

FROM: THE OFFICE OF U.S. SEN. BOB DOLE
NEW SENATE OFFICE BUILDING
WASHINGTON, D.C. 20510
(202) 225-8947

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IMMEDIATE RELEASE

WASHINGTON, D.C., Nov. 5, 1971 --- U.S. Sen. Bob Dole (R-Kans.) emphasized today the effects and potential effects of the Gulf Coast dock strikes on the American farmer and the American taxpayer.

In a statement before the Senate Agriculture and Forestry Committee's Subcommittee on Agricultural Exports, Dole pointed out that farmers from 16 central states, who export two-thirds of the nation's agriculture products, generally rely on the Gulf ports.

Cost to Farmers

"Most of these exports made their way down the Missouri, Mississippi and Ohio rivers to New Orleans and over land by truck to the Texas ports. These exports represent two-thirds of the nation's total, or about \$5.4 billion dollars. The threat that strikes at these Gulf ports or any port in the nation poses to income of our farmers is readily apparent."

Cost to Taxpayers

"There is another factor that must be considered by the Congress and the American people in considering the full effects of these market destroying work refusals and stoppages. Under present agricultural legislation, if the October-February price of corn received by farmers drops below \$1.03 per bushel, then a payment equal to the difference multiplied by 2.9 billion bushels must be paid to cooperating farmers. Thus each penny lost in price costs the general public \$29 million dollars for corn alone. A similar situation exists for wheat, our basic food crop. Here, each penny by which the price drops below \$1.33 per bushel for the July-November period costs the Treasury \$5.3 million dollars. These refusals to move the products of the soil to foreign destinations, in my estimation will cost the Treasury some \$125 to \$150 million in additional direct payments."

To settle strike disputes in the transportation industry, the Kansas Senator urged the Subcommittee's support of S.560, a bill that would build on the Taft-Hartly Act three new options for the President to use in resolving strikes, that would be available at the end of the present Taft-Harley procedures.

STATEMENT OF SENATOR BOB DOLE

BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND FORESTRY
SUBCOMMITTEE ON AGRICULTURAL EXPORTS
FRIDAY, NOVEMBER 5, 1971

MR. CHAIRMAN, EXPORTING OF AGRICULTURAL COMMODITIES IS ONE OF THE MOST IMPORTANT FACTORS IN DETERMINING THE PRICE PAID TO THE FARMER WHO PRODUCES THE COMMODITY. FOR THIS REASON, I COMMEND YOU FOR YOUR UNDERSTANDING OF THE AMERICAN FARMER IN SCHEDULING THESE HEARINGS ON THE EFFECT ON AGRICULTURE OF LABOR-MANAGEMENT DISPUTES IN THE SHIPPING INDUSTRY.

I KNOW THE WITNESSES WHO WILL TESTIFY AT THIS HEARING TODAY WILL CONTRIBUTE IMPORTANT INFORMATION FOR YOUR SUBCOMMITTEE TO CONSIDER IN FUTURE LEGISLATIVE DELIBERATIONS.

EXPORT DEMAND

OF THE MANY FACTORS THAT INFLUENCE THE SUPPLY AND DEMAND FOR AGRICULTURAL PRODUCTS, THE DEMAND FOR COMMODITIES IS THE FACTOR ON WHICH FARMERS AND THE PROCESSING ORGANIZATIONS HAVE CONCENTRATED MUCH EFFORT. PRODUCTION CONTROL AND STIMULUS HAVE BEEN LEGISLATED AND EFFECTED IN MANY WAYS. INVARIABLY, ESPECIALLY WITH REFERENCE TO FIELD CROPS, NATURE HAS A CONSIDERABLE INFLUENCE, WHETHER IN REGARD TO MOISTURE, OR INSECT OUTBREAK OR PLANT DISEASE. THE CONTROLS OR STIMULUS TO NATURE ARE VERY LIMITED.

THE DEMAND FOR AGRICULTURAL COMMODITIES HAS BEEN GREATLY STIMULATED, AND PARTICULARLY IN THE FIELD OF EXPORTS. COMMODITY GROUPS AND EXPORTING FIRMS DESERVE MUCH OF THE CREDIT FOR THIS STIMULUS.

RECORD YEAR

AGRICULTURAL EXPORTS HAVE SHOWN A MARKED INCREASE IN RECENT YEARS AND IN THE PAST MARKETING YEAR, ENDED JUNE 30, 1971, WE SET THREE RECORDS IN EXPORTS:

- WE EXPORTED A LARGER VOLUME (MORE BUSHELS) OF FARM PRODUCTS THAN EVER BEFORE.
- THE VALUE OF EXPORTED PRODUCTS WAS GREATER THAN EVER BEFORE, AMOUNTING TO \$7.8 BILLION DOLLARS.
- AND, MORE OF THESE EXPORTS WERE FOR HARD CASH.

MORE THAN HALF OUR PRODUCTION OF WHEAT, SOYBEANS AND RICE WENT TO FOREIGN MARKETS. WE HAVE SEEN A PHENOMENAL GROWTH IN SOYBEAN EXPORTS, AND THERE IS NO SIGN OF ANY DECLINE IN THE DEMAND. THESE OPPORTUNITIES FOR EXPORT SALES REPRESENT THE FUTURE FOR AMERICAN FARMERS.

IN RECENT WEEKS NEARLY EVERY PORT FROM MAINE TO TEXAS WAS CLOSED, JOINING THOSE FROM SEATTLE TO SAN DIEGO, WHICH HAD ALREADY BEEN SHUT DOWN FOR NEARLY 100 DAYS. THE EFFECTS OF THESE STRIKES ARE SEVERE AND ARE EXTREMELY HARMFUL TO THE DIFFICULT JOB OF STRENGTHENING OUR NATION'S ECONOMY.

THE IMPACT OF THE DOCK STRIKES

BECAUSE OF THE WIDE NATIONAL PRESS COVERAGE, MANY PEOPLE ARE AWARE OF THE DAMAGE BEING DONE BY THESE STRIKES AND THE THREAT OF THEM TO MANUFACTURERS, SHIPPERS AND THE WORKERS EMPLOYED IN DIRECTLY RELATED INDUSTRIES. BUT FEW SEEM TO BE AWARE OF THE SERIOUS IMPACT THE STRIKE IS HAVING IN ONE OF THE MOST VULNERABLE SECTORS OF THE ECONOMY, AMERICA'S AGRICULTURAL PRODUCTS.

THEY DO NOT KNOW THAT:

- FARMERS WHO PRODUCE PERISHABLE FOODS FOR WEST COAST EXPORT HAVE SUFFERED LOSSES FOR LACK OF TRANSPORTATION.

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- OREGON AND WASHINGTON FARMERS ARE FINDING IT DIFFICULT TO FIND ANY CASH MARKETS FOR THEIR GRAIN, AND MUCH OF THEIR HARVEST IS STILL PILED ON THE GROUND.
- WEST COAST BANKERS ARE HESITANT TO EXTEND FARMERS FINANCING THAT WOULD DEPEND ON GRAIN EXPORTS FOR REPAYMENT OUT OF FEAR THAT THE GRAIN WILL NOT MOVE INTO EXPORT EVEN AFTER A STRIKE SETTLEMENT.
- KANSAS FARMERS HAVE NOW SEEN THEIR WHEAT EXPORT MARKETS APPROPRIATED BY CANADA AND AUSTRALIA SINCE THE FIRST THREAT OF THE WEST GULF COAST STRIKES.
- MISSOURI AND ILLINOIS FARMERS HAVE SEEN CORN PRICES DROP 50 CENTS IN THE PAST TWO OR THREE MONTHS AND THE GULF PORT STRIKES HAVE CONTRIBUTED TO THIS DECLINE.
- JAPAN, OUR BEST CUSTOMER FOR AGRICULTURAL PRODUCTS, HAS TURNED TO CANADA AND AUSTRALIA FOR ITS GRAIN. OTHER NATIONS HAVE FOLLOWED THIS TREND AND MORE ARE TURNING TO OTHER SUPPLIERS WHO CAN ASSURE THEM DEPENDABLE DELIVERY.

IT WILL TAKE YEARS TO REGAIN WHAT HAS ALREADY BEEN LOST IN EXPORT MARKETS -- IF WE CAN DO SO AT ALL.

MR. CHAIRMAN, THE DEPARTMENT OF AGRICULTURE HAS FURNISHED ME THE MAP THAT IS DISPLAYED ON THE EASEL. UPON THIS MAP IS INDICATED THE VALUE OF THE AGRICULTURAL COMMODITIES EXPORTED FROM EACH STATE. I WOULD CALL YOUR ATTENTION TO THE AMOUNT OF AGRICULTURAL EXPORTS LOCATED IN THE WEST NORTH CENTRAL, EAST NORTH CENTRAL AND WEST SOUTH CENTRAL REGIONS. THE FARMERS IN THE STATES OF THESE THREE REGIONS EXPORT TWO-THIRDS OF THE NATION'S AGRICULTURAL PRODUCTS. MOST OF THESE EXPORTS MADE THEIR WAY DOWN THE MISSOURI, MISSISSIPPI AND OHIO RIVERS TO NEW ORLEANS AND OVER LAND BY TRUCK TO THE TEXAS PORTS. THESE EXPORTS REPRESENT TWO-THIRDS OF THE NATION'S TOTAL, OR ABOUT \$5.4 BILLION DOLLARS. THE THREAT THAT STRIKES AT THESE GULF PORTS OR ANY PORT IN THE NATION POSES TO INCOME OF OUR FARMERS IS READILY APPARENT.

FARMERS LOSE \$225 MILLION

I ADMIRE THE FORTHRIGHT AND STRAIGHTFORWARD STATEMENTS OF SECRETARY OF AGRICULTURE HARDIN WHICH HE HAS BEEN MAKING ON THE IMPLICATIONS OF THE DOCK STRIKE ON FARM INCOME.

ON OCTOBER 22, HE SAID:

"A PROLONGED WORK STOPPAGE AT EAST AND GULF COAST PORTS COULD DEPRESS FARM PRICES AS MUCH AS 25 CENTS PER BUSHEL FOR SOYBEANS AND 10 CENTS PER BUSHEL FOR CORN DURING THE MONTHS OF OCTOBER THROUGH DECEMBER.

"THIS MEANS THAT SOYBEAN GROWERS COULD LOSE \$125 MILLION IN INCOME, AND CORN GROWERS COULD LOSE AS MUCH AS \$120 MILLION. THERE WOULD BE A FURTHER LOSS OF INCOME FOR LIVESTOCK FARMERS, FRUIT AND VEGETABLE GROWERS, TOBACCO GROWERS AND OTHER FARMERS.

"FARMERS ORDINARILY MARKET ABOUT 500 MILLION BUSHELS OF SOYBEANS AND MORE THAN A BILLION BUSHELS OF CORN DURING OCTOBER, NOVEMBER AND DECEMBER. ORDINARILY, EXPORT MARKETS WOULD TAKE ABOUT 80 MILLION BUSHELS OF SOYBEANS AND 105 MILLION BUSHELS OF CORN DURING THIS PERIOD, AND ABOUT 80 PERCENT OF THESE SOYBEAN EXPORTS AND 75 PERCENT OF THESE CORN EXPORTS ORDINARILY MOVE THROUGH EAST AND GULF COAST PORTS THAT ARE NOW CLOSED.

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ENCOURAGES SETTLEMENT

THE "FINAL OFFER SELECTION" ALTERNATIVE WOULD HAVE THE EFFECT, WHEN CHOSEN BY THE PRESIDENT, OF MOVING THE POSITIONS OF THE PARTIES CLOSER TOGETHER SINCE IT REQUIRES A SELECTION WITH MODIFICATION OF THE MOST REASONABLE OFFER OF A PARTY.

THE PARTIES WOULD BE URGED TOWARD THE MIDDLE GROUND -- THE ZONE OF DISAGREEMENT WOULD BE NARROWED -- BECAUSE THE PENALTY IMPOSED FOR A PARTY'S MAINTAINING AN EXTREME POSITION WOULD BE THE LIKELIHOOD OF REJECTION OF ITS OFFER BY THE PANEL.

THIS LEGISLATION WOULD SERVE AS A FRAMEWORK UPON WHICH TO BUILD A MORE RESPONSIVE AND EFFECTIVE STRUCTURE FOR THE TRANSPORTATION INDUSTRY.

IT IS ESSENTIAL THAT THE AMERICAN PEOPLE RECOGNIZE THAT CONTINUATION OF THE PRESENT SITUATION MAKES FOREIGN ECONOMIC POLICY THE HOSTAGE OF A FEW LABOR LEADERS. MUST FARMERS CONTINUE TO LOSE INCOME BECAUSE A FEW WILLFUL MEN DECIDE WHICH COMMODITIES WILL MOVE TO WHICH COUNTRIES? MUST WORKERS IN MANY RELATED INDUSTRIES LOSE JOBS BECAUSE THE COURTS ARE TIED UP? MUST THE TREASURY BE FORCED TO MAKE ADDITIONAL PAYMENTS TO FARMERS TO REPLACE WHAT THE FREE MARKET WOULD HAVE PROVIDED IN THE FORM OF BETTER PRICES? MUST OUR BALANCE OF PAYMENTS BE ADVERSELY AFFECTED BECAUSE OF THE DECISIONS OF THE LEADERSHIP OF THE MARITIME UNIONS?

TO ALL OF THESE QUESTIONS, I SAY 'NO'. I URGE THE CONGRESS TO REVIEW THESE QUESTIONS AND JOIN ME IN THIS QUEST FOR EQUITY FOR THE FARMER AND ALL AMERICAN PEOPLE IN MEETING THESE TRANSPORTATION PROBLEMS.

State and Regional Sources of Record 1971 U.S. Farm Exports

