

REMARKS OF SENATOR BOB DOLE
REPUBLICAN PLATFORM COMMITTEE
WASHINGTON, D.C.
MAY 8, 1980

AGRICULTURE AND THE ECONOMY. THEY ARE INSEPERABLE,
MUTUALLY DEPENDENT AND BOTH SUFFERING FROM A LACK OF
STRONG OR IMAGINATIVE PRESIDENTIAL LEADERSHIP. BUT IT
DOESN'T HAVE TO BE THAT WAY. AND THAT'S WHAT WE
REPUBLICANS HAVE TO CORRECT IN 1980.

NO ONE MAN, NO ONE PLATFORM, CAN DO FULL JUSTICE TO THE
MODERN MIRACLE CALLED AMERICAN AGRICULTURE. BY ANY
REASONABLE STANDARD OF MEASUREMENT, THE AMERICAN
FARMER STANDS FAST AS THE GREATEST IN HISTORY.
YET THE CARTER ADMINISTRATION HAS REWARDED THE PRODUCERS
OF ABUNDANCE WITH ECONOMIC SCARCITY.

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CARTER'S 100% FARM PROGRAM

THE CARTER FARM PROGRAM IS COMPOSED OF 20% INFLATION, 20% INTEREST, 20% INCREASE IN FARM COSTS, 20% DECLINE IN FARM INCOME, AND WITH THIS PROGRAM 20% OF THE FARMERS GO BANKRUPT. IT IS A 100% FAILURE; INDEED, IF ONE HAD WANTED TO DRIVE THE AMERICAN FARMER OFF THE LAND AND INTO BANKRUPTCY ONE COULD NOT HAVE DEvised A BETTER MEANS THAN JIMMY CARTER.

IT IS TIME TO BANKRUPT THE CARTER FARM PROGRAM INSTEAD OF BANKRUPTING THE AMERICAN FARMER. OTHERWISE, WE MAY ALL BE BANKRUPTED - AND SOON.

AGRICULTURAL AND FOOD GOALS

BUT WE CAN MAKE A DIFFERENCE- IF WE ADOPT THE FOLLOWING GOALS TO MAKE AGRICULTURE IN 80'S ALL THAT IT CAN BE:

1. ASSURE AMERICANS THE ABUNDANCE OF FOOD AND FIBER PRODUCTION ESSENTIAL TO MEET THEIR NEEDS AND THOSE OF A HUNGRY WORLD. THIS MEANS THAT WE MUST ALSO ASSURE THE

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FARMER - ESPECIALLY THE FAMILY FARMER - OF A FAIR RETURN ON HIS INVESTMENT AND LABOR. FIRST OF ALL, THAT MEANS ALLEVIATING THE INFLATION THAT USDA ESTIMATES WILL REDUCE NET FARM INCOME THIS YEAR BY ABOUT 25%.

2. ASSURE THE AMERICAN FARMER OF A SUFFICIENT SUPPLY OF FUEL, FERTILIZER AND PESTICIDES NEEDED TO PRODUCE ABUNDANTLY.

3. ENABLE ALL AMERICANS TO HAVE ADEQUATE NUTRITION BY IMPROVING PROGRAMS SUCH AS FOOD STAMPS, AND SCHOOL LUNCHES, MEALS ON WHEELS, WIC AND OTHER SPECIAL EFFORTS DESIGNED TO MEET THE REAL NEEDS OF MILLIONS OF OUR FELLOW CITIZENS.

4. EXPAND THE FOOD FOR PEACE PROGRAM AND UPGRADE THE QUALITY OF FOOD SUPPLIES TO TRULY ASSIST THE HUNGRY IN THE DEVELOPING COUNTRIES OF THE WORLD.

5. PROHIBIT GRAIN EMBARGOES EXCEPT IN SERIOUS NATIONAL SECURITY SITUATIONS.

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6. STOP PROGRAMS THAT LEAD TO GOVERNMENT-OWNED RESERVES OF AGRICULTURAL COMMODITIES.
7. OPPOSE THE EVER-INCREASING SPHERE OF REGULATION BY THE FEDERAL GOVERNMENT.
8. INCREASE THE PRODUCTIVITY OF THE NATION'S TRANSPORTATION SYSTEM, PARTICULARLY THE RAILROADS.
9. INCREASE THE EMPHASIS ON FOREIGN MARKET DEVELOPMENT FOR AGRICULTURAL COMMODITIES AND FURTHER EFFORTS TO STIMULATE EXPORTS.

INFLATION -- BIGGEST THREAT

INFLATION IS THE BIGGEST THREAT TO THE EXISTENCE OF THE FAMILY FARM AS TO EVERY OTHER AMERICAN. BUT INFLATION CAN BE STOPPED. IT CAN BE STOPPED IN ITS TRACKS IF THE FEDERAL GOVERNMENT WILL REFORM SPENDING AND TAX PROGRAMS

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AND REWARD INDIVIDUAL EFFORT WITH A STABLE, NON-INFLATIONARY CLIMATE. SUCH A CLIMATE IS ABSOLUTELY NECESSARY TO A HEALTHY FAMILY FARM SYSTEM.

I DO NOT ACCEPT PRESIDENT CARTER'S NOTION THAT WE MUST LOWER OUR EXPECTATIONS OF THE PRESIDENCY. AS GOVERNMENT GOT US INTO THE CURRENT ECONOMIC MESS, SO A STRONG AND COHERENT GOVERNMENT CAN RETURN US TO THE SYSTEM THAT MADE US THE GREATEST ECONOMIC FORCE IN ALL THE WORLD.

AS RANKING REPUBLICAN ON THE SENATE FINANCE COMMITTEE, I KNOW SOMETHING ABOUT THE ECONOMY. AND I'M CONVINCED A REPUBLICAN PRESIDENT BACKED UP BY A REPUBLICAN CONGRESS CAN REDUCE INFLATION AND SPUR ECONOMIC GROWTH IN LESS TIME THAN IT TAKES JIMMY CARTER TO WRING HIS HANDS AND PREACH THE GOSPEL OF MALAISE.

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A HEALTHY ECONOMY: THE REPUBLICAN ALTERNATIVE

FIRST, WE MUST SUPPORT A BALANCED BUDGET AMENDMENT TO THE CONSTITUTION . AT A MINIMUM WE SHOULD STRONGLY SUPPORT A STATUTE TO REQUIRE BALANCED FEDERAL BUDGETS UNLESS 2/3 OF BOTH HOUSES OF CONGRESS FEEL SUCH A BUDGET IS NOT IN OUR NATIONAL INTEREST. WE CANNOT CONTROL SPENDING UNTIL WE FUNDAMENTALLY CHANGE THE WAY WE DO BUSINESS IN WASHINGTON.

SECOND, TAX POLICY IN THIS COUNTRY HAS TENDED MORE AND MORE IN RECENT YEARS TO DISCOURAGE NEEDED CAPITAL FORMATION AND TO ENCOURAGE INFLATION CAUSING CONSUMPTION. A HEALTHY PRIVATE SECTOR REQUIRES A LARGE CAPITAL STOCK TO INCREASE PRODUCTIVITY AND INTERNATIONAL COMPETITIVENESS. OUR TAX POLICY MUST BE RESTRUCTURED TO THIS END. SOME FORM OF RAPID CAPITAL COST RECOVERY AND A FURTHER REDUCTION IN CAPITAL GAINS TAXES ARE A MINIMUM FIRST STEP IN THIS PROCESS. I BELIEVE WE SHOULD ALSO PROPOSE TAX DEFERRED HOUSING ACCOUNTS TO ENCOURAGE CAPITAL FORMATION AND TO STIMULATE THE HOUSING INDUSTRY.

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THIRD, THE REPUBLICAN PLATFORM SHOULD ADVOCATE INDEXING THE INDIVIDUAL INCOME TAX RATES. INFLATION HAS THE EFFECT OF PUSHING AMERICANS INTO HIGHER AND HIGHER TAX BRACKETS EVEN WHEN THEY HAVE NO REAL INCREASE IN THEIR EARNINGS. AS A RULE OF THUMB TAXFLATION COSTS OUR CITIZENS ABOUT \$1.5 BILLION FOR EVERY POINT OF INFLATION. WITH THE KIND OF INFLATION WE ARE NOW EXPERIENCING THIS IS A MAJOR NATIONAL PROBLEM.

AFTER INFLATION AND UNEMPLOYMENT ITSELF, THE LEVEL OF TAXATION UNDER THE CARTER ADMINISTRATION MAY BE THE BIGGEST ISSUE OF THE YEAR. THE PRESIDENT PROPOSED THAT WE INCREASE TAXES BY ABOUT \$100 BILLION IN FY 1981. ABOUT \$75 BILLION OF THIS TOTAL REPRESENTS EITHER NEW TAXES PASSED IN THIS ADMINISTRATION OR NEW TAX PROPOSALS.

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OUR PLATFORM SHOULD ALSO ENDORSE A RE-EVALUATION OF THE SO-CALLED WINDFALL PROFITS TAX. THIS TAX WILL DO NOTHING BUT DEPRIVE CONSUMERS OF AN ADDITIONAL \$227 BILLION OVER THE NEXT DECADE. IT WILL PROVIDE LITTLE OR NO INCENTIVE FOR NEW OIL AND GAS PRODUCTION. IN PARTICULAR, IT WILL HURT SMALL INDEPENDENT PRODUCERS AND EXISTING ROYALTY OWNERS. WHATEVER JUSTIFICATION MAY EXIST FOR TAXING EXXON DOES NOT JUSTIFY TAXING THE INDEPENDENT OR ROYALTY OWNER TO THE SAME DEGREE.

FINALLY, WE SHOULD DEFER TAXES ON INCOME CONTRIBUTED TO SPECIAL HOUSING AND EDUCATION SAVINGS ACCOUNTS. THE ENACTMENT OF IRA TYPE ACCOUNTS WOULD PROVIDE A MAJOR BOOST TO THE HOUSING INDUSTRY, PROMOTE BADLY NEEDED CAPITAL FORMATION AND PROVIDE TAX REDUCTIONS FOR MILLIONS OF AMERICANS. IT IS AN IDEA WHOSE TIME HAS COME, AND WE SHOULD EMBRACE IT.

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THESE ARE POSITIVE IDEAS, WHICH THE AMERICAN PEOPLE
WILL RESPOND TO. IT IS THAT KIND OF POSITIVE CAMPAIGN
WHICH WE MUST WAGE IF WE ARE TO EARN THE WHITE HOUSE
AND CONGRESSIONAL CONTROL. THE AMERICAN PEOPLE ARE
SEARCHING FOR LEADERSHIP TO MOLD THEIR GREAT
VISION. AND WE MUST GIVE IT TO THEM.

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