

SPEECH BY
SENATOR BOB DOLE
KANSAS LIVESTOCK ASSOCIATION
COW-CALF STOCKER CONFERENCE
HUTCHINSON, KANSAS AUGUST 27, 1979

IT'S ALWAYS GOOD TO SPEAK BEFORE AN AUDIENCE LIKE THIS,
GOOD TO GET BACK HOME TO PEOPLE YOU KNOW AND APPRECIATE
AS FRIENDS AND NEIGHBORS AND WITH WHOM YOU SHARE COMMON
INTERESTS AND CONVICTIONS. AND BECAUSE YOU AND I GO
BACK A WAYS TOGETHER, BECAUSE WE SHARE CONCERNS ABOUT
WHAT IS HAPPENING TO THE LAND WE LOVE AND SEEK TO
SERVE, I WANT TODAY TO ADDRESS NOT ONLY AGRICULTURE
AND THE WORK OF THIS ASSOCIATION BUT ALSO ECONOMIC
AND POLITICAL ISSUES THAT WEAVE IN AND OUT OF OUR LIVES.

WE HAVE WORKED TOGETHER IN THE PAST, TO LIMIT GOVERNMENT PROGRAMS AND REMOVE WASHINGTON BOOM-BUST POLICIES THAT MAKE IT SO DIFFICULT FOR THE MODERN FARMER TO MAKE INTELLIGENT BUSINESS DECISIONS.

THE LIVESTOCK INDUSTRY HAS STOOD FIRM IN ITS COMMITMENT TO THE CONCEPT OF A LIMITED GOVERNMENT. YOU HAVE STOOD FIRM IN YOUR COMMITMENT THAT YOU CAN RUN YOUR CATTLE BUSINESS BETTER THAN THE GOVERNMENT CAN. YOU HAVE STOOD FIRM IN YOUR OPPOSITION TO GOVERNMENT PROGRAMS THAT WOULD REGULATE AND CONTROL YOUR INDUSTRY. AND I AM PROUD TO STAND WITH YOU.

THE CATTLE INDUSTRY HAS SUFFERED LOSSES BECAUSE OF MISGUIDED GOVERNMENT POLICIES. THE WHEAT FARMER HAS BEEN HURT WITH HIGH PRODUCTION, LOW PRICE POLICIES; AND ALL OF US SUFFER WHEN GOVERNMENT CONCLUDES IT KNOWS WHAT'S BEST FOR ALL THE AMERICAN PEOPLE.

GREATEST ACHIEVER IN HISTORY

BY ANY REASONABLE STANDARD OF MEASUREMENT, AMERICAN AGRICULTURE STANDS FAST AS THE GREATEST ACHIEVER IN HISTORY.

DESPITE RISING PRICES, THE AMERICAN CONSUMER STILL ENJOYS HIS FOOD AT THE LOWEST COST IN HUMAN EFFORT EXPENDED OF ANY PEOPLE IN THE WORLD. AND IT'S NOT QUANTITY IN WHICH WE CAN TAKE PRIDE, BUT QUALITY.

WE HAVE BEEN WITNESS TO A MASSIVE SHIFT FROM CHEAPER CARBOHYDRATES, SUCH AS BREAD AND POTATOES, TO THE HIGHER PROTEIN, HIGH VITAMIN FOODS, LIKE MEAT, MILK, FRUITS, AND VEGETABLES.

I HAVE HEARD THE SLOGAN, "FOOD IS FOR PEOPLE, NOT FOR PROFIT." I AGREE FOOD IS FOR PEOPLE, BUT I ALSO UNDERSTAND THE WORLD ECONOMY ENOUGH TO KNOW THAT WITHOUT PROFIT THERE WILL NEVER BE ENOUGH FOOD PRODUCED. WITHOUT PROFIT THERE WILL BE LOW PRODUCTION, HIGH PRICES IN THE LONG RUN, AND AN INADEQUATE FOOD SUPPLY. WITH A HEALTHY PROFIT, THERE WILL BE INCREASED PRODUCTION AND ADEQUATE FOOD SUPPLIES AT THE LOWEST POSSIBLE COST. UPON THIS SIMPLE FACT RESTS MY ECONOMIC PRESCRIPTION FOR AMERICA.

CARRY-OVER TAX BASIS

AS THE RANKING REPUBLICAN ON THE FINANCE COMMITTEE I HAVE A DIRECT INPUT INTO TAX LEGISLATION.

IN MARCH, 1979, I INTRODUCED S. 112 TO REPEAL THE CARRYOVER BASIS. THE CARRYOVER BASIS WOULD HAVE AN ADVERSE EFFECT ON THE AGRICULTURAL COMMUNITY IN PASSING FARMS FROM ONE GENERATION TO THE NEXT. THE FAMILY FARM SYSTEM WOULD BE HURT SERIOUSLY UNLESS MY REPEAL LEGISLATION IS PASSED.

I KNOW YOUR ASSOCIATION HAS BEEN ACTIVE IN WORKING TO SUPPORT MY EFFORTS. I WELCOME YOUR SUPPORT AND HOPE YOU CAN GET THE ENTIRE AGRICULTURAL COMMUNITY ACROSS THIS STATE AND NATION TO ACTIVELY SUPPORT THE REPEAL OF THE CARRYOVER BASIS.

THE LIFELOOD OF THE AGRICULTURAL ECONOMY

EXPORTS AS WE ALL KNOW ARE THE LIFELOOD OF THE AGRICULTURAL ECONOMY. 1979 FISCAL YEAR EXPORTS ARE NOW ESTIMATED TO BE A RECORD \$32 BILLION--ABOUT \$5 BILLION ABOVE THE 1978 LEVEL. OUR FAVORABLE AGRICULTURAL TRADE BALANCE WILL PROVIDE ABOUT \$16 BILLION TO OFFSET THE COSTS OF PETROLEUM IMPORTS. FARMERS ARE HELPING TO STRENGTHEN THE DOLLAR.

YET IT IS AMAZING TO FIND ALMOST EVERYDAY GROUPS IN THE U.S. WHO WANT TO LIMIT AGRICULTURAL EXPORTS AND INCREASE AGRICULTURAL IMPORTS. I AM CONSTANTLY HAVING TO WORK TO PREVENT LIMITS BEING PLACED ON OUR EXPORTS AND LIMIT HUGE INCREASES IN AGRICULTURAL IMPORTS.

HIDE AMENDMENT

LAST JULY 21, I WORKED TO DEFEAT AN AMENDMENT TO THE EXPORT ADMINISTRATION ACT THAT WOULD HAVE RESTRICTED THE NUMBER OF HIDES EXPORTED BY THE U.S. WE WON AN 8 VOTE VICTORY IN THE SENATE. THIS WAS CAST AS AN EFFORT TO ASSIST THE TROUBLED DOMESTIC TANNERY AND FOOTWEAR INDUSTRIES.

TO BE SURE, THEY ARE UNDERGOING HARD TIMES, BUT LIMITING EXPORTS OF A PRODUCT IN GREAT DEMAND ON THE INTERNATIONAL MARKET AND SUPPLIED ALMOST ENTIRELY BY THE U.S. IS NOT SOUND ECONOMIC POLICY. MOREOVER, IT DOES NOTHING TO STIMULATE NEW IDEAS ON TECHNOLOGICAL INNOVATIONS THAT CAN BRING THESE OLD INDUSTRIES BACK TO LIFE.

OUR LIVESTOCK AND MEAT PACKING INDUSTRIES ARE RECEIVING A GOOD PRICE FOR THESE EXPORTS. IT'S ABOUT TIME. MANY PRODUCERS ARE JUST BEGINNING TO RECOVER FINANCIALLY FROM A SIX-YEAR ECONOMIC DROUGHT DUE TO THE CATTLE CYCLE.

MEAT IMPORT LEGISLATION

AS MANY OF YOU KNOW, THE HOUSE OF REPRESENTATIVES WILL SOON CONSIDER MEAT IMPORT LEGISLATION. THE BILL REPORTED TO THE FULL HOUSE BY THE WAYS AND MEANS COMMITTEE CONTAINS A COUNTER-CYCLICAL FORMULA THAT BEEF PRODUCERS HAVE BEEN SEEKING FOR THE PAST COUPLE YEARS.

IT ALSO CONTAINS A 1.3 BILLION POUND MINIMUM ACCESS LEVEL FOR IMPORTS AND FEWER RESTRICTIONS ON THE PRESIDENTS AUTHORITY TO INCREASE IMPORTS THAN LAST YEAR'S VERSION:

A VOTE IN THE HOUSE SHOULD TAKE PLACE SOMETIME IN EARLY FALL. AS FOR THE SENATE, THE BILL I INTRODUCED IN FEBRUARY CONTAINS MANY OF THE PROVISIONS REGARDING THE COUNTERCYCLICAL FORMULA FOUND IN THE HOUSE BILL.

HOWEVER, I WOULD GO FURTHER THAN THE HOUSE IN RESTRICTING THE PRESIDENT'S AUTHORITY. MY BILL WOULD NOT ALLOW THE ILL-ADVISED INCREASE IN IMPORTS THAT PRESIDENT CARTER ANNOUNCED LAST YEAR, JUST AS CATTLE PRODUCERS WERE BEGINNING TO REBOUND FROM THE DEVASTATION OF THE LIQUIDATION PHASE OF THE CATTLE CYCLE.

I ALSO AM NOT SATISFIED WITH THE 1.3 BILLION POUND MINIMUM ACCESS FOR IMPORTS PROVISION IN THE HOUSE BILL. I DON'T SEE ANY OTHER COUNTRY GUARANTEEING ACCESS FOR OUR BEEF EXPORTS: WHY SHOULD WE? THAT IS ANOTHER SUBJECT THAT THE SENATE WILL HAVE TO ADDRESS.

~~-9-~~

IN THE FINANCE COMMITTEE WE PLAN TO TAKE WHAT
LEGISLATION COMES FROM THE HOUSE AND REFINE IT AS
NEEDED. CLEARLY, THERE WILL BE POINTS TO BE WORKED
OUT.

NOW, LET ME MOVE FROM THE PRODUCTIVE GENIUS OF AMERICA'S
HEARTLAND TO THE FAR LESS PRODUCTIVE ECONOMY AT LARGE.

UNEMPLOYMENT IS FORECAST TO GO AS HIGH AS 8% NEXT YEAR - AND EVEN THE WHITE HOUSE ADMITS IN THE DEAD OF THE NIGHT THAT ITS EARLIER FORECASTS HAVE BEEN OVERLY OPTIMISTIC.

MEANWHILE, IN THE OVAL OFFICE WE HAVE A PRESIDENT WHO IS MORAL AND DECENT, BUT ALMOST IRRELEVANT TO THE GOVERNING PROCESS. TO BE BLUNT, ALMOST NO ONE TAKES JIMMY CARTER VERY SERIOUSLY ANY MORE. EVEN HIS OWN ADMINISTRATION CAN'T SEEM TO GET ITS ACT TOGETHER ON ECONOMIC POLICY, OR MIDDLE EAST POLICY. EVERY POLL INDICATES THAT MILLIONS OF PEOPLE HAVE SIMPLY SWITCHED OFF THE PRESIDENT. HIS LONG-AWAITED ENERGY SPEECH HELPED OUT A LITTLE, BUT THEN HAMILTON JORDAN TOOK CENTER STAGE, HALF THE CABINET WALKED THE PLANK, AND NOW THE CARTER ADMINISTRATION FINDS ITSELF MIRED IN THE SAME CONFUSION AND FAILED INITIATIVES THAT TOOK IT SO LOW IN THE FIRST PLACE.

WHAT'S BEEN MISSING IN WASHINGTON, IN THE WHITE HOUSE AS WELL AS THE CABINET, IS LEADERSHIP. THERE HAS BEEN NO SENSE OF WHERE WE WERE HEADED AS A NATION AND HOW WE SHOULD GET THERE. NO ONE HAS COMBINED HIGH IDEALS WITH PRACTICAL POLITICS. AS A RESULT, LITTLE GETS DONE, THE GOVERNMENT DRIFTS IN SELF-IMPOSED IMPOTENCE, AND MILLIONS OF PEOPLE WHO VOTED FOR THE WASHINGTON OUTSIDER IN 1976 HAVE BECOME DISILLUSIONED WHEN HE DOESN'T DELIVER ON HIS PROMISES.

UNFORTUNATELY, WE'VE LEARNED HOW EXPENSIVE IT IS TO PROVIDE A PRESIDENT WITH ON THE JOB TRAINING. WE'VE PAID THE PRICE FOR INSTALLING A CHIEF EXECUTIVE WITH NO WASHINGTON EXPERIENCE, WHO IS MORE TALENTED IN THE ART OF PUBLIC RELATIONS THAN LEGISLATIVE PRIVATE COMPROMISE.

-12-

I SAY ALL THIS, BECAUSE I BELIEVE 1980 AFFORDS THE PEOPLE OF THIS NATION AN ENTIRELY DIFFERENT KIND OF CHOICE FROM WHAT, JUST A FEW MONTHS AGO, WE MIGHT HAVE EXPECTED. IN MY OPINION, THE DEMOCRATIC PARTY WILL NOMINATE NOT PRESIDENT CARTER, BUT SENATOR KENNEDY. AND THAT SETS UP A WHOLE NEW SET OF CHALLENGES.

MY DIFFERENCES WITH SENATOR KENNEDY ARE NOT PERSONAL; FEW MEN IN AMERICAN PUBLIC LIFE ARE AS ACCOMPLISHED OR AS ARTICULATE AS HE. RATHER, OUR DISAGREEMENTS ARE POLITICAL AND PHILOSOPHICAL IN NATURE. THEY GO TO THE VERY HEART OF THE POLICIES WE FOLLOW IN THE 1980'S AND BEYOND.

ENERGY AND THE POLITICS OF NOSTALGIA

LET ME GIVE YOU A PRIME EXAMPLE OF WHAT I MEAN.
A MONTH AGO, IN A MAJOR ADDRESS BEFORE THE NATIONAL
URBAN LEAGUE, SENATOR KENNEDY DESCRIBED HIS ALTERNATIVE
ENERGY PROGRAM. HE CALLED FOR MANDATORY, GOVERNMENT-
ORDERED CONSERVATION OF EXISTING SUPPLIES. AND, OH YES--
IN ONE SENTENCE BURIED ON PAGE THREE, HE THREW A BONE
TO THE FREE ENTERPRISE SYSTEM AS A DEVELOPER OF
ALTERNATIVE ENERGY SOURCES.

NOW, NO ONE'S AGAINST CONSERVATION--IT SHOULD BE AN
IMPORTANT PART OF ANY ENERGY PROGRAM WE ADOPT. BUT
DO YOU WANT TO ENTRUST CONSERVATION TO THE SAME
BUREAUCRATS WHO BROUGHT US GAS LINES AND A VIRTUAL
SHUTDOWN OF THE NATION'S TRUCKING INDUSTRY?

-14-

NO ONE'S STOPPED TO THINK WHAT HIS POLICIES OF RETRENCHMENT MEAN FOR THE AVERAGE AMERICAN. IN FACT, THEY MEAN AN ECONOMY WHICH WOULD COME TO A DEAD HALT. SENATOR KENNEDY AND HIS SUPPORTERS WOULD BE SATISFIED TO SPEND THE 80'S ON A PLATEAU ACHIEVED BY EARLIER GENERATIONS. THEY'D BUILD NO NEW NUCLEAR POWER PLANTS, WITHOUT TELLING THE AMERICAN PEOPLE THE TRUTH--THAT NO WAY EXISTS FOR US TO TURN OUR BACKS ON THIS VITAL SOURCE OF ENERGY, AT LEAST IN THE NEXT FEW DECADES.

THEY HAVE CONSISTENTLY OPPOSED ANY DECONTROL OF OIL AND NATURAL GAS PRICES, PREFERRING TO PROMISE WHAT CANNOT BE DELIVERED--CHEAP ENERGY AT A TIME WHEN THE WORLD PRICE FOR ENERGY IS SKYROCKETING.

-15-

THEY ARE SUSPICIOUS OF ECONOMIC GROWTH BECAUSE SUCH GROWTH MIGHT RESULT IN PROFITS, AND IN THEIR NARROW, GRIM VIEW OF AMERICA, PROFITS CAN BENEFIT ONLY THE RICH. THEY SEE NO NEED TO STIMULATE THE PRIVATE SECTOR, OR PROMOTE CAPITAL INVESTMENT; THEY PREFER TO LOOK UPON WASHINGTON AS THE ULTIMATE ARBITER OF WHO WORKS AND FOR WHAT. THEY PREFER, NOT A DYNAMIC PATTERN OF DISPERSED WEALTH, BUT THE STATUS QUO, WHERE GOVERNMENT DICTATES PRICES AND DISCOURAGES INVESTMENT, THE BOTTOM LINE IS SIMPLE: SENATOR KENNEDY AND OTHERS PERCEIVE THE 80'S TO BE A TIME OF LIMITED EXPECTATIONS, TO BE MET BY AND THROUGH THE FEDERAL GOVERNMENT. TO THEM, SMALL IS BEAUTIFUL, UNLESS IT'S THE WASHINGTON BUREAUCRACY.

-16-

ENERGY AND THE POLITICS OF POTENTIAL

I COULDN'T DISAGREE MORE. I PERCEIVE THE YEARS AHEAD TO BE A TIME OF UNLIMITED POTENTIAL. BUT ONLY IF WE STOP LISTENING TO THE PROPHETS OF ECONOMIC DOOM AND RETURN TO THE PRODUCTIVE WAYS THAT HAVE MADE US THE GREATEST NATION ON THE FACE OF THE EARTH.

ONLY IF WE FOLLOW AN ENERGY POLICY THAT STRESSES INCREASED PRODUCTION OF OIL AND GAS--WHICH WE CAN STIMULATE BY PASSING A WINDFALL PROFITS TAX THAT ENCOURAGES PRODUCERS INSTEAD OF PUNISHING THEM. ONLY IF WE REASSERT OUR BASIC FAITH IN THE FREE MARKETPLACE, WHERE THE GENIUS OF INDUSTRIAL AMERICA WAITS TO BE UNLEASHED.

-17-

WHEN IT COMES TO COAL, OR NUCLEAR POWER, WE MUST BE WILLING TO ACCEPT TEMPORARY TRADE-OFFS BETWEEN ENERGY SELF-SUFFICIENCY AND AN IDEALIZED ENVIRONMENT. IT IS A DIFFICULT DECISION TO ACCEPT. BUT WE HAVE NO RIGHT TO ASK THE AMERICAN PEOPLE TO MAKE EVEN THAT SACRIFICE IF THEY ARE GIVEN NO PLAN OF ENERGY DEVELOPMENT IN THE SHORT AS WELL AS LONG RUN.

RIGHT NOW, WE CAN CONVENE A NORTH AMERICAN ENERGY SUMMIT, BRINGING TOGETHER PRODUCER NATIONS LIKE CANADA AND MEXICO TO CHART A UNIFIED COURSE TOWARD A HEMISPHERIC ENERGY POLICY, AND AVOID THE KIND OF SELF-DEFEATING PRIDE THAT DESTROYED LAST YEAR'S ROUND OF NEGOTIATIONS ON MEXICAN OIL AND NATURAL GAS. WE CAN ALSO ADOPT TAX INCENTIVES TO PROMOTE FASTER DEVELOPMENT OF GASOHOL, SOLAR, GEOTHERMAL AND OTHER ALTERNATIVE ENERGY SOURCES.

-18-

THE PROBLEM IS GLOBAL, AND WE MUST ADOPT A VISION TO MATCH. WE MUST APPROACH IT WITH A SENSE OF HISTORY, WITH A PERSPECTIVE OF DECADES RATHER THAN SINGLE CONGRESSIONAL SESSIONS. BUT WE WILL NEVER DEFEAT THE ATTEMPTED BLACKMAIL BY OPEC UNLESS WE FIRST BELIEVE IN OUR OWN CAPACITY TO PRODUCE AS WELL AS CONSERVE. I BELIEVE IN THE MARKET-PLACE; SENATOR KENNEDY BELIEVES IN WASHINGTON. I BELIEVE IN PRODUCTION; SENATOR KENNEDY BELIEVES IN CONTROL.

AN ECONOMY OF GROWTH

I BELIEVE WE CAN SLOW INFLATION BY AMENDING THE CONSTITUTION TO PLACE LIMITS ON BOTH SPENDING AND TAXATION. BUT NOT SENATOR KENNEDY. I BELIEVE WE CAN PROTECT THE MIDDLE CLASS FROM INFLATIONARY PRESSURES BY INDEXING OUR TAX SYSTEM, MAKING SURE THAT A RAISE DOES NOT DISAPPEAR INTO AN ARTIFICIALLY HIGHER BRACKET. BUT NOT SENATOR KENNEDY.

-19-

I BELIEVE WE CAN PASS A SYSTEM OF CATASTROPHIC HEALTH INSURANCE TO REMOVE THE CLOUD OF DOUBT NOW HANGING OVER MILLIONS OF AMERICAN FAMILIES. BUT NOT SENATOR KENNEDY.

I WANT TO USE THE PRIVATE SECTOR TO REVITALIZE AMERICA'S CITIES AND OPEN UP THE ONLY TRULY LASTING JOBS THAT CAN BENEFIT THE POOR. BECAUSE I BELIEVE IN MAKING PEOPLE INDEPENDENT OF GOVERNMENT. BUT NOT SENATOR KENNEDY.

I BELIEVE THAT INFLATION AND UNEMPLOYMENT ARE BOTH BY-PRODUCTS OF EXCESSIVE GOVERNMENT, EXCESSIVE REGULATION, AND WASHINGTON DISTRUST OF INDIVIDUAL INCENTIVE. BUT NOT SENATOR KENNEDY.

RESTORING AMERICA'S PURPOSE

IN 18 YEARS IN WASHINGTON, I'VE NEVER FORGOTTEN WHERE I CAME FROM, OR WHO SENT ME THERE. SENATOR KENNEDY TALKS ABOUT "THE PEOPLE". IN HIS MIND, "THE PEOPLE" WANT LESS ECONOMIC GROWTH AND MORE GOVERNMENT DICTATION. WELL, THE PEOPLE I KNOW--AND I THINK I KNOW A LITTLE MORE ABOUT THE STRUGGLES OF AVERAGE AMERICANS THAN SENATOR KENNEDY--ARE A LOT MORE OPTIMISTIC ABOUT OUR ABILITY TO HAND TO OUR CHILDREN A BETTER, MORE PROSPEROUS, MORE PEACEFUL WORLD. THEY SHARE A CONVICTION THAT AMERICA'S BEST DAYS STILL LIE AHEAD BUT ONLY IF WE TURN AROUND THE TREND TOWARD OMNIPOTENT, INTRUSIVE GOVERNMENT.

THE FUTURE BECKONS, MY FRIENDS, IF WE ONLY UTILIZE OUR RESOURCES AND OUR GENIUS. WE HAVE THE MOST ADVANCED TECHNOLOGY, THE MOST SKILLED LABOR AND THE FINEST MINDS. WE HAVE CENTURIES OF RAW MATERIALS LITERALLY BENEATH OUR FEET. WE HAVE A POPULATION THAT IS TALENTED, DECENT AND THIRSTY FOR A SENSE OF MISSION.

WE CAN PRODUCE OUR WAY OUT OF THE ENERGY CRISIS. WE CAN PRODUCE A NATION WHOLE AGAIN, CONFIDENT AGAIN OF ITS PURPOSE AND ITS PATH IN THE WORLD. BUT FIRST AND FOREMOST, WE MUST ONCE AGAIN ASSERT OUR BELIEF IN PRODUCTIVITY AND THE PROFIT MOTIVE AS THE ULTIMATE WAY TO ACHIEVE ECONOMIC JUSTICE. AND THEN WE MUST PERSUADE OTHER AMERICANS TO TRAVEL THE ROAD WE FORGE.

THE DIVERGENCE IS CLEAR, BETWEEN THOSE WHO WOULD SAY ENOUGH IS ENOUGH, LET US ENJOY THE FRUIT OF PAST LABOR AND DIVIDE EQUALLY A NEVER EXPANDING PIE, AND THOSE WHO, LIKE MYSELF, URGE US ONWARD, TO THE DAY WHEN FREE ENTERPRISE SERVES ALL WITHOUT DISTINCTION, AND THE CRISIS OF THE 1970'S ARE REMEMBERED FOR WHAT THEY WERE--SPURS TO NATIONAL GREATNESS.

THE CHOICE, MY FRIENDS, LIES IN YOUR HANDS.

#####_####