U.S. exports—industrial and agricultural—can and must be expanded. American farmers are already making a major contribution to U.S. export earnings. Last year U.S. agricultural exports reached a new high, totaling $6.8 billion. This accounted for 22 percent of total U.S. exports. But, as the world's largest exporter and most efficient producer of farm products, American farmers can play a larger role. We have set our sights on annual agricultural exports of $10 billion. This goal is attainable if we are permitted to price competitively and market efficiently. This requires vigorous trade negotiations designed to reduce restrictions on world trade with nations which are prepared to offer reciprocal benefits to U.S. exports. Such negotiations not only must include—they must emphasize—trade in agricultural products. At the same time, Government supply management features of domestic farm programs should be abandoned.

The proposed International Wheat Trade Convention, which has been sent to the U.S. Senate for ratification, is contrary to these objectives. This convention fails to liberalize world wheat trade; in fact, it tends to legitimize trade restrictions. It would restrict export opportunities for U.S. wheat farmers and significantly limit their ability to contribute further to solving the balance-of-payments deficit.

We agree with the President that the present situation calls for action to "* * * accomplish a sharp reduction in the Federal deficit * * *"; however, we believe that the reduction must be achieved by placing major emphasis on reductions in Federal spending before consideration is given to increases in Federal taxes.

Our policy on this point reads in part as follows:

> The current fiscal situation calls for action to eliminate strong inflationary pressures. At this time we oppose any increase in taxes which is not matched by a prior and equivalent reduction in government expenditures for the duration of the tax increase. Increases in federal receipts as a result of any tax increase should be used in future years to reduce or eliminate annual deficits rather than to justify higher expenditures.
>
> We urge the Executive Branch to make significant reductions in current expenditures and in future budget requests for both defense and nondefense programs.
>
> At the same time, Congress should take steps to make changes in basic legislation enabling effective evaluation and control of government spending within annual appropriations.

In practice, this means that before we would support a tax increase of $5 billion, for example, and we say in that resolution that we oppose a tax increase unless a comparable and prior reduction in spending was made. In practice, this means that before we would support a tax increase of $5 billion, for example, a spending cut of at least $5 billion must be achieved. This would result in a net reduction of $10 billion in the budget deficit. We reject outright the contention that no sizable reduction can be made in nondefense spending. Nondefense spending has been swollen in recent years by a tremendous expansion of new Federal programs. Regardless of any differences of opinion that may exist with respect to the merits of individual programs, it should be crystal clear that the Federal Government has been trying to do too much at once.

We must not overlook the fact that we are engaged in a major war in Southeast Asia. To assume that sacrifices in nondefense spending are unnecessary is folly. It is obvious that the Nation's security must have priority, and domestic spending must be adjusted accordingly. Con-