

News from Senator

# BOB DOLE



(R - Kansas) : SH 141 Hart Building, Washington, D.C. 20510

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CONTACT: WALT RIKER  
(202) 224-6521

## DOLE OUTLINES THREE-POINT PROGRAM TO REVITALIZE U.S. FARM TRADE

TOPEKA -- Kansas Senator Bob Dole today announced a three-point agenda designed to revitalize U.S. farm trade.

At a Topeka News Conference Dole said "The Administration and Congress should be prepared to take these three steps in order to restore our former prominence in international agriculture markets."

The Kansas Senator, who is the ranking Republican on the Senate Agriculture Committee, listed the following steps:

- 1) Negotiation of a new Long Term Agreement with the Soviet Union.
- 2) Creation of a \$1 billion-plus fund for export credits.
- 3) Reform of the authorities governing trade restrictions in the Export Administration Act.

"President Reagan lifted the 1980 Carter grain embargo almost two years ago, yet Soviet purchases of U.S. wheat and corn are still close to embargo levels," Dole said. "A new LTA, possibly including processed products, would clearly signal our intentions to regain our role as principal supplier to the key Russian market."

"Embargoes, and threats of embargoes, have undermined the Export Administration Act which is up for reauthorization this year. We need to tighten the language in this agreement so as to remove the vague and misinterpreted aspects of our foreign policy as it relates to international trade," Dole said.

"Lastly, we need to establish a \$1 billion revolving fund to promote U.S. farm exports. There is no doubt ag exports are the key to revitalizing our farm markets. Farmers should be willing to contribute toward the establishment of a permanent source of financing like the revolving fund--we should pursue the diversion of savings from target price reductions in 1984 and 1985 in order to establish this important fund."

"These three steps are each worth our best efforts in this session of Congress," Dole continued. "Together they constitute a coordinated effort to make misguided embargoes a thing of the past. If we can, Congress and the Administration will have taken a major step to restore profitability and confidence to the U.S. farm economy."

### THREE-POINT AGENDA FOR REVITALIZING FARM EXPORTS

- NEGOTIATE NEW AND EXPANDED LONG TERM AGREEMENT ON AGRICULTURAL TRADE WITH THE SOVIET UNION, POSSIBLY INCLUDING PROCESSED PRODUCTS.
- RESPONSIBLE REFORM OF THE EXPORT ADMINISTRATION ACT.
- ESTABLISH A \$1.0 BILLION-PLUS EXPORT REVOLVING FUND.

#### SOVIET LTA

- LIFTING THE EMBARGO NEARLY TWO YEARS AGO DOESN'T MEAN MUCH IF THE RUSSIANS DON'T START BUYING.
- SOVIET PLANTING ESTIMATES FOR 1983 CROPS CARRIED ON THE WIRES YESTERDAY INDICATE THAT WHEAT ACREAGE MAY FALL TO 125 MILLION ACRES--LOWEST SINCE 1954.
- TOTAL SOVIET WINTER GRAIN PLANTINGS ARE REPORTED TO BE LOWEST IN A DECADE.
- SOVIET GRAIN PURCHASES ARE 34 MILLION TONS THIS YEAR, AND MAY TOP 40 MILLION TONS IN 1984. THIS MAY BE AN OPPORTUNITY TO RESTORE U.S. AS PRINCIPAL SUPPLIER.

#### EXPORT ADMINISTRATION ACT

- ADMINISTRATION HAS INDICATED PLANS TO EXTEND TO INDUSTRIAL EXPORTS THE SAME CONTRACT SANCTITY ASSURANCES PROVIDED AGRICULTURE IN THE CFTC BILL IN JANUARY.
- EXPECT PROPOSALS DURING REAUTHORIZATION TO DELETE "FOREIGN POLICY" AS A REASON FOR INVOKING TRADE RESTRICTIONS.
- SENATOR DIXON MAY REINTRODUCE BILL TO REQUIRE CONGRESSIONAL TWO-HOUSE APPROVAL OF ANY EMBARGO THAT IS LESS THAN ACROSS-THE-BOARD.

#### EXPORT REVOLVING FUND

- FARM PROGRAMS IN 1983 ARE PROJECTED AT \$18 BILLION. COST OF PIK PROGRAM LOAN FORGIVENESS, CCC INVENTORY DISTRIBUTION AND ACQUISITION OF COMMODITIES COMMITTED UNDER THE PROGRAM MAY REACH \$11 TO \$12 BILLION.
- OUT-YEAR COST PROJECTIONS WILL ONLY RAISE THE EXPENSE OF FARM PROGRAMS.
- SAVINGS FROM A REDUCTION IN THE TARGET PRICE LEVELS SCHEDULED FOR 1984 AND 1985 CROPS COULD BE USED TO ESTABLISH A \$1.0 BILLION FUND FOR AGRICULTURAL EXPORT CREDITS.
- AS FUNDS DIVERTED FROM OTHER FARM PROGRAMS, THE REVOLVING FUND COULD BE MADE PERMANENT--REPAYMENTS COULD BE LOANED OUT AGAIN RATHER THAN RETURNING TO THE GENERAL TREASURY.