

News from Senator

BOB DOLE



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DOLE WRITES PRESIDENT -- CALLS FOR COMPLETION OF
CHINESE TEXTILE IMPORT NEGOTIATIONS
WHEAT EXPORTS TO CHINA HELD HOSTAGE

WASHINGTON -- Seeking to revitalize U.S. wheat exports to China now paralyzed by a textile quota dispute between the two nations, Kansas Senator Bob Dole today wrote a letter to President Reagan urging the Administration to complete negotiations with the People's Republic of China.

"Chinese officials have made it clear that they aren't buying our wheat because of the quota dispute," Dole said. "Wheat producers in Kansas and other states have demonstrated tremendous patience with the negotiations, now entering their seventh month. However, I believe it is time to complete the process so we can resume mutually beneficial trade relations."

The text of Senator Dole's letter to President Reagan:

Dear Mr. President:

Congress and the Administration are considering reducing farm program price and income protection for 1984 crops by lowering commodity loan rates and freezing target prices. These actions heighten the need to demonstrate our unequivocal commitment to increasing agricultural exports as the most important way to strengthen farm prices.

Wheat farmers must export two-thirds of their annual production to prevent burdensome surpluses and low prices. Exports this year may be less than fifty-five percent of production. A major cause of this decline is the total suspension of purchases of U.S. wheat by the People's Republic of China (PRC), which has been our largest customer. Wheat exports to the PRC are down from an annual average of 7.0 million tons in 1980-1982 to just over 1.2 million tons so far this year.

PRC officials have made clear that the wheat suspension is due primarily to our unresolved disagreement over the quota for U.S. imports of Chinese textiles. The U.S. is attempting to tie the level of imports to the growth rate of our domestic textile market, a principle which could have severe negative effects if applied to our own exports. The impasse began in January, and the seventh round of negotiations is scheduled in Geneva next week.

Wheat producers have shown considerable patience with these prolonged negotiations, understanding the need to resolve trade differences without undue interference or outside pressures. I now understand, however, that the Administration is being encouraged to cancel the Geneva talks in the hope of obtaining greater concessions from the PRC.

Any benefit of further delay cannot possibly outweigh the cost being paid by U.S. wheat farmers. I strongly urge that the U.S. seek the earliest equitable resolution of the textile quota issue consistent with our overall trade interests and with our commitment to maximizing agricultural exports.

Sincerely yours,

BOB DOLE
United States Senate