

Bob Dole



NEWS
FROM:

U. S. SENATOR FOR KANSAS
SENATE REPUBLICAN LEADER

FOR IMMEDIATE RELEASE
MAY 15, 1991

CONTACT: WALT RIKER
(202) 224-5358

SOVIET FOOD CREDITS

DOLE RESOLUTION SPELLS OUT COMPREHENSIVE CONDITIONS; POTENTIAL TO HELP AMERICAN FARMERS, EASE SOVIET FOOD CRISIS

WASHINGTON - SENATE REPUBLICAN LEADER BOB DOLE (R-KS) TODAY ISSUED THE FOLLOWING STATEMENT ON S. RES. 117, A BI-PARTISAN RESOLUTION SUPPORTING A \$1.5 BILLION FOOD CREDIT OFFER TO THE SOVIET UNION.

OUR CONSIDERATION OF THIS ISSUE COULDN'T BE MORE TIMELY. AS EVERYONE KNOWS, THE WHITE HOUSE HAS BEEN REVIEWING THE SOVIET REQUEST FOR \$1.5 BILLION IN NEW AGRICULTURAL CREDIT GUARANTEES, AND IS GETTING DOWN TO DECISION TIME. I THINK THE FACT THAT THIS DECISION HAS TAKEN SO MUCH TIME, AND HAS BEEN THE SUBJECT OF SO MANY DISCUSSIONS AND NEGOTIATIONS HERE IN THE SENATE, REFLECTS THE FACT THAT THIS IS NOT AN EASY CALL.

BUT THAT IS THE MOST IMPORTANT REASON FOR THE SENATE TO ACT ON THIS RESOLUTION NOW. WE HAVE A RESPONSIBILITY TO SPEAK OUR MINDS, INDIVIDUALLY AND COLLECTIVELY, ON A MATTER OF THIS IMPORTANCE. AND WE HAVE A REAL CHANCE TO AFFECT THE ADMINISTRATION'S DECISION IN THE RIGHT WAY.

S. RES. 117 EXPRESSES THE SENSE OF THE SENATE ON TWO SEPARATE ASPECTS OF THIS QUESTION -- AND LET ME STRESS, TWO EQUALLY IMPORTANT ASPECTS.

NO BLANK CHECK FOR KREMLIN: PROTECT U.S. INTERESTS

FIRST, THE RESOLUTION DECLARES THAT THE UNITED STATES SHOULD PROVIDE UP TO \$1.5 BILLION IN AGRICULTURAL CREDITS, AS REQUESTED BY THE SOVIET UNION. BUT, SECOND, THE RESOLUTION MAKES CLEAR WE SHOULD DO SO IF, AND ONLY IF, THE SOVIETS CAN MEET CERTAIN CONDITIONS AND ARE WILLING TO PROVIDE CERTAIN BINDING ASSURANCES ON THE USE OF THE GUARANTEED CREDITS. THOSE CONDITIONS AND ASSURANCES WILL GUARANTEE THAT S. RES. 117 IS NOT A BLANK CHECK FOR GORBACHEV OR AN ENDORSEMENT OF SOVIET REPRESSION, IN THE BALTICS OR INSIDE THE SOVIET UNION. THEY WILL INSURE THAT S. RES. 117 DOES NOT UNDERMINE OUR INTENTION, STATED IN LAW, THAT WE PROCEED ON AGRICULTURAL CREDIT GUARANTEES ONLY IF WE HAVE A REASONABLE EXPECTATION THAT THE CREDITS SO GUARANTEED WILL BE REPAYED.

IN SUM, PASSAGE OF S. RES. 117 WILL HELP INSURE THAT ANY AGRICULTURAL CREDIT GUARANTEES WE DO PROVIDE WILL ADVANCE OUR FOREIGN POLICY INTERESTS, PROTECT OUR TREASURY, AND HELP THE AMERICAN FARMER.

SOVIET CRISIS

NO DOUBT ABOUT IT, THE SOVIET UNION IS IN THE MIDST OF A CRISIS OF MAJOR PROPORTIONS AND MANY DIMENSIONS.

A YEAR AGO, MIKHAIL GORBACHEV WAS SELECTED AS THE "MAN OF THE DECADE." TODAY, HE COULDN'T BE ELECTED DOGCATCHER IN MOSCOW.

LET ME BE CLEAR. I DON'T THINK IT'S OUR JOB TO SAVE THE SOVIET UNION, OR TO SAVE GORBACHEV. WE COULDN'T IF WE WANTED TO. AS I SAID RECENTLY IN A SPEECH IN NEW YORK, THE FUTURE OF THE SOVIET UNION IS PRIMARILY IN THE HANDS OF THE SOVIET PEOPLE; THE FUTURE OF GORBACHEV IS PRIMARILY IN HIS OWN HANDS. WE CAN HAVE SOME IMPACT, BUT IT IS INEVITABLY GOING TO BE LESS THAN THE IMPACT OF FACTORS INTERNAL TO THE SOVIET UNION.

BUT NEITHER CAN WE AFFORD TO TURN A BLIND EYE TO WHAT'S HAPPENING IN THE SOVIET UNION TODAY -- GOOD OR BAD.

(MORE)

THE IMPORTANCE OF SOVIET STABILITY

WE HAVE A GREAT STAKE IN BASIC STABILITY IN THE SOVIET UNION. AN ABRUPT COLLAPSE OF THE SOVIET GOVERNMENT, AND FRACTURING OF THE SOVIET STATE, WOULD PRODUCE CHAOS. THAT WOULD NOT BRING FREEDOM TO THE BALTICS, OR ADVANCE THE CAUSES OF SELF-DETERMINATION AND HUMAN RIGHTS FOR THE PEOPLE OF THE SOVIET REPUBLICS.

IN FACT, THE OPPOSITE IS THE CASE -- IT WOULD LIKELY LEAD TO NEW REPRESSION. AND, IN THE WORST CASE, IT COULD RAISE SERIOUS QUESTION ABOUT WHO CONTROLS THE SOVIET ARMY AND THE SOVIET NUCLEAR ARSENAL.

THE ABRUPT DEPARTURE OF GORBACHEV WOULD JEOPARDIZE THE CONTINUATION OF SOME OF THE CONSTRUCTIVE POLICIES HE HAS FORGED IN THE INTERNATIONAL ARENA. AND WE NEED THINK BACK NO FURTHER THAN TO THE SOVIET ROLE IN THE PERSIAN GULF WAR, OR -- EVEN MORE RECENTLY -- THE FIRST EVER VISIT BY A SOVIET FOREIGN MINISTER TO ISRAEL -- TO RECOGNIZE THE IMPORTANCE TO US OF A CONTINUATION OF SOME OF GORBACHEV'S POLICIES.

ONE BASIC FACT IS CLEAR: ONE OF THE THINGS THAT COULD CAUSE EVENTS TO UNRAVEL RAPIDLY IS FOOD SHORTAGES.

THE DESPERATE NEED FOR FOOD

THE SOVIETS DESPERATELY NEED FOOD AND FEED, AND THEY MUST HAVE AGRICULTURAL CREDITS TO PAY FOR THEM. TWO RECENT SENIOR-LEVEL DELEGATIONS FROM THE SOVIET UNION -- ONE FROM THE CENTRAL GOVERNMENT; THE OTHER FROM THE RUSSIAN REPUBLIC -- MADE THAT POINT CLEAR TO ME AND TO OTHER SENATORS. THEY HAVE SAID THAT IF THE SOVIETS CAN'T GET SUCH CREDITS IN THE IMMEDIATE FUTURE, THERE IS A REAL THREAT OF WIDESPREAD FOOD RIOTS. FROM WHAT I KNOW FROM OTHER SOURCES, I DON'T THINK THOSE OFFICIAL WERE "CRYING WOLF." I THINK THE NEAR TERM THREAT OF SERIOUS FOOD SHORTAGES AND RESULTING UNREST IS VERY REAL, AND COULD HAVE A DRAMATIC IMPACT ON POLITICAL DEVELOPMENTS IN THE SOVIET UNION.

RUSSIAN REPUBLIC ENDORSES CREDIT REQUEST

THAT IS WHY BOTH DELEGATIONS -- INCLUDING THE ONE REPRESENTING YELTSIN'S RUSSIAN REPUBLIC -- STRONGLY URGED US TO PROVIDE THE CREDIT GUARANTEES THE SOVIET GOVERNMENT IS SEEKING.

TO UNDERSCORE THAT POINT, I ASK UNANIMOUS CONSENT TO INCLUDE IN THE RECORD A LETTER I RECEIVED FROM THE PRIME MINISTER OF THE RUSSIAN REPUBLIC, MR. SILAEV. IN THE LETTER, MR. SILAEV STATES, AND I QUOTE:

"...THE RUSSIAN REPUBLIC SUPPORTS THE REQUEST OF THE USSR FOR GRANTING A CREDIT TO THE AMOUNT OF 1.5 BILLIONS US DOLLARS...I REQUEST [THAT] YOU INSISTENTLY START MEASURES ON GRANTING THIS CREDIT, AS IT WILL SERVE FOR THE BENEFIT OF ALL REPUBLICS."

I ALSO ASK CONSENT TO INCLUDE IN THE RECORD A RECENT ARTICLE FROM THE WASHINGTON POST, REPORTING ON THE MEETING BETWEEN PRESIDENT BUSH AND FORMER SOVIET FOREIGN MINISTER SHEVARDNADZE. DURING THAT MEETING SHEVARDNADZE DECLARED THAT THE "FATE OF REFORM AND DEMOCRACY IN THE SOVIET UNION" COULD BE DETERMINED BY THE WAY WE RESPOND TO THE SOVIET CREDIT GUARANTEE REQUEST. IT SEEMS TO ME THAT MR. SILAEV AND MR. SHEVARDNADZE -- ONE RUSSIAN, THE OTHER GEORGIAN; BOTH OUTSPOKEN PROPONENTS OF DEMOCRATIZATION; BOTH NOW POLITICAL OPPONENTS OF THE SOVIET CENTRAL GOVERNMENT AND MR. GORBACHEV -- IT SEEMS TO ME THEY ARE IN A PRETTY GOOD POSITION TO COUNSEL US ON THIS ISSUE. AND I THINK WE HAVE TO TAKE THEIR VIEWS SERIOUSLY.

FINALLY, I ASK CONSENT TO INCLUDE IN THE RECORD THE TEXT OF A LETTER I HAVE RECENTLY RECEIVED FROM A SENIOR SOVIET OFFICIAL, MR. RUSANOV -- THE SOVIET TRADE REPRESENTATIVE IN THE UNITED STATES. ONE ENCLOSURE TO HIS LETTER IS ESPECIALLY INTERESTING, IN THAT IT PROVIDES A BREAKDOWN OF SOVIET GRAIN DISTRIBUTION TO THE REPUBLICS IN THE FIRST QUARTER OF THIS YEAR -- A BREAKDOWN WHICH SHOWS THAT EVERY REPUBLIC INDEED DID RECEIVE GRAIN PROCURED BY THE CENTRAL GOVERNMENT DURING THIS PERIOD.

IN ANY EVENT, THERE APPEARS TO BE NO DISPUTE ABOUT THE URGENCY OF THE SOVIET REQUEST. THE QUESTION IS: HOW SHOULD WE RESPOND?

TOUGH CONDITIONS

AS I INDICATED BEFORE, S. RES. 117 SAYS WE SHOULD RESPOND FAVORABLY -- BUT IF, AND ONLY IF, CERTAIN TOUGH CONDITIONS ARE MET.

FIRST, WE HAVE TO BE SURE THAT THE SOVIETS WILL USE THE AGRICULTURAL CREDITS TO HELP THE SOVIET PEOPLE -- AND NOT JUST SUBSIDIZE THE SOVIET MILITARY, COMMUNIST PARTY AND SECURITY APPARATUS.

SECOND, WE MUST BE CERTAIN THAT THE SOVIET NOT MISUSE THESE CREDIT GUARANTEES FOR POLITICAL PURPOSES. I HAVE MET WITH DELEGATIONS FROM A NUMBER OF THE CONSTITUENT REPUBLICS OF THE SOVIET UNION OVER THE PAST FEW MONTHS, AND RECEIVED DISTURBING REPORTS THAT THE THREAT OF WITHHOLDING CREDITS FOR INDIVIDUAL REPUBLICS WAS BEING USED BY THE KREMLIN TO COERCE SUPPORT FOR GORBACHEV'S SO-CALLED "UNION TREATY." WE MUST BE CERTAIN THAT NO AMERICAN CREDITS ARE EVER AGAIN USED AS A POLITICAL CLUB, TO SUPPRESS THE GROWING MOVEMENTS FOR GREATER DEMOCRACY AND SELF-DETERMINATION IN THE SOVIET UNION.

IN MY VIEW, AND IN THE LANGUAGE OF S. RES. 117, THE SOVIETS WOULD HAVE TO PROVIDE US A FIRM PLAN FOR THE USE OF THE CREDITS, TO INSURE THAT THE BENEFITS WOULD BE DISTRIBUTED ON AN EQUITABLE AND NON-POLITICAL BASIS TO ALL THE PEOPLE OF THE SOVIET UNION.

FROM MY DISCUSSIONS WITH THE SOVIET AND RUSSIAN REPUBLIC DELEGATIONS, I BELIEVE THE SOVIET GOVERNMENT MAY BE WILLING TO PROVIDE SUCH BINDING ASSURANCES FOR THE PROPER, NON-POLITICAL USE OF NEW AGRICULTURAL CREDITS.

THREE INSTALLMENTS SCHEDULE

AS FURTHER, AND EVEN MORE EFFECTIVE INSURANCE, I WOULD SUGGEST -- AS THE RESOLUTION DOES -- THAT WE DIVIDE ANY GUARANTEE PACKAGE UP TO \$1.5 BILLION PACKAGE INTO THREE PARTS; THE FIRST PART TO BE MADE AVAILABLE IMMEDIATELY; BUT THE SECOND AND THIRD INSTALLMENTS CONDITIONED ON THE APPROPRIATE UTILIZATION OF THE EARLIER ONES, AND ON THE SOVIETS MEETING THEIR REPAYMENT OBLIGATIONS.

IN OTHER WORDS, IF THE SOVIETS MISBEHAVE OR DON'T PAY THEIR CREDITORS ON SCHEDULE, THE SPIGOT IS TURNED OFF.

AND LET ME STRESS THAT THIS ISSUE OF REPAYMENT IS ESSENTIAL TO THIS DEAL, AS IT IS FOR ANY CREDIT DEAL. THE LAW DEMANDS THAT. EVEN MORE IMPORTANT, COMMON SENSE DEMANDS IT.

THE ADMINISTRATION IS STILL GRAPPLING WITH THIS ISSUE. I BELIEVE THAT THE CRITERIA WE LAY OUT IN THE RESOLUTION TO HELP THEM JUDGE THE SOVIETS' CAPACITY TO RE-PAY WILL HELP THEM MAKE A SOUND DECISION ON THIS IMPORTANT MATTER. THAT IN ITSELF IS REASON ENOUGH TO PASS THIS RESOLUTION.

BENEFITTING AMERICAN FARMERS

FINALLY, WE SHOULD INCLUDE THE CONDITION THAT THE SOVIETS USE THESE NEW CREDIT GUARANTEES, AS NECESSARY, TO FULFILL THEIR OBLIGATIONS UNDER OUR EXISTING U.S.-SOVIET LONG TERM AGREEMENT ON GRAINS.

CERTAINLY INCREASED SALES OF AGRICULTURE PRODUCTS WILL HELP THE AMERICAN FARMER. PRELIMINARY ANALYSIS FROM THE DEPARTMENT OF AGRICULTURE INDICATES THAT SLIGHTLY OVER 2/3 OF THE \$1.5 BILLION PACKAGE WOULD BE USED BY THE SOVIETS FOR THE PURCHASE OF WHEAT AND CORN. GIVEN THAT, THE ESTIMATED DEFICIENCY PAYMENT SAVING WOULD BE APPROXIMATELY \$800 MILLION. THAT AMOUNT, OF COURSE, WOULD SUBSTANTIALLY OFFSET ANY RESIDUAL RISK THAT THE SOVIETS WOULD NOT BE ABLE TO MAKE FULL REPAYMENT OF THE CREDITS.

FOREIGN COMPETITION

AND THERE IS ONE FINAL NEW DEVELOPMENT THAT WE HAVE TO CONSIDER AS WE MAKE A DECISION ON THE SOVIET REQUEST. BOTH THE FRENCH AND CANADIAN GOVERNMENTS HAVE ANNOUNCED THEIR OWN AGRICULTURAL CREDIT PACKAGES FOR THE SOVIET UNION. AND THERE IS GOOD REASON TO BELIEVE THAT THE EEC MAY SOON ANNOUNCE A NEW PROGRAM, TOO.

THESE COUNTRIES APPARENTLY HAVE BEEN CONVINCED THAT PROVIDING CREDITS TO THE SOVIETS WILL SERVE THEIR OVERALL NATIONAL INTEREST. AS I INDICATED, I AM EQUALLY CONVINCED THAT A PROPERLY PACKAGED AND CONDITIONED CREDIT GUARANTEE OFFER CAN SERVE AMERICA'S OVERALL NATIONAL INTEREST, TOO.

MR. PRESIDENT: I HAVE WRITTEN TO PRESIDENT BUSH ON THIS MATTER, AND I HAVE PREVIOUSLY INCLUDED THE TEXT OF MY LETTER IN THE RECORD.

LET ME CONCLUDE BY QUOTING FROM THE LAST PARAGRAPH OF THAT LETTER. "THE SOVIETS' NEED FOR AGRICULTURAL CREDITS GIVES US AN OPPORTUNITY TO FURTHER OUR FOREIGN POLICY INTERESTS WHILE SIMULTANEOUSLY HELPING THE AMERICAN FARMER. I HOPE WE WILL MOVE QUICKLY TO TAKE ADVANTAGE OF THIS IMPORTANT OPPORTUNITY."

I HOPE ALL SENATORS WILL NOW JOIN ME IN SENDING THAT MESSAGE TO THE PRESIDENT, BY UNANIMOUSLY PASSING THIS RESOLUTION.

###