

News from Senator

# BOB DOLE



(R - Kansas)

SH 141 Hart Building, Washington, D.C. 20510

5-18-85

## STATEMENT BY SENATOR BOB DOLE

### THE ADMINISTRATION'S AGRICULTURAL EXPORT ENHANCEMENT PROGRAM

I WANT TO COMMEND THE ADMINISTRATION AND SECRETARY BLOCK ON MOVING QUICKLY TO IMPLEMENT THIS BONUS COMMODITY EXPORT PROGRAM. ONLY ONE WEEK AGO, THE ADMINISTRATION AGREED TO USE TWO BILLION DOLLARS IN SURPLUS COMMODITIES OWNED BY THE COMMODITY CREDIT CORPORATION IN ORDER TO MAKE U.S. FARM EXPORTS MORE COMPETITIVE IN WORLD MARKETS. TODAY, THE SECRETARY IS MAKING GOOD ON THAT COMMITMENT: SPECIFIC EXPORT ACTIONS WILL BE ANNOUNCED BY JUNE 1, AND A LONGER-TERM APPROACH TO MOVING A LARGE QUANTITY OF OUR COMMODITIES AND PRODUCTS OVER THE NEXT THREE YEARS WILL BE WORKED OUT IN THE NEXT FEW WEEKS.

I BELIEVE THE DECISION TO CREATE AN ADVISORY COUNCIL OR COMMITTEE TO MONITOR OPERATION OF THE EXPORT ENHANCEMENT PROGRAM IS PARTICULARLY IMPORTANT. NO MATTER WHO RECEIVES THE BONUS COMMODITIES, THERE ARE BOUND TO BE QUESTIONS ABOUT WHETHER THEY GOT TOO MUCH, OR WHETHER THEY SHOULD HAVE BEEN GIVEN ANY. SO I'M GLAD THE ADMINISTRATION WILL PUT SOME FARMERS AND OTHERS INVOLVED IN AGRICULTURAL MARKETING IN A POSITION TO DETERMINE IF THE PROGRAM IS BEING RUN FAIRLY.

-2-

THERE MAY ALSO BE SOME QUESTIONS ABOUT WHETHER USING THESE BONUS COMMODITIES WILL RESULT IN ADDITIONAL EXPORTS OR ONLY REPLACE REGULAR COMMERCIAL SALES. OTHERS MAY POINT OUT THAT THE INITIAL IMPACT WILL BE TO REDUCE WORLD GRAIN PRICES. I WOULD ONLY SAY THAT, WITH U.S. SURPLUSES BUSTING BINS AROUND THE COUNTRY AND A POTENTIALLY RECORD CROP ABOUT TO BE HARVESTED, OUR FIRST CONCERN IS WITH MOVING PRODUCT. WE HAVE OVER \$6.0 BILLION WORTH OF COMMODITIES IN CCC OWNERSHIP COSTING MORE THAN \$360 MILLION IN STORAGE AND HANDLING CHARGES IN FY-85 ALONE. THE CONSERVATIVE ESTIMATE IS FOR CCC STOCKS TO GROW TO ABOUT \$8.3 BILLION, INCLUDING OVER 1.0 BILLION BUSHELS OF WHEAT, IN FY-86, COSTING OVER HALF A BILLION IN STORAGE AND HANDLING.

I WOULD ONLY ADD THAT THE ADMINISTRATION'S RAPID RESPONSE TO THESE PROBLEMS SHOULD NOT BE TAKEN AS AN INDICATION THAT WE CAN SIT BACK AND HOPE THE SURPLUSES WILL GO AWAY AND FARM PRICES WILL GO BACK UP. CONGRESS MUST STILL ADDRESS THE COMPETITIVENESS ISSUE IN SETTING POLICIES FOR DOMESTIC AND EXPORT PROGRAMS IN THE 1985 FARM BILL. TODAY'S ACTION ONLY BEGINS THIS EFFORT TO MAKE U.S. AGRICULTURAL EXPORTS AS COMPETITIVE IN PRICE AS THEY HAVE ALWAYS BEEN IN QUALITY. WE WILL COMPLETE THE JOB ONLY WHEN WE CONVINCED OUR FOREIGN COMPETITORS AND CUSTOMERS THAT THE U.S. INTENDS TO REMAIN THE PREMIER SUPPLIER OF FOOD AND FIBER IN THE WORLD.

-30-