

Representative Boggs. Would you try to balance that off with some kind of a restriction on imports?

Mr. NORRIS. I think when you talk about restricting imports, you get into all sorts of questions such as quotas, protectionist measures, and so forth.

Representative Boggs. Of course, that is the other country's exports.

Mr. NORRIS. Sure. I would like to see some specific proposals on it. I have none to make, actually, at this stage of the discussion.

Representative Boggs. Mr. Chairman, I have consumed my time. I want to thank you gentlemen for being so courteous, and I thank you for your testimony.

Chairman PROXMIRE. Senator Jordan?

Senator JORDAN. Thank you, Mr. Chairman.

Gentlemen, I appreciate the statements you have given here before the committee. They are very helpful to us, I assure you.

Mr. Cook, I just returned from out west, and when I was out there I had a meeting with some of our wheatgrowers, and they complained to me that the world price of wheat was too low, that they could not grow wheat and survive at present world price of wheat.

The International Grains Agreement, as you said in your statement, would raise the minimum world trading price of wheat by 23 cents a bushel. Yet, in your opinion, the way I read your statement, we would only lose our export markets by this type of inconsistency. Is that your position?

Mr. Cook. Yes, sir.

Senator JORDAN. And you believe that it would be self-defeating, if we were to raise the minimum world trading price of wheat by 23 cents, that it would be self-defeating because you believe we would lose our world markets by so doing.

Mr. Cook. Well, sir, I would like to say that it is probably true that the western wheatgrowers cannot survive at the world wheat price. The current loan, as you know, is \$1.25, the base loan, and they get a cash subsidy payment of approximately 45 or 46 cents a bushel, so they are not growing wheat at the world level. They are getting paid in excess of that, as you know, I am sure.

That is the problem if we are to keep pressure on the common agricultural policy of the European Economic Community, in particular, France. They sold 500,000 tons of wheat to Red China on credit last week at \$47 a ton f.o.b., against an internal support price of \$2.87 a bushel, or a little over about \$100 a ton. Now this is considerably less than we can sell wheat at, even at \$1.25.

I would say that France is probably contributing 25 percent of the funds to the CAP, and getting, say, 75 percent of the benefits, and I think it is against our national interest to take the heat off in this area and induce the production of wheat in other parts of the world where they are relatively inefficient, and run into the same thing in wheat that we have run into in cotton, where we have seriously damaged our world markets.

This is my position on the raising of the levels.

Senator JORDAN. Thank you.

Mr. Hamilton, you made a good case for your company and the effect of these regulations on your foreign operations. What do you