

REMARKS BY SENATOR BOB DOLE

GROWMARK, INC.

SEPTEMBER 2, 1983

CONRAD HILTON HOTEL

CHICAGO, ILLINOIS

IT IS A GREAT PLEASURE TO BE WITH YOU TODAY, AND TO HELP  
WRAP UP THIS ANNUAL MEETING OF GROWMARK. I KNOW YOU REPRESENT  
MORE THAN 275,000 FARMER-CONSUMERS IN ILLINOIS, IOWA AND  
WISCONSIN, AND THAT YOUR VOICE IS IMPORTANT TO THE EFFECTIVE  
REPRESENTATION OF AGRICULTURE IN YOUR REGION AND IN WASHINGTON.

LET ME THANK YOUR CHAIRMAN AND PRESIDENT, GLENN WEBB, FOR  
HIS KIND INTRODUCTION, AND CONGRATULATE YOUR EXECUTIVE VICE  
PRESIDENT AND CEO, KEN BAER, FOR THE OUTSTANDING SUCCESS AND  
LEADERSHIP OF YOUR ORGANIZATION. I WOULD ALSO LIKE TO THANK BOB  
HOWLAND FOR INVITING ME TO PARTICIPATE THIS MORNING.

IN MY VIEW, THE TIMING OF YOUR MEETING COULDN'T BE BETTER.

HERE IN THE MIDWEST, AND IN THE GREAT PLAINS AND THE SOUTHEAST, WE ARE FACING ONE OF THE MOST SEVERE DROUGHTS SINCE THE 1930'S. THE EFFECTS OF THE HEAT WAVE ON CROP PRODUCTION AND FARM PROGRAMS NEXT YEAR AND BEYOND ARE STILL NOT CLEAR, BUT THEY ARE GOING TO BE IMPORTANT AND HAVE MAJOR IMPLICATIONS FOR AGRICULTURAL POLICY. PRICES ON COMMODITY EXCHANGES HAVE BEEN ON A REAL ROLLER-COASTER DURING THE PAST FEW WEEKS.

WHILE THE LACK OF RAINFALL HAS BECOME INCREASINGLY SERIOUS DURING THIS LONG HOT SUMMER, THERE IS ANOTHER KIND OF DROUGHT THAT COULD BE EVEN MORE DEVASTATING, AND ONE THAT IS NOT CONFINED TO AGRICULTURE STATES. I'M TALKING ABOUT THE POLICY DROUGHT IN WASHINGTON, WHERE FOR THE PAST SEVEN MONTHS RESPONSIBILITY HAS ALL BUT DRIED UP. EVER SINCE THE COMPROMISE ON SOCIAL SECURITY EARLY THIS YEAR, THERE HAS BEEN LITTLE PROGRESS IN RESOLVING DIFFERENCES OVER THE BUDGET FOR THE FISCAL YEAR WHICH BEGINS ON

OCTOBER 1, OR ON THE \$200 BILLION DEFICITS WHICH STRETCH INTO THE FUTURE AND THREATEN ECONOMIC RECOVERY. AND JUST AS IF YOU DON'T HAVE RELIEF SOON FROM THE WEATHER, THE POLITICAL PROCESS IN WASHINGTON IS ALSO IN DANGER OF DRYING UP IF THERE IS NO RENEWED SPIRIT OF COOPERATION AND COMPROMISE.

THE DROUGHT - THE PROBLEM

LET'S LOOK FIRST AT THE CRITICAL SITUATION HERE IN THE MIDWEST. AS YOU KNOW, AGRICULTURE SECRETARY BLOCK HAS CALLED A MEETING OF THE GOVERNORS AND CONGRESSIONAL DELEGATIONS OF 26 DROUGHT-AFFECTED STATES THAT BEGINS IN LESS THAN TWO HOURS OUT AT O'HARE AIRPORT. WE WILL BE LOOKING AT THE SEVERITY OF THE SITUATION IN VARIOUS STATES, AND AT HOW CROP LOSSES CAN BEST BE ADDRESSED AT BOTH THE STATE AND FEDERAL LEVELS.

AT THE SAME TIME, IT WOULD BE A MISTAKE TO OVERREACT AND JUST START THROWING MONEY AT THE PROBLEM. MANY FARMERS WHO



DECIDED NOT TO PROTECT THEMSELVES AGAINST LOSS MAY HAVE TO  
ACCEPT PART OF THEIR RISK. BUT THERE ARE EMERGENCY LOANS AND  
OTHER FORMS OF ASSISTANCE THAT SHOULD BE READY TO ALLEVIATE THE  
WORST EFFECTS OF THE HEAT WAVE.

#### RECOMMENDATIONS FOR DROUGHT ASSISTANCE

I WOULD MAKE THE FOLLOWING SPECIFIC RECOMMENDATIONS TO  
STREAMLINE THE DISASTER ASSISTANCE PROCESS AND RELIEVE THE MOST  
PRESSING HARDSHIPS CAUSED BY THE DROUGHT:

1. THE USDA SHOULD DROP COUNTY DISASTER DESIGNATION  
PROCEDURES IN FAVOR OF COMPLETE STATE DISASTER DECLARATION.  
CROP DAMAGE IS SO WIDESPREAD THAT THERE IS NO REASON TO GO THROUGH  
THE RED TAPE OF COUNTY DAMAGE ASSESSMENT REPORTS. INDIVIDUAL  
FARMERS -- THE ONES WHO REALLY NEED THE HELP -- WOULD STILL NEED  
TO DEMONSTRATE AT LEAST 30% TOTAL CROP LOSS TO BE ELIGIBLE FOR  
LOW-INTEREST LOANS.

2. STATES WHICH APPLY FOR DISASTER DESIGNATION SHOULD BE CONSIDERED AND, IF APPROPRIATE, APPROVED IMMEDIATELY. IF THERE IS CLEAR EVIDENCE THAT PRODUCERS HAVE INCURRED SERIOUS LOSSES, THE APPROVAL PROCESS SHOULD NOT BE DELAYED UNTIL AFTER THIS FALL'S HARVEST.

3. UNRESTRICTED HAYING AND GRAZING SHOULD BE PERMITTED ON ALL CONSERVATION USE ACREAGE. RESTRICTIONS ON THE SALE OF HAY OR ON NON-PRODUCER GRAZING SHOULD BE LIFTED. WITH A SHORTAGE OF GRAIN PRODUCTION, THERE IS NO REASON WHY WE SHOULD RESTRICT THIS POTENTIAL SOURCE OF LIVESTOCK FEED.

4. A REVIEW OF THE EFFECTIVENESS OF THE FEDERAL CROP INSURANCE PROGRAM SHOULD BE INITIATED. MY UNDERSTANDING IS THAT PARTICIPATION IN THE PROGRAM IS STILL LOW -- AT OR BELOW 25% OF ELIGIBLE ACRES. THE STRUCTURE OF PREMIUMS VERSUS COVERAGE

SHOULD BE EXAMINED TO DETERMINE WHETHER SOME PRODUCERS HAVE HAD LITTLE ALTERNATIVE TO TAKING UNINSURED RISKS.

1984 CORN PROGRAM

THE DROUGHT WILL ALSO HAVE A MAJOR EFFECT ON THE 1984 PROGRAM FOR CORN AND OTHER FEED GRAINS. THE DROUGHT HAS BROUGHT CORN PRODUCTION DOWN WELL BELOW THE AUGUST USDA ESTIMATE OF 5.2 BILLION. SOME ANALYSTS ARE PREDICTING AS LOW AS 4.2 BILLION BUSHELS -- ONE-HALF OF LAST YEAR'S 8.4 BILLION BUSHELS. COMBINED WITH STOCKS OF 3.4 BILLION BUSHELS, AND WITH EXPECTED CONSUMPTION AND EXPORTS, CORN SUPPLIES COULD GO BELOW ONE BILLION BUSHELS BY OCTOBER 1984. UNDER THESE CIRCUMSTANCES, IT WILL BE DIFFICULT FOR THE ADMINISTRATION TO PROVIDE MAJOR INCENTIVES TO REDUCE FEED GRAIN PRODUCTION IN 1984.



### LONG-RANGE FARM POLICY

BEYOND NEXT YEAR'S PROGRAM, WE MUST ALSO LOOK TO THE DEBATE OVER THE NEXT FARM BILL IN 1985. MANY FARMERS AND THEIR REPRESENTATIVES IN WASHINGTON ARE REALIZING THAT OUR FARM PROGRAMS JUST AREN'T COST-EFFECTIVE: THEY ARE COSTING TOO MUCH AND THEY ARE NOT HAVING ENOUGH EFFECT ON PRODUCTION. IN LOOKING AT LONG-TERM FARM POLICY, THOSE OF US IN AGRICULTURE MUST RECOGNIZE THAT THESE DECISIONS WILL NOT BE MADE IN A VACUUM. THEY WILL BE INFLUENCED BY THE MANY OTHER INTERESTS THAT COMPETE FOR ATTENTION AND FUNDING IN WASHINGTON. THEY WILL ALSO BE AFFECTED BY HOW WELL AGRICULTURE'S SUPPORTERS ARE ABLE TO POLICE THEIR PROGRAMS. REDUCING UNCONTROLLED BUDGET EXPOSURE AND OUTLAYS AND RESPONDING TO CRITICISM FROM OTHER SECTORS.

### CRITICISM OF FARM PROGRAM COSTS

I DON'T HAVE TO TELL YOU THAT FARM PROGRAMS HAVE BECOME

MORE VULNERABLE TO CRITICISM AND CORRECTION BY OUTSIDERS THAN AT ANY TIME SINCE THE EARLY 1960's. PICK UP A NEWSPAPER, OR A WEEKLY NEWS MAGAZINE OR WATCH THE TV NETWORKS AND YOU'RE BOUND TO SEE A STORY ON SKYROCKETING FARM COSTS. THIS ISN'T THE KIND OF PUBLICITY THAT'S GOING TO CONVINCE ANYONE THAT EVERYTHING'S OKAY DOWN ON THE FARM. AFTER AVERAGING BETWEEN \$3 TO \$4 BILLION FROM THE LATE 1970's UP TO FISCAL YEAR 1981, FARM PROGRAM COSTS ROSE TO \$11.6 BILLION IN 1982 AND ARE NOW PROJECTED AT \$21.8 BILLION THIS YEAR. I KNOW THAT \$9 BILLION OF THESE OUTLAYS ARE IN THE FORM OF REDEEMABLE LOANS. BUT EVEN THESE ARE NOW SUSPECT AFTER THE WHOLESale FORGIVENESS OF LOANS TO FINANCE THIS YEAR'S PIK PROGRAM. THE ADDED COST OF PIK, SOME \$9 TO \$12 BILLION ON TOP OF PROGRAM EXPENDITURES, HAS RAISED A STORM OF CONTROVERSY IN THE MEDIA. HERE IN CHICAGO, THE SUN-TIMES RAN A HIGHLY-CRITICAL THREE-PART SERIES IN LATE MAY ENTITLED "THE GRAIN GIVEAWAY."



THIS KIND OF NOTORIETY IS NOT WANTED OR DESERVED BY FARMERS. IT MAKES OUR JOB OF DEFENDING FARM PROGRAMS IN WASHINGTON THAT MUCH MORE DIFFICULT. THAT'S WHY RESPONSIBLE ACTION IS NEEDED -- NOW, NOT LATER.

#### TARGET PRICE DEBATE

UNFORTUNATELY, THE FARM BLOC HAS NOT CONVINCED URBAN LAWMAKERS THAT IT WILL MAKE A SERIOUS EFFORT TO CONTROL FARM PROGRAM COSTS. WE SPENT MONTHS DEBATING THE ADMINISTRATION'S PROPOSAL TO FREEZE TARGET PRICES AT THEIR 1983 LEVELS -- EVEN BEFORE BRINGING IT TO A VOTE IN THE SENATE AGRICULTURE COMMITTEE. AFTER IT PASSED, A HANDFUL OF SENATORS PREVENTED FLOOR CONSIDERATION BEFORE THE CONGRESSIONAL RECESS. AS A RESULT, SECRETARY BLOCK ANNOUNCED A LESS-ATTRACTIVE WHEAT PROGRAM FOR 1984 WHICH WILL TRANSLATE INTO LARGER PRODUCTION AND LOWER PRICES NEXT YEAR.

PRIOR TO RECESS, I HAD WORKED OUT A COMPROMISE ON THE WHEAT

PROGRAM WITH THE NATIONAL ASSOCIATION OF WHEAT GROWERS. THEY ASKED THE THREE OR FOUR SENATORS IN QUESTION TO ALLOW THE BILL TO BE CONSIDERED, AND MY OWN WHEAT GROWER ASSOCIATION IN KANSAS ENDORSED THE PLAN. THESE EFFORTS UNFORTUNATELY FAILED. NOW, THERE IS TALK ABOUT REVIVING THE COMPROMISE AFTER CONGRESS RETURNS ON SEPTEMBER 12. I WOULD NOT PERSONALLY OPPOSE RECONSIDERATION, BUT I THINK THREE CONDITIONS WILL HAVE TO BE MET:

FIRST, THE WHEAT GROWERS WILL HAVE TO TAKE A MORE ACTIVE POSITION IN FAVOR OF SOMETHING VERY CLOSE TO THE COMPROMISE WE HAD WORKED OUT. THERE IS JUST NOT MUCH WIGGLE ROOM, AND THE ADMINISTRATION MUST ALSO BE CONVINCED. SECOND, THERE SHOULD BE ASSURANCES THAT WINTER WHEAT PRODUCERS WILL NOT BLAME THE ADMINISTRATION FOR CHANGING THE RULES IF IT SUPPORTS CHANGES IN THE PROGRAM ANNOUNCED ON AUGUST 9. THE USDA HAS BEEN BURNED TWICE FOR LATE CHANGES IN THE WHEAT PROGRAM, AND DOES NOT WANT A

REPEAT PERFORMANCE. THIRD, OTHER SENATORS MUST RECOGNIZE THE IMPORTANCE OF PASSING A BILL THAT THE PRESIDENT CAN SIGN, AND AGREE NOT TO ATTACH UNACCEPTABLE AMENDMENTS.

IF THESE CONDITIONS CAN BE MET, WE MAY STILL BE ABLE TO PASS A FARM BILL THIS YEAR, INCLUDING SOME REFORM OF THE DAIRY PROGRAM ACCEPTABLE TO MOST PRODUCERS. WITH OTHER PRESSING LEGISLATION PENDING AFTER RECESS, HOWEVER, I DOUBT THAT WE CAN TURN THE FARM CIRCUS LOOSE ON THE SENATE FLOOR AGAIN UNLESS WE RESOLVE OUR DIFFERENCES IN ADVANCE. I REMAIN OPTIMISTIC THAT SOME SOLUTION TO THE IMPASSE CAN BE FOUND, AND COMMITTED TO HELPING THE EFFORT ALONG.

PART OF THE PROBLEM IS THAT FREEZING TARGET PRICES JUST ISN'T A VERY POPULAR IDEA WITH SOME FARMERS AND FARM GROUPS. NO ONE WANTS CONGRESS TO GO OUT AND CUT THEIR PROGRAMS. BUT THE SAME SITUATION IS HAPPENING IN EVERY SECTOR OF THE FEDERAL



BUDGET THIS YEAR, AND EVERY SECTOR STANDS TO LOSE IF WE SIT ON OUR HANDS IN WASHINGTON AND CONTINUE TO DO NOTHING. THIS WOULD BE A SHAME CONSIDERING SOME OF THE TREMENDOUS ACCOMPLISHMENTS WE'VE SEEN SINCE JANUARY, 1981.

ECONOMIC PROGRESS SINCE 1981

I'M SURE EVERYONE CLEARLY REMEMBERS WHERE WE WERE BEFORE THE REAGAN ADMINISTRATION TOOK OVER. INFLATION WAS RUNNING AT AN ALARMING 13 PERCENT, INTEREST RATES WERE TOPPING 21 PERCENT AND FARM PRICES WERE REELING FROM THE CARTER GRAIN EMBARGO. THERE ISN'T A PERSON IN THIS ROOM WHO WOULD WANT TO GO BACK TO THOSE DAYS. BUDGET DEFICITS WERE ALREADY ON THEIR ASTRONOMICAL UPWARD CURVE, FUELED BY THE CAREFREE AND CARELESS SPENDING OF THE PREVIOUS TWO DECADES. BUT THEN CAME THE ELECTIONS OF 1980, AND A CLEAR MANDATE TO PUT OUR FINANCIAL HOUSE IN ORDER.

AND WE'VE MADE IMPORTANT STRIDES IN THE PAST TWO YEARS.

THE GROWTH RATE OF FEDERAL SPENDING HAS BEEN CUT IN HALF. INFLATION IS DOWN FROM THAT 13 PERCENT LEVEL TO ABOUT FOUR PERCENT. THE PRIME INTEREST RATE IS AT 11 PERCENT AND MAY DECLINE A BIT MORE BY YEAR'S END. YOUR COST OF MONEY MAY NOT BE DOWN TEN POINTS, BUT IT IS PROBABLY DOWN AT LEAST FOUR OR FIVE FROM TWO YEARS AGO. THIS ISN'T ENOUGH, BUT IT'S A MAJOR IMPROVEMENT. UNEMPLOYMENT IS ALSO COMING DOWN, WITH THE NATIONWIDE RATE AT ABOUT 9.5 PERCENT FOR JULY. STILL NOT ENOUGH, BUT THE TREND IS POSITIVE.

FARM BENEFITS FROM 1981 TAX ACT

LET'S ALSO NOT OVERLOOK SOME OF THE SIGNIFICANT BENEFITS FARMERS HAVE GAINED DURING THE FIRST TWO YEARS OF THIS ADMINISTRATION. THE 1981 TAX ACT IS ONE OF THE MOST IMPORTANT AND LEAST APPRECIATED LAWS EVER PASSED ON BEHALF OF RURAL AMERICA. MOST PEOPLE SEE THE BENEFIT OF THE THREE-YEAR, 25 PERCENT TAX CUT, BUT FEW UNDERSTAND WHAT WE DID BY INDEXING THE TAX CODE. SIMPLY PUT,

INDEXING OFFSETS COMPARABLE INCREASES IN INCOME AND LIVING COSTS SO THAT TAXPAYERS ARE NOT BOOSTED INTO A HIGHER TAX BRACKET BY INFLATION.

LOOK AT THE ESTATE AND GIFT TAX PROVISIONS OF THE 1981 LAW. MANY HERE TODAY WILL NOW BE ABLE TO PASS THEIR LIFE'S WORK ON TO THEIR SPOUSE WITHOUT PAYMENT OF MASSIVE INHERITANCE TAXES. THINK WHAT THAT MEANS TO THE CONTINUATION OF THE FAMILY FARM, THE BACKBONE OF RURAL AMERICA. HOW MANY ALSO HAVE CHILDREN WHO WILL BENEFIT FROM THE \$600,000 INHERITANCE TAX EXEMPTION THAT TAKES FULL EFFECT IN 1987? THESE PROVISIONS WILL SAVE BENEFICIARIES OVER \$1.0 BILLION THIS YEAR ALONE, AND ANOTHER \$2.0 BILLION IN 1984 AND \$2.8 BILLION IN 1985.

THERE IS ALSO THE EXPANSION OF THE CURRENT USE VALUATION OF FARM PROPERTY FOR ESTATE TAX PURPOSES. IF A FAMILY DEMONSTRATES THAT IT IS ACTIVELY INVOLVED IN A FARMING OPERATION, AND IF FARM



PROPERTY REPRESENTS AT LEAST 50 PERCENT OF THE ESTATE, IT CAN BE SPECIALLY VALUED BASED ON ITS FARM USE RATHER THAN AT FAIR MARKET VALUE FOR ESTATE TAX PURPOSES. THIS PROVISION COULD REDUCE THE TAXABLE VALUE OF A FAMILY FARM BY UP TO \$750,000. IT WILL ALSO REDUCE TOTAL TAX REVENUES BY ABOUT \$500 MILLION ANNUALLY -- 99 PERCENT OF WHICH WILL ACCRUE TO FARMERS.

ANOTHER AREA OF IMPROVEMENT IS IN DEPRECIATION METHODS. FARMERS WILL NOW BE ABLE TO WRITE OFF THEIR EQUIPMENT OVER FIVE YEARS INSTEAD OF FROM 8 TO 12 YEARS. THERE IS ALSO A COMPLETE DEDUCTION IN THE FIRST YEAR FOR UP TO \$10,000 OF CAPITAL INVESTMENT. THUS, THERE IS NO NEED EVEN TO COMPUTE DEPRECIATION FOR SOME FARM EQUIPMENT PURCHASES.

#### DEFICITS: THREAT TO FARM PROSPERITY

ALL OF THESE TAX CHANGES WILL WORK TO THE BENEFIT OF FARMERS AS THEY ARE PUT INTO FULL EFFECT OVER THE NEXT SEVERAL YEARS. I

SHOULD WARN YOU, HOWEVER, THAT EFFORTS WILL BE MADE TO REPEAL VARIOUS PROVISIONS OF THE TAX ACT IN THE NAME OF REDUCING FEDERAL BUDGET DEFICITS. FARMERS NEED TO BE VOCAL IN THEIR SUPPORT OF FAVORABLE LEGISLATION ALREADY ON THE BOOKS -- NOT JUST IN OPPOSING PROPOSALS TO REDUCE FARM PROGRAM COSTS. AND NO ONE SHOULD BE NAIVE ABOUT WHETHER THESE EFFORTS WILL BE MADE. CONGRESS IS SITTING ON A POTFUL OF \$200 BILLION DEFICITS AND THE LID IS ABOUT TO BLOW OFF. THE BUDGET RESOLUTION FOR THE 1984 FISCAL YEAR THAT STARTS NEXT MONTH WOULD TRY TO COPE WITH THESE OCEANS OF RED INK BY RAISING \$73 BILLION IN NEW TAXES OVER THE NEXT THREE YEARS AND REDUCING THE GROWTH OF SPENDING BY A PALTRY \$400 MILLION. I HAVE CALLED THE RESOLUTION A "DEAD CAT." I HAVE ALSO CALLED FOR THE PRESIDENT TO EXERCISE PERSONAL LEADERSHIP BY BRINGING ALL PARTIES TOGETHER FOR A BUDGET SUMMIT TO WORK OUT A BALANCED PACKAGE OF SPENDING RESTRAINTS AND REVENUE INCREASES.

SO FAR, NO ONE IN WASHINGTON IS GETTING VERY EXCITED ABOUT THE IDEA. AS LONG AS THE RECOVERY KEEPS POINTING UPWARD, IT'S HARD TO BREAK THE POLITICAL HABIT OF DUCKING TOUGH CHOICES FOR AS LONG AS POSSIBLE. BUT WHAT HAPPENS IF WE JUST WAIT OUT NEXT YEAR'S ELECTIONS, WITH ONE SIDE HOPING FOR AN ECONOMIC DOWNTURN AND THE OTHER HOPING THAT THE GOOD NEWS HANGS ON UNTIL AFTER NOVEMBER 2? IN EITHER SCENARIO, WE END UP WITH A SOUR ECONOMY IN 1985, INCLUDING A RENEWAL OF 16 OR 17 OR 18 PERCENT INTEREST RATES. AND THAT'S THE LAST THING THAT FARMERS AND THEIR SUPPLIERS WANT TO SEE.

SO I WOULD ONLY SAY THAT THE TIME TO FACE THE INEVITABLE DECISIONS OVER BUDGET DEFICITS IS NOW, IN 1983, AND NOT DURING THE ELECTION CAMPAIGN OR IN LATE 1985. IT'S NOT A POPULAR SUGGESTION, AND IT'S GOING TO NEED SOME STRONG AND VOCAL SUPPORT FROM FARMERS AND OTHERS WHOSE INTEREST IN OUR ECONOMIC PERFORMANCE



IS NOT SUBORDINATED TO WHAT HAPPENS AT THE POLLS 14 MONTHS FROM NOW.

### THE THREAT TO FARM PROGRAMS

SO AS I SAID EARLIER, THE DECISIONS AND CHOICES FACING AMERICAN AGRICULTURE WILL NOT BE MADE IN A VACUUM. THE COST OF FARM PROGRAMS WILL HAVE A DISTINCT IMPACT ON WHETHER WE CAN PRESERVE A BASIC SAFETY NET FOR FARM INCOME AND PRICES IN THE YEARS TO COME. AND IF AGRICULTURE IS NOT PREPARED TO PLAY A PART IN FINDING A SOLUTION TO CRUSHING FEDERAL DEFICITS, THERE WILL BE FEW SYMPATHETIC EARS BACK IN WASHINGTON WHEN THEY ARE REALLY NEEDED.

MANY HERE TODAY REMEMBER THAT THE CURRENT FARM BILL PASSED THE HOUSE BY ONLY TWO VOTES BACK IN 1981. THE TARGET PRICE CONCEPT SURVIVED IN THE SENATE AGRICULTURE COMMITTEE BY AN 8 TO 7 VOTE, AND ON THE SENATE FLOOR BY 45 TO 43. MANY FARM

STATE LEGISLATORS VOTED AGAINST THE BILL BECAUSE THEY THOUGHT IT WASN'T ENOUGH. BUT A LOT OF NON-FARM MEMBERS ALSO OPPOSED IT BECAUSE THEY BELIEVE ANY FARM PROGRAM IS TOO MUCH. AND STILL OTHERS SUPPORTED IT BECAUSE SOME OF US CONVINCED THEM THAT IT WAS RESPONSIBLE LEGISLATION. I JUST HAVE TO WONDER HOW MANY WILL LISTEN IN 1985 IF FARM COSTS CONTINUE OUT OF CONTROL.

#### NEED FOR FARMER INVOLVEMENT

IN CLOSING, I DON'T WANT TO LEAVE THE IMPRESSION THAT I AM PESSIMISTIC ABOUT DEALING WITH EITHER THE DROUGHT OUT HERE IN THE MIDWEST OR THE RESPONSIBILITY DROUGHT BACK IN WASHINGTON. THERE ARE SOME REAL LEADERS IN THE SENATE -- TWO THAT COME TO MIND ARE ALAN DIXON OF ILLINOIS AND ROGER JEPSEN OF IOWA -- WHO ARE WILLING TO PUT ASIDE PAROCHIAL AND PARTISAN CONCERNS IN ORDER TO WORK OUT PROBLEMS AND MOVE THINGS AHEAD. WITH

THEIR LEADERSHIP, AND THAT OF OTHER MEMBERS OF BOTH HOUSES OF CONGRESS, WE STILL HAVE TIME TO PROTECT AND ENSURE ECONOMIC RECOVERY.

BUT WE ALSO NEED THE ACTIVE PARTICIPATION OF FARM AND BUSINESS LEADERS SUCH AS YOURSELVES WHO RECOGNIZE THAT, AS THE BEDROCK OF THE NATION'S ECONOMY, AGRICULTURE CANNOT BE ADDRESSED AS A SEPARATE ENTITY. WITH YOUR HELP AND SUPPORT, WE CAN ENSURE LONG-TERM STABILITY AND PROSPERITY FOR FARMERS AND ALL THOSE WHO DEPEND ON THEM FOR THEIR LIVELIHOOD AS WELL AS FOR THEIR DAILY BREAD.

THANK YOU VERY MUCH.