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FOR IMMEDIATE RELEASE
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DOLE REQUESTS ADMINISTRATION ACTION TO BOLSTER FARM EXPORTS

WASHINGTON, D.C. -- Senator Bob Dole today urged increased funding for the Commodity Credit Corporation, and the P.L. 480 program (Food for Peace), as well as increased credits from the Export-Import Bank for agricultural commodities. In letters to Secretary of the Treasury Michael Blumenthal and Secretary of Agriculture Bob Bergland, Dole recommended the increases as the "most effective tools at your disposal for stimulation of exports."

Following are the texts of Dole's letters:

DOLE LETTER TO SECRETARY OF AGRICULTURE BERGLAND-

The export outlook in FY 78 for U.S. farm commodities indicates the need for the fullest use of P.L. 480 and CCC credits to stimulate exports.

I believe the CCC credit budget figure for FY 78 of $750 million is grossly inadequate. More export stimulation will be needed next fiscal year than was the case in FY 77 when the CCC credit budget was $1 billion. In view of the fact that the competition will likely be keener next fiscal year for a broader range of commodities which are now beginning to experience slack demand and falling prices, it seems to me that at least $1.5 billion is needed in CCC credits to stimulate farm exports in FY 78. As you have acknowledged in testimony, this program does not accrue costs to taxpayers since the interest rates charged are above the cost of money to the U.S. Treasury.

A $1.5 billion CCC credit program would help compensate for the apparent deemphasis of agricultural commodity financing by the Export Import Bank, would help U.S. farm producers be more competitive in commercial markets, and should reduce the outlay for farm crop deficiency payments.

Also, the sums budgeted for P.L. 480 in FY 78 are inadequate not only from the standpoint of the need to meet food aid objectives of 6 million tons or more from the United States, but new legislative provisions will necessitate a supplemental budget request for additional funds for P.L. 480, Title I in FY 78.

The sum of less than $600 million for Title I commodity costs in the Administration's budget for FY 78 is grossly inadequate and becomes even less adequate under new legislative provisions which "allows the carryover of unobligated balances of the preceding calendar year only, and provides that new spending authority for Title I shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation acts."

In view of both the food aid objective of 6 million tons or more of annual shipments and the need to stimulate farm exports, $1 billion is needed for Title I commodity purhcases next fiscal year.