

News from Senator

BOB DOLE



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DOLE CALLS FOR PRIVATE SECTOR CONFERENCE ON FARM TRADE RULES

WASHINGTON -- Kansas Senator Bob Dole today expressed support for creation of an international conference of private sector agriculture representatives to seek agreement on the proper role of governments in intervening in international agricultural trade.

"Perhaps those who have the most stake in avoiding a trade war -- farmers and businessmen involved in farm trade -- can be more successful at finding solutions than their government representatives," said Dole, in reference to the use of farm export subsidies by the European Economic Community and other countries.

Dole's call to "turn the policymaking process upside-down" came during a speech to the President's Task Force on International Private Enterprise at the State Department. "The international rules governing agricultural trade, particularly in the subsidies area, do not work well. The General Agreement on Tariffs and Trade (GATT) is bogged down in disputes over what the rules should be," said Dole. "Meanwhile, governments inch ever closer to retaliation through greater export subsidization that would be mutually debilitating and budget-busting. At the GATT ministerial meeting in November 1982, the European Economic Community refused to consider a GATT review of the rules on agricultural trade. Perhaps if a consensus is reached in the private sector first, the citizens of each country can persuade their elected representatives to act."

Other initiatives raised by the Kansas Republican for improving conditions for U.S. agricultural exports included:

- Linking the granting of benefits under the Generalized System of Preferences (GSP) to advanced developing countries to their agreement not to use export subsidies. "This would be an incentive for their own budgetary good, and will benefit the effort internationally to reduce government intervention in the marketplace."
- Exploring the expanded use of private relief organizations, such as CARE and the Catholic Relief Service in assuming the responsibilities of international assistance programs to assure the efficient delivery of food aid to recipient countries.
- Reviewing ways to tighten up the interest rate and repayment terms of the Food for Peace Program (P.L. 480), many of which date back to the program's enactment in 1954. "We want to be sure we get the greatest possible benefit at the current funding level without creating the impression that this worthwhile program is under attack."

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● Budgeting cargo preference for U.S. flag shipping under either the Defense or Transportation Departments rather than in the P.L. 480 account. "Such a transfer would make up to \$100 million available for increased commodity exports under P.L. 480."

● Expanding the use of surplus farm products as bonuses for foreign commercial purchases of U.S. farm and non-farm goods. "This approach could focus on sales of value-added farm products, which make the greatest positive contribution to the national economy."

● Increasing food assistance to developing countries which agree to retire a proportionate share of their foreign debt. "I'm not suggesting that we bail out the big international banks which have made ill-advised loans, but we should also be aware of the realities of the current debt crisis. If foreign credit demands on IMF resources become intolerable, the U.S. may be forced to choose between an even more expensive bailout plan or a major default in the world financial system."

Dole also elaborated on his request in a letter to President Reagan on November 1 for the establishment of a Presidential Task Force on Agricultural Trade and Food Assistance Policy. Dole issued a warning of the difficulties in trying to increase funding for export programs when the federal budget -- including agricultural programs -- is out of control.

"We must strive to get more productivity out of our expenditures on food aid and trade by reviewing existing programs and trying to make them more efficient," said Dole.