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"AGRICULTURAL EXPORTS AND THE IMPACT OF INFLATION ON AVERAGE
PEOPLE"

EARLY IN MY CAMPAIGN, I POINTED OUT THAT THE CREDIBILITY CRISIS IN THIS COUNTRY IS DIRECTLY RELATED TO THE ECONOMIC CRISIS. GOVERNMENT IS NOT CREDIBLE IN THE EYES OF THE PEOPLE BECAUSE IT APPEARS TO BE IMPOTENT OR INCOMPETENT IN DEALING WITH INFLATION. THE PEOPLE WANT PERFORMANCE, NOT PROMISES. WHEN THEY DO NOT GET IT, THEY LOSE CONFIDENCE IN THEIR LEADERS AND IN OUR SYSTEM. AND, THIS ATTITUDE MAKES IT EVEN MORE DIFFICULT FOR POLITICAL LEADERS TO RALLY THE PEOPLE BEHIND A COURSE OF ACTION.

THE AVERAGE MAN IN THIS COUNTRY IS UP AGAINST THE WALL. INFLATION IS HIGHER THAN IT HAS BEEN IN ALMOST A GENERATION. FOR A MAJORITY OF OUR PEOPLE, IT IS THREATENING THEIR WAY OF LIFE.

CONSIDER THE FACT THAT IN 1973, THE INFLATION RATE WAS 8.8 PERCENT. WAGES ROSE BY AN AVERAGE OF 5.8 PERCENT. THUS, IF YOU GOT AN AVERAGE WAGE HIKE, YOU WERE STILL BEHIND, AND THIS

DOES NOT TAKE ACCOUNT OF "HIDDEN TAXES," THE HIGHER TAXES YOU PAY AS YOU MOVE INTO HIGHER WAGE BRACKETS OR HIGHER SOCIAL SECURITY TAXES. IN OTHER WORDS, MOST PEOPLE ARE NOT ABLE JUST TO "STAND STILL" IN RELATIVE PROSPERITY.

PEOPLE ARE ASKING "WHO'S DOING THIS TO ME AND WHY?" TOO MUCH OF THE BLAME IS BEING PLACED ON THE WRONG PEOPLE -- GAS STATION OPERATORS, FOR EXAMPLE. THE REAL CULPRITS ARE THE CORPORATIONS -- WHO CAN HELP CREATE AND THEN PASS ON INFLATION -- AND THE POLICIES OF THE FEDERAL GOVERNMENT.

FOR EXAMPLE, IT IS ESTIMATED THAT THE 1972 RUSSIAN WHEAT DEAL COST THE AMERICAN CONSUMER OVER ONE BILLION DOLLARS IN INCREASED FOOD COSTS. THE SIX BIG GRAIN COMPANIES WHO SOLD IT REAPED HIGH PROFITS. THE RUSSIANS GOT LOW PRICES.

BUT THIS IS ONLY THE TIP OF THE ICEBERG. THE END OF THE EXPANSION IN FOREIGN AGRICULTURAL TRADE IS NOT IN SIGHT. THE SECRETARY OF AGRICULTURE IS STILL WORRYING ABOUT FOREIGN MARKETS WHILE PEOPLE HERE AT HOME ARE PAYING MORE FOR LESS IN THE SUPERMARKETS. AMERICANS ARE FACED WITH A BREAD AND MEAT SHORTAGE; YET, THE ADMINISTRATION EXPECTS US TO OUTBID OTHER COUNTRIES FOR THE FOOD THAT OUR NATION PRODUCES. THIS APPROACH LEAVES IT TO RISING DOMESTIC PRICES TO KEEP ENOUGH

AMERICAN WHEAT AND OTHER FARM PRODUCTS AT HOME.

I WOULD EMPHASIZE THAT I BELIEVE AMERICA SHOULD PLAY A MAJOR ROLE IN WORLD TRADE. BUT WHAT IS THE POINT OF TRYING TO FEED THE WORLD IF WE GO BROKE HERE AT HOME?

THEREFORE, 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. THE AMERICAN MARKET MUST BE STABILIZED.