

STATEMENT AT PRESS CONFERENCE  
FAYETTEVILLE, NORTH CAROLINA  
APRIL 2, 1974

"AGRICULTURAL EXPORT POLICY"

IT IS INCREASINGLY EVIDENT THAT THE AGRICULTURAL PROGRAMS OF THE ADMINISTRATION ALLOW "THE FOREIGN POLICY TAIL TO WAG THE DOMESTIC POLICY DOG." WE ARE GIVING TOO MUCH ATTENTION TO FOREIGN EXPORT DEALS WHILE NOT GIVING ENOUGH ATTENTION TO FEEDING AMERICANS AT HOME AND HOLDING DOWN THE COST OF LIVING.

I WANT TO MAKE IT CLEAR THAT I BELIEVE AMERICA MUST ASSUME A MAJOR SHARE OF THE BURDEN OF FEEDING THE WORLD. BUT WHAT IS THE POINT OF TRYING TO FEED THE WORLD IF WE GO BROKE HERE AT HOME? ALL I AM SUGGESTING IS THAT, YES, WE SHOULD TRY TO PRODUCE AS MUCH AS THE WORLD WILL BUY, BUT AT A FAIR RETURN FOR LABOR AND CAPITAL INVESTED HERE AT HOME. AND WE SHOULD NOT PRICE OUR OWN HOMEMAKERS OUT OF THE GROCERY STORE IN THE PROCESS.

A CASE IN POINT IS THE RUSSIAN WHEAT DEAL OF 1972. SOMETIMES REFERRED TO AS "THE GREAT AMERICAN GRAIN ROBBERY," MORE THAN 400 MILLION BUSHELLS OF WHEAT (1/3 OF THE 1972 AMERICAN CROP) WERE SOLD TO THE RUSSIANS BY SIX BIG GRAIN COMPANIES. MOSCOW REAPED LOW PRICES AND THE COMPANIES REAPED HIGH PROFITS, BOTH DUE TO OUR GOVERNMENT'S INTERVENTION AND SUBSIDIZATION. (AMERICAN TAXPAYERS PAID

ALMOST \$400 MILLION IN DIRECT SUBSIDIES IN CONNECTION WITH THE GRAIN SALE.)

THE WHEAT DEAL IS THE BEST EXAMPLE OF SNATCHING DEFEAT FROM THE JAWS OF VICTORY SINCE DEWEY "DEFEATED" TRUMAN A QUARTER OF A CENTURY AGO. AS THE OWNER OF THE WHEAT, THE UNITED STATES HAD A SELLER'S MARKET. HOWEVER, SECRETARY OF AGRICULTURE BUTZ MANAGED TO HAVE US SELL AT A LOSS AND FURTHER STRAINED THE BUDGETS OF MILLIONS OF HOUSEHOLDS, ALREADY AT THE BREAKING POINT DUE TO THE CURRENT WAVE OF INFLATION. (IT IS ESTIMATED -- BY SCOOP JACKSON -- THAT THE WHEAT DEAL COST THE AMERICAN CONSUMER OVER \$1 BILLION IN INCREASED FOOD COSTS.)

INCREDIBLE AS IT MAY SEEM, AMERICA -- THE BREADBASKET OF THE WORLD -- MAY NOW BE FACING A WHEAT SHORTAGE. SOME ECONOMISTS THINK THAT BY LATE SPRING THE PRICE OF A LOAF OF BREAD MAY HAVE RISEN -- LIKE YEASTY DOUGH -- TO 75 CENTS. IF THE EARLY WHEAT HARVEST FALLS BELOW EXPECTATIONS, THE SITUATION COULD GET WORSE AND SHOPPERS WILL HAVE TO LINE UP TO BUY BREAD JUST AS MOTORISTS NOW LINE UP TO BUY GAS.

IS IT THE RESPONSIBILITY OF THE FEDERAL GOVERNMENT TO MAINTAIN WHEAT RESERVES ADEQUATE FOR OUR NATION'S NEEDS?

SO FAR THE NIXON ADMINISTRATION HAS SAID "NO."

MR. BUTZ SAYS HE FAVORS A FREE-MARKET FARM POLICY (WHILE SUBSIDIZING THE BIG GRAIN COMPANIES) THAT ENCOURAGES WHEAT FARMERS TO GROW ALL THE WHEAT THEY CAN AND ALLOWS EXPORTERS TO SELL ALL THEY CAN TO FOREIGN BUYERS. THIS APPROACH LEAVES IT TO RISING DOMESTIC PRICES TO KEEP ENOUGH AMERICAN WHEAT AT HOME. CLEARLY THE GOVERNMENT IS MORE CONCERNED WITH FARM EXPORTS THAN WITH HOLDING DOWN THE COST OF LIVING IN THE UNITED STATES.

I FAVOR LEGISLATION NOW BEFORE THE SENATE TO PREVENT A RECURRENCE OF THE SOVIET DEAL AND ASSURE THAT ENOUGH AMERICAN WHEAT STAYS AT HOME. IT WOULD REQUIRE THE AGRICULTURE DEPARTMENT TO FORECAST AMERICAN PRODUCTION EACH YEAR, SET ASIDE THE AMOUNT NEEDED FOR DOMESTIC USE, AND ALLOCATE THE REMAINDER FOR FOREIGN SALE AND STOCKPILING TO MEET EMERGENCY NEEDS. WE MUST STABILIZE THE AMERICAN MARKET.