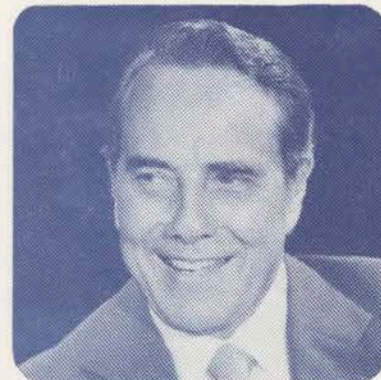


News from Senator

BOB DOLE



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DOLE URGES WHITE HOUSE TAKE IMMEDIATE ACTION ON AG EXPORT FRONT;
LETTER TO PRESIDENT BUSH LISTS OPTIONS TO
BATTLE FOREIGN SUBSIDIES

WASHINGTON -- WITH THE AMERICAN FARM ECONOMY FACING A BLEAK YEAR MADE WORSE BY UNFAIR FOREIGN COMPETITION AND UNREST IN THE SOVIET UNION, SENATE REPUBLICAN LEADER BOB DOLE (R-KANSAS) HAS WRITTEN A LETTER TO PRESIDENT BUSH URGING HIM TO TAKE IMMEDIATE ACTION TO HELP REVITALIZE U.S. TRADE PROSPECTS IN THE INTERNATIONAL FARM MARKETPLACE.

"IT IS CLEAR THAT THE GATT NEGOTIATIONS ARE GOING NOWHERE AS FAR AS THE AMERICAN FARMER IS CONCERNED," DOLE SAID IN A STATEMENT TODAY. "FOREIGN COMPETITORS ARE WAGING AN INTENSE SUBSIDY WAR AND THE ONGOING GATT TALKS CAN'T DO ANYTHING TO STOP IT. THAT'S WHY IT IS TIME FOR THE U.S. TO GET BACK IN THE GAME. OUR FARMERS, ESPECIALLY WHEAT FARMERS, ARE HURTING AND THERE IS NO REASON THE U.S. HAS TO SIT ON THE SIDELINES AND WATCH THE SUBSIDY SOAKED COMPETITION GOBBLE UP OUR FAIR SHARE OF THE MARKETPLACE."

IN HIS JANUARY 22ND LETTER TO PRESIDENT BUSH, DOLE POINTED OUT THAT THE U.S. SHARE OF THE WORLD WHEAT MARKET HAS PLUNGED FROM 43% TO 29% DURING THE PAST FOUR YEARS, WHILE THE EUROPEAN COMMUNITY'S SHARE HAS CLIMBED FROM 14% TO A RECORD 22%. DOLE ALSO TOLD THE PRESIDENT THAT THE U.S. SPENT ONLY \$312 MILLION ON FARM EXPORT SUBSIDIES IN 1990, COMPARED TO THE EC'S MASSIVE \$12 BILLION INVESTMENT IN EXPORT ENHANCEMENT.

DOLE OUTLINED SEVERAL OPTIONS FOR THE ADMINISTRATION TO CONSIDER, AND THOSE ARE SPELLED OUT IN THE FOLLOWING EXCERPTS FROM THE DOLE LETTER TO PRESIDENT BUSH:

(OVER)

EXPERTS FROM SENATOR DOLE'S LETTER TO PRESIDENT BUSH:

"...Mr. President, I present for your consideration a number of viable options to assist the faltering farm economy. One option is the removal of the spending cap for funds authorized for the Export Enhancement Program (EEP), as well as the GSM-102 credit guarantee program. Given the depressed grain market and subsequently high bonuses necessary to move grain under the EEP, the Administration could soon find its hands tied as expenditures near the spending cap. Recognizing the past successes of the EEP, along with the continued intransigence on the part of the EC in the stalled GATT talks, this program stands out as an important export marketing tool which is necessary to maintain our market share and to bolster farm income.

Another option incorporated in the 1990 Farm Bill requires the Commodity Credit Corporation (CCC) to make available \$1 billion in export credit guarantees for fiscal years 1991-1995

for emerging democracies. The program is designed to help ensure that the democratic and market-oriented reforms in Eastern Europe succeed in the face of potential soviet backsliding. We are at a critical juncture where all of these funds should be used in FY 1991 and FY 1992 in an effort to keep this landmark reformation on track. "

"...The Omnibus Budget Reconciliation Act of 1990 directs the Secretary of Agriculture to increase export promotion program funding by \$1 billion in the event that the U.S. fails to enter into an agreement on the GATT by June 30, 1992. The prospects for a successful agreement are questionable. In light of this, an additional option would be to move up the date of the so-called "GATT triggers" included in the 1990 farm Bill by one year (which would in general require the Secretary of Agriculture to take aggressive action against unfair competition if a GATT agreement is not reached by June 30, 1991). At the same time, Democrats would be stripped of any basis for arguing that the Administration "put all of its eggs in one basket" by relying upon a significant and meaningful GATT agreement.

One final option for consideration is the provision of additional food aid for refugees and homeless which will arise as a result of the war in the Mideast. "