

FROM: THE OFFICE OF U.S. SENATOR BOB DOLE [Please contact us with any questions or comments at http://dolearchive.ku.edu/ask](http://dolearchive.ku.edu/ask)

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WASHINGTON, D.C., March 19 -- U.S. Senator Bob Dole (R-Kans.) has called for a "complete review and evaluation" of the International Grains Arrangement (I.G.A.), to help make the U.S. "more competitive" in world wheat markets.

In a recent letter to Secretary of Agriculture Clifford Hardin, Dole said, "If the review requires amendment of, or withdrawal from, the I.G.A., then that determination must be made as soon as possible before June 30, the end of the marketing year."

The Senator, a member of the Senate Agriculture Committee, said an I.G.A. review is "urgent" primarily because of low U.S. wheat prices and projected low wheat exports with projected highs in other countries for 1969.

"In my opinion," he explained, "the very thing is happening many farm leaders feared despite assurances given last year by the then Secretary of Agriculture Orville Freeman that I.G.A. was in our best interests."

U.S. Department of Agriculture figures, he said, project 600 to 625 million bushels of U.S. wheat exported by June 30, "the lowest figure in 10 years and 125 to 150 bushels short of an earlier USDA export target."

"Wheat prices this year," he added, "are the lowest since before World War II and for the first time in five years, are below current price support levels."

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"It is obvious, since export markets account for more than 50 percent of the sales of U.S. wheat, that strong exports are essential to American farm income," he said.

Compounding the situation, he said, are projections that Australia will experience a near record year in 1969 for their wheat exports. Other wheat export forecasts show Canada, up 19 percent, and France, reaching a record level in that country's history.

Australia and Russia, not an I.G.A. member, he added, are currently selling wheat at prices undercutting our U.S. hard winter and hard spring wheat prices.

"This is distressing and leads me to question very seriously what is happening to the U.S. wheat export position as a result of the I.G.A., which prescribes specific terms of trade on our wheat exports," Dole said.

"A complete review and evaluation of the IGA is needed in order to regain a competitive position for the U.S. in world wheat markets," he said. "A determination must be made soon since less than four months remain in this marketing year, and less than that before a new U.S. wheat crop will begin to be harvested."

(TEXT OF LETTER TO SECRETARY OF AGRICULTURE CLIFFORD HARDIN  
FROM U.S. SENATOR BOB DOLE, R-Kans.)

"I was distressed to see in the February Wheat Situation that the U.S.D.A. is now projecting only 600-625 million bushels of United States wheat exports for the current marketing year ending this coming June 30. This would mean the lowest U.S. wheat export year since 1959 and compares with 761 million bushels exported last year and an earlier export target of 750 million bushels for this year. I was, however, more than shocked to read in the March 10 issue of Foreign Agriculture that the USDA forecasts Australian wheat exports for this year at 281 million bushels, an increase of over 35 percent over last year and the second highest export year in Australian history.

"Upon further investigation I have found that in the February Wheat Situation the U.S.D.A. also forecasts wheat export increases this year by Canada of 19 percent, and by France of 13 percent over last year, with French exports projected at an all time historic high of 203 million bushels.

"Wheat farmers are complaining bitterly that wheat prices received this year are the lowest since before World War II and are for the first time in five years below current price support loan levels. It is obvious, since we are dependent upon export markets for sale of more than 50 percent of our wheat production that strong exports are essential to wheat farm income and a successful farm program at acceptable public cost.

"I noticed as well on page 13 of the March 10 issue of Foreign Agriculture that Russia, as well as Australia, is offering wheat in Rotterdam at prices undercutting our U.S. Hard Winter and Hard Spring wheat prices. This is distressing and leads me to question very seriously what is happening to our wheat export position as a result of the International Grains Arrangement, which was entered into last July and which, I understand, prescribes specific terms of trade on our wheat exports.

"In recent weeks there have been several stories in the press pointing out a greater degree of flexibility under the I.G.A. in calculating or accounting for ocean freight costs by both Australia and France in pricing their wheats in the prime European and Japanese markets. Is this a result of the basing point of the I.G.A. being placed at our Gulf ports, or is it a result of the fixed differentials between wheats from competing countries specified in the Agreement, or is it a result of both? Russia is not a member of the I.G.A. What effect is that having, in light of lower Russian wheat prices quoted recently in Western Europe? Also, of equal importance, what effect will I.G.A. price levels have on otherwise uneconomic wheat production and the substitution of other food grains for wheat in consuming countries?

"In light of the foregoing, I believe that a complete review and evaluation of the I.G.A. is called for, in order to regain our competitive position in world wheat markets. If this requires amendment of, or withdrawal from, the I.G.A. then that determination must be made as soon as possible. I believe you would agree that this situation is serious and of utmost importance to our balance of trade and our wheat export interests. Time is of the essence since less than four months remain of this marketing year and less than that before a new U.S. wheat crop will begin to be harvested."