

REMARKS BY SENATOR BOB DOLE
NATIONAL AGRICULTURE DAY
KFDI RADIO

WICHITA, KANSAS
SUNDAY, MARCH 19, 1978

I AM HONORED BY THE INVITATION TO PARTICIPATE IN YOUR NATIONAL AGRICULTURE DAY CELEBRATION. IT IS CERTAINLY APPROPRIATE TO SET ASIDE A DAY TO PAY SPECIAL TRIBUTE TO THIS MOST IMPORTANT SEGMENT OF OUR ECONOMY.

I CONGRATULATE KFDI FOR THEIR WORK IN PUTTING TOGETHER THIS SPLENDID EVENT. KFDI HAS DEVOTED THOUSANDS OF HOURS OF ITS BROADCAST TIME, FOR NEARLY 15 YEARS, TO THE AGRICULTURE INDUSTRY, IN MARKET REPORTS, AGRIBUSINESS NEWS, FARM FEATURES, COMMODITIES, AND OTHER SPECIAL AGRICULTURE PROGRAMS.

SALUTE TO THE AMERICAN FARM FAMILY

AS A KANSAN AND AN AMERICAN WHO IS DEDICATED TO THIS NATION AND THE AGRICULTURE WHICH HELPS MAKE IT GREAT, I TODAY SALUTE THE

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AMERICAN FARM FAMILY.

WE HAVE HAD THOUSANDS OF THESE GOOD FARM FAMILIES IN WASHINGTON THIS PAST WEEK. THEY HAVE BEEN THERE BECAUSE OF THE DESPERATE FINANCIAL CONDITIONS FOUND IN AGRICULTURE TODAY.

THE FARM FAMILIES ARE THERE TO HELP IMPROVE LIFE ON THE FARM. THE OBJECTIVES OF THE THOUSANDS OF FARMERS WHO HAVE BEEN IN WASHINGTON AND MY OBJECTIVES HAVE COINCIDED.

AS PEOPLE DEDICATED TO DOING WHAT IS BEST FOR AMERICA, WE ALSO ALL BELIEVE IN DOING WHAT IS IN THE BEST 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.

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I WANT TO MAKE ONE BASIC POINT. 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 AND SENATORS ON BOTH SIDES OF THE AISLE TO PROVIDE LEGISLATIVE HELP.

FARMERS ARE LOBBYING

THOUSANDS OF FARMERS ARE LOBBYING TO GET THE ADMINISTRATION AND THE CONGRESS TO ACT ON BEHALF OF FARMERS. THE ADMINISTRATION HAS FAILED TO ACT AND NOW THE CONGRESS, ESPECIALLY THE SENATE, IS ACTING. THE HOUSE HAS HAD HEARINGS, BUT HAVE TAKEN NO LEGISLATIVE ACTION.

THIS PAST WEEK HAS BEEN A GOOD ONE FOR FARMERS. THE SENATE AGRICULTURE COMMITTEE HAS PASSED OUT OF COMMITTEE THREE BILLS

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TO HELP FARMERS. FARMERS FROM ALL OVER AMERICA HAVE HELPED TELL THE STORY OF THE AMERICAN FARMER IN THE HALLS OF CONGRESS.

SEN. TALMADGE LAND DIVERSION BILL

THE SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY LAST MONDAY APPROVED EMERGENCY FARM LEGISLATION SPONSORED BY ITS CHAIRMAN, SENATOR HERMAN E. TALMADGE, (D-GEORGIA), THAT WOULD PAY FARMERS TO VOLUNTARILY TAKE 31 MILLION ACRES OUT OF CROP PRODUCTION THIS YEAR.

THE VOTE TO REPORT THE BILL FAVORABLY TO THE FULL SENATE WAS 16 TO 1. THE ACTION CAME AT A SPECIAL MEETING OF THE COMMITTEE CALLED BY TALMADGE FOLLOWING COMPLETION ON FRIDAY, MARCH 10, OF 11 DAYS OF HEARINGS ON THE FARM FINANCIAL CRISIS.

ATTEMPTS TO ADD AMENDMENTS TO THE BILL TO RAISE TARGET AND LOAN LEVELS FOR WHEAT AND FEED GRAINS AND TO ELIMINATE SOYBEANS FROM

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THE LAND DIVERSION PROGRAM WERE DEFEATED -- TWO OF THEM BY TIE VOTES.

TALMADGE'S BILL WOULD DIRECT THE SECRETARY OF AGRICULTURE TO MAKE PAYMENTS TO PRODUCERS OF WHEAT, COTTON, CORN, BARLEY, GRAIN SORGHUM AND SOYBEANS WHO VOLUNTARILY REDUCE PLANTINGS OF THESE CROPS THIS YEAR.

THE BILL SETS A TARGET OF NOT LESS THAN 31 MILLION ACRES TO BE TAKEN OUT OF PRODUCTION THIS YEAR, IN ADDITION TO EXISTING SET-ASIDES. IT SETS DIVERSION TARGETS OF 15 MILLION ACRES FOR WHEAT, 10 MILLION ACRES FOR CORN, AND 3 MILLION ACRES EACH FOR COTTON AND SOYBEANS.

THE COMMITTEE STAFF ESTIMATES THAT A NATIONAL AVERAGE PAYMENT FOR ALL CROPS WILL BE ABOUT \$75.00 PER ACRE IN ORDER TO REACH THE 31 MILLION ACRE GOAL. THE FARMER WOULD RECEIVE UP TO HALF OF HIS DIVERSION PAYMENT AT SIGN-UP TIME.

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COMMITTEE ELIMINATES BID-SYSTEM

THE COMMITTEE VOTED TO ELIMNATE A CONTROVERSIAL PROVISION IN THE ORIGINAL BILL WHICH WOULD HAVE GIVEN THE SECRETARY THE OPTION OF USING A "BID-SYSTEM" AS ONE METHOD OF DETERMINING FARMER PARTICIPATION. THE AMENDMENT DIRECTS THE SENATE TO ADMINISTER THE PROGRAM IN A FAIR AND REASONABLE MANNER, AND U.S.D.A. OFFICIALS AT MONDAY'S MEETING INDICATED THAT THE "BID-SYSTEM" WOULD NOT BE USED.

IN ORDER TO QUALIFY FOR DIVERSION PAYMENTS, PRODUCERS OF WHEAT AND FEEDGRAINS WOULD FIRST HAVE TO COMPLY WITH THE SET-ASIDES ALREADY ANNOUNCED BY THE SECRETARY FOR THESE CROPS. ADDITIONAL ACRES DIVERTED ABOVE THE SET-ASIDES WOULD THEN BE ELIGIBLE FOR PAYMENTS.

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DOLE FLEXIBLE PARITY BILL

THE SENATE AGRICULTURE COMMITTEE ALSO MET ON WEDNESDAY OF LAST WEEK. AT THAT TIME THE COMMITTEE APPROVED THE DOLE FLEXIBLE PARITY BILL AFTER ADOPTING AMENDMENTS TO RAISE THE TARGET PRICE ON COTTON, ELIMINATE SET-ASIDES ABOVE 20% FOR COTTON AND TO RAISE THE PRICE SUPPORT LOAN RATE FOR WHEAT AND CORN.

THE COMMITTEE VOTED 14 TO 1 IN FAVOR OF THE BILL THAT I INTRODUCED, S. 2481. IN ITS PRESENT FORM, THE BILL WOULD APPLY ONLY TO 1978 CROPS.

THE BILL ACHIEVES LAND DIVERSION FOR THE 1978 CROP YEAR THROUGH A SYSTEM OF INCENTIVES IN THE FORM OF HIGHER TARGET PRICES AS FARMERS VOLUNTARILY INCREASE THEIR SET-ASIDE ACREAGE IN ORDER TO BRING PRODUCTION IN LINE WITH DEMAND. THIS FREEDOM OF CHOICE WILL ENABLE FARMERS WHOSE COSTS OF PRODUCTION REQUIRE HIGHER TARGET PRICES TO ACHIEVE THE NEEDED LEVEL BY INCREASING THEIR SET-ASIDE ACRES UP TO 50 PERCENT OF THEIR PLANTED ACREAGE FOR EITHER WHEAT OR FEED GRAINS. IN THE CASE OF UPLAND COTTON, THE BILL PROVIDES A VOLUNTARY SET-ASIDE OF 20 PERCENT FOR A TARGET PRICE OF 60 CENTS PER POUND.

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IN THE CASE OF WHEAT, FOR EXAMPLE, A FARMER WOULD RECEIVE A TARGET PRICE OF \$3.00 PER BUSHEL IF HE SETS ASIDE 20% OF THE ACREAGE HE INTENDS TO PLANT THIS YEAR, BUT HE WOULD RECEIVE \$5.04 PER BUSHEL, APPROXIMATELY 100% OF PARITY, IF HE SETS ASIDE 50% OF HIS PLANNED WHEAT ACREAGE. IN THE CASE OF CORN, A PRODUCER WOULD RECEIVE A TARGET PRICE OF \$2.10 PER BUSHEL IF HE SETS ASIDE 10% WITH TARGET RANGING UPWARD TO \$3.45 FOR A 50% SET-ASIDE.

THE PRODUCERS OF COVERED CROPS WOULD RECEIVE A DEFICIENCY PAYMENT FROM THE GOVERNMENT MAKING UP THE DIFFERENCE OF AVERAGE MARKET PRICES AND THE TARGET LEVELS SPECIFIED IN THE BILL.

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AMENDMENTS WERE ADOPTED THAT WOULD:

-- INCREASE THE LOAN RATES ON WHEAT FROM \$2.25 PER BUSHEL TO \$2.85, AND ON CORN FROM \$2.00 PER BUSHEL TO \$2.40.

-- INCREASE THE TARGET PRICE FOR COTTON TO 60 CENTS PER POUND FROM 52 CENTS AND WOULD REQUIRE A 20% SET-ASIDE. OTHER PROVISIONS IN THE FLEXIBLE PARITY BILL PERTAINING TO COTTON WERE ELIMINATED.

-- INCREASE THE P.L. 480 "FOOD FOR PEACE PROGRAM" AUTHORIZATION BY \$500 MILLION, HALF OF WHICH WOULD BE EARMARKED FOR TITLE II HUMANITARIAN FEEDING PROGRAM.

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DOLE FARM CREDIT BILLS

THE SENATE AGRICULTURE COMMITTEE WEDNESDAY, ALSO APPROVED BY A UNANIMOUS VOTE, BILLS THAT I INTRODUCED WHICH ARE DESIGNED TO EXPAND AND MODERNIZE THE FARM CREDIT PROGRAMS OF THE FARMERS HOME ADMINISTRATION OF THE U.S. DEPARTMENT OF AGRICULTURE.

I AM PLEASED THE COMMITTEE ADOPTED MY SUGGESTIONS FOR NEW FARM CREDIT LEGISLATION AND HOPE IT CAN BE PASSED BY THE SENATE IN THE NEAR FUTURE. FARMERS NEED BETTER CREDIT PROGRAMS NOW.

DOLE EMERGENCY CREDIT BILL

THE COMMITTEE ALSO ADOPTED A NEW EMERGENCY CREDIT PACKAGE THAT I INTRODUCED FOR FARMERS AND RANCHERS WHO MUST HAVE EMERGENCY CREDIT IN ORDER TO CONTINUE A VIABLE AGRICULTURAL OPERATION.

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FARMERS AND RANCHERS WHO ARE FACING REFINANCING, FORECLOSURE OR BANKRUPTCY COULD BORROW, THROUGH EITHER INSURED OR GUARANTEED LOANS, OF UP TO \$500,000. FARMERS MUST BE UNABLE FOR A TEMPORARY PERIOD TO OBTAIN SUFFICIENT CREDIT FROM THEIR NORMAL CREDIT SOURCES TO FINANCE THEIR ACTUAL NEEDS AT REASONABLE RATES AND TERMS DUE TO A GENERAL TIGHTENING OF AGRICULTURAL CREDIT AND AN UNFAVORABLE RELATIONSHIP BETWEEN PRODUCTION COSTS AND PRICES RECEIVED FOR AGRICULTURAL COMMODITIES.

THE COMMITTEE MADE NUMEROUS CHANGES IN THE EXISTING FARMERS HOME ADMINISTRATION LOAN PROGRAMS. INDIVIDUAL LOAN LEVELS FOR BOTH OPERATING AND FARM OWNERSHIP LOANS WERE RAISED SUBSTANTIALLY. DIRECT OPERATING LOANS HAVE A CEILING OF \$100,000 AND GUARANTEED \$200,000. DIRECT FARM OWNERSHIP LOANS HAVE A CEILING OF \$200,000 AND GUARANTEED \$300,000.

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FOR THE FIRST TIME, FAMILY FARM PARTNERSHIP AND FAMILY FARM CORPORATIONS WOULD BE ELIGIBLE FOR LOANS. ADDITIONALLY, CHANGES WERE AUTHORIZED IN THE GUARANTEED LOAN PROGRAM TO ENCOURAGE PRIVATE LENDERS TO MAKE MORE FUNDS AVAILABLE TO FARMERS.

EMERGENCY LIVESTOCK CREDIT ACT

IN ADDITION, THE EMERGENCY LIVESTOCK CREDIT ACT OF 1974, WHICH PROVIDES 90 PERCENT GOVERNMENT GUARANTEES ON LOANS OF UP TO \$350,000 TO LIVESTOCK PRODUCERS WOULD BE EXTENDED FOR AN ADDITIONAL YEAR TO SEPTEMBER 30, 1979.

INFLATION AND LOW PRICES CAUSED
NEED FOR DOLE FLEXIBLE PARITY
BILL

THE GRIP OF INFLATION AND LOW PRICES HAVE THE AMERICAN FARMER TRAPPED IN AN UNTENABLE ECONOMIC POSITION. INFLATION HAS PUSHED

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HIS PRODUCTION COSTS HIGHER AND HIGHER WHILE SLACK WORLD DEMAND FOR HIS COMMODITIES HAS RESULTED IN LOW PRICES -- OFTEN BELOW THE COST OF PRODUCTION.

THE FARM SITUATION IS THE WORST SINCE THE GREAT DEPRESSEION.

FARM DEBT HAS INCREASED 63 PERCENT IN THE LAST FIVE YEARS (IN 1974 IT WAS \$74 BILLION, BY 1977 IT HAD INCREASED TO \$119 BILLION .

IN TERMS OF CURRENT DOLLARS, FARM INCOME DECLINED FROM \$33 BILLION IN 1973 TO ONLY ABOUT \$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. THE NONFARM ECONOMY CANNOT LONG ESCAPE THE EFFECTS OF THE DISASTROUS FARM SITUATION.

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AMERICAN FARMER FRUSTRATED

THE PLIGHT OF THE AMERICAN FARMER HAS RESULTED IN INCREASING FRUSTRATION AS PRODUCTION COSTS HAVE CONTINUED TO RISE. FARMERS HAVE CALLED THEIR DETERIORATING ECONOMIC SITUATION TO THE ATTENTION OF THE ADMINISTRATION, CONGRESS, AND THE AMERICAN PUBLIC IN RATHER DRAMATIC FASHION SINCE THE FIRST TRACTORCADE IN LATE 1977.

A PROPER RESPONSE TO THE FARM PROBLEM NOT ONLY WILL HELP THE FARM SITUATION BUT WILL ALSO CONTRIBUTE GREATLY TO THE NATIONAL ECONOMY BY STRENGTHENING THE UNITED STATES TRADE POSITION, THE WEAKNESS OF WHICH HAS BEEN A STRONG CONTRIBUTING FACTOR TO THE DECLINING VALUE OF THE DOLLAR IN INTERNATIONAL MONEY MARKETS.

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FOOD AND AGRICULTURE ACT OF
1977

THE FOOD AND AGRICULTURE ACT OF 1977 WAS THE BEST THAT COULD BE ACHIEVED UNDER THE CIRCUMSTANCES, WHICH INCLUDED REPEATED THREATS OF PRESIDENTIAL VETO. THAT LEGISLATION WILL NOT AND CANNOT PREVENT BANKRUPTCY FOR SOME FARMERS, ESPECIALLY YOUNG FARMERS WHO PURCHASED LAND AND MACHINERY AT HIGH PRICES WITH THE EXPECTATION THAT FARM COMMODITY PRICES WOULD CONTINUE AT LEVELS THAT WOULD GIVE THEM A FAIR RETURN ON THEIR INVESTMENT. THE PRESENT SITUATION DOES NOT PROVIDE A FAIR RETURN. THEREFORE, IT IS ESSENTIAL THAT THE FOOD AND AGRICULTURE ACT OF 1977 BE STRENGTHENED TO HELP FARMERS ACHIEVE A FAIR RETURN ON THEIR INVESTMENT AND MANAGEMENT.

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DURING 11 DAYS OF AGRICULTURE HEARINGS IN JANUARY IN KANSAS CITY AND IN WASHINGTON DURING LATE FEBRUARY AND MARCH OF THIS YEAR, TESTIMONY WAS RECEIVED BEFORE THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FROM APPROXIMATELY 200 WITNESSES REPRESENTING EVERY MAJOR COMMODITY AND ALL REGIONS OF THE NATION. A PERSISTENT THEME THROUGHOUT THE HEARINGS WAS THE NEED TO PROVIDE FLEXIBILITY AND MAXIMIZE THE CHOICES AVAILABLE TO PRODUCERS IN COMPLYING WITH ANY FUTURE SYSTEM OF PRICE SUPPORTS AND PRODUCTION CONTROLS. PRODUCERS WANT AND NEED THE FREEDOM TO MAKE RATIONAL PRODUCTION DECISIONS REFLECTING THEIR CURRENT CIRCUMSTANCES AND CAPABILITIES. THIS FREEDOM OUGHT TO EXTEND INTO THE AREA OF PRICE SUPPORTS AND PRODUCTION CONTROLS IN RECOGNITION OF THE INFINITE COMPLEXITY OF AMERICAN AGRICULTURE TODAY.

IN THE PAST, OUR NATIONAL FARM PROGRAMS, HOWEVER, EFFECTIVE IN PROVIDING A BASIC LEVEL OF SUPPORT, TENDED TO REMOVE THE DECISION MAKING FUNCTION FROM HUNDREDS OF THOUSANDS OF

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INDIVIDUAL FARMERS AND RANCHERS, AND CONCENTRATED DECISION MAKING IN WASHINGTON, D.C. ANY FUTURE FARM PROGRAM OUGHT TO CONTINUE TO PROVIDE A BASIC LEVEL OF PRICE STABILITY, YET LEAVE DECISION AND PRODUCTION CHOICES WHERE THEY BELONG -- WITH INDIVIDUAL FARMERS AND RANCHERS.

WHILE THIS BILL DOES NOT ADDRESS ALL EXISTING FARM PROBLEMS, IT DOES OFFER IMPORTANT ASSISTANCE FOR THE 1978 CROP YEAR IN THE NEEDED ADJUSTMENT OF SUPPLIES AND DEMAND. THIS IS ACCOMPLISHED WITH MINIMAL IMPACT ON CONSUMER PRICES AND EXPORT MARKETS.

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THE FOOD AND AGRICULTURE ACT OF 1977 MUST BE STRENGTHENED IN THIS AREA IN ORDER TO PROTECT THE FARM SECTOR OF THE UNITED STATES ECONOMY. THUS, THE PASSAGE OF THE BILL AS REPORTED BY THE COMMITTEE IS IMPERATIVE.

OTHER LEGISLATIVE INITIATIVES

IN ADDITION TO THE DOLE FLEXIBLE PARITY BILL AND THE FARM CREDIT LEGISLATION, I HAVE INTRODUCED OTHER BILLS TO HELP FARM INCOME.

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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.

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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 APPROVAL FO 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.

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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.

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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."

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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.

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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 - AND "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.

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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.

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.

REMARKS BY SENATOR BOB DOLE
NATIONAL AGRICULTURE DAY

KFDI RADIO

WICHITA, KANSAS
SUNDAY, MARCH 19, 1978

I am honored by the invitation to participate in your National Agriculture Day celebration. It is certainly appropriate to set aside a day to pay special tribute to this most important segment of our economy.

I congratulate KFDI for their work in putting together this splendid event. KFDI has devoted thousands of hours of its broadcast time, for nearly 15 years, to the agriculture industry, in market reports, agribusiness news, farm features, commodities, and other special agriculture programs.

- Salute to the American Farm Family -

As a Kansan and an American who is dedicated to this nation and the agriculture which helps make it great, I today salute the American farm family.

We have had thousands of these good farm families in Washington this past week. They have been there because of the desperate financial conditions found in agriculture today.

The farm families are there to help improve life on the farm. The objectives of the thousands of farmers who have been in Washington and my objectives have coincided.

As people dedicated to doing what is best for America, we also all believe in doing what is in the best 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.

I want to make one more basic point. 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 and Senators on both sides of the aisle to provide legislative help.

- Farmers Are Lobbying -

Thousands of farmers are lobbying to get the Administration and the Congress to act on behalf of farmers. The Administration has failed to act, and now the Congress, especially the Senate, is acting. The House has had hearings, but has taken no legislative action.

This past week has been a good one for farmers. The Senate Agriculture Committee has passed out of committee three bills to help farmers. Farmers from all over America have helped tell the story of the American farmer in the Halls of Congress.

- Senator Talmadge Land Diversion Bill -

The Senate Committee on Agriculture, Nutrition and Forestry last Monday approved emergency farm legislation sponsored by its chairman, Senator Herman E. Talmadge, (D-Georgia), that would pay farmers to voluntarily take 31 million acres out of crop production this year.

The vote to report the bill favorably to the full Senate was 16 to 1. The action came at a special meeting of the committee called by Talmadge following completion on Friday, March 10, of 11 days of hearings on the farm financial crisis.

Attempts to add amendments to the bill to raise target and loan levels for wheat and feed grains and to eliminate soybeans from the land diversion program were defeated -- two of them by tie votes.

Talmadge's bill would direct the Secretary of Agriculture to make payments to producers of wheat, cotton, corn, barley, grain sorghum and soybeans who voluntarily reduce plantings of these crops this year.

The bill sets a target of not less than 31 million acres to be taken out of production this year, in addition to existing set-asides. It sets diversion targets of 15 million acres for wheat, 10 million acres for corn, and 3 million acres each for cotton and soybeans.

The committee staff estimates that a national average payment for all crops will be about \$75.00 per acre in order to reach the 31 million acre goal. The farmer would receive up to half of his diversion payment at sign-up time.

- Committee Eliminates Bid-System -

The Committee voted to eliminate a controversial provision in the original bill which would have given the Secretary the option of using a "bid-system" as one method of determining farmer participation. The amendment directs the Senate to administer the program in a fair and reasonable manner, and U.S.D.A. officials at Monday's meeting indicated that the "bid-system" would not be used.

In order to qualify for diversion payments, producers of wheat and feedgrains would first have to comply with the set-asides already announced by the Secretary for these crops. Additional acres diverted above the set-asides would then be eligible for payments.

- Dole Flexible Parity Bill -

The Senate Agriculture Committee also met on Wednesday of last week. At that time the Committee approved the Dole Flexible Parity Bill after adopting amendments to raise the target price on cotton, eliminate set-asides above 20% for cotton and to raise the price support loan rate for wheat and corn.

The committee voted 14 to 1 in favor of the bill that I introduced, S. 2481. In its present form, the bill would apply only to 1978 crops.

The bill achieves land diversion for the 1978 crop year through a system of incentives in the form of higher target prices as farmers voluntarily increase their set-aside acreage in order to bring production in line with demand. This freedom of choice will enable farmers whose costs of production require higher target prices to achieve the needed level by increasing their set-aside acres up to 50 percent of their planted acreage for either wheat or feed grains. In the case of upland cotton, the bill provides a voluntary set-aside of 20 percent for a target price of 60 cents per pound.

In the case of wheat, for example, a farmer would receive a target price of \$3.00 per bushel if he sets aside 20% of the acreage he intends to plant this year, but he would receive \$5.04 per bushel, approximately 100% of parity, if he sets aside 50% of his planned wheat acreage. In the case of corn, a producer would receive a target price of \$2.10 per bushel if he sets aside 10% with target ranging upward to \$3.45 for a 50% set-aside.

The producers of covered crops would receive a deficiency payment from the government making up the difference of average market prices and the target levels specified in the bill.

Amendments were adopted that would:

- Increase the loan rates on wheat from \$2.25 per bushel to \$2.85, and on corn from \$2.00 per bushel to \$2.40.
- Increase the target price for cotton to 60 cents per pound from 52 cents and would require a 20% set-aside. Other provisions in the flexible parity bill pertaining to cotton were eliminated.
- Increase the P.L. 480 "Food for Peace Program" authorization by \$500 million, half of which would be earmarked for Title II humanitarian feeding program.

- Dole Farm Credit Bills -

The Senate Agriculture Committee Wednesday also approved by a unanimous vote bills that I introduced which are designed to expand and modernize the farm credit programs of the Farmers Home Administration of the U. S. Department of Agriculture.

I am pleased the committee adopted my suggestions for new farm credit legislation and hope it can be passed by the Senate in the near future. Farmers need better credit programs now.

- Dole Emergency Credit Bill -

The committee also adopted a new emergency credit package that I introduced for farmers and ranchers who must have emergency credit in order to continue a viable agricultural operation.

Farmers and ranchers who are facing refinancing, foreclosure or bankruptcy could borrow, through either insured or guaranteed loans, of up to \$500,000. Farmers must be unable for a temporary period to obtain sufficient credit from their normal credit sources to finance their actual needs at reasonable rates and terms due to a general tightening of agricultural credit and an unfavorable relationship between production costs and prices received for agricultural commodities.

The committee made numerous changes in the existing Farmers Home Administration loan programs. Individual loan levels for both operating and farm ownership loans were raised substantially. Direct operating loans have a ceiling of \$100,000 and guaranteed \$200,000. Direct farm ownership loans have a ceiling of \$200,000 and guaranteed \$300,000.

For the first time, family farm partnership and family farm corporations would be eligible for loans. Additionally, changes were authorized in the guaranteed loan program to encourage private lenders to make more funds available to farmers.

- Emergency Livestock Credit Act -

In addition, the Emergency Livestock Credit Act of 1974, which provides 90 percent government guarantees on loans of up to \$350,000 to livestock producers would be extended for an additional year to September 30, 1979.

- Inflation and Low Prices Caused Need for Dole Flexible Parity Bill -

The grip of inflation and low prices have the American farmer trapped in an untenable economic position. Inflation has pushed his production costs higher and higher while slack world demand for his commodities has resulted in low prices -- often below the cost of production.

The farm situation is the worst since the great depression.

Farm debt has increased 63 percent in the last five years (in 1974 it was \$74 billion, by 1977 it had increased to \$119 billion).

In terms of current dollars, farm income declined from \$33 billion in 1973 to only about \$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. The nonfarm economy cannot long escape the effects of the disastrous farm situation.

- American Farmer Frustrated -

The plight of the American farmer has resulted in increasing frustration as production costs have continued to rise. Farmers have called their deteriorating economic situation to the attention of the Administration, Congress, and the American public in rather dramatic fashion since the first tractorcade in late 1977.

A proper response to the farm problem not only will help the farm situation but will also contribute greatly to the national economy by strengthening the United States trade position, the weakness of which has been a strong contributing factor to the declining value of the dollar in international money markets.

- Food and Agriculture Act of 1977 -

The Food and Agriculture Act of 1977 was the best that could be achieved under the circumstances, which included repeated threats of Presidential veto. That legislation will not and cannot prevent bankruptcy for some farmers, especially young farmers who purchased land and machinery at high prices with the expectation that farm commodity prices would continue at levels that would give them a fair return on their investment. The present situation does not provide a fair return. Therefore, it is essential that the Food and Agriculture Act of 1977 be strengthened to help farmers achieve a fair return on their investment and management.

During 11 days of agriculture hearings in January in Kansas City and in Washington during late February and March of this year, testimony was received before the Committee on Agriculture, Nutrition, and Forestry, from approximately 200 witnesses representing every major commodity and all regions of the nation. A persistent theme throughout the hearings was the need to provide flexibility and maximize the choices available to producers in complying with any future system of price supports and production controls. Producers want and need the freedom to make rational production decisions reflecting their current circumstances and capabilities. This freedom ought to extend into the area of price supports and production controls in recognition of the infinite complexity of American agriculture today.

In the past, our national farm programs, however, effective in providing a basic level of support, tended to remove the decision making function from hundreds of thousands of individual farmers and ranchers, and concentrated decision making in Washington, D.C. Any future farm program ought to continue to provide a basic level of price stability, yet leave decision and production choices where they belong -- with individual farmers and ranchers.

While this bill does not address all existing farm problems, it does offer important assistance for the 1978 crop year in the needed adjustment of supplies and demand. This is accomplished with minimal impact on consumer prices and export markets.

The Food and Agriculture Act of 1977 must be strengthened in this area in order to protect the farm sector of the United States economy. Thus, the passage of the bill as reported by the Committee is imperative.

Other Legislative Initiatives

In addition to the Dole Flexible Parity bill and the farm credit legislation, I have introduced other bills to help farm income.

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 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 exports, I have introduced a bill entitled the "More Adequate Title I, P.L. 480 Program Act of 1978."

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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.

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.

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.

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.