

News from Senator

BOB DOLE



(R - Kansas)

2213 Dirksen Building, Washington, D.C. 20510

FOR IMMEDIATE RELEASE:
THURSDAY, FEBRUARY 3, 1983

CONTACT: WALT RIKER
(202) 224-6521

DOLE, JEPSEN MEET WITH SOVIET OFFICIALS,
SENATORS INTRODUCE BILL TO BLOCK INSTANT PIK TAX

WASHINGTON -- In a speech to the Illinois Corn-Soy Conference tonight in Decatur, Illinois, Senator Bob Dole (R-Kan.) announced that he and Senator Roger Jepsen (R-Iowa) met this afternoon with Soviet Ambassador Anatoli Dobrynin and Trade Representative Yuri Kalashnikov to discuss grain trade. Senator Dole also announced that he and Senator Jepsen have introduced legislation designed to block the "Instant PIK Tax" which could endanger sign-ups for the Payment-in-Kind program recently initiated by the Agriculture Department.

"I know that the PIK program will raise questions that will need quick answers from Washington," said Senator Dole. "Concern over the tax treatment of PIK commodities is rising, and could endanger sign-ups. In response, Senator Jepsen and I introduced legislation this afternoon to make the PIK count as income for tax purposes in the year it is sold-- not the year it is received. There's no reason farmers should have to bear the burden of an unfair tax. It is urgent that we move quickly so farmers know that they will not be unfairly taxed. A quick resolution of this is necessary for it could significantly impact on participation, and March 11 is the deadline. And we need as much participation as we can get so that these stocks can be reduced and the recovery in the farm economy can get underway."

"With regard to regaining our share of the Soviet market, Senator Jepsen and I met with Russian officials this afternoon in Washington. Both sides agreed on the need to begin negotiations on a new trade package of at least five years duration and with higher minimum guarantees of corn and wheat," said Dole.

"Chances for initiating LTA negotiations have improved since the President last month signed contract sanctity legislation. I know how important this assurance is to soybean farmers, and I regard this step as one that compliments our efforts to secure a new LTA with the Russians. Together, they would restore our tattered reputation as a reliable supplier," Dole said. "Today's meeting was a good one. As I said during my November trip to Moscow, we must continue the effort to keep communications open between the Soviet Union and the U.S. We have the grain, if they want to buy."

This past March, Senators Dole and Jepsen met with Ambassador Dobrynin and Trade Representative Kalashnikov to reopen stalled grain talks between the two super powers. Three days later, in the first of three major speeches to U.S. agriculture groups, President Reagan announced that the Administration's export policy would include language designed to limit the possibility of future grain embargoes.