

News from Senator

BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

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CONTACT: WALT RIKER
(202) 224-6521

DOLE, JEPSEN HAIL SOVIET RETURN TO U.S. GRAIN MARKET

ADDITIONAL PURCHASES NOW POSSIBLE

WASHINGTON -- Senators from two leading farm states reacted favorably today to the announcement that the Soviet Union has accepted President Reagan's offer to extend for one-year the current grain agreement between the U.S. and the U.S.S.R.

In a joint statement released from their Washington offices, Senators Roger Jepsen (R-Iowa) and Robert Dole (R-Ks.) said the extension announced by Secretary of Agriculture John Block is another step toward revitalizing grain trade between the two super powers. The two Senators have been pushing for such an extension ever since their meeting with top Soviet officials in Washington earlier this year.

"We are pleased the Soviet Union is returning to the American grain market. It's clear the Soviets now view the United States as a reliable and consistent trade partner, an important factor considering the perception problem that has plagued grain trade between the two countries following President Carter's damaging grain embargo of 1980."

The extension provides that the Soviet Union must buy a minimum of 6 million metric tons and up to 8 million metric tons of grain, without consultation under the current grain agreement. Additionally, the extension preserves the framework for significant additional purchases by the Soviet Union.

"We are encouraged that Secretary Block will immediately pursue formal channels for the discussion of additional grain purchases. With bins overflowing and another bumper crop approaching, it is essential that we exhaust every opportunity for expanding and solidifying formal grain trade between the United States and the Soviet Union," the Senators said. "We feel negotiations should be completed as soon as possible and we encourage the Russians to quickly enter our market with specific purchases -- to this end we plan to talk to Secretary Block next week to make sure that this trade momentum continues."

"Today's decision by the Soviets marks the resumption of a formal trade relationship. We should build on that relationship with a view toward developing new long-term agreements that will guarantee American farmers a robust foreign market for their abundant harvest."

"We know the Russians will import about 46 million metric tons of grain from foreign suppliers during the extension period. With the Soviets below average crop of 170 million metric tons, this agreement plus the additional tonnage offered by the Secretary will allow the Soviets to purchase substantial quantities of U.S. grains."