

AGRICULTURE LEGISLATION, POLICIES, AND PROGRAMS  
REMARKS BY SENATOR BOB DOLE  
BEFORE THE NATIONAL FARMERS UNION  
SALT LAKE CITY, SUNDAY, MARCH 5, 1978

MR. DECHANT, AND MEMBERS OF THE NATIONAL FARMERS UNION, I AM HONORED BY YOUR INVITATION TO SPEAK AT YOUR 76TH ANNUAL CONVENTION. AS A FELLOW AMERICAN WHO IS DEDICATED TO THIS NATION AND THE AGRICULTURE WHICH HELPS MAKE IT GREAT, I WISH TO THANK YOUR PRESIDENT FOR HIS DYNAMIC LEADERSHIP AND DEDICATION TO THIS GREAT COUNTRY. IT IS TRUE THAT WE HAVE NOT ALWAYS AGREED ON EVERY ITEM OF FARM POLICY. HOWEVER, A CLOSE EXAMINATION OF THE FACTS WILL REVEAL THAT ON MOST ITEMS OF POLICY OUR VIEWS HAVE COINCIDED.

IN THIS REPUBLIC THERE IS A BASIC NEED FOR FREE EXPRESSION BY THE PEOPLE - ESPECIALLY FARM PEOPLE - A SHRINKING PROPORTION OF OUR POPULATION, BUT ONE OF THE MOST IMPORTANT. I WANT TO ASSURE YOU THAT MY OFFICE HAS ALWAYS BEEN OPEN TO CONSIDERING THE VIEWS OF THE NFU, AS YOUR WASHINGTON REPRESENTATIVE, REUBEN JOHNSON, WILL ATTEST. THE NFU, WITH ITS ROOTS IN THE SOIL OF AMERICA FOR THREE QUARTERS OF A CENTURY, MUST AND DOES PARTICIPATE ACTIVELY IN POLICY DISCUSSIONS AND IN MAKING RECOMMENDATIONS TO YOUR GOVERNMENT REPRESENTATIVES.

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MORE IMPORTANTLY, HOWEVER, OUR OBJECTIVES HAVE COINCIDED. AS PEOPLE DEDICATED TO DOING WHAT IS BEST FOR AMERICA, WE BELIEVE IN DOING WHAT IS IN THE INTEREST OF AMERICAN AGRICULTURE. FROM DIFFERING POINTS OF VIEW WE ARRIVE AT COMMON OBJECTIVES. BASICALLY, WE ARE TRYING TO FIND BETTER WAYS TO ENABLE THE FARMERS AND RANCHERS WHO CREATE THE BOUNTY WE ALL ENJOY TO SHARE MORE FULLY IN THAT WHICH THEY CREATE.

MOREOVER, I WANT TO MAKE ONE BASIC POINT IN THIS VISIT WITH YOU. AMERICAN AGRICULTURE IS NEITHER DEMOCRAT OR REPUBLICAN. FARM LEGISLATION IS USUALLY DEVELOPED ON A BIPARTISAN BASIS. NO FARM ORGANIZATION IS - OR SHOULD BE - THE CAPTIVE OF ANY POLITICAL PARTY. OUR PROBLEMS TODAY ARE NOT DUE TO A LACK OF WILLINGNESS ON THE PART OF INTERESTED CONGRESSMEN ON BOTH SIDES OF THE AISLE TO PROVIDE LEGISLATIVE HELP. YOU KNOW WELL JUST WHERE THE ADMINISTRATION'S POWER CENTER REALLY IS. MY THESIS IS THAT THE ADMINISTRATION IS JUST TOO MUCH THE LAGGARD IN IMPLEMENTING AUTHORITY. POSITION PAPERS AND ECONOMIC STUDIES FOLLOW EACH OTHER IN GREAT PROFUSION FROM A BURGEONING BUREAUCRACY. THE RESULT IS TOO LITTLE ACTION AND "TOO LATE SMART".

## FARM CRISIS DEEPENS

LAST YEAR WHILE WE WERE DEVELOPING THE AGRICULTURE ACT OF 1977, THERE WERE A FEW OF US WHO KEPT CALLING TO THE ATTENTION OF BOTH THE ADMINISTRATION AND OUR CONGRESSIONAL COLLEAGUES THE IMPENDING CRISIS THAT WAS DESCENDING ON RURAL AMERICA. THERE WERE TIMES WHEN WE WERE RATHER LONELY IN OUR STRENUOUS EFFORTS TO SQUEEZE OUT A BIT MORE IN CONSTRUCTIVE LEGISLATION TO ALLEVIATE SOMEWHAT THE EFFECTS OF THE VICIOUS COST-PRICE SQUEEZE THAT WAS TIGHTENING ITS GRIP ON THE AMERICAN FARMER. YOU KNOW THAT THE CLIMATE UNDER WHICH THE AGRICULTURE ACT OF 1977 WAS DEVELOPED WAS ONE OF REPEATED THREATS OF A PRESIDENTIAL VETO. IN CONFERENCE WITH THE HOUSE ON THAT BILL, MY PROPOSAL TO INCREASE THE WHEAT TARGET FOR 1978 TO \$3.10 PER BUSHEL FROM THE ADMINISTRATION'S PROPOSAL OF \$2.60 WAS THREATENED BY VETO. WE HAD TO SETTLE FOR \$3.00, AND WE GOT THAT FAR ONLY AFTER BOTH A FLOOR FIGHT AND A LENGTHY STRUGGLE IN THE JOINT CONFERENCE ON THE BILL.

## FARM INCOME DOWN

SINCE THE SIGNING OF THE FOOD AND AGRICULTURE ACT OF 1977, BY THE PRESIDENT LAST SEPTEMBER, THE PLIGHT OF THE FARMER HAS WORSENEDED. COSTS OF PRODUCTION HAVE INCREASED AS INFLATION CONTINUES AND PRICES RECEIVED FOR THE MAJOR COMMODITIES - WHEAT, FEEDGRAINS, SOYBEANS, AND COTTON - HAVE BEEN DISAPPOINTING. CONSEQUENTLY, TODAY MANY FARMERS ARE UNABLE TO RECOVER THEIR COST OF PRODUCTION. FOR SOME PRODUCERS THE SITUATION IS THE WORST SINCE THE GREAT DEPRESSION. YOUNG FARMERS ARE ESPECIALLY HARD HIT. THEY DO NOT HAVE THE CAPITAL RESERVES TO WEATHER THE STORM.

IN TERMS OF CURRENT DOLLARS, FARM INCOME DECLINED FROM \$33 BILLION IN 1973 TO LESS THAN \$20 BILLION IN 1977 - JUST FOUR YEARS LATER. THE ECONOMIC PROBLEMS OF FARMERS ARE SPREADING TO OTHER AGRI-BUSINESS ENTERPRISES SUCH AS FARM MACHINERY AND FARM SUPPLY DEALERS AND MANUFACTURERS - AND IT WILL SPREAD FURTHER. I HAVE RECITED ON THE SENATE FLOOR STATEMENTS FROM MANY FARM MACHINERY AND FARM SUPPLY DEALERS WHO ARE FEARFUL OF GOING BANKRUPT ALONG WITH THEIR FARM CUSTOMERS. WE MUST STOP THE SPREAD OF FINANCIAL MISERY BEFORE IT ENGULFS ALL OF US.

THERE IS ALMOST COMPLETE RECOGNITION THAT THE NATION IS FACING A CRISIS, SPREADING FROM THE FARM TO SMALL TOWNS TO URBAN AMERICA. THE PROBLEM FACING THE ADMINISTRATION, THE CONGRESS AND THE FARMERS THEMSELVES IS WHAT SHOULD BE DONE ABOUT IT. IT WILL NOT BE RESOLVED BY PRETENDING IT ISN'T THERE.

### THE ADMINISTRATION'S LATITUDE

AS I HAVE POINTED OUT ON NUMEROUS OCCASIONS AND AS CHAIRMAN TALMADGE POINTED OUT WHEN HE PRESENTED HIS SENATE RESOLUTION, THE ADMINISTRATION HAS A GREAT DEAL OF FLEXIBILITY UNDER EXISTING AUTHORITIES TO TAKE ACTIONS THAT ARE BEING CALLED FOR BY FARMERS.

THE SECRETARY OF AGRICULTURE HAS THE LEGISLATIVE AUTHORITY TO INCREASE LOAN LEVELS FOR MOST OF THE BASIC COMMODITIES, EXCEPT COTTON, TO 90 PERCENT OF PARITY AND EVEN TO 100 PERCENT IN SOME CASES, SHOULD THE ADMINISTRATION DECIDE TO DO SO. THE SECRETARY HAS THE AUTHORITY TO INCREASE THE INCENTIVES TO FARMERS TO PARTICIPATE IN THE FARMER-HELD GRAIN STORAGE PROGRAMS, BY ADJUSTING INTEREST RATES AND STORAGE ALLOWANCES. HE RAISED THE PER BUSHEL STORAGE PAYMENT TO 25 CENTS FOR WHEAT, UP FROM 20 CENTS AFTER I INTRODUCED LEGISLATION THAT WOULD MANDATE SUCH AN INCREASE.

THE SECRETARY HAS THE NECESSARY AUTHORITIES TO BRING COMMODITY SUPPLIES MORE IN LINE WITH DEMAND BY THE USE OF ACREAGE SET-ASIDES AND LAND DIVERSIONS. PAYMENTS TO MAKE THESE MEASURES EFFECTIVE COULD BE PROVIDED WITHOUT NEW LEGISLATION.

THE SECRETARY HAS THE AUTHORITIES NECESSARY TO LAUNCH A MORE AGGRESSIVE EXPORT PROGRAM FOR FARM EXPORTS. THIS IS OF SUCH VITAL INTEREST TO OUR FARMERS THAT MORE RESOURCES AND INNOVATIVE IDEAS ARE ABSOLUTELY ESSENTIAL. IN 1977 THE U. S. EXPORTED:

- (1) 60 PERCENT OF ITS SOYBEANS;
- (2) 44 PERCENT OF ITS WHEAT;
- (3) 41 PERCENT OF ITS COTTON;
- (4) 34 PERCENT OF ITS GRAIN SORGHUM;
- (5) 27 PERCENT OF ITS CORN;
- (6) 32 PERCENT OF ITS TOBACCO;
- (7) 58 PERCENT OF ITS CATTLE HIDES; AND
- (8) 56 PERCENT OF ITS RICE.

DURING LAST YEAR I REPEATEDLY URGED THE ADMINISTRATION TO FIGHT FOR A GREATER SHARE OF THE WORLD TRADE IN FARM COMMODITIES. THE BENEFICIAL EFFECTS ON FARM INCOME AND OUR BALANCE OF TRADE ARE OBVIOUS. OUR EFFORTS TO STIMULATE EXPORTS MUST BE VIGOROUS, AGGRESSIVE AND INNOVATIVE. I DO NOT THINK WE SHOULD CONCEDE THE WHEAT MARKET IN THE PEOPLE'S REPUBLIC OF CHINA TO THE CANADIANS, THE AUSTRALIANS, AND THE ARGENTINES OR ANY OTHER MARKET.

I BELIEVE THAT FOOD FOR PEACE PROGRAMMING SHOULD BENEFIT FARMERS WHILE THEY STILL OWN THE COMMODITY.

THIS IS WHY I HAVE URGED THE ADMINISTRATION TO PROGRAM MORE P.L. 480 COMMODITIES EARLY IN THE FISCAL YEAR, WHILE FARMERS CAN BENEFIT FROM SUCH SALES. UNFORTUNATELY THIS PAST FISCAL YEAR THERE WAS NOT A SINGLE TITLE I, P.L. 480 AGREEMENT SIGNED BETWEEN OCTOBER 1 AND DECEMBER 7, 1977, AND THE ADMINISTRATION HAS STILL NOT INCREASED TITLE I FUNDING FOR COMMODITY EXPORTS FROM \$800 MILLION TO \$1 BILLION, WHICH I URGED AND IS NEEDED.

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LAST AUGUST, I URGED THAT CCC CREDIT FUNDS TO FACILITATE EXPORTS BE DOUBLED FROM \$750 MILLION TO \$1.5 BILLION. THIS WAS NOT DONE UNTIL NOVEMBER 17. I FEAR THAT EXPORT OPPORTUNITIES MAY HAVE SLIPPED AWAY DURING THIS DELAY. YOU FARMERS KNOW HOW IMPORTANT TIMELINESS IS.

SO, WE KNOW, AND THE FARMERS ARE BECOMING MORE AWARE EVERY DAY, THAT THERE ARE NUMEROUS WAYS THAT THEIR PLIGHT CAN BE ALLEVIATED WITHOUT A SINGLE NEW FARM LAW. INACTION IS BEING INTERPRETED AS A LACK OF INTEREST IN THEIR WELL-BEING AND IS ADDING TO THEIR FRUSTRATION. HENCE, THEY ARE PETITIONING CONGRESS TO COME FORTH WITH NEW LEGISLATION THAT WILL BE OF A MANDATORY NATURE. THAT IS THE PURPOSE OF FARM HEARINGS THAT HAVE BEEN TAKING PLACE BEFORE BOTH THE SENATE AND HOUSE AGRICULTURE COMMITTEES.

### LEGISLATIVE INITIATIVES

TO SORT THROUGH THE IDEAS PRESENTED AT THESE HEARINGS IN ORDER TO DEVELOP MEANINGFUL LEGISLATION IS NOT AN EASY TASK. THERE ARE MANY HONEST DIFFERENCES OF OPINIONS. FOR EXAMPLE, WHILE SOME FEEL THAT A PARITY PRICE LEVEL IS ESSENTIAL THERE ARE OTHERS WHO WORRY ABOUT THE POSSIBILITY OF PRICING U. S. COMMODITIES OUT OF WORLD MARKETS, AND ENCOURAGING BOTH FOREIGN COMPETITION AND COMPETITION FROM SUBSTITUTE PRODUCTS.

I WANT TO RELATE TO YOU SOME OF THE THOUGHTS EXPRESSED BY VARIOUS ORGANIZATIONS AND THEIR REPRESENTATIVES AT THE SENATE AGRICULTURE COMMITTEE HEARINGS:

- . "FULL PARITY PRICE FOR ALL FARM COMMODITIES. WILL SUPPORT AN INCREASE IN THE LOAN AND TARGET PRICES PROVIDED SUCH IS RELATED TO EVENTUAL ACHIEVEMENT OF FULL PARITY PRICES."
- . "ESTABLISH LOAN RATES AT THE COST OF PRODUCTION INCLUDING LAND COSTS AND APPROPRIATE TARGET PRICES ON WHEAT, RICE, FEEDGRAINS, COTTON AND SOYBEANS.

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- . "REQUIRE THE BUILDING OF A FOOD GRAIN, FEEDGRAIN, SOYBEAN, AND COTTON FARMER-HELD RESERVE WITH A MINIMUM RESERVE RELEASE LEVEL OF 125 PERCENT OF THE COST OF PRODUCTION INCLUDING LAND COSTS, AND ALSO A MINIMUM CALL LEVEL OF 140 PERCENT."
- . "INCREASE SET-ASIDE OF FEEDGRAINS MORE THAN THE 10 PERCENT ALREADY ANNOUNCED BY THE ADMINISTRATION, AND REDUCE THE WHEAT ACREAGE BY MORE THAN 20 PERCENT SET-ASIDE ALREADY IN EFFECT BY PERMITTING GRAZING OF THOSE ACRES NEEDED TO BRING WHEAT ACRES DOWN TO DESIRED LEVELS."
- . "ESTABLISH A MEANINGFUL LAND DIVERSION PROGRAM AND MAKE PAYMENTS TO FARMERS ON LAND TAKEN OUT OF PRODUCTION."
- . "ESTABLISH COMMODITY STORAGE PAYMENT RATES TO FARMERS AT LEVELS THAT WOULD ENCOURAGE PARTICIPATION IN THE FARM RESERVE PROGRAM."
- . "ESTABLISH THE INTERNATIONAL EMERGENCY FOOD RESERVE."
- . "ESTABLISH A NEW DISASTER ASSISTANCE PROGRAM."

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- . "WE URGE THE CONGRESS AND THE ADMINISTRATION TO EXPAND AND INTENSIFY EFFORTS TO INCREASE EXPORTS OF OUR FARM COMMODITIES."
- . "WE URGE THE CONGRESS AND THE ADMINISTRATION TO RESIST MORE AGGRESSIVELY THE IMPORTATION OF COMPETING FARM COMMODITIES AND SUBSTITUTES FOR FARM COMMODITIES PRODUCED IN THIS COUNTRY."
- . "EXPAND CREDIT TO FARMERS BY INCREASING FARMERS HOME ADMINISTRATION LOAN LIMITS AND EXPANDING FEDERAL GUARANTEES ON LOANS, INCLUDING OPERATING LOANS AND FARM OWNERSHIP LOANS."
- . "ESTABLISH A MORATORIUM ON FARM FORECLOSURES SPECIFICALLY INSOFAR AS FEDERAL LOANS ARE CONCERNED."
- . "INCREASE THE LOAN RATES ON WHEAT, FEEDGRAINS, AND SOYBEANS."
- . "ECONOMIC INCENTIVES FOR THE 3-5 YEAR GRAIN RESERVE PROGRAM."
- . "TAKE IMMEDIATE STEPS TO STRENGTHEN THE SET-ASIDE CONCEPT."

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- . "COMPLETE THE INTERNATIONAL WHEAT AGREEMENT. DON'T AGREE TO MINIMUM PRICES THAT WILL BANKRUPT FARMERS."
- . "EXPAND AND DEVELOP FOREIGN MARKETS."
- . "CONTINUE PRESSURE IN GENEVA TO INSURE THAT AGRICULTURE IS CONSIDERED IN TANDEM WITH INDUSTRY AND THAT GREATER MARKET ACCESS IS OBTAINED FOR U. S. AGRICULTURE COMMODITIES."
- . "CONTINUE BILATERAL TRADE NEGOTIATIONS WITH JAPAN."
- . "AMEND THE FMHA ACT TO INCREASE FARM LOAN SUPERVISION CAPABILITY."
- . "INTENSIFY EFFORTS TO IMPROVE FARM PRICES AND NET INCOME."
- . "DEVELOP AND STRENGTHEN MARKETING ORGANIZATIONS."
- . "INSTITUTE AND SUPPORT EMERGENCY AGRICULTURAL CREDIT PROGRAMS."
- . "URGE CONGRESS AND THE ADMINISTRATION TO CONTROL INFLATION."
- . "SUPPORT COLLECTIVE BARGAINING FOR AGRICULTURE, SECURING CONTRACTS WITH PROCESSORS ON ALL MAJOR COMMODITIES."
- . "NEED A LAW THAT WILL NOT ALLOW ANY FARM COMMODITY TO BE SOLD FOR LESS THAN FULL PARITY."
- . "WE SUPPORT A COMBINATION OF HIGHER LOAN RATES AND TARGETS GEARED TO SET-ASIDE LEVELS."

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THESE EXCERPTS FROM TESTIMONY BEFORE THE SENATE AGRICULTURE COMMITTEE WILL GIVE YOU AN IDEA OF THE IMPOSSIBILITY OF ACCOMMODATING ALL VIEWS. HOWEVER, WE MUST PICK AND CHOOSE WHAT SEEMS TO BE LOGICAL AND PRACTICAL AND A NUMBER OF US HAVE ALREADY OFFERED SOME LEGISLATIVE INITIATIVES FOR CONSIDERATION.

### CONGRESSIONAL INITIATIVES

THE CENTERPIECE OF THE BILLS THAT I HAVE OFFERED IS THE FLEXIBLE PARITY BILL.

### FLEXIBLE PARITY BILL

UNDER THIS BILL:

- . AN INDIVIDUAL FARMER CAN CHOOSE THE TARGET PRICE HE NEEDS UP TO PARITY, BUT MUST SCALE DOWN HIS PRODUCTION ACCORDINGLY.
- . MY BILL WILL NOT INTERFERE WITH EXPORTS.
- . IT WILL NOT CONTRIBUTE TO FOREIGN PRODUCTION INCREASES.
- . IT WILL NOT ENCOURAGE SUBSTITUTES.
- . UNDER MY BILL, COSTS WOULD BE REASONABLE SINCE SCALED DOWN PRODUCTION SHOULD RESULT IN HIGHER MARKET PRICES, RESULTING IN REASONABLE LEVEL OF DEFICIENCY PAYMENTS.

FARMERS WOULD HAVE A MECHANISM UNDER WHICH THEY CAN COLLECTIVELY CONTROL THEIR PRODUCTION AND EACH INDIVIDUAL MAY SELECT THE TARGET LEVEL AND SET-ASIDE THAT IS BEST FOR HIS FARM OPERATION. WITH THIS LEGISLATION THERE WOULD BE NO NECESSITY FOR SET-ASIDE PAYMENTS SINCE FARMERS WOULD BE RECEIVING TARGET PRICE INCENTIVES UP TO THE PARITY LEVEL.

COST ESTIMATES ARE NOT EASY TO ASSESS FOR THIS FLEXIBLE PARITY APPROACH BECAUSE OF THE DIFFICULTY IN ANTICIPATING FARMERS' RESPONSE TO THE VARIOUS TARGET PRICES AND SET-ASIDE OPTIONS AVAILABLE TO THEM. HOWEVER, SINCE SUBSTANTIAL IMPROVEMENT IN FARM PRICES WOULD LIKELY OCCUR AS THE EFFECTS OF THE SET-ASIDE ARE FELT, I BELIEVE THAT BUDGET EXPOSURE WOULD BE RELATIVELY MODEST.

## EXPORT STIMULATION BILL

THIS BILL WILL FORGE A PARTNERSHIP BETWEEN THE COMMODITY CREDIT CORPORATION AND COMMODITY EXPORTERS TO SEEK OUT ADDITIONAL EXPORT OPPORTUNITIES FOR AMERICAN FARM PRODUCTS. IN DEVELOPING AND EXPANDING MARKETS FOR FARM PRODUCTS, COOPERATION BETWEEN EXPORTERS INCLUDING FARMER-OWNED COOPERATIVES, AND GOVERNMENT IS ESSENTIAL TO REALIZE TO THE FULLEST EXTENT THE EXISTING EXPORT POTENTIAL. MY BILL WILL HELP REALIZE THIS POTENTIAL.

WE NEED TO INCREASE OUR SHARE OF WORLD TRADE IN AGRICULTURAL COMMODITIES. TO DO THIS WE MUST USE TO THE FULLEST EXTENT EVERY EXPORT TOOL AT OUR DISPOSAL ALONG WITH A GOOD DOSE OF INNOVATION. I REGRET THE FACT THAT OUR FARMERS HAVE NOT SHARED ONE IOTA IN THE NINE MILLION TON GRAIN PURCHASES BY THE PEOPLE'S REPUBLIC OF CHINA THIS MARKETING YEAR. WE HAVE BEEN "OUT SOLD" IN OTHER MARKETS ALSO.

THE SECRETARY OF AGRICULTURE NEEDS TO ESTABLISH A PROGRAM THAT WILL PROVIDE COMMODITY CREDIT CORPORATION FINANCING TO EXPORTERS OF AGRICULTURAL COMMODITIES WHO WILL EXTEND DEFERRED PAYMENT TERMS TO FOREIGN BUYERS IN THOSE SITUATIONS THAT WILL RESULT IN ADDITIONAL EXPORT SALES. COMMODITY EXPORTERS HAVE THE CAPABILITY OF QUICKLY SPOTTING SALES OPPORTUNITIES FOR U. S. FARM COMMODITIES AND ASSESSING COMPETITION IN FOREIGN MARKETS.

MY BILL WOULD PERMIT THEM TO PRESENT THEIR PLAN FOR REALIZING INCREASED EXPORTS - AND I WANT TO STRESS THE WORD "INCREASED" - TO THE COMMODITY CREDIT CORPORATION FOR APPROVAL. UPON COMMODITY CREDIT CORPORATION APPROVAL OF THE EXPORT SALES PLAN AND UPON PROOF OF EXPORT, THE COMMODITY CREDIT CORPORATION WOULD PROVIDE THE EXPORTERS WITH THE NECESSARY FINANCING. REPAYMENT TO THE COMMODITY CREDIT CORPORATION WOULD BE MADE IN DOLLARS BY THE EXPORTER IN ACCORDANCE WITH THE TERMS AND AT THE INTEREST RATE APPROVED BY THE COMMODITY CREDIT CORPORATION IN THE EXPORTER'S PLANS.

#### EXPORT-IMPORT BANK RESOLUTION

I BELIEVE THAT IN YEARS OF MORE THAN ADEQUATE SUPPLIES SUCH AS WE ARE NOW EXPERIENCING THAT THE EX-IM BANK SHOULD FINANCE FARM EXPORTS COMMENSURATE WITH THE SHARE WHICH THEY CONSTITUTE OF TOTAL U. S. EXPORTS. TO DO LESS, IT SEEMS TO ME, CONSTITUTES DISCRIMINATION AGAINST THE FARM SECTOR OF OUR ECONOMY WHICH IS IN DIRE NEED OF THIS EXPORT STIMULATION.

I HAVE INTRODUCED A RESOLUTION WHICH STATES THAT IT IS THE SENSE OF CONGRESS THAT THERE BE NO DISCRIMINATION BETWEEN THE FINANCING OF AGRICULTURAL AND INDUSTRIAL EXPORTS BY THE EXPORT-IMPORT BANK. I HOPE THAT THIS RESOLUTION WILL MAKE IT CLEAR TO THOSE THAT DEVELOP EXPORT-IMPORT BANK POLICY THAT THE AMERICAN FARMERS AND RURAL AMERICA EXPECT FAIR TREATMENT.

IF THIS SENSE OF CONGRESS RESOLUTION DOES NOT PRODUCE THIS FAIR AND EQUITABLE TREATMENT FOR OUR FARMERS, I INTEND TO INTRODUCE LEGISLATION WHICH WILL MANDATE SUCH TREATMENT WHEN THE EXIMBANK LEGISLATION COMES UP FOR EXTENSION THIS SPRING.

#### MEAT IMPORT BILL

FARMERS HAVE INDICATED THEIR CONCERN TO ME REGARDING THE CURRENT BEEF IMPORT POLICY WHICH PERMITS MORE IMPORTS INTO THE COUNTRY AS U. S. PRODUCTION RISES. MY BILL ADDRESSES THIS PROBLEM BY BETTER SYNCHRONIZING BEEF IMPORTS WITH U. S. BEEF PRODUCTION.

#### BILL TO INCREASE P.L. 480 FINANCING

FOR FISCAL YEAR 1978, THE CARTER ADMINISTRATION HAS MADE AVAILABLE \$800 MILLION FOR THE FINANCING OF AGRICULTURAL COMMODITIES TO DEVELOPING NATIONS. THESE FUNDS WILL PROVIDE ONLY ABOUT FIVE MILLION TONS OF FOOD FOR SHIPMENT TO NEEDY COUNTRIES UNDER TITLE I THIS FISCAL YEAR.

THIS QUANTITY WILL NOT ADEQUATELY MEET THE FOOD ASSISTANCE NEEDS OF ABOUT 30 DEVELOPING NATIONS THAT HAVE REQUESTED FAR MORE FOOD THAN THE PRESENT FUNDING OF \$800 MILLION WILL PROVIDE.

THEREFORE, IN ORDER TO ACHIEVE THE TWIN OBJECTIVES OF HELPING THE HUNGRY AND MALNOURISHED IN DEVELOPING NATIONS WHILE HELPING AMERICAN FARMERS EXPAND THEIR EXPORT, I HAVE INTRODUCED A BILL ENTITLED THE "MORE ADEQUATE TITLE I, P.L. 480 PROGRAM ACT OF 1978."

THIS ACT WILL DIRECT THE SECRETARY OF AGRICULTURE TO PROVIDE COMMODITY CREDIT CORPORATION FINANCING FOR A MINIMUM OF \$1 BILLION FOR THE PURCHASE OF U. S. FARM COMMODITIES UNDER AGREEMENTS TO BE ENTERED INTO WITH DEVELOPING NATIONS UNDER TITLE I, P.L. 480 IN FISCAL YEAR 1978.

BILL TO INCREASE INCENTIVES FOR FARM STORAGE OF GRAIN

AS A CONTINUING EFFORT TO STRENGTHEN FARM PRICES I INTRODUCED A BILL THAT WILL PROVIDE AN INCENTIVE TO FARMERS TO PARTICIPATE IN THE EXTENDED LOAN PROGRAM FOR WHEAT AND FEEDGRAINS BY INCREASING THE STORAGE PAYMENT TO NOT LESS THAN 25 CENTS PER BUSHEL. THE 20 CENTS OFFERED BEFORE INTRODUCTION OF THIS BILL WAS A DISINCENTIVE FOR FARMER PARTICIPATION. I AM PLEASED THAT SECRETARY BERGLAND HAS BELATEDLY RAISED THE RATE TO 25 CENTS PER BUSHEL AS SPECIFIED IN MY BILL.

## BILL TO PROVIDE ECONOMIC EMERGENCY LOANS

THE CURRENT CREDIT CRUNCH IS REAL. YET, THERE IS NOT A LOAN PROGRAM IN THE FEDERAL GOVERNMENT TODAY, EITHER IN FMHA OR THE SMALL BUSINESS ADMINISTRATION, DESIGNED TO TRULY HELP THE FARMER THROUGH AN ECONOMIC CRISIS CAUSED BY LOW PRODUCT PRICES.

FARMERS FROM ALL PARTS OF THE UNITED STATES ARE CALLING MY OFFICE STATING LOAN FUNDS ARE NOT AVAILABLE, FROM PRIVATE OR PUBLIC INSTITUTIONS, TO KEEP THEM IN BUSINESS UNTIL FARMING CONDITIONS IMPROVE.

MORE CREDIT IS NOT THE ANSWER TO FARM PROBLEMS. MORE INCOME AND CONSTANT PRICES FOR SUPPLIES IS THE ANSWER. FARMERS HAVE TO HAVE MORE INCOME IN ORDER TO SURVIVE.

MANY FARMERS, THOUGH, DO NEED CREDIT TO SURVIVE UNTIL WE CAN SOLVE THE FARM PRICE PROBLEM AND GET RETURNS UP. NEW LEGISLATION IS NEEDED TO GIVE FARMERS THE CREDIT NECESSARY TO SURVIVE THE PRESENT CRISIS. MY BILL ADDRESSES THIS PROBLEM.

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### LOCK AND DAM 26

ANOTHER INITIATIVE, WHICH ORIGINATED IN THE HOUSE, AND WHICH SHOULD BE OF INTEREST TO EVERY GRAIN PRODUCER, IS H.R. 8309, A BILL WHICH AUTHORIZES A NEW LOCK AND DAM 26 AT ALTON, ILLINOIS, ON THE MISSISSIPPI RIVER. AT THE SAME TIME, THE BILL PROVIDES FOR A FUEL TAX OF 6 CENTS PER GALLON ON THE FUEL BURNED BY THE BARGE LINES. MAKE NO MISTAKE ABOUT IT, THAT INCREASED COST WILL HAVE TO IMMEDIATELY BE PASSED ON TO THE SHIPPER AND THAT MEANS A CORRESPONDING REDUCTION IN THE PRICE PAID TO THE FARMER FOR HIS GRAIN.

WHAT IS BEING DONE IS A BASIC CHANGE IN THE U. S. POLICY - UNCHANGED SINCE THE BEGINNING OF THIS REPUBLIC - AN "EXPORT TAX" FOR THE USE OF OUR NAVIGABLE WATERS. THE TECHNIQUE THAT IS BEING USED IS TO WITHHOLD APPROVAL OF THE LOCK AND DAM - THROUGH WHICH MORE TONNAGE MOVES THAN THE PANAMA CANAL - UNLESS THIS IS DONE.

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WHAT WE ARE REALLY LOOKING AT, FOR THE FIRST TIME IN THE HISTORY OF THIS NATION, IS AN EXPORT TAX ON FARM PRODUCTS. THIS LEGISLATION MERELY PUTS THE BARGE LINES IN THE POSITION OF A FEDERAL TAX COLLECTOR ON YOUR PRODUCTS. ALSO, OBVIOUSLY, THERE WILL BE AN INCREASE IN THE COST OF BARGING FERTILIZER AND FUEL. THE COST-PRICE SQUEEZE WILL INCREASE ITS PRESSURE ON YOU AND REDUCE NET FARM INCOME.

THERE WILL BE AN ATTEMPT THIS YEAR TO INCREASE THE TAX FROM 6 CENTS PER GALLON TO A HIGHER FIGURE, ONE AS HIGH AS 42 CENTS PER GALLON. ANOTHER PROPOSAL WOULD LEVY A TAX NOT TO EXCEED ONE PERCENT OF THE VALUE OF THE CARGO PLUS THE TRANSPORTATION. THAT DOESN'T SOUND LIKE MUCH UNTIL YOU PUT YOUR PENCIL TO IT. IT MEANS THAT \$8 BEANS COULD HAVE A TAX, OR A REDUCTION TO THE FARMER OF 8 CENTS PER BUSHEL.

ANY ATTEMPT TO INCREASE THE FUEL TAX BEYOND 6 CENTS PER GALLON MUST BE DEFEATED. I URGE YOU TO THINK ABOUT THIS LEGISLATION AS YOU PONDER THE NUMEROUS PROPOSALS THAT ARE BEFORE THE CONGRESS.

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YOUR HELP NEEDED

AS WE GO FURTHER INTO THE NEW LEGISLATIVE SESSION THERE IS MUCH TO BE DONE TO ALLEVIATE THE FARM SITUATION. THOSE OF US WHO ARE ACTIVE IN THIS AREA NEED YOUR IDEAS, YOUR SUPPORT AND THAT OF YOUR LEADERS.

AGAIN, I REMIND YOU THERE IS MUCH TO BE DONE TO STRENGTHEN EXISTING LEGISLATION AND TO DEVELOP NEW LAWS - AND THEN TO GET THEM IMPLEMENTED IN A TIMELY AND EFFECTIVE MANNER. WE CANNOT LET UP; NOT IF WE EXPECT TO HAVE A PROSPEROUS AGRICULTURE, A HEALTHY RURAL AMERICA AND A STRONG NATION. LET YOUR VOICES BE HEARD LIKE A MIGHTY THUNDER ACROSS THE PLAINS.