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DOLE URGES PRESIDENT BUSH TO CONTINUE AGGRESSIVE AG EXPORT
POLICY -- "KEEP EEP" DOLE SAYS, AS SOVIETS COME TO WASHINGTON TO
TALK TRADE;
U.S. MUST COMBAT "LAVISH" EUROPEAN FARM SUBSIDIES

WASHINGTON -- SAYING THE "COMPETITION IS TOUGH AND PLAYING TO WIN", SENATE REPUBLICAN LEADER BOB DOLE TODAY RELEASED A LETTER TO GEORGE BUSH URGING THE PRESIDENT NOT TO RISK LOSING THE "SIGNIFICANT PROGRESS WE HAVE MADE IN THE INTERNATIONAL MARKETPLACE" BY DISRUPTING THE SUCCESSFUL AGRICULTURAL EXPORT ENHANCEMENT PROGRAM (EEP).

"It is absolutely critical that we protect our hard-earned market shares -- with the Soviet Union and every other trading partner. Let's face it, the competition is tough and playing to win, which is why America needs to combat the lavish subsidies the European Community is heaping on its farm products," Dole said.

Dole today wrote President Bush as well as Secretary of Agriculture Clayton Yeutter asking the administration to maintain an aggressive Export Enhancement Program (EEP), a program that has revitalized U.S. trade strength overseas.

Meanwhile, Soviet officials are now in Washington discussing current farm export issues under the Long Term Grains Agreement (LTA). Dole said the Administration should make the Export Enhancement Program more consistent and predictable.

"The Administration needs to make clear that EEP will be fully operational during the balance of the current round of GATT negotiations," Dole added. "Approval of the pending requests by the Soviet Union for wheat and vegetable oil, and by the Egyptians for wheat flour would demonstrate a determination to maintain our current market share for established EEP commodities as well as our willingness to use EEP for commodities and products currently in surplus to combat unfair trading practices by the European Economic Community (EEC)."

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"Although U.S. wheat stocks are becoming tighter and need to be monitored due to the drought in Kansas, any lack of continuity in EEP at this time could lead to reduced export levels and rebuilding of burdensome stocks unless we maintain our current market share with the Soviets."

"In the case of wheat, the use of EEP bonuses to make U.S. sales competitive with wheat prices offered to the Soviets by other exporters is an established practice and should be continued to reassure other nations that America is a reliable and competitive supplier."

"I urge you to recommend a comprehensive review of the objectives and requirements of the EEP program for the purpose of making it more consistent and predictable. However, any ongoing review of EEP should not delay or disrupt potential sales opportunities in the near-term," added Dole.

Dole also urged the Administration to raise the current self-imposed 20 mmt cap for grain sales under the LTA to allow farmers continued access to the Soviet market and facilitate sales of feed grains which are in adequate supply in the U.S.

Dole also encouraged review of EEP coverage to surplus commodities and products which must compete with EEC subsidies. The U.S. is currently holding record amounts of vegetable oil stocks, including large quantities of soybean oil.

"If we delay further, the import requirements of the Soviet Union and other potential buyers may be filled later in the year by the EEC and other exporters," Dole noted.

Dole stated the Administration should facilitate a request by Egypt for wheat flour to prevent the EEC from capturing the entire market for flour, a value-added product important to the Kansas economy. He suggested the shipment could be made over several months and not significantly affect the supply/demand situation for wheat.

"I urge you to pursue the establishment of clear and consistent objectives for the Export Enhancement Program that reflect the realities of competing in the current environment of world agricultural trade. We need to resolve these issues quickly in order to take advantage of sales opportunities that may not be available later this year," Dole concluded in his letter.

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