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The Salina Journal Saturday, April 27, 1991 3

Dole pushes more credit to let Soviets purchase U.S. grain

By The Associated Press

WASHINGTON — Senate Minority Leader Bob Dole, R-Kan., said Friday he was seeking congressional support for an additional \$1.5 billion in federal credit guarantees for the Soviet Union to buy U.S. grain.

"They really need some of this in the next couple of months or they're going to be back with bread lines, they tell us, in parts of the Soviet Union," Dole said.



Dole

He met this week with a group of Soviet trade officials, including an agricultural minister from the Russian republic, who have formally requested the \$1.5 billion in financial guarantees.

The amount would be in addition to \$1 billion in agricultural export credits granted to the Soviets in December by President Bush. That assistance has been nearly all used.

Under the credit arrangement, private lenders make loans to the Soviets to buy U.S. commodities and the government guarantees repayment in the event of a default.

Dole sent a letter this week to Bush urging the administration to offer the extra financial guarantees and suggesting the outline of a three-part assistance package.

Supporters of the deal contend it would help boost grain prices for U.S. farmers and at the same time lower government spending on crop subsidies.

Dole talked to Bush about the credit issue earlier in the week. The president "would like to do it" but had some questions, Dole said.

The Senate is to consider a resolution on May 7 expressing support for additional credit guarantees to the Soviets. Approval by Congress, Dole

said, would help encourage the Agriculture Department and White House to move ahead.

"It's not going to be easy because I can tell you there are people within the White House and with the USDA who are not for extending additional credits to the Soviet Union," Dole said.

The Soviets are mostly interested in buying corn, soybeans and soybean meal with the additional credits, Dole said. But they also might buy 2 million to 4 million metric tons of wheat.

He estimated that such purchases could boost wheat prices 20 to 25 cents a bushel, which would be welcome relief for producers facing low prices.

Higher grain prices generally would reduce the federal subsidies paid to farmers. The Agriculture Department has estimated potential savings of \$800 million for wheat and corn subsidies through sales to the Soviets with the additional credits, Dole said in his letter to Bush.

The main obstacles to the credit deal, Dole said, are questions about Soviet credit worthiness and concerns the Soviet central government would not fairly distribute the food assistance, particularly to pro-independence republics.

In January, Dole urged the administration to stop offering food aid to the Soviets because of a military crackdown in the Baltic states and use of the grain credits to "blackmail" republics seeking their independence from the central government of Mikhail Gorbachev.

Dole, in a telephone news conference, said Soviet and Russian republic officials had given him assurances that previous food aid had been equitably distributed and that would occur if additional U.S. credits were extended.

THE HAYS DAILY NEWS SUNDAY APRIL 28, 1991

Dole now supports grain credits for Soviets

By HARRIS NEWS SERVICE

Sen. Bob Dole, R-Kan., now recommends that Soviets be granted credit to purchase grain, a reversal of a position he took earlier this year.

In a letter to president George Bush, Dole said he supported extending \$1.5 billion worth of food credit to the Soviets — if two primary conditions were met. Dole wants the Soviets to agree that the grain will be used to meet the food needs of the entire Soviet population, and that the credits will not be used to coerce independence-minded republics in the nation.

In January, Dole opposed grain credits because leaders in Soviet republics had told him the grain was being used in a carrot-and-stick

manner. Republics that agreed with the central government received grain; independence-minded republics did not receive grain.

"Our farmers aren't blood merchants," Dole said in January. "They understand that they'll survive without selling grain at this time to the Soviet Union — unless there is a dramatic change."

In his letter to the president dated Wednesday, Dole said that he had received assurances from Soviet central government leaders that the conditions would be met.

Leaders of the government of the Russian Republic also supported the Soviet credit request, Dole said. Earlier this week, Dole met with Russian Republic representatives, who told him that grain was not

being used for political leverage by the Soviet central government.

"Obviously, in deciding whether to offer such credits, we must seriously consider a number of key factors, including our bilateral relations with the Soviet Union, economic considerations, and our own domestic priorities — including the very important priority of expanding our overseas markets for agricultural products," Dole wrote.

Dole also suggested setting up a check-and-balance system for granting the credit. Instead of releasing all \$1.5 billion at once, Dole suggested splitting the credit package into three \$500 million installments.

The first installment would be re-

leased immediately; the other two installments released as the U.S. receives reports on how the first was used by the Soviets. Another condition for the release of the final two installments might be partial repayment on the first credit package.

If the full \$1.5 billion is extended, a little more than \$1 billion would be used to purchase wheat and corn, Dole said. According to Department of Agriculture estimates, the market impact of the purchases could raise prices enough to save the U.S. government \$800 million in subsidy payments to farmers. That reduction would reduce, in part, some of the risk associated with extending credit.

The Russell Daily News, Tuesday, April 30, 1991

Bob Dole Praises Bush's Selection of Independence Native for CFTC Post

WASHINGTON — Senator Bob Dole, R-Kan., Tuesday hailed President Bush's appointment of Sheila Bair of Independence, Kan., to be one of five commissioners of the Commodities Futures Trading Commission.

"Sheila knows rural America and its special needs, which is why she will be a solid addition to the commission. She's a bright and talented Kansan who has a strong legal background and an

excellent record for work on Capitol Hill. It's good to know Kansas will have a strong voice on this panel that is so important to our state's agricultural business," Dole said.

Raised in Independence, Bair is a graduate of the University of Kansas and received her juris doctor degree from the KU Law School in 1978. She served as legal and policy advisor to Dole from 1981-1986. She was also a candidate for the GOP nomination in the 1990 5th District Congressional primary in Kansas. Currently, she is a legislative affairs Counsel to the New York Stock Exchange.

The Commodities Futures

Trading Commission was established by the Commodities Futures Trading Act of 1974. The commission consists of five commissioners, who serve staggered 5-year terms, who are appointed by the president with the advice and consent of the Senate. It also regulates trading on the 11 U.S. futures exchanges, which offer active futures and options contracts. It also regulates the activities of numerous commodity-exchange members, public brokerage houses, commission-registered futures industry salespeople and associated persons, commodity trading advisers, and commodity-pool operators.

Hutchinson News Saturday, April 27, 1991 — Page 18

Dole wants to export farm goods to Soviets

By Ray Hemman

The Hutchinson News

Economists in the Department of Agriculture estimate a \$1.5 billion credit package for the Soviet Union could move an additional 110 million to 147 million bushels of wheat, raising market prices by 20 to 25 cents a bushel, said Sen. Bob Dole, R-Kan.

Dole wrote President George Bush earlier this week to promote a \$1.5 billion credit package for the Soviets to use in buying U.S. farm commodities. The Senate minority leader also sponsored a resolution in that chamber Thursday that encouraged the Department of Agriculture to grant the credit.

The resolution stalled, but the Senate is expected to act on it when members return to Washington May 7, Dole said Friday during a telephone press conference with Kansas journalists.

The credit would be used to buy needed food from the U.S. Dole expected the Soviets to use much of it to buy corn and wheat, but the resolution also included credit for dairy products. The Soviets are expected to need as much or more corn than wheat.

Earlier this year, Dole said he did not favor extending additional food-purchase credits to the Soviets beyond the \$1 billion the nation received in late 1990. The senator had been told by representatives of independence-minded Soviet republics that some of the grain purchased with the credit was used to coerce the republics into more solidarity with the central government.

But Sunday, Dole had breakfast with representatives of the central Soviet government and the Russian republic. Both sets of government representatives assured the senator the grain wasn't being used as a public policy tool against independence-minded republics.

Both Dole's letter to the president and his Senate resolution suggest granting the \$1.5 billion in three separate \$500 million "tranches" — installments. By splitting up the credit, the U.S. government can monitor the use of the money, making sure the food it purchases



Bob Dole

goes to the people who need it. While the food aid is needed, getting the credit released may not be simple, Dole said.

"It's not going to be easy," he said. "Because I can tell you there are people within the White House and within the USDA who are not for extending additional credits to the Soviet Union. So it is going to take a presidential weigh-in or resolutions by the House and the Senate. Hopefully, maybe Dan Glickman and Pat Roberts can follow up on the House side with a resolution of some kind to indicate their support."

Also clouding the issue is a provision within the 1990 farm bill that does not allow credit to be granted to countries in which the risk for default on the loans is too great.

Dole, however, said the Soviets always have repaid their credit. Additionally, some of the first credit installment would be due for repayment prior to the granting of the third tranche.

So far, the senator has not received definitive word back from the president on his proposal.

"I did talk to him when I took Miss USA, Kelli McCarty, down to see him Monday," Dole said. "After she was excused, I visited with him a little bit. He was positive about it, but he wanted to know if they were credit worthy and whether or not I was satisfied it was going to be used to help the people and not help the central government."

Dole hopeful Soviets will obtain credits

Staff and wire reports

WASHINGTON — Senate Minority Leader Bob Dole, R-Kan., expressed confidence Friday that the Bush administration would extend \$1.5 billion in agricultural export credits to the Soviet Union to buy U.S. grain.

Dole said he hoped the Senate and House would approve resolutions next week in support of the additional export credits. That would help provide adequate grounds for the administration to offer the food aid to the Soviets, he said.

"If we could get that done next week, I think we could still go forward with the credits," Dole said in a telephone news conference with Kansas broadcasters and newspapers.

Dole said the biggest obstacle to the aid package for the Soviets was a provision in the 1990 farm law restricting use of the gov-

ernment's export promotion programs to countries deemed creditworthy. The provision was developed in response to allegations of abuse involving export assistance to Iraq.

President Bush raised questions earlier this week whether the Soviets were a good credit risk but said no decision had been made on the request for financial guarantees.

On Friday, Dole said Bush "told me he'd like to do it" but that the credit issue had to be resolved before the aid could be extended.

Rep. Pat Roberts, a Dodge City Republican, said in an interview Friday that there were talks under way between members of Congress and the Agriculture Department to find ways for the administration to interpret the credit provision so the Soviets would be eligible.

"We're trying to come up with

a creditworthy definition that will be acceptable both to the taxpayer and to those of us who think that the credit should be extended," Roberts said.

The \$1.5 billion in financial guarantees would be in addition to \$1 billion in agricultural export credits grants to the Soviets last December by Bush.

Under the credit arrangement, private lenders make loans to the Soviets to buy U.S. commodities, and the government guarantees repayment in the event of a default.

Dole has suggested that the administration offer the \$1.5 billion in three installments of \$500 million. The first would be granted immediately. But the others would not be released until the administration was satisfied that the assistance was being distributed fairly or that the

Soviets would or did make a partial repayment.

Roberts said that type of installment package could help overcome problems with the creditworthiness issue.

Dole said the Soviets are mostly interested in buying corn, soybeans and soybean meal with the extra credits, but they might purchase 2 million to 4 million metric tons of wheat. Dole contends that the grain sales would help boost domestic commodity prices and potentially lower federal farm subsidies payments to producers.

On other topics, Dole said:

■ Should drought and freezing temperatures cause significant losses for High Plains wheat farmers, the federal government may step in to provide help.

"We've always assumed that if we had some disaster, just like we are looking at the other disaster

around Sedgwick, Butler and Cowley and other counties, we are going to find some money," Dole said, referring to aid to tornado victims.

"... If there is some crop damage because of late freeze, we can find out a way to take care of it."

A broad swath of the High Plains woke up to sub-freezing temperatures Wednesday. The sub-freezing cold was recorded as far south as Dalhart, Texas.

Dole said he favored some combination of disaster bills and crop insurance to help farmers afflicted by natural disasters.

■ Soviet President Mikhail Gorbachev may have a "little new lease on life" in his leadership post by forging an alliance with Russian republic leader Boris Yeltsin.

"I would guess he'll be around," Dole said of Gorbachev's future.

Great Bend Tribune, Sunday, May 5, 1991 Section A—Page 11

Dole hopes Soviets will get export credits

WASHINGTON (AP) — Senate Minority Leader Bob Dole, R-Kan., says he hopes a deal can be worked out with the Bush administration to extend \$1.5 billion in agricultural export credits to the Soviet Union to buy U.S. grain.

Dole said Friday he wanted the Senate and House to approve resolutions next week in support of the additional export credits. That, the senator said, will help provide adequate grounds for the administration to offer the food aid to the

Soviets.

"If we could get that done next week, I think we could still go forward with the credits," Dole said in a telephone news conference with Kansas broadcasters and newspapers.

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