



# NEWS from U.S. Senator Bob Dole

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STATEMENT OF SENATOR BOB DOLE

CCC CREDITS FOR FARM PRODUCTS

TO CERTAIN NON- MARKET ECONOMY COUNTRIES

Mr. Dole. Mr. President, this week the Subcommittee on International Trade of the Senate Committee on Finance explored with government, industry, and farm representative witnesses the trade and export problems which are currently contributing to the farm crisis in America.

#### Commodity Credit Corporation

In the course of the hearings it quickly became apparent that one of the most appropriate means of facilitating farm exports which are lagging badly for commodities such as wheat would be to expand the use of commodity credit corporation credits to help meet the severe competition in world markets. For example, our major competitors in wheat markets are offering credits. Canada recently sold large tonnages of wheat to the People's Republic of China on credit. Without a change in existing legislation, the American wheat farmer does not have an opportunity to meet this competition.

#### Bergland Supports CCC Extension

I have proposed legislation which would give our farmers an opportunity to compete in non-market economy countries such as the People's Republic of China through the use of CCC credits. The legislation, however, excludes the non-market countries of Cuba, Laos, Cambodia, North Vietnam and North Korea. These credits, as affirmed by Secretary Bergland at the hearings, do not cost the taxpayer a dime. In fact, he testified that the commodity credit corporation "makes a profit" since the interest rates are higher than the cost of money to CCC. Secretary Bergland expressed his strong support for CCC extensions.

#### Jackson-Vanik Amendment

Granting CCC credits to non-market countries would require modification in Section 402 and Section 409 of the Trade Act of 1974. I supported the

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enactment of the Jackson-Vanik amendment. However, the Senator from Kansas believes that the Congress should continue to review its application. Have conditions changed in these countries to warrant extension of agricultural credit? Is it justifiable to keep food from people that may need it?

#### Administration Should Act

During the testimony a letter was distributed by the Administration from Douglas J. Bennett, Jr., Assistant Secretary for Congressional Relations, in which it was stated that "the Department of State would not object to enactment of S. 1415;" further, it was cleared by O.M.B. and from the standpoint of the Administration's program had no objection to this report. This letter was in response to a request from Chairman Long for a report on the bill. Julius L. Katz, Assistant Secretary of State for Economic and Business Affairs, testified that the Administration does not object to passage of S. 1415 and upon extensive questioning by Finance Committee members expressed unwaiveringly the exact wording of the letter.

Following those hearings, a letter was sent by my colleague, Senator Jackson, to the Secretary of State, Mr. Vance, which drew an odd response. Mr. Vance, in a letter to Senator Jackson, states "it was our intention to state that we neither opposed nor supported S. 1415".

I would like for the Administration to quit equivocating. Do they have plans for facilitating exports to all non-market countries, to certain non-market economy countries or to no non-market countries?

While the Administration vacillates on this matter, the Canadians and Australians move vigorously into these markets with their grain while ours piles up back on the farm further depressing prices.

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