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# NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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## POLITICIANS, LABOR LEADERS, COULD COST FARMERS OVER HALF BILLION DOLLARS

WASHINGTON, D.C.--"Presidential ambitions, media oversimplifications, and the misguided concerns of labor leaders could have already cost the Kansas farmer \$125 million," says Senator Bob Dole.

"The facts about the Russian grain sale have been almost totally ignored and in place of the facts, the American people have been fed a steady diet of rumor, economic oversimplification and just plain error," says Dole. As a result, he adds, the price of wheat has declined more than 30 cents per bushel in the last forty-eight hours and the value of the crop in Kansas alone, has declined \$125 million. "Nationwide, the decline is probably four to five times that amount," the Senator estimates.

With respect to Russian purchases of wheat, Dole says the predictions of a domestic shortfall and vastly increased bread prices are "so much hot air." The 1975 wheat crop has almost all been harvested. It is a record crop, estimated at almost 2.2 billion bushels. So far we have committed 165 million bushels for sale to the Soviets, less than 7.5 percent of our actual 1975 production and closer to five percent of our total wheat on hand in this marketing year. The suggestion that we might run out of wheat flies in the face of the facts -- based on known 1975 production -- that we will end the year with a carryover in the range of half a billion bushels.

"And concern about the sales impact on domestic food prices," says Dole, "is just as specious." Agriculture Committee staff studies estimate that if the sale results in a wheat price increase, the impact at worst, would be one and a half cents per loaf for ever dollar per bushel." Dole cites as his concern the fact that retail prices continue to rise even when farm prices fall. "When wheat was \$5.52 per bushel in 1974, bread sold for an average 32.5 cents a loaf. This June, wheat had fallen \$2.92 per bushel but bread had risen 3 pennies a loaf to 35.6 cents.

"Admittedly, the situation with corn is less certain than for wheat," says Dole. Corn harvest won't be complete until October. Nonetheless, by every current estimate, production will total over 6 billion bushels, and the carryover, even after contracted sales to the Soviet Union are completed, will run in excess of 800 million bushels -- an increase of 134% over last year.

"We can't know in advance if the weather will cooperate," Dole adds. "Weather is always a variable. But the law of supply and demand is a constant, and if the crop comes in low, supply and demand will operate to ensure there is an adequate amount for domestic needs."