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NEWS from U.S. Senator Bob Dole

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FROM THE NATION'S CAPITOL
BY SENATOR BOB DOLE

FARM EXPORTS

As most Kansans--and all farmers--know, the market for agricultural commodities has reached disastrous lows recently. In the past five months, the price of wheat has dropped 30 percent, the price of corn has dropped 33 percent and the price of soybeans has dropped by more than 46 percent. Cancellation of numerous foreign grain sales has certainly contributed to these depressed farm commodity prices.

Making the market situation even more tragic is the fact that cancelled grain sales are due in part, if not entirely, to action by the United States government to discourage export sales. Decline in the price of farm commodities is directly related to the export prior approval system established by the Administration on October 4, 1974 as a concession to Congressional advocates of export restriction who mistakenly believe that depression level farm prices will lead to lower prices for food.

PARTIAL SUCCESS

Because my requests that this prior approval system be eliminated have met with only partial success--the Secretary of Agriculture has announced modification of the export prior approval system--I have introduced legislation that would prohibit it altogether. Hopefully, introduction of the measure will spur the Administration and the Departments of Agriculture and Treasury to act rapidly and independently to cancel the regulation requiring approval of export commodity sales prior to the actual sale and delivery.

The system has made farmers the subjects of a discriminating policy of discouraging farm exports. The farmers I know are not asking for billion dollar subsidies from the government. But Kansas farmers are asking for a fair chance to compete in the market. They have been denied that fair chance because the Federal government's prior export approval system discourages foreign buyers from buying the grain they want.

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ALL AMERICANS SUFFER

When faced with the uncertainty of completing grain purchases in the U.S., foreign buyers go to other sources. The drop in exported agricultural commodities has aggravated the balance of payments deficit which means an even greater loss of jobs and national income. It means that every American, not just farmers, suffers from the loss of real income when more dollars leave the country than come in.

Although ending the export prior approval system at this point is too late to undo the damage already done to market prices, it is my strong conviction that the situation should be remedied as soon as possible to prevent it from happening again.

Many Kansas farmers have told me they believe Congress and the Administration will take notice of farm income needs only if farmers respond to export reduction and market declines by sharply curtailing production. The result of curtailed production now could be a very painful lesson.

PARTIAL SUCCESS

Because my request that the export prior approval system be eliminated has not been granted, the Department of Agriculture has announced modification of the export prior approval system. It is a step in the right direction, but it is not a complete solution. The system has been a source of a discrimination policy of the Government. The farmers I know are not asking for billion-dollar subsidies from the Government, but Kansas farmers are asking for a fair chance to compete in the market. They have been denied that fair chance because the Federal Government's prior export approval system discourages foreign buyers from buying the grain that Kansas farmers produce.

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