



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

New Senate Office Building, Washington, D.C. 20510 (202) 224-6521

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CONTACT: BILL KATS
202-224-8947

DOLE WARNS ADMINISTRATION AGAINST WHEAT AGREEMENT WITH MINIMUM-MAXIMUM PRICES

WASHINGTON, D.C. -- Sen. Bob Dole (R-Kan.) said today, "I am concerned over the possibility that the administration may accept maximum-minimum prices in an International Wheat Agreement."

The International Wheat Agreement, to which the United States is a signatory, expires this summer. The International Wheat Council has been meeting to negotiate a new agreement to replace the current one, but to date the meetings have not produced anything that would be acceptable to all sides.

The chief difference stems from the fact that the European community wants a wheat agreement including maximum and minimum prices and insists also on a coarse grains agreement, as well as some "understanding" on dairy products and meat. The United States' position has been that it could not support such a wheat agreement since it believes it would not work. Also, the United States would not participate in a coarse grains agreement for the same reason, and because the United States thinks it would be trade restrictive.

Both these positions have been recommended by the advisory committees created to provide counsel to the U.S. negotiators. The other members of the council supported the U.S. position, and the European community appeared to be virtually alone.

Dole said, "The U.S. position was sound, since our experience with fixed wheat price agreements has proved the United States is always the loser. There is really no good economic reason why the United States should be a participant in an international wheat agreement with maximum and minimum prices. It is a loser.

"Lately there are, nevertheless, strong indications that the United States has backed away from its position and appears ready to accede to the European community on virtually all the points on which the community has insisted and which the United States had indicated were unacceptable.

"I suggest that before the United States negotiators agree to any proposals, the Congress and the farmers be advised of what the administration is negotiating. Otherwise we could find ourselves in the position of having to reject a proposed treaty that is contrary to the interest of U.S. agriculture. I will propose that we invite Mr. Strauss to give him the opportunity to explain to the Congress what it is they are negotiating,

what they expect to get in return, and if it is indeed what the trade advisory committees have recommended, and if not, why not. The Senate still has the right to reject a bad agreement and the negotiators had better understand this."