS BEING FRITTERED AWAY, AND WE ARE LOOKING AHEAD TO A RENEWED SURGE OF INFLATION WITH NO REDUCTION IN UNEMPLOYMENT, AND THAT MEANS RECESSION. YOU CAN'T SOLVE THOSE PROBLEMS WITH FIRESIDE CHATS AND TOWN MEETINGS AND OTHER PUBLIC RELATIONS GIMMICKS.

IF WE ARE IN TROUBLE AT HOME--AND WE ARE--WE ARE IN GREATER TROUBLE ABROAD.

PANAMA CANAL

THE PANAMA CANAL TREATIES ARE ANOTHER TRIUMPH OF STYLE OVER SUBSTANCE. WE GOT ALL THE TRAPPINGS OF A TREATY--THE SIGNING CEREMONY, THE WHITE HOUSE DINNER, ALL THE CHATTER ABOUT WHAT A HISTORICAL STEP THE ADMINISTRATION WAS TAKING.

THE PRESIDENT SAID LAST WEEK THAT THE AMERICAN PEOPLE DON'T UNDERSTAND THE TREATY. THAT MAY BE TRUE. AFTER ALL, THE CONTENTS WERE KEPT SECRET UNTIL THE LAST MOMENT. IT WAS BAD ENOUGH THAT WE DIDN'T KNOW HOW IT WAS WORKED OUT. WHAT'S WORSE, WE DIDN'T EVEN KNOW WHAT WAS WORKED OUT UNTIL THE PARTIES STARTED AND THE T.V. CAMERAS WERE TURNED ON.

WHAT WAS WORSE, IT SEEMS THE AMERICAN AND PANAMANIAN NEGOTIATORS THEMSELVES DIDN'T UNDERSTAND THE TREATY. THEY COULDN'T AGREE ON WHAT THEIR AGREEMENT SAID, ABOUT U.S. DEFENSE AND PASSAGE RIGHTS. SOME OF US IN THE SENATE DECIDED THE AMERICAN PEOPLE SHOULD KNOW ABOUT THESE DIFFERENCES, AND THAT THE TREATY SHOULD BE CLARIFIED.

-12-

BUT MR. CARTER NOW SAYS THERE REALLY AREN'T ANY PROBLEMS WITH THE TREATY BECAUSE HE AND MR. TORRIJOS HAVE AN UNDERSTANDING. THEY DON'T WANT TO PUT THE UNDERSTANDING IN THE TREATY, HOWEVER, BECAUSE IF THEY DO, THEY SAY, NEITHER COUNTRY WILL ACCEPT IT. THAT CONCERNS ME.

JUST YESTERDAY, THE PANAMANIAN PEOPLE WENT TO THE POLLS AND APPARENTLY REGISTERED STRONG SUPPORT FOR THE TREATIES. OF COURSE, GIVEN THE SIMPLE CHOICE BETWEEN THE STATUS QUO AND CHANGE, IT'S NOT ALL THAT SURPRISING THAT THEY VOTED FOR CHANGE.

BUT THE UNITED STATES SENATE CAN DO MORE THAN SIMPLY CAST A "YES" OR "NO" VOTE ON BEHALF OF THE AMERICAN PEOPLE. WE CAN EXERCISE OUR RIGHT TO MODIFY TREATY LANGUAGE WHERE NECESSARY, AND TO ATTACH CONDITIONS OF RATIFICATION WHERE USEFUL, TO PROTECT OUR DEFENSE AND ECONOMIC INTERESTS.

I DON'T OPPOSE CHANGE REGARDING THE PANAMA CANAL--PERHAPS WE NEED A NEW TREATY. I DO OPPOSE THIS ONE, HOWEVER. I THINK WE NEED TO HAVE A TREATY THAT PROTECTS OUR RIGHTS AND INTERESTS, AND I THINK WE NEED TO HAVE THE SAME UNDERSTANDING THAT THE PANAMANIAN HAVE. IF THIS REQUIRES AMENDMENT AND RENEGOTIATION, THEN SO BE IT.

MORALE AT NEW LOW

AND SINCE THIS IS VETERAN'S DAY, I THINK IT'S APPROPRIATE TO NOTE THAT THIS YEAR'S OBSERVANCE FINDS MORALE LOWER AMONG THE NATION'S VETERANS THAN AT ANY TIME IN THE LAST 45 YEARS. NOT SINCE THE VETERANS' BONUS ARMY MARCHED ON WASHINGTON IN 1932 HAS DESPAIR OVER THE VETERAN'S STATUS IN OUR SOCIETY BEEN SO WIDESPREAD.

SINCE THE ADVENT OF THE CARTER ADMINISTRATION IN JANUARY OF THIS YEAR, WE HAVE SEEN A SERIES OF ONE LOW BLOW AFTER ANOTHER. IN FACT, PRESIDENT CARTER'S FIRST OFFICIAL ACT AS PRESIDENT WAS TO GRANT A BLANKET PARDON TO ALL THOSE WHO REFUSED TO SERVE THEIR COUNTRY IN THE LAST WAR--A DIRECT BLOW TO THE HONOR AND MEMORY OF THOSE WHO SERVED AND SACRIFICED.

IN THE NINE MONTHS THAT HAVE FOLLOWED THE CARTER ADMINISTRATION HAS TAKEN A NUMBER OF POSITIONS WHICH ARE CAUSE FOR PERSONAL CONCERN AMONG THE NATION'S VETERANS--UPGRADING OF DISCHARGES FOR THOSE WHO DESERTED, APPROVAL OF PRESUMPTIVE FINDINGS OF DEATH FOR THOSE MISSING IN SOUTHEAST ASIA, CONSIDERATION OF ENDING VETERANS' PREFERENCE IN HIRING, AND A DISTURBING LACK OF SUCCESS IN LOWERING VETERANS' UNEMPLOYMENT FIGURES.

IN ADDITION, VETERANS ARE PUZZLED AND CONCERNED ABOUT THE NEW FOREIGN AND DEFENSE POLICIES PROVIDED BY THE CARTER ADMINISTRATION. THE AMERICAN PEOPLE HAVE HARDLY BEEN ABLE TO KEEP UP WITH THESE NEW POLICY DEPARTURES, TUMBLING FROM THE WHITE HOUSE ONE AFTER ANOTHER: WITHDRAWAL FROM KOREA, DOWNGRADING OF TAIWAN, NORMALIZATION OF REALTIONS WITH CUBA AND VIETNAM, THE PRESIDENT'S U.N. AMBASSADOR WARMLY PRAISING THE VICTORIOUS STRUGGLE OF NORTH VIETNAM AND THE PRESIDENT'S ACTION DIRECTOR ATTENDING THE NORTH VIETNAMESE VICTORY CELEBRATION, BRINGING THE SOVIETS BACK INTO THE MIDDLE EAST WITH A JOINT DECLARATION, CANCELLING THE B-1, AND OF COURSE, THE PANAMA CANAL AND SALT TREATIES.

-15-

ON THIS VETERANS DAY IN 1977, IT IS TIME FOR US ALL TO PAUSE AND CONSIDER THE VITAL ROLE THAT OUR SERVICEMEN HAVE PERFORMED DURING THE COURSE OF THIS NATION'S HISTORY. AND IT IS TIME TO TRANSLATE THAT CONSIDERATION INTO ACTIVE EFFORTS THAT WILL SERVE THE BASIC NEEDS AS WELL AS THE HONOR OF OUR VETERANS--NOT DETRACT FROM THEM.