

News from Senator

BOB DOLE



(R - Kansas)

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DOLE APPLAUDS NEW EXPORT BONUS OFFER TO SOVIET UNION;
ACTION SENDS SIGNAL "AMERICA IS PLAYING TO WIN" ON TRADE FRONT

WASHINGTON -- Senator Bob Dole (R-Ks) today hailed President Bush's decision to facilitate additional wheat sales to the Soviet Union through the Export Enhancement Program (EEP) "as a strong signal America is playing to win in the international marketplace. This action is welcome news for our farmers".

Senator Dole has been pressing the Administration to use the bonus commodity program to enhance potential grain sales to foreign customers. This morning, Dole handed the President a personal letter stressing the need for new wheat EEP initiatives, which have been on hold since late February.

Today's announcement includes 1.5 million metric tons of wheat targeted to move under the Export Enhancement Program for May and June delivery.

"We have worked too hard to get our markets back and too long to convince the world we are reliable trading partners to send another mixed signal to potential customers," Dole said.

Dole -- who also spoke with the President and Secretary of Agriculture Clayton Yuetter earlier in the week about the need for EEP -- told the President in the letter that "Its clear that any budget review of the program is not an appropriate reason to suspend new offers at this time because USDA is required to use \$770 million to finance EEP sales this year. Any constraints based on budget neutrality should be proposed in the Administration's position on the FY-1991 USDA appropriation.

Dole continued, "Although the uncertain outlook for the 1989 wheat harvest requires a conservative approach toward new wheat EEP offers in the next month, it is clear the U.S. should take advantage of opportunities to fill wheat demand during the next few months. To the extent that buyers can wait until the Fall, we will either lose sales or be forced to increase the size of the EEP bonus and therefore the potential costs of the program as new wheat supplies become available from the European Community and other U.S. competitors."

"A lack of continuity in wheat EEP offers at this time could lead to lower exports and higher stocks, resulting in lower market prices, higher deficiency payments and higher program outlays.

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