

# NEWS from U.S. Senator Bob Dole

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GRAIN TRADE

Once again, a controversy has arisen over the sale of grain to Russia. The sale is good for farmers, but I have been trying to convince non-farmers that it is going to give a boost to all of us by stimulating the economy.

Most critics of the grain deal miss the point entirely.

The real question should be "is it in the United States own interests to permit the sale of grain to the Soviet Union? And there are many reasons why it is. First, if our surplus grain were not sold to Russia and others, what would we do with it? Would we go back to a policy of surplus storage, which, as recently as 1972 cost the American taxpayer roughly \$4.5 billion dollars in subsidy and storage costs.

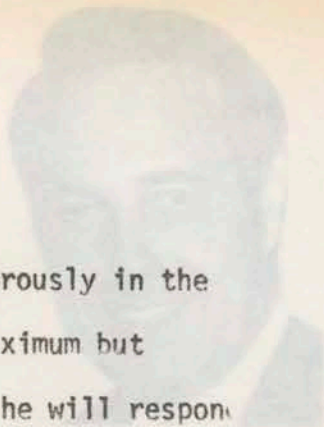
Much of the opposition rests on the mistaken fear that the sale will drive food prices up. But an average loaf of bread contains approximately 5 cents worth of wheat. In the extreme case, were wheat prices to rise even \$2 per bushel, the impact on retail bread prices would hardly exceed 4 cents a loaf.

Agriculture exports generate enormous tax revenues. Last year, it was \$47 billion. Cut exports and you cut revenues which is the last thing we need right now with a \$60 billion federal deficit.

The sales announced thus far have totalled some \$470 million. It is estimated that this unexpected stimulus to the economy could generate, directly and indirectly, in excess of 75,000 jobs. These are in addition to the creation of half a million on-farm jobs and another half a million off-the-farm which our food export business generated last year.

The American farmer has been asked to produce the maximum. He has done so, and it is in our interest that he continue to do so, so as to ensure continued adequate supplies and a more stabilized domestic food price. The cost of production continues to rise. The world demand continues to rise. The farmer's profits can





rise to keep pace with rising costs only if we involve ourselves vigorously in the competition for the world market. If we ask him to produce to the maximum but minimize demand by arbitrarily closing off sales to large purchasers, he will respond by cutting back on production.

In short, the overwhelming evidence is that farm export sales to the USSR and other countries are much more beneficial to us than detrimental. While there may be some reasons to deplore the Soviet's inability to satisfy their food needs, I believe we should be concerned first about managing affairs to our own benefit. An unemployed worker should be more interested in knowing of more jobs than about a possible few cents increase in bread prices. Frankly, I hope we can sell more grain to the Russians -- because it is to our advantage -- not just to farmers or to Kansans, but to all Americans.