

March 28, 1995

TO: Senator Dole
FROM: Mike Torrey
SUBJECT: Iowa Farm Bureau speech

You are scheduled to speak to the Iowa Farm Bureau at 8:30 a.m. on Thursday, March 30 at the Capitol Hill Holiday Inn -- Clark room. NOTE..Senator Gramm and Lugar have met with them as well. There will be 54 county vice president's with a total of 72 people including staff and spouses. The Farm Bureau President is Merlin Plagge from Sheffield, Iowa. He will introduce you.

LUGARS SPEECH...I understand Iowa Farm Bureau did not like Lugar's speech but enjoyed Gramms remarks. Apparently Lugar used a lot of numbers defending his cuts for ag spending. (He proposes reducing target prices by 3% per year and eliminating the Export Enhancement Program for a savings of \$15 billion over 5 years). His remarks were dry and boring. Senator Gramm focused on big picture such as downsizing government. Your remarks take a middle of the road approach and focus on regulatory, tax, and paperwork relief, value added trade (which Iowa Farm Bureau strongly supports i.e. pork), research and budget cuts. You also talk about private property rights.

IOWA FARM BILL...All of the Iowa commodity groups (except farmers union) support the Iowa Farm Bill concept. However, not all of the groups are completely comfortable with the concept. The concept is called revenue assurance whereas participating farmers would be guaranteed 80% of their 5 year average revenue. Anytime revenue dropped below the 80% mark, the government would make up the difference up to 80%. Crop insurance would be eliminated. The program would cost between \$4 and \$7 billion depending on the year.

BOTTOMLINE...It is to early to endorse any concepts until we have budget numbers. All options will be considered. NOTE--Clinton is holding a rural economic summit in Iowa on April 25. It may be worth your time to fly to Iowa on the preceding Saturday, meet with all of the Iowa ag groups to discuss this concept and hold a news conference afterwards with the Iowa ag groups.

PORK PRICES...Hogs are around \$38. Last December you sent a letter to Secretary of Ag Espy asking that the Packers and Stockyards Administration ensure there was competitive pricing. Hog prices started back up soon after your letter was sent although I do not believe your letter made the difference.

CONSERVATION...Iowa is far ahead of other states in conservation compliance. Ninety - eight percent of the farmers have conservation compliance plans. They also have one of the highest sign ups for the Wetland Reserve Program. HOWEVER, they are troubled that USDA is now re-determining wetlands. You are a co-sponsor of the Grassley bill which calls for a wetland moratorium

until we can address the issue in the farm bill. You support a balanced and reasonable approach to determining wetlands.

ETHANOL...There is some concern in Iowa that the ethanol industry is expanding to soon since there is so much controversy over the program. However, the general sentiment is generally supportive of the expansion. Currently the reformulated gasoline program is under scrutiny given the discontent in Wisconsin over the use of MTBE (methanol based gasoline). There are complaints of illness associated with the use of MTBE. Meanwhile, the courts are addressing the renewable oxygenate standards and the ethanol mandate. All the hearings have been held and we anticipate a ruling in the near future.

FLEXIBILITY...Like Kansas farmers, they are calling for complete flexibility or one farm base. Pat Roberts supports this concept as well although the South is concerned.

FARM BILL

THESE DAYS, EVERYONE SEEMS TO BE ASKING ME IF AGRICULTURE WILL DO ITS PART TO HELP BALANCE THE FEDERAL BUDGET. I DON'T NEED TO REMIND YOU THAT AMERICA'S FARMERS HAVE CONTRIBUTED TO REDUCING THE DEFICIT TIME AND TIME AGAIN -- ESPECIALLY OVER THE LAST 10 YEARS. I BELIEVE THAT AGRICULTURE IS WILLING TO DO ITS FAIR SHARE, AS LONG AS EVERY OTHER PROGRAM -- FROM A TO Z -- IS WILLING TO SHOULDER PART OF THE BUDGET BURDEN.

AS WE WRITE THE 1995 FARM BILL, THERE ARE A FEW TOP PRIORITIES THAT I'LL BE FOCUSING ON. IN MY VIEW, WE MUST PROVIDE FARMERS WITH SOME ASSURANCE OF LONG-TERM VIABILITY. CONGRESS NEEDS TO FOCUS ON BOOSTING THE FARMERS' BOTTOM LINE. I BELIEVE WE CAN START BY LETTING FARMERS FARM. IN OTHER WORDS, REDUCE THE REGULATORY, TAX AND PAPERWORK BURDENS THAT FARMERS DEAL WITH EVERY DAY.

WE MUST ALSO CONSIDER HOW TO PROMOTE U.S. FARM PRODUCTS IN THE WORLD MARKETPLACE. NO DOUBT ABOUT IT, AMERICAN FARMERS ARE THE MOST COMPETITIVE IN THE WORLD -- IF THEY ARE ON A LEVEL PLAYING FIELD. NO ONE KNOWS THIS BETTER THAN FARM BUREAU MEMBERS. TO TAKE FULL ADVANTAGE OF OUR NEW TRADE OPPORTUNITIES, WE NEED MORE "BANG FOR THE BUCK" FROM OUR EXPORT-EXPANSION PROGRAMS. BY ENCOURAGING VALUE-ADDED EXPORTS, WE CAN ENHANCE RURAL ECONOMIC ACTIVITY AND STIMULATE RURAL EMPLOYMENT.

LET ME ALSO SAY THAT I AM COMMITTED TO KEEPING OUR FARMERS THE MOST EFFICIENT AND PROGRESSIVE IN THE WORLD. TO DO THAT, WE NEED TO EXPAND THE MONEY SPENT ON AGRICULTURE RESEARCH. IF WE HAVE TO REDUCE FARM PROGRAM SPENDING IN ORDER TO FUND RESEARCH, THEN I BELIEVE THAT'S A TRADE WORTH MAKING.

PRIVATE PROPERTY RIGHTS

I WANT TO COMMEND FARM BUREAU MEMBERS FOR MAKING PRIVATE PROPERTY RIGHTS ONE OF THEIR TOP ISSUES. AS CONGRESS DEALS WITH THE ENDANGERED SPECIES ACT, WETLANDS REFORM AND OTHER ISSUES WHICH INVOLVE PRIVATE PROPERTY, I BELIEVE WE MUST MAKE GOVERNMENT REALIZE THAT PROPERTY RIGHTS SHOULD NOT BE TRAMPLED ON. I ALONG WITH 32 OF MY COLLEAGUES HAVE INTRODUCED S. 605, THE OMNIBUS PROPERTY RIGHTS ACT OF 1995. THIS LEGISLATION WOULD ACCOMPLISH FOUR MAJOR OBJECTIVES:

- 1) REQUIRE THE FEDERAL GOVERNMENT TO COMPENSATE PROPERTY OWNERS IF GOVERNMENT ACTION REDUCES THE VALUE OF PROPERTY BY ONE-THIRD OR MORE;
- 2) PROVIDE FOR ALTERNATIVE DISPUTE RESOLUTION PROCEDURES AND CLARIFY COURT JURISDICTION FOR TAKINGS CLAIMS;
- 3) REQUIRE FEDERAL AGENCIES RESPONSIBLE FOR ENDANGERED SPECIES ACT AND SECTION 404 OF THE CLEAN WATER ACT TO PROVIDE FOR ADMINISTRATIVE PROCEDURES TO ADDRESS TAKINGS CLAIMS;

4) REQUIRE AGENCIES TO PERFORM A TAKINGS IMPACT ANALYSIS OF REGULATIONS, AND ENSURE THAT AGENCIES SELECT THE REGULATORY ALTERNATIVE THAT MINIMIZES THE TAKING OF PRIVATE PROPERTY.

THESE ARE SWEEPING REFORMS. BUT IT IS IMPORTANT TO POINT OUT THAT THESE REFORMS DO MORE THAN PROVIDE THAT "JUST COMPENSATION" IS PAID IN PROPER CIRCUMSTANCES. THE REAL TEST IS TO MINIMIZE THE NUMBER OF TAKINGS THAT OCCUR IN THE FIRST PLACE.

HEARINGS WILL BE HELD NEXT WEEK IN THE JUDICIARY COMMITTEE AND I INTEND TO BRING THIS BILL TO THE FLOOR AS SOON AS POSSIBLE.

CONCLUSION

AS ALWAYS, I LOOK FORWARD TO WORKING WITH THE IOWA FARM BUREAU DURING THE 104th CONGRESS AS REPUBLICANS WORK TO ACHIEVE THESE GOALS.

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