

REMARKS OF SENATOR BOB DOLE

TOM TAUKE FOR CONGRESS LUNCHEON

JULIEN MOTOR INN

DUBUQUE, IOWA

THURSDAY, OCTOBER 19, 1978

*not used
(I don't think so,
at least!)*

IT'S CERTAINLY A PLEASURE TO AGAIN BE IN IOWA. THE
RACE IN THE SECOND CONGRESSIONAL DISTRICT WILL NO
DOUBT BE A WELL FOUGHT VICTORY FOR TOM TAUKE AND
THE REPUBLICAN PARTY.

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TRADITIONALLY, THE PARTY OUT OF POWER FOCUSES ITS OFF-YEAR ELECTION CAMPAIGN ON WHAT'S WRONG WITH THE PARTY IN POWER. FOR A LONG, LONG TIME WE'VE GROWN ACCUSTOMED TO THIS ROLE, PERHAPS TOO COMFORTABLE WITH IT. AND THIS YEAR IS NO EXCEPTION.

REPUBLICAN CANDIDATES ARE POINTING OUT THE DEFICIENCIES OF THE PRESIDENT AND HIS ALLIES IN CONGRESS, THE FOREIGN AND DOMESTIC POLICY FAILURES, THE WOEFULLY INADEQUATE ECONOMIC, ENERGY, FARM, HEALTH CARE, AND URBAN INITIATIVES OF THE MAJORITY PARTY. FRANKLY, IT'S NOT HARD TO CONSTRUCT A PRETTY CONVINCING CASE AGAINST THE DEMOCRATS.

-2-

BUT IS IT ENOUGH FOR US TO SAY THE DEMOCRATS ARE BAD AND WE'RE AVAILABLE? DON'T WE RISK PROLONGING THE PERCEPTION OF OUR PARTY AS A PARTY OF POLITICAL "AGAINSTERS", A PARTY THAT CARES FOR THE HAVES AND THE HAVE-NOTS, THOSE WHO CAN HELP THEMSELVES AND NOT THOSE WHO NEED HELP? ISN'T IT TIME FOR REPUBLICAN POLITICIANS AND OFFICE HOLDERS TO TELL THE AMERICAN PEOPLE WHAT WE STAND FOR, NOT JUST WHAT WE ARE AGAINST?

THE FOREIGN AND DOMESTIC POLICY SHORTCOMINGS OF OUR OPPONENTS ARE WELL DOCUMENTED. YOU'VE HEARD THEM ALL BEFORE. SO I'D LIKE TO TALK ABOUT WHAT WE, AS REPUBLICANS, WANT TO DO FOR THE AMERICAN PEOPLE, NOT JUST WHAT THE DEMOCRATS HAVE DONE TO THE AMERICAN PEOPLE.

-3-

OPPORTUNITY IN 1978

OUR PARTY HAS A TREMENDOUS OPPORTUNITY IN 1978 TO OFFER TO THE VOTERS OF AMERICA ATTRACTIVE ALTERNATIVES TO MORE-OF-THE-SAME POLICIES WHICH HAVE USHERED IN AN ERA OF HIGH TAXATION, HIGH UNEMPLOYMENT, DOUBLE-DIGIT INFLATION, AND OVERZEALOUS GOVERNMENT REGULATION.

OUR RECORD -- THE REPUBLICAN RECORD -- IS CLEAR AND CONSISTENT, OUR COMMITMENT TO FISCAL RESPONSIBILITY AND LOWER TAXES WELL KNOWN. AFTER YEARS OF FIGHTING AN OFTEN FRUSTRATING BATTLE AGAINST THE ENCROACHMENT OF GOVERNMENT, AFTER YEARS OF PLEADING THE CASE AGAINST THE DEMOCRATS, THE ISSUES OF 1978 ARE OUR ISSUES, THE OPPORTUNITIES IN 1978 ARE OUR OPPORTUNITIES AND IT IS OUR OPPONENTS WHO ARE STRUGGLING MIGHTILY TO CONVINCE THE VOTERS THAT THEY STAND TODAY FOR THE SAME THINGS REPUBLICANS HAVE STOOD FOR A LONG, LONG TIME.

-4-

END OF AN ERA

THE ERA IS OVER WHEN POLITICIANS CAN BUY POLITICAL POWER WITH TAXPAYERS' DOLLARS. THE PEOPLE ARE DEMANDING AN END TO THE "TAX AND TAX, SPEND AND SPEND" PHILOSOPHY WHICH HAS DOMINATED OUR GOVERNMENT FOR FAR TOO LONG. THE VOTERS WANT A CONCRETE COMMITMENT TO FISCAL RESPONSIBILITY, NOT A PASSING RHETORICAL NOD AT ELECTION TIME.

NO ONE ISSUE IS MORE REFLECTIVE OF THE PUBLIC MOOD AND NONE HOLDS GREATER POLITICAL PROMISE FOR THE REPUBLICAN PARTY THAN THE STATE OF THE AMERICAN ECONOMY.

THE AMERICAN PEOPLE UNDERSTAND THAT WHAT MAKES IT DIFFICULT FOR THEM TO BALANCE THEIR BUDGETS IS THAT THE GOVERNMENT REFUSES TO BALANCE ITS OWN. EVERYTIME THE COST OF LIVING GOES UP BY 10%, GOVERNMENT REVENUES GO UP 16%. AS IT STANDS NOW, THERE'S NO INCENTIVE FOR GOVERNMENT TO STEM INFLATION, BECAUSE GOVERNMENT ISN'T SUFFERING FROM INFLATION.

-5-

WE WON'T GET A HANDLE ON INFLATION -- AND THE HIGH TAXES IT MANDATES -- UNTIL WE RESTORE FISCAL SANITY IN WASHINGTON, SLOW THE INEXORABLE GROWTH OF GOVERNMENT SPENDING, ELIMINATE HUGE BUDGET DEFICITS, AND RESTORE PUBLIC CONFIDENCE IN THE AMERICAN ECONOMY -- CONFIDENCE THAT EVERY DOLLAR SPENT BY GOVERNMENT WILL BE AN INVESTMENT IN AMERICA'S FUTURE, NOT AN ADDITIONAL MORTGAGE ON OUR CHILDREN AND OUR CHILDREN'S CHILDREN.

EROSION OF CONFIDENCE

TODAY, INFLATION, HAS ERODED THE TAXPAYERS' CONFIDENCE IN THE FAIRNESS OF OUR TAX SYSTEM, PUSHED UP THE COST OF EVERYTHING WE BUY, MADE HOMES OWNERSHIP AN IMPOSSIBLE DREAM FOR FAR TOO MANY YOUNG PEOPLE, AND ENGENDERED IN OUR PEOPLE AN ECONOMIC PESSIMISM WHICH THREATENS THE ABILITY OF GOVERNMENT TO DO THE THINGS IT OUGHT TO DO.

-6-

TODAY, IF A TAXPAYER'S SALARY GOES UP TO ACCOMMODATE FOR INFLATION, THE TAXPAYER USUALLY ENDS UP PAYING MORE TAXES THAN BEFORE THE SALARY INCREASE. SO HE'S HIT FROM BOTH SIDES -- HIGHER TAXATION AND HIGHER INFLATION. THE TAX REDUCTION BILL JUST PASSED BY CONGRESS, WELCOME AS IT MAY BE TO HARD-PRESSED TAXPAYERS, ISN'T REALLY GOING TO HELP THAT MUCH. NEW SOCIAL SECURITY TAXES AND THE EFFECTS OF INFLATION ON THE INCOME TAX SYSTEM WILL CONTINUE TO PUSH AMERICAN FAMILIES INTO HIGHER AND HIGHER TAX BRACKETS THIS YEAR, NEXT YEAR, AND THE YEAR AFTER THAT.

T.E.A.

I DON'T THINK THAT'S FAIR. THAT'S WHY I'LL BE INTRODUCING THE TAX EQUALIZATION ACT -- T.E.A. -- AN INNOVATIVE TAX CONCEPT WHICH PROHIBITS GOVERNMENT FROM LEVYING A TAX ON INCREASES IN INCOME DUE SOLELY TO INFLATION.

-7-

UNDER T.E.A., THE TAX CODE WOULD BE "INDEXED" SO THAT TAX BRACKETS AND EXEMPTIONS AND DEDUCTIONS KEEP PACE WITH INFLATION.

INDEXATION ISN'T A NEW IDEA. IN FACT, MOST OF THE FEDERAL GOVERNMENT'S EXPENDITURES ARE ALREADY INDEXED. DOESN'T IT SEEM FAIR THAT THE TAXES WE PAY -- THE REVENUES WHICH FEED GOVERNMENT -- ALSO BE INDEXED?

THE TAX EQUALIZATION ACT IS A POSITIVE PROGRAM, A CONCEPT WHICH WILL FORCE GOVERNMENT TO PARE BACK UNNECESSARY SPENDING, TO SUFFER RIGHT ALONG WITH THE REST OF US FROM THE EVILS OF INFLATION. IT WILL HELP RESTORE THE PUBLIC'S CONFIDENCE IN THE FAIRNESS OF OUR TAX SYSTEM. IT WILL LEAVE MORE MONEY IN THE HANDS OF THE PEOPLE WHO EARN IT. AND IT WILL ELIMNATE THE NEED FOR ILLUSORY ELECTION YEAR TAX "CUTS".

-8-

BUT TAX RELIEF FOR THE AMERICAN PEOPLE THROUGH TAX EQUALIZATION IS ONLY ONE PART OF THE NEW ECONOMIC PROGRAM WE, AS REPUBLICANS, SHOULD BE FIGHTING FOR.

THE FACT THAT WE HAVE HUGE BUDGET DEFICITS AT A TIME OF DOUBLE-DIGIT INFLATION SHOWS US THAT CUTTING TAXES IS NOT THE ONLY REMEDY TO OUR ECONOMIC WOES. THE REPUBLICAN SOLUTION -- IS TO CUT GOVERNMENT SPENDING, TOO. THE ANSWER IS TO REQUIRE GOVERNMENT TO DO WHAT THE REST OF US HAVE TO DO, TO LIVE WITHIN A BALANCED BUDGET.

NOW PRESIDENT CARTER TOLD US TWO YEARS AGO THAT HE WAS GOING TO BALANCE THE FEDERAL BUDGET BY 1980. IN THE FIRST TWO YEARS OF HIS ADMINISTRATION, GOVERNMENT SPENDING HAS INCREASED BY 100 BILLION DOLLARS. IT'S NOT ENTIRELY THE PRESIDENT'S FAULT. BUT I DON'T THINK WE CAN AFFORD TO WAIT MUCH LONGER FOR A BALANCED FEDERAL BUDGET.

-9-

A BALANCED FEDERAL BUDGET

IF WE DON'T DO SOMETHING SOON IN WASHINGTON, IF WE AS REPUBLICANS DON'T PROVIDE THE LEADERSHIP, THE PEOPLE ARE GOING TO TAKE ACTION THEMSELVES.

AND I WELCOME IT. IN FACT, I HAVE URGED THE NATION'S LEGISLATURES TO PETITION CONGRESS FOR A CONSTITUTIONAL CONVENTION WHICH WOULD AMEND THE CONSTITUTION TO REQUIRE A BALANCED FEDERAL BUDGET, EXCEPT IN TIMES OF NATIONAL EMERGENCY. I THINK EVERY REPUBLICAN RUNNING FOR OFFICE CAN AND SHOULD SUPPORT THIS INITIATIVE.

TAX EQUALIZATION, BALANCED FEDERAL BUDGET, FEDERAL SPENDING RESTRAINT -- THESE ARE CONCRETE, POSITIVE GOALS. BUT IN OUR ZEAL TO RESTORE FISCAL RESPONSIBILITY IN WASHINGTON, WE MUSTN'T IGNORE THE REAL PROBLEMS OF OUR NATION. OUR CONCERN ABOUT THE ECONOMY,

-10-

ABOUT RUNAWAY GOVERNMENT SPENDING, DOESN'T MEAN WE ARE
INSENSITIVE TO THE PROBLEMS OF UNEMPLOYMENT, POVERTY, ESCALATING
HEALTH CARE COSTS, URBAN DECAY, AND INADEQUATE FARM INCOME.

WE REPUBLICANS ARE CONCERNED. AND IT'S OUR CONCERN ABOUT THESE
ECONOMIC PROBLEMS WHICH MOTIVATES US TO PROPOSE TAX AND ECONOMIC
POLICIES WHICH WILL STABILIZE OUR DOMESTIC ECONOMY, STRENGTHEN
THE GOVERNMENT'S ABILITY TO HELP PEOPLE, AND ENABLE GOVERNMENT
AT ALL LEVELS TO FOCUS LIMITED RESOURCES ON OUR MOST PRESSING
NATIONAL NEEDS.

NATIONAL HEALTH CARE

ONE AREA URGENTLY NEEDING ATTENTION IS NATIONAL HEALTH CARE.
TO DATE, FEDERAL HEALTH PROGRAMS HAVE NOT REDUCED THE PERCENTAGE
OF INCOME OLDER AMERICANS EXPEND ON MEDICAL SERVICES BY ONE
POINT. BUT COSTLY, COMPREHENSIVE NATIONAL HEALTH INSURANCE
PROPOSALS ARE NOT THE ANSWER. THEY WILL ONLY FURTHER THE IN-
FLATION SPIRAL IN HEALTH CARE COSTS.

-11-

BUT IF COMPREHENSIVE FEDERAL ACTION IN THE HEALTH CARE FIELD IS WRONG, AND IF WE, AS REPUBLICANS, OPPOSE IT, ISN'T IT TIME TO RECOGNIZE THAT GOVERNMENT-SUPPORTED CATASTROPHIC HEALTH CARE INSURANCE CAN ALLEVIATE THE FINANCIAL HARDSHIP OF MAJOR MEDICAL EXPENSE WITHOUT CREATING DISINCENTIVES FOR PREVENTIVE CARE AND COST CONTROL? I THINK IT IS.

CATASTROPHIC ILLNESSES AND ACCIDENTS CAN STRIKE ANYONE AT ANY TIME. AND THE FEAR OF DISABLING OR EVEN FATAL INJURY SHOULD NOT ALWAYS BE ACCOMPANIED BY THE FEAR OF CRIPPLING FINANCIAL BURDEN OF THE COST OF TREATMENT. I THINK WE CAN SUPPORT CATASTROPHIC HEALTH INSURANCE COVERAGE. BECAUSE IT MAKES SENSE FOR THE AMERICAN PEOPLE. IT'S A PROGRAM THEY WANT AND CAN AFFORD, IF GOVERNMENT GETS ITS FISCAL HOUSE IN ORDER. SO, TOO, WE CAN SAVE BILLIONS OF DOLLARS IN HOSPITAL AND MEDICAL BILLS BY INCREASING PUBLIC AWARENESS OF THE RELATIONSHIP BETWEEN NUTRITION AND HEALTH, BY FOCUSING OUR LIMITED RESOURCES ON PREVENTING ILLNESS, NOT JUST CURING IT.

-12-

GOVERNMENT OVER-REGULATION HAS BEEN A THORN IN THE SIDE OF BUSINESS AND CONSUMERS ALIKE FOR DECADES. IT HAS DRIVEN UP THE COST OF GOVERNMENT, THE COST OF EVERYTHING WE BUY. IN THE YEARS AHEAD, WE MUST STEP UP OUR FIGHT FOR DEREGULATION OF THE AMERICAN ECONOMY, FREEING FARMERS AND EDUCATORS AND ENERGY PRODUCERS FROM THE TANGLED WEB OF BUREAUCRATIC RULES AND REGULATIONS.

WE'VE GOT TO MOVE FORWARD WITH BOLD NEW PLANS TO REFORM OUR NATION'S ANTIQUATED WELFARE LAWS, ENSURE THE SURVIVAL OF THE FAMILY FARM, REINVIGORATE OUR DECAYING INNER-CITIES, AND MAKE IT EASIER FOR STUDENTS AND THEIR PARENTS TO PAY FOR EVER-INCREASING COLLEGE TUITION COSTS.

REPUBLICANS HAVE PUT FORWARD CONCRETE PROPOSALS IN ALL THESE AREAS -- PROPOSALS WHICH ADDRESS THE MOST PRESSING NEEDS OF OUR PEOPLE WITHOUT PROMISING TOO MUCH, WITHOUT SPENDING TOO MUCH, WITHOUT TAXING TOO MUCH.

-13-

HUMAN RIGHTS AND THE ARMS RACE

IN THE INTERNATIONAL ARENA, REPUBLICANS HAVE TRADITIONALLY INSISTED UPON RESPECT FOR HUMAN RIGHTS AROUND THE GLOBE. AND WE'VE INSISTED THAT AMERICA MAINTAIN THE MILITARY STRENGTH IT NEEDS SO THAT THE TIME WILL NEVER COME WHEN WE WILL NO LONGER BE ABLE TO NEGOTIATE WITH OUR ADVERSARIES, BUT ONLY AGREE TO THE TERMS PRESENTED TO US.

OF COURSE, WE SHARE WITH PRESIDENT CARTER A FERVENT HOPE FOR AN END TO THE EVER-ESCALATING ARMS RACE. NO RESPONSIBLE POLITICIAN WANTS TO SEE OUR NATION SPEND HUNDREDS OF BILLIONS OF DOLLARS YEAR AFTER YEAR IN A FRUITLESS BATTLE WITH THE RUSSIANS FOR NUCLEAR SUPERIORITY. BUT WE CAN'T AFFORD TO BE BLIND TO REALITY. WE MUST BE EVER VIGILANT AND STRONG, AWARE THAT THE SOVIETS HAVE REPEATEDLY VIOLATED ARMS AGREEMENTS AND OTHER TREATIES WHEN IT SUITS THEIR NATIONAL NEEDS. AND, WITH THIS IN MIND, WE MUST CLOSELY SCRUTINIZE THE STRATEGIC ARMS LIMITATION TREATY WHICH WILL BE SUBMITTED TO US NEXT YEAR.

-14-

COOPERATION WITH GOVERNMENT

OUR PARTY CAN DO A LOT FOR THE AMERICAN PEOPLE. WE HAVE THE RIGHT -- INDEED, THE OBLIGATION -- TO OPPOSE MISDIRECTED AND UNPRODUCTIVE SPENDING AT EVERY LEVEL OF GOVERNMENT. BUT, TOO, AS THE PARTY OF OPPOSITION, WE HAVE THE OBLIGATION TO PUT FORWARD POSITIVE INITIATIVES, NEW APPROACHES TO THE NEEDS OF THE 20TH CENTURY.

WHEN OUR OPPONENTS ARGUE THAT OUR RESOURCES, HOUSING AND OTHER SOCIAL PROBLEMS ARE TOO COMPLEX FOR SIMPLE SOLUTIONS, LET US RESPOND: YES, NO GOVERNMENT PLANNER WILL PROVIDE THE ANSWER. ONLY THE INGENUITY AND EFFORTS OF MILLIONS OF FREE PEOPLE ACTING IN COOPERATION WITH GOVERNMENT CAN MEET THIS CHALLENGE.

-15-

YOU AND I ARE HEIRS TO HISTORY'S GREATEST LEGACY, THE MOST SUCCESSFUL NATION ON EARTH. BUT WHEN WE TALK ABOUT BEING THE PARTY OF FREEDOM -- DEFENDING THE FREE ENTERPRISE SYSTEM, FREEING PEOPLE FROM GOVERNMENT REGULATION AND OVER-TAXATION, GETTING THE GOVERNMENT OUT OF OUR PRIVATE LIVES -- THESE ARE COMMENDABLE GOALS, BUT THEY ARE ABSTRACT GOALS. AND OUR PARTY WAS NOT FOUNDED -- NOR WILL IT SURVIVE -- ON ABSTRACTIONS.

THE REPUBLICAN PARTY WAS BORN IN THE GREATEST STRUGGLE FOR HUMAN LIBERTY THIS NATION HAS EVER KNOWN. WE EXTENDED AND EXPANDED HUMAN FREEDOM IN A VERY REAL, TANGIBLE WAY. TIME HAS PASSED. THE WORLD IS A VERY DIFFERENT PLACE. BUT OUR FOUNDING PURPOSE-- THE EXTENSION AND EXPANSION OF HUMAN LIBERTY -- REMAINS THE SAME -- AT HOME AND ABROAD.

AND THAT IS THE BANNER WE CARRY, THE PURPOSE WE MUST ARTICULATE, THIS YEAR, NEXT YEAR, AND IN THE DECADES WHICH LIE BEFORE US.

#

TO: Senator
FROM: Mac
SUBJECT: Second Congressional District Race in Iowa

The incumbent in this district is Michael T. Blouin(D) of Dubuque. He won the seat in 1974 after Rep. John Culver moved to the Senate and was re-elected in 1976. But in both contests, Blouin has won by slim margins of less than 4,500 votes. A close race is expected for this year.

State Representative Tom Tauke is the Republican nominee and a former state committeeman. Tauke gains some national publicity in 1976 as an uncommitted delegate to the Republican National Convention. He eventually voted for Ford.

Like Blouin, Tauke is a Catholic from Dubuque and this could give Blouin a tough race. Dubuque is a predominantly Catholic city and saved the race for Blouin in 1976.

Blouin has the backing of labor and his Catholic constituency by supporting such measures as a constitutional amendment to prohibit abortions. He has also been effective in using his incumbency, holding conferences for district businessmen featuring speakers from the Carter Administration.

REMARKS OF SENATOR BOB DOLE
TOM TAUKE FOR CONGRESS LUNCHEON
DYERSVILLE, IOWA
OCTOBER 19, 1978

I AM DEEPLY HONORED TO BE HERE ~~THIS EVENING~~. IT IS ALWAYS
A PLEASURE TO BE IN IOWA, NUMBER TWO AGRICULTURAL STATE --
WITH 1977 CASH RECEIPTS IN EXCESS OF \$7 BILLION.

YOU AND I SHARE COMMON BELIEFS, GOALS, AND DREAMS.

WE BOTH WANT TO STRENGTHEN AMERICAN AGRICULTURE.

WE BOTH WANT TO INCREASE THE INCOME FLOWING TO OUR FARMERS.

WE BOTH WANT THE FARMER TO RECEIVE A FAIR RETURN ON HIS INVESTMENT.

WE BOTH SEEK TO PROVIDE NEW OPPORTUNITIES FOR YOUNG PEOPLE TO
ENTER FARMING.

WE BOTH ARE DEDICATED TO THE FAMILY FARM AS THE BACKBONE OF OUR
AGRICULTURAL PRODUCTION SYSTEM.

- 2 -

WE BOTH SEEK TO MAINTAIN A HEALTHY AGRICULTURE -- ONE THAT IS ECONOMICALLY EFFICIENT AND PRODUCTIVE AND FREE FROM UNNECESSARY REGULATIONS.

THOSE OF US IN CONGRESS, AND ESPECIALLY THOSE OF US IN LEADERSHIP POSITIONS ON THE AGRICULTURE COMMITTEE, HAVE RESPONSIBILITY FOR DEVELOPING LEGISLATION TO ACHIEVE POSITIVE AND NECESSARY GOALS.

FULL PARITY FOR FARMERS

LAST FRIDAY THE SENATE PASSED THE HUMPHREY-HAWKINS BILL. THIS BILL SET GOALS FOR THE U.S. ECONOMY IN SUCH AREAS AS UNEMPLOYMENT AND INFLATION. THE BILL CALLED FOR A COMPREHENSIVE NATIONAL AGRICULTURAL POLICY BUT DID NOT SET REAL GOALS.

I WAS CONCERNED THAT THERE WAS NOTHING IN THE HUMPHREY-HAWKINS BILL THAT SET A GOAL TO BRING AGRICULTURE UP TO PAR WITH THE REST OF THE ECONOMY. AT MY SUGGESTION, "FULL PARITY FOR FARMERS," WAS ADDED TO THE BILL.

- 3 -

MY ADDITION TO THE BILL SAID THAT THE AGRICULTURAL POLICY SHOULD INCLUDE A GOAL TO ASSURE, "FARM AND RANCH INCOME AT FULL PARITY LEVELS THAT WILL IMPROVE OPPORTUNITIES FOR FARM FAMILIES, ENCOURAGE PRODUCTION, PROVIDE FOR ESSENTIAL CAPITAL INVESTMENT IN FARMING, AND PROVIDE FOR FARM PRODUCT PRICES AT FULL PARITY IN THE MARKETPLACE."

FULL PARITY IS NOW ESTABLISHED AS A NATIONAL ECONOMIC OBJECTIVE. WHEN THE PRESIDENT SETS HIS POLICIES, HE WILL HAVE TO TAKE INTO CONSIDERATION REACHING THE GOAL OF FULL PARITY INCOME FOR FAMILIES AND FULL PARITY FOR FARM PRODUCT PRICES IN THE MARKETPLACE, AT THE SAME TIME WE REACH THE GOAL OF 3 PER CENT INFLATION AND 4 PER CENT UNEMPLOYMENT.

THE POLICY DECISIONS MADE BY THE PRESIDENT AND CONGRESS WILL HAVE TO PROVIDE IMPROVED FARM INCOME, REACHING FULL PARITY IN THE MARKETPLACE.

- 4 -

I HAVE EXAMINED THE NET FARM INCOME STATISTICS FOR IOWA. I WANT TO POINT OUT THAT IOWA'S NET FARM INCOME IN 1977 WAS THE LOWEST SINCE 1965, AND DOWN BY TWO-THIRDS FROM THE 1973 AND 1974 LEVELS. IN 1973 AND 1974, NET FARM INCOME WAS \$2.3 BILLION IN EACH YEAR. IN 1977, IT WAS DOWN TO \$756 MILLION. IOWA FARMERS DESERVE A BETTER BREAK THAN PRESIDENT CARTER AND SECRETARY BERGLAND ARE PROVIDING. TOM TAUKE AND BOB DOLE WILL FIGHT TO GET IT FOR YOU.

AROUND THE COUNTRY, PEOPLE THINK OF IOWA AS THE STATE WHERE THE TALL CORN GROWS. OF COURSE, CORN IS IMPORTANT HERE. HOWEVER, CORN IS THE FOUNDATION OF THE MARVELOUS LIVESTOCK INDUSTRY WHICH PROVIDES 55 TO 60 PERCENT OF IOWA CASH RECEIPTS FROM SALES. IOWA IS THE NUMBER ONE STATE IN THE VALUE OF CASH RECEIPTS FROM SALES OF LIVESTOCK. THUS, IT IS IMPORTANT TO YOU TO WATCH WHAT THE ADMINISTRATION DOES. IT IS TIME RIGHT NOW TO SEND A MESSAGE TO PRESIDENT CARTER THAT YOU WANT NO REPETITION OF THE PERMISSION TO INCREASE MEAT IMPORTS. SEND THAT MESSAGE BY ELECTING REPRESENTATIVES LIKE TOM TAUKE. KEEP IN MIND THAT PRESIDENT CARTER HAS MADE NO PROMISES ABOUT 1979 ACTIONS REGARDING MEAT IMPORTS.

- 5 -

CURRENT PORK PRODUCTION PROSPECTS SUGGEST A LOWER OUTPUT THAN PREVIOUSLY ANTICIPATED. PORK PRODUCERS APPEAR TO BE TAKING A VERY CAUTIOUS AND CONSERVATIVE APPROACH TO EXPAND PRODUCTION, DESPITE LARGE GRAIN SUPPLIES, LOW GRAIN PRICES, AND RELATIVELY FAVORABLE HOG PRICES.

HOG SLAUGHTER THIS FALL WILL PROBABLY BE BELOW A YEAR EARLIER. HOWEVER, LOW FEED COSTS MAY PROMPT HOG PRODUCERS TO FEED TO HEAVIER WEIGHTS, KEEPING PRODUCTION NEAR YEAR-EARLIER LEVELS.

PROSPECTS FOR LARGE GRAIN CROPS, LOW GRAIN PRICES, AND HIGHER LIVESTOCK PRICES POINT TO AN IMPROVED PROFIT PICTURE FOR MOST LIVESTOCK PRODUCERS. BUT CATTLE AND HOG PRODUCERS WHO NEED TO PURCHASE FEEDER ANIMALS PROBABLY WILL HAVE TO PAY HIGHER FEEDER ANIMAL PRICES.

FOR MANY DECADES, AMERICAN AGRICULTURE HAS BEEN THE ENVY OF THE WORLD; AND AMERICAN FARMERS AND AMERICAN RANCHERS HAVE MADE POSSIBLE A LEVEL OF NUTRITION AND ABUNDANCE FOR OUR PEOPLE THAT IS UNRIVALED IN HISTORY, WHILE AT THE SAME TIME ENABLING MILLIONS OF PEOPLE ABROAD TO EAT BETTER THROUGH EXPORTS FOR DOLLARS AND THROUGH THE FOOD FOR PEACE PROGRAM.

- 6 -

THE BASIS FOR THIS SUCCESS -- AND ITS PROMISE FOR THE FUTURE -- LIES WITH THE FAMILY-TYPE FARM. IT CAN AND MUST BE PRESERVED, IN THE BEST INTERESTS OF ALL AMERICANS AND THE NATION'S WELFARE.

FARM INCOME MUST BE MAINTAINED AT HIGH LEVELS TO ENABLE FARMERS, RANCHERS AND FARM WORKERS TO PRODUCE A STEADY AND DEPENDABLE SUPPLY OF FOOD AND FIBER PRODUCTS.

WE MUST RECOGNIZE AND FULFILL THE SOCIAL CONTRACT THAT EXISTS BETWEEN THE FAMILY-FARM PRODUCERS OF FOOD AND THE NON-FARM CONSUMER. WE MUST CONTINUE TO ASSURE ADEQUATE SUPPLIES OF FOOD AND FIBER FOR ALL OUR PEOPLE, INCLUDING LOW-INCOME FAMILIES AND INDIVIDUALS WHOSE PURCHASING POWER IS SUPPLEMENTED WITH FOOD STAMPS.

WE MUST:

-- FIGHT FOR EQUITABLE TREATMENT FOR AMERICAN FARM PRODUCTS IN OUR TRADITIONAL EXPORT MARKETS AND TO OPEN NEW FOREIGN MARKETS. THIS IS A KEY TO FARM PROSPERITY.

- 7 -

-- WE MUST SET AND MEET A GOAL OF \$30 BILLION OF EXPORTS
BY 1980 -- A \$4 BILLION INCREASE ABOVE CURRENT LEVELS.
WE CAN DO THIS BY THE FOLLOWING:

- (1) COMMITTING THE \$1.5 BILLION OF CCC CREDITS IMMEDIATELY
SO THAT EXPORT OPPORTUNITIES DO NOT SLIP AWAY. MORE
MONEY SHOULD BE COMMITTED IF IT CAN BE USED PROFITABLY;
- (2) INCREASING FOOD FOR PEACE PROGRAM, TITLE 1, TO AT
LEAST \$1.5 BILLION WORTH OF COMMODITIES, UP FROM THE
\$800 MILLION ANNOUNCED FOR FISCAL YEAR 1979, AND
PROGRAMMING THIS AMOUNT IMMEDIATELY;
- (3) SUPPORTING WITH ADEQUATE RESOURCES AND NEW IDEAS A MORE
VIGOROUS MARKET DEVELOPMENT EFFORT;
- (4) MAKING THE MOST OF U.S. AGRICULTURE EFFICIENCY IN
COMMERCIAL EXPORT MARKETS AND GAINING CONCESSIONS FOR
U.S. FARM EXPORTS IN THE CURRENT GENEVA TRADE NEGOTIATIONS.
IN THE LAST ROUND OF TRADE NEGOTIATIONS, AGRICULTURE
WAS TREATED AS A POOR RELATIVE.

-- HELP GET OUR SUGAR BEET PRODUCERS NOT LESS THAN THE COST
OF PRODUCTION IN THE MARKET PLACE.

- 8 -

- PROVIDE ESSENTIAL AND NEEDED CREDIT, TECHNICAL ASSISTANCE, SOIL AND WATER CONSERVATION AID, ECONOMIC STIMULUS AND LEADERSHIP TO AMERICA'S RURAL AREAS AND COMMUNITIES.
- SUPPLY APPROPRIATE ASSISTANCE TO FARM COOPERATIVES, INCLUDING RURAL ELECTRIC AND TELEPHONE COOPERATIVES SO THAT THEY CAN IMPROVE THEIR SERVICES.

NEW LEGISLATION TO STIMULATE AGRICULTURAL EXPORTS

THE CONGRESS PASSED LEGISLATION TO STIMULATE EXPANDED EXPORTS OF U.S. AGRICULTURAL COMMODITIES AND TO OPEN THE WAY FOR INCREASED SALES TO THE PEOPLES REPUBLIC OF CHINA (PRC).

I SERVE AS THE RANKING REPUBLICAN ON THE U.S. SENATE AGRICULTURE COMMITTEE. THIS COMMITTEE DID THE WORK ON THIS BILL. I BELIEVE THE LEGISLATION ALLOWS SIGNIFICANT NEW INITIATIVES IN EXPANDING U.S. AGRICULTURAL EXPORTS.

- 9 -

THE LEGISLATION WOULD PROVIDE GOVERNMENT-BACKED, INTERMEDIATE-CREDIT TO FINANCE AGRICULTURAL EXPORTS; AUTHORIZE SHORT-TERM CREDITS TO PRIVATE EXPORTERS WHO OFFER DEFERRED PAYMENTS TO ELIGIBLE IMPORTING COUNTRIES AND THE PRC; EXTEND EXISTING SHORT-TERM CREDITS TO THE PRC; UPGRADE U.S. DEPARTMENT OF AGRICULTURE EMBASSY OFFICERS IN MAJOR IMPORTING COUNTRIES; ESTABLISH U.S. AGRICULTURAL TRADE OFFICES ABROAD; AND CREATE A NEW POSITION OF UNDER SECRETARY IN THE U.S.D.A. TO PUT INCREASED EMPHASIS ON FARM EXPORT PROGRAMS.

THIS BILL WAS NEEDED TO ASSURE THAT THE U.S. REMAINED COMPETITIVE WITH OTHER AGRICULTURAL NATIONS IN THE WORLD MARKET.

U.S. NUMBER ONE IN FARM EXPORTS

WE ARE THE WORLD'S LARGEST EXPORTER OF FARM COMMODITIES. DURING 1977, U.S. FARM PRODUCT EXPORTS TOTALED A RECORD \$24 BILLION, EXCEEDING THE PREVIOUS RECORD VALUE OF \$23 BILLION IN 1976 BY 4 PER CENT. I EXPECT THE EXPORTS TO RISE BY ABOUT 2 BILLION IN 1978.

- 10 -

THE DAIRY PRICE SUPPORT PROGRAM, THE FOUNDATION OF PRICE STABILITY FOR THE DAIRY INDUSTRY, IS, OF COURSE, PERMANENT LEGISLATION REQUIRING A PRICE SUPPORT LEVEL BETWEEN 75 AND 90 PER CENT OF PARITY. THIS PROGRAM WAS AMENDED IN TWO IMPORTANT RESPECTS IN THIS NEW FARM BILL.

FIRST, THE MINIMUM PRICE SUPPORT LEVEL WAS INCREASED TO 80 PER CENT OF PARITY THROUGH MARCH 31, 1979. THIS HIGHER MINIMUM WILL PROVIDE VALUABLE PRICE ASSURANCE TO DAIRY FARMERS WHO ARE CONTINUING THEIR BATTLE AGAINST THE COST-PRICE SQUEEZE.

THE SECOND IMPROVEMENT REQUIRES THE SEMI-ANNUAL ADJUSTMENT OF THE PRICE SUPPORT LEVEL TO REFLECT CHANGES IN THE PARITY INDEX. THIS PROVISION, EFFECTIVE THROUGH MARCH 31, 1981, IS INTENDED TO HELP OFFSET THE EFFECTS OF FUTURE INFLATION. WE ALL HOPE INFLATION CAN BE CURBED -- IT BENEFITS NO ONE -- BUT THIS AMENDMENT WILL HELP TO GIVE THE DAIRY FARMER THE SAME DEGREE OF PRICE ASSURANCE AT THE END OF THE MARKETING YEAR AS HE HAD WHEN THE PRICE SUPPORT LEVEL WAS INITIALLY SET.

- 11 -

PRESENT AUTHORITIES EXTENDED

THE FARM BILL EXTENDS AUTHORITIES:

- FOR BASE PLANS UNDER FEDERAL MILK MARKET ORDERS.
- FOR THE SECRETARY OF AGRICULTURE TO TRANSFER DAIRY PRODUCTS HELD BY THE COMMODITY CREDIT CORPORATION TO THE MILITARY AND VETERANS ADMINISTRATION FOR USE IN TROOP FEEDING AND IN HOSPITALS.

ACTUALLY, U.S. AGRICULTURAL EXPORTS HAVE HAD A PHENOMENAL GROWTH IN VALUE IN RECENT YEARS. THIS ALL-TIME VALUE RECORD WAS MORE THAN TWO AND ONE-HALF TIMES HIGHER THAN THE AVERAGE VALUE OF U.S. FARM EXPORTS JUST A DECADE AGO. THE EXPORT GROWTH HAS INCREASED THE DEPENDENCE OF AMERICAN AGRICULTURE AND AGRICULTURALLY-RELATED INDUSTRY ON THE FOREIGN MARKET AS AN OUTLET FOR THE ABUNDANCE OF U.S. FARMS. IN 1977, THE OUTPUT OF ONE OUT OF EVERY FOUR U.S. HARVESTED ACRES WAS SENT ABROAD; 10 YEARS AGO THE RATIO WAS ABOUT ONE OUT OF EVERY FIVE HARVESTED ACRES.

- 12 -

IN THE CURRENT MARKETING YEAR, THE FOLLOWING PERCENTAGES OF ESTIMATED GRAIN AND OILSEED DISAPPEARANCE ARE MOVING INTO EXPORT:

CORN	29%
ALL FEED GRAINS	27%
WHEAT	60%
SOYBEANS	52%

FARMERS, YES OUR TOTAL ECONOMY, NEED THESE EXPORTS, FOR U.S. AGRICULTURE IS OUR SINGLE MOST IMPORTANT EARNER OF FOREIGN EXCHANGE. FARM PRODUCTS ACCOUNT FOR 20 PER CENT OF ALL EXPORTS. AND YES, WE WILL DO MORE, GIVEN THE OPPORTUNITY, FOR A HEALTHY FARM ECONOMY REQUIRES THAT THE UNITED STATES BE A RELIABLE EXPORTER -- NOT ONE GIVEN TO PUT THE BRAKES ON EXPORTS. LET US NEVER FORGET THE ILL EFFECTS OF EXPORT CONTROLS -- ECONOMICALLY AND DIPLOMATICALLY.

INFLATION HOAX

I BELIEVE THIS ADMINISTRATION IS DEVELOPING A STRATEGY TO BLAME INFLATION ON THE AMERICAN FARMER AND DRIVE A WEDGE BETWEEN THE FARMER AND THE CONSUMER.

- 13 -

THIS ADMINISTRATION IS PERPETRATING A HOAX ON THE AMERICAN FARMER AND THE AMERICAN CONSUMER.

THE FARMERS' PROBLEMS WITH GETTING RESPONSIVE LEGISLATION, GETTING RID OF EXCESSIVE GOVERNMENT REGULATIONS, OBTAINING ADEQUATE AGRICULTURAL CREDIT, STOPPING THE PURCHASE OF FARMLAND BY FOREIGNERS, HAVING A HEALTHY LIVESTOCK MARKET, AND OBTAINING A FAIR RATIO BETWEEN PRICES PAID AND PRICES RECEIVED ALL RELATE TO THE GOVERNMENT'S INABILITY AND LACK OF WILL POWER TO STOP INFLATION ONCE AND FOR ALL.

THE ADMINISTRATION'S MAIN BATTLEGROUND IN THEIR SO-CALLED FIGHT AGAINST INFLATION, THEIR HOAX ON THE AMERICAN FARMER, IS HOLDING DOWN AGRICULTURAL PRODUCT PRICES.

THEY SEEM TO BE FIGHTING INFLATION BY KEEPING DOWN THE PRICE OF CORN, SUGAR, CATTLE, WHEAT, AND OTHER AGRICULTURAL PRODUCTS.

THEIR JUSTIFICATION FOR THIS ACTION IS TO LOWER CONSUMER PRICES AND THEREBY FIGHT INFLATION.

- 14 -

INFLATION IS KILLING OUR FARMERS FINANCIALLY. THEY CANNOT STAND DOUBLE-DIGIT INFLATION FOR WHAT THEY BUY WHEN THE PRICE OF WHAT THEY SELL STAYS AT UNFAIR UNECONOMIC LEVELS.

THE FARMER HAS NOT BEEN THE CAUSE OF INFLATION -- HE HAS BEEN THE VICTIM OF INFLATION. PRESIDENT CARTER SEEMS TO BELIEVE JUST THE OPPOSITE.

IF WE WOULD REQUIRE OUR GOVERNMENTS TO LIVE WITHIN THEIR MEANS, THE INFLATIONARY SPIRAL WOULD NOT ONLY BE CONTROLLED -- IT WOULD STOP.

FARMERS HAVE TO BE FREE TO MAKE A PROFIT. THEY HAVE TO BE FREE TO OPERATE AND MAKE DECISIONS BASED ON THE INFORMATION PROVIDED BY OUR ECONOMIC SYSTEM CONCERNING SUPPLY AND DEMAND AND PRICES.

THE FARMING SYSTEM IS UNCERTAIN ENOUGH BECAUSE OF WEATHER, WORLD DEMAND, CHANGING CONSUMER NEEDS AND OTHER FORCES WITHOUT ADDING AN UNCERTAIN, EVER CHANGING, UNPREDICTABLE, INTERVENING GOVERNMENT.

- 15 -

THE GOVERNMENT'S ECONOMIC AND SPENDING POLICIES SEEM TO
BE CAUSING THE MAJOR PROBLEMS FACING FARMERS.

AGRICULTURE HAS ENHANCED U.S. ROLE AS WORLD LEADER

THE STORY OF AMERICAN AGRICULTURE IS ONE OF THE GREATEST
STORIES IN THE HISTORY OF MANKIND. WHEN AMERICA'S BLESSING
OF AN ABUNDANT SUPPORT OF GOOD LAND AND CLIMATE IS COMBINED
WITH TECHNICAL KNOW-HOW, INCENTIVE, AND HARD WORK, A
COMBINATION IS PRODUCED THAT SUPPLIES AGRICULTURAL PRODUCTS
IN ABUNDANCE FOR DOMESTIC CONSUMPTION AND WORLD MARKETS.
THE SUPPLY OF AGRICULTURAL PRODUCTS IS HUGE AND PRICED FAIRLY.

THIS GREAT EFFICIENCY HAS ASSISTED THE UNITED STATES IN ITS
ROLE AS A WORLD LEADER IN THREE WAYS. FIRST, IT HAS PUT US
IN A POSITION TO SUPPLY A RELATIVELY LARGE SHARE OF THE WORLD
COMMODITY MARKET, INCLUDING THE SOVIET UNION. SECOND, IT
HAS STRENGTHENED THE U.S. BALANCE OF TRADE POSITION. AND THIRD,
IT IS SERVING AS AN INSTRUMENT OF FOREIGN POLICY.

- 16 -

MIRACLE OF AGRICULTURE

THE FARM IS AN ESSENTIAL PART OF AMERICA, BUT IT'S A TOUGH AND RISKY BUSINESS, AS YOU AND I KNOW ALL TOO WELL.

BUT AS IN ANY BUSINESS, FARMERS MUST EARN A PROFIT. IOWA FARMERS DO NOT WANT SYMPATHY -- THEY NEED CONSTRUCTIVE ACTION. THEY WANT TO MAKE A DECENT LIVING, TO EDUCATE THEIR CHILDREN AND TO SHARE IN OUR NATIONAL PROSPERITY WHICH THEY HELP CREATE ON AN EQUITABLE BASIS.

THE MIRACLE OF AMERICAN AGRICULTURE IS THAT WE ARE FEEDING AN EVER-INCREASING NUMBER OF THE WORLD'S PEOPLE WITH AN EVER-DECREASING NUMBER OF PRODUCERS. AND THAT IS OUR GOAL -- YOURS AND MINE -- TO PROVIDE THE RIGHT CONDITIONS AND THE RIGHT PROGRAMS SO THAT OUR FARMERS -- LARGE AND SMALL -- CAN HAVE THE RIGHT INCENTIVES TO CONTINUE THEIR PRODUCTION MIRACLE.