

Remarks of Senator Bob Dole

WOODSON COUNTY COOPERATIVE MEETING

Yates Center, Kansas

Monday, January 14, 1974

IT IS A PLEASURE TO BE HERE TONIGHT FOR THE WOODSON
COUNTY CO-OP DINNER AND TO HAVE AN OPPORTUNITY TO SHARE WITH YOU
SOME VIEWS AND IDEAS ABOUT THE COMING YEAR.

AS WE LEAVE 1973 BEHIND MANY ARE RELIEVED AND GLAD TO
SEE IT GO. BUT FOR THE AMERICAN FARMER, 1973 WILL BE REMEMBERED
AS ONE THAT WORKED OUT TO BE A GOOD ONE -- IN SPITE OF SEVERAL
WORRIES AND UNCERTAINTIES.

LOOKING TO 1974, I BELIEVE THE ONLY CERTAIN OBSERVATION WE CAN MAKE AT THIS POINT IS THAT MORE OF THE SAME IS IN ORDER.

AREAS OF CONCERN

FUEL, FERTILIZER, FREIGHT, AND FARM PRICES ARE THE MAJOR AREAS OF CONCERN. A MAN HARDLY DARES TO LOOK AT A NEWSPAPER OR TURN ON A RADIO FOR FEAR OF FINDING SOME NEW DEVELOPMENT IN THESE AREAS TO CLOUD THE FARM OUTLOOK. THE ARABS HAVE THEIR OIL EMBARGO AND THEIR PRICE INCREASES. FERTILIZER DEALERS CAN'T GET PRODUCT. ELEVATORS CAN'T GET TRANSPORTATION, AND NET FARM MARGINS STAY THE SAME OR DECREASE AS PRICES FOR EQUIPMENT, FUEL, FERTILIZER, AND OTHER VITAL PRODUCTION MATERIALS GO SKY-HIGH.

STILL, FARMERS CAN FIND REASON TO BE OPTIMISTIC. WE HAVE THE BEST ECONOMIC SYSTEM IN THE WORLD, FOR ONE THING. OUR INFLATION IS PAINFUL. HOWEVER, EUROPE, JAPAN, AND OTHER INDUSTRIALIZED COUNTRIES AROUND THE GLOBE ARE TRYING TO COPE WITH INFLATION RATES OF TEN TO TWENTY PERCENT AND HIGHER. IN COMPARISON, OUR RATE OF THREE TO FIVE PERCENT MIGHT SEEM LOW.

STRONG ECONOMY

OUR ECONOMY HAS SOME IMPORTANT ASPECTS THAT MAKE IT STRONG. ONE IS COMPETITION. WITHOUT COMPETITION, PRICES RISE, SERVICE DECLINES, AND THE QUALITY AND QUANTITY OF THE PRODUCT DROPS OFF. ANOTHER ASPECT IS THE PRICE AND PROFIT SYSTEM. WHEN DEMAND INCREASES, PRICES RISE AND THE ADDITIONAL PROFIT STIMULATES

AN ADDITIONAL SUPPLY TO MEET THE DEMAND. THESE MECHANISMS, IF ALLOWED TO WORK, WILL PULL AGRICULTURE AND THE REST OF THE ECONOMY THROUGH THESE DIFFICULT TIMES. WE HAVE SEEN THIS SYSTEM WORK WELL FOR THE KANSAS FARMER THE PAST TWO YEARS -- WITH EXPANDED DEMAND -- EXPANDED EXPORTS. IT WORKS. LET'S NOT MUDDY IT UP NOW WITH EXPORT CONTROLS OR PRICE CONTROLS.

FUEL

A FARMER WITH HIS FEET ON THE GROUND AND HIS HAND ON HIS WALLET MIGHT SAY, "THIS IS GREAT FOR THE GUYS IN WASHINGTON, BUT THEY OUGHT TO TRY TO BUY SOME DIESEL FUEL OR GASOLINE." IN FACT, EVERY ONE OF THE HUNDREDS OF FARMERS WHO HAVE CONTACTED MY OFFICE WITH FUEL PROBLEMS HAVE SAID JUST ABOUT THAT. KANSAS

FARMERS PROBABLY HAVE MORE REASON TO BE CONCERNED ABOUT FUEL THAN THOSE IN OTHER PARTS OF THE COUNTRY. ACROSS THE STATE, WE'VE SEEN AN EXPANSION OF IRRIGATED ACREAGE AND AN INCREASE IN THE NUMBER OF DIESEL TRACTORS. BOTH OF THESE TRENDS TAKE MORE FUEL. IN THIS RESPECT, THE FEDERAL ENERGY OFFICE HAS ASSURED ME THAT FARMERS WILL GET AN ALLOCATION OF 100 PERCENT OF THEIR CURRENT REQUIREMENTS. THIS ALLOCATION INCLUDES PROPANE, GASOLINE, AND DIESEL FUEL. THAT REPRESENTS AN INCREASE IN THE AMOUNT PREVIOUSLY ALLOCATED FOR DIESEL FUEL. HOPEFULLY, A FARMER WILL NOW BE ABLE TO GET THE FUEL HE NEEDS WHEN HE NEEDS IT. AND I WANT TO KNOW IF YOU DON'T.

EQUALLY IMPORTANT, WE ARE TAKING STEPS TO INSURE A
COMPETITIVE OIL INDUSTRY. EVERY BUSINESSMAN KNOWS THAT COMPETI-
TION HOLDS PRICES DOWN, KEEPS SERVICE AT A HIGH STANDARD, AND
MAKES PRODUCT AVAILABLE TO CUSTOMERS. ALLEGATIONS HAVE BEEN
MADE RECENTLY THAT SOME OIL COMPANIES HAVE BEEN JACKING UP PRICES
OR HAVE BEEN WITHHOLDING PRODUCT IN ORDER TO DRIVE COMPETITION
OUT OF BUSINESS. WE WILL NOT LET THIS HAPPEN. THESE ALLEGATIONS
ARE BEING INVESTIGATED AND SOME VIOLATIONS HAVE BEEN DISCOVERED
AND ARE BEING PROSECUTED. FARMERS, MORE THAN ANYBODY ELSE, NEED
A COMPETITIVE OIL INDUSTRY. I AM WORKING TO KEEP IT COMPETITIVE.

FERTILIZER

IF FUEL PROBLEMS AREN'T ENOUGH, FERTILIZER SHORTAGES MIGHT BE SUFFICIENT TO DARKEN THE PICTURE. IT'S A GOOD EXAMPLE OF HOW COMPLEX THE ECONOMY IS. PRODUCTION OF ANHYDROUS AMMONIA AND NITRATES DEPENDS ON NATURAL GAS, WHICH IS IN SHORT SUPPLY DUE TO THE ENERGY CRISIS. SUPPLIES OF POTASH AND PHOSPHATES DEPEND ON ADEQUATE TRANSPORTATION, WHICH IS IN TIGHT SUPPLY DUE TO THE FUEL AND FREIGHT CAR SHORTAGE.

TO MAKE THE FERTILIZER SITUATION EVEN MORE ACUTE, THE PRODUCT IS BECOMING MORE AND MORE IMPORTANT TO FARM OUTPUT. DEMAND IN THE UNITED STATES FOR FERTILIZER IS UP 120 to 130 PERCENT HIGHER IN 1973 DUE TO EXPANDED EXPORTS. DEVELOPING

COUNTRIES WITH FAST GROWING POPULATIONS ARE GROWING MORE DEPENDENT ON FERTILIZER TO KEEP FOOD PRODUCTION UP WITH INCREASES IN PEOPLE.

WHEN PRICE CONTROLS ON FERTILIZER WERE BEING DEBATED LAST SUMMER, THE ISSUE OF EXPORT EMBARGO INEVITABLY CAME UP. IT BECAME CLEAR THAT OUR DEPENDENCE ON IMPORTING POTASH AND PHOSPHATE MAKES IT UNWISE TO SHUT OFF EXPORTS TO FOREIGN COUNTRIES.

THE SOLUTION WAS LIFTING PRICE CONTROLS, FIRST, TO LET AMERICAN FARMERS BID EQUALLY AGAINST FOREIGN BUYERS, AND, SECOND, TO STIMULATE THE INDUSTRY TO PRODUCE MORE FERTILIZER. WE ARE SEEING THE BAD SIDE OF THAT POLICY RIGHT NOW WITH FERTILIZER AT \$150 A TON AND HIGHER WITH LITTLE OR NO ASSURANCE YET OF

ADEQUATE SUPPLIES. MUCH OF CURRENT PRODUCTION IS STILL COMMITTED TO FILL EXPORT CONTRACTS.

THERE IS A BRIGHT SIDE, HOWEVER. WITH PRICES AND PROFITS SHARPLY UP, FERTILIZER COMPANIES CAN BE EXPECTED TO EXPAND PRODUCTION RAPIDLY TO INCREASE THEIR INCOME. THE FERTILIZER INSTITUTE INDICATES THIS IS ALREADY TAKING PLACE, WITH PRODUCTION UP TEN PERCENT OR MORE. EXPANSION MEANS COMPETITION AMONG THE PRODUCERS, WHICH EVENTUALLY SHOULD LEAD TO MORE REASONABLE PRICES, BETTER SERVICE, AND MORE PRODUCT. THAT'S WHAT OUR ECONOMY IS BASED ON AND IT'S A TIME-HONORED SYSTEM.

FREIGHT

THE FREIGHT CAR SHORTAGE IS SOMEWHAT DIFFERENT IN THAT IT HAS BEEN WITH US ANNUALLY AS FAR BACK AS I CAN REMEMBER. WE CAN NEVER SEEM TO OBTAIN AN ADEQUATE SUPPLY OF RAILROAD CARS TO MOVE THE GRAIN AT HARVEST . . . AND OF COURSE WHEN PRODUCTION IS EXPANDED AS GREATLY AS IT HAS THE PAST TEN - TWENTY YEARS WITH HYBRID GRAIN SORGHUMS AND CORN AND IMPROVED WHEAT VARIETIES, THE SUPPLY OF CARS GETS EVEN TIGHTER. WE HAVE INCREASED THE USE OF TRUCKS AND RIVER BARGES TO MOVE GRAIN AND WE STILL CAN 'T OBTAIN ADEQUATE EQUIPMENT.

THE SHORTAGE OF EQUIPMENT TO MOVE AGRICULTURAL COM-MODITIES CANNOT BE DISPUTED. ANY FARMER WHO HAS RECEIVED ONLY

A PARTIAL PAYMENT FOR HIS GRAIN AT DELIVERY BECAUSE OF A LACK OF EQUIPMENT AT THE ELEVATOR CAN SPEAK FOR THAT. ELEVATOR MANAGERS, FACED WITH UNCERTAINTIES ABOUT SHIPPING, WERE FORCED TO PAY ONLY A PORTION OF THE AGREED PRICE ACCORDING TO HOW HE WAS ABLE TO HEDGE OFF HIS PURCHASE WITH A SALE TO THE GRAIN MARKETS AND WHEN DELIVERY WOULD BE REQUIRED. THIS UNCERTAINTY COUPLED WITH INCREASED INTEREST RATES . . . FORCED THESE GRAIN MEN TO INCREASE THEIR OPERATING MARGINS. AND INCREASED MARGINS MEANS LESS NET TO THE FARMER.

YET WE HAVE A COMPETITIVE GRAIN INDUSTRY . . . AND MANY OF YOU WHO HAVE BEEN ACTIVE IN FARMER COOPERATIVES FOR SOME

TIME KNOW THE IMPORTANT ROLE THAT THE FARMERS' COOPERATIVE GRAIN
ELEVATORS HAVE PLAYED IN KEEPING IT COMPETITIVE.

COMPETITION ENCOURAGES ELEVATOR MEN TO KEEP THEIR
OPERATING MARGINS AS SLIM AS POSSIBLE IN ORDER TO HOLD THEIR
PLACE IN THE BUSINESS. TO MAINTAIN THIS CONDITION IN THE GRAIN
INDUSTRY, WE NEED TO IMPROVE RAIL, TRUCK, AND BARGE SERVICE.

AS 1972 AND 1973 HAVE SHOWN, EXPORT SALES MAKE THE
DIFFERENCE BETWEEN \$1.50 AND \$5.00 WHEAT AND BETWEEN \$2.00 AND
\$6.00 SOYBEANS. AND IT IS JUST AS CLEAR THAT THERE CAN BE NO
EXPORT SALES WITHOUT THE FACILITIES TO SHIP GRAIN TO FOREIGN
COUNTRIES.

BUT THE PROBLEM HAS BECOME TREMENDOUSLY MORE DIFFICULT
IN THE PAST YEAR. IN FISCAL YEAR 1972, WE EXPORTED 18 MILLION
TONS OF WHEAT. IN FISCAL YEAR 1973, THE FIGURE WAS OVER 35 MIL-
LION TONS. THE DIFFICULTY IS SHIPPING NEARLY TWICE AS MUCH
WHEAT IN AN ALREADY STRAINED SYSTEM -- BUT THE EFFORT IS WORTH
IT! IN 1972, WHEAT EXPORTS WERE VALUED AT \$1 BILLION. IN 1973,
THE VALUE WAS OVER \$2.3 BILLION . . . MORE THAN TWICE AS MUCH.
SO IMPROVEMENTS IN FREIGHT SERVICE ARE VITAL.

THE INTERSTATE COMMERCE COMMISSION HAS ALREADY TAKEN
SEVERAL STEPS TO IMPROVE RAIL SERVICE, INCLUDING THE REGULATION
OF EXPORT FACILITIES TO PREVENT AN EXCESS ACCUMULATION OF CARS

IN THE PORT AREAS. THE RAILROADS ARE EXPANDING CAR STOCKS AND HAVE BROUGHT CARS DESIGNED FOR OTHER INDUSTRIES INTO SERVICE AS GRAIN CARS.

THE FEDERAL ENERGY OFFICE HAS TAKEN STEPS TO INSURE TRUCKERS AND TRUCK STOPS AN ADEQUATE SUPPLY OF FUEL FOR AGRICULTURAL NEEDS. THE CONGRESS IS EXPLORING WAYS TO MAKE ABANDONMENT PROCEDURES FOR BRANCH LINES MORE EQUITABLE TO COMMUNITIES DEPENDING ON RAIL SERVICE. IN THE SENATE AGRICULTURE COMMITTEE, WE ARE PLANNING COMPREHENSIVE HEARINGS ON THE TRANSPORTATION NEEDS OF FARMERS.

THE FREIGHT SITUATION, OF COURSE, IS NOT SATISFACTORY, BUT SERVICE IS IMPROVING. LET'S REMEMBER WE ARE ASKING FOR A

LOT OF EXPANSION IN THE SYSTEM AND IT TAKES SOME TIME. LET'S
HELP IT WORK.

FARM PRICES

IN THE FINAL ANALYSIS, THE WELL-BEING OF FARMERS
DEPENDS ON THE PRICES THEY GET AND THE PRICES THEY PAY. WHEN
WHEAT IS SELLING AT CLOSE TO \$5.00 AT LOCAL ELEVATORS, IT IS
DIFFICULT TO IMAGINE A RECURRENCE OF THE DEPRESSION-LEVEL
PRICES FARMERS WERE GETTING NOT MORE THAN A YEAR AND A HALF AGO.
YET WITH EXPANDED CROP ACREAGE AND UNCERTAIN EXPORT MARKETS,
THE LINE BETWEEN FUTURE SURPLUS AND FUTURE SCARCITY BECOMES
DIFFICULT TO DISTINGUISH.

WE'VE SEEN A NEW TREND LATELY. FARMERS ARE NOT SELLING EVERYTHING THIS YEAR WHEN THE MARKET SHOWS THE FIRST SIGNS OF BREAKING. AS A CONSEQUENCE, THE MARKET HAS STAYED HIGH. AND FARMERS HAVE NOT OVER-REACTED TO GOOD PRICES BY PLANTING EVERY AVAILABLE ACRE. THE DEPARTMENT OF AGRICULTURE EXPECTS WHEAT PRODUCTION, FOR EXAMPLE, TO INCREASE FROM 1.7 BILLION BUSHELS IN 1973 TO A LITTLE LESS THAN 1.9 BILLION BUSHELS IN 1974. AN INTERESTING ASPECT IS THAT THE INCOME TO FARMERS MAY RISE TO MUCH HIGHER LEVELS. IN 1973, 35 MILLION TONS OF WHEAT WERE EXPORTED FOR \$2.3 BILLION. THE SAME VOLUME

OF EXPORT IS PREDICTED FOR 1974 BUT THE VALUE IS EXPECTED TO BE AROUND \$5 BILLION. WITHOUT A DOUBT, FARMERS ARE SHARPER AND MORE UNDERSTANDING OF THE MARKET THAN EVER BEFORE.

STILL, WITH THE COMPLEXITY OF THE MARKET AND THE MULTITUDE OF FACTORS INVOLVED, IT IS IMPOSSIBLE TO PREDICT FARM PRICES FOR 1974. TO PREVENT A POSSIBLE RETURN TO FORMER DEPRESSION LEVEL PRICES, THE CONGRESS HAS ESTABLISHED TARGET PRICES OF \$2.05 A BUSHEL FOR WHEAT AND \$1.38 FOR CORN. TO ITS CREDIT, THE CONGRESS HAS PROVIDED FOR AN INCREASE IN THE TARGET PRICE FOR THE 1976 AND 1977 CROPS TO OFFSET INCREASES IN THE COST OF FARM EQUIPMENT, FUEL, FERTILIZER, AND OTHER ESSENTIAL MATERIALS.

THE OUTLOOK FOR CONTINUED HIGH PRICES THROUGH NEXT
SUMMER'S WHEAT HARVEST IS GOOD. THERE IS SOME THOUGHT THEY
MIGHT GET TOO GOOD AND MILLERS ARE ALREADY ASKING FOR EXPORT
CONTROLS TO REDUCE THE PRICE OF WHEAT . . . TO INCREASE THEIR
SUPPLY OF LOW PRICED FLOUR.

THE SALES THE PAST TWO YEARS HAVE PROVED THE NEED FOR
A BETTER SYSTEM FOR MONITORING OUR EXPORTS. BUT THIS DOES NOT
MEAN EXPORT CONTROLS. SUCH A MONITORING SYSTEM WAS PROVIDED IN
THE AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973. IT REQUIRES
REGULAR PUBLIC REPORTING OF EXPORT SALES BUT PREVENTS GOVERNMENT
INTERFERENCE IN FOREIGN SALES WHICH COULD UNNECESSARILY DAMAGE
OUR OVERSEAS TRADE.

ANY CONTROLS THAT WOULD INHIBIT OUR EXPANDED EXPORT COMMITMENTS WOULD HAVE DRASTIC EFFECTS TO THE FARMERS. I HAVE OPPOSED SUCH CONTROLS AND SHALL CONTINUE TO WHEN SUCH LEGISLATION IS PROPOSED.

CONCLUSION

AS I SAID, FUEL, FERTILIZER, FREIGHT, AND FARM PRICES MAKE THE FARM PICTURE FOR 1974. THE PROBLEMS ARE NOT ALL NEW ONES AND THEY ARE NOT SIMPLE ONES. BUT NEITHER ARE THEY UNSOLVABLE. WE ARE MAKING PROGRESS ON SOME SOLUTIONS, AND WE ARE WORKING ON OTHERS. BUT MOST IMPORTANT, WE HAVE THE BENEFIT OF A GOOD ECONOMIC SYSTEM. IT HAS WORKED FOR 200 YEARS TO MAKE US THE MOST PROSPEROUS, BEST FED, AND SECURE NATION IN THE WORLD.

AND I BELIEVE IT AND THE AMERICAN PEOPLE ARE CAPABLE OF MEETING
THE CHALLENGES WHICH 1974 AND THE COMING YEARS WILL HOLD.

THERE ARE MANY QUESTIONS FOR ALL OF THE ECONOMY IN THE
YEAR AHEAD. BUT I BELIEVE FARMERS IN PARTICULAR HAVE GOOD REASON
TO BE OPTIMISTIC ABOUT THE OUTCOME AND CAN LOOK FORWARD TO 1974
BEING ONE OF THE BEST YEARS YET.

Monday,
January 14

Remarks of Senator Bob Dole
Hoodson County Co-op Meeting
Gates Center, Ks

I am deeply concerned by the efforts to limit exports of wheat during the balance of the marketing year. I do not think that there is much benefit to be gained in discussing the motivation of the proponents. Rather, we could all benefit by understanding the implications in terms of economic and trade policy.

For the 11 months January through November, U.S. agricultural trade resulted in a positive balance of \$8.1 billion. This more than offset the \$7.5 billion deficit incurred by trade in nonagricultural products, so that the total U.S. international trade account for 11 months stood at over a half billion dollars on the positive side.

The 1973 farm export total exceeded the 1972 record of \$9.4 billion by about \$8.0 billion.

A record farm export total for the year put this country well on the way to its first favorable trade balance since 1970.

1971 and 1972 were years of trade deficits and we saw a decline in the value of the dollar. 1973 with its great farm exports resulted in great recovery in our trade position, and daily we read of the strengthening of the dollar. Agriculture's contribution to this recovery is evident in the fact that our favorable balance of agricultural trade in January-November was up \$5.7 billion compared with a year earlier.

As Secretary Butz recently said: "American farmers, by virtue of their superior ability to produce, have marketed enough products to foreign customers this year to offset the value of all our imports of coffee, cocoa, bananas, and other agricultural products, all of our petroleum imports for the year, plus a substantial balance to apply against other nonagricultural imports.

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"This is proof once again that agriculture's export trade is essential, not only to farm prosperity, but also to our national economy."

That is a great contribution! I find it essential to tell this story at every opportunity. What would our national and Kansas economy be without this performance by our farmers. Agricultural exports now represent nearly one-fourth of all U.S. exports. It is the brightest spot in our national trade picture. We will need this strong agricultural trade even more as our dependence on foreign sources increases for the basic materials of industry. The basic fact is that the farm export balance of trade is strengthening the value of the dollar and making the United States stronger not weaker.

It has been suggested that exports of wheat be limited to 10 million bushels per week for the balance of the marketing year. This seems at first glance as a sensible thing to do in a time of tight supplies. However, we should look beyond the proposals to the economic consequences and the effects on our international relations.

First effect would be a sharp drop in the market price of wheat -- between \$1 - \$2 per bushel. On January 15, I would estimate that there will be about 900 million bushels of wheat in the United States. The proposed simple act of export control imposition would reduce the value of this supply by over \$1 billion. A major part of this loss would accrue to the Kansas wheat grower. Their reduced purchasing power would affect adversely every community in the state.

Such an announcement for wheat with the attendant sharp drop in prices would be accompanied by a rapid increase in world prices. In other words, the effect would be to have a two tier system in the world wheat economy --

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with U.S. prices probably \$3 to \$4 per bushel under that in the rest of the world. What a bananza -- or subsidy -- to our export competitors!

Moreover, this government act would mean that those workers who would otherwise be engaged in handling, transporting, cleaning and merchandising these amounts of wheat not exported would be out looking for jobs in an already surplus labor market.

The proposal involves government regulatory activities at every stage. Those who experienced the soybean export control debacle can be witness to the full effects of such an approach.

Hundreds of thousands of forms will have to be filled out and export licenses granted prior to the export of any additional wheat. In other words the movement of the wheat would be entirely dependent upon the bureaucratic decisions emanating from newly hired or transferred employees of the Department of Commerce. This approach is a most undesirable interference in the free flow of wheat from the producer to the ultimate consumer no matter where he is.

The mechanics of such a proposal would involve unilateral cancellation of freely entered into contracts. This would mean windfall profits to some and windfall losses to many more. We witnessed what happened in this area in June 1973, when an embargo and allocation system was invoked on soybeans, soybean products, and related or competitive protein or oil products. The results were disastrous, dropping the market prices and endangering our relations with customer nations who now have cause to doubt the sincerity of our trade commitments after such action and our reliability for delivery. We must be determined not to again tarnish unnecessarily our credibility as a nation as a dependable supplier of wheat for export.

Actually, to the consumer -- concerned by rising prices of many goods --

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the proposal would be inflationary. With the dollar weakened by this proposal because of loss of dollar earnings, our imports would cost more.

We are important members of the trading world and a significant part of the world economy. The United States cannot maintain its current standard of living without massive imports of fuels, raw materials, bananas, coffee, shoes, automobiles, TV sets, and other low-cost consumer items. Furthermore, we cannot import these items if we do not export. This Nation would go bankrupt.

Wheat and other farm products are factors in the American economy in which we retain a comparative economic advantage. The \$5 billion which the United States will earn from wheat exports should be applauded, not criticized.

The United States does have something foreign buyers want -- wheat. We're the world's biggest and most efficient supplier. We have the land, the climate, the world's best-educated and most capable wheat farmers, backed by farm supply industries and a marketing system to match.

For the public, this means bidding for farm products along with the other consumers of the world. Sometimes that will mean paying prices higher than they would like -- particularly during periods of tight supply or increasing demand. It means trusting the market to work in our long-run best interests.

For wheat and other farmers, the decision to market both here and abroad is a growth opportunity. It means U.S. farmers will get a fair shot at the export market growth being generated by rising overseas incomes. It means a stronger demand for agricultural resources which will benefit all the farmers in the nation -- whether their particular production goes overseas or not.

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The basic fact is that our country's greatest asset is our capacity to produce and export wheat, soybeans, feed grains and cotton. This capacity can foster both American prosperity and this country's diplomatic influence.

It is regrettable that the representations of an industry which has long suffered financial losses from bureaucratic controls should wish to shift its burdens to the wheat growers, labor, exporters and ultimately through inflation to all of us.