

News from Senator

BOB DOLE



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FOR IMMEDIATE RELEASE
MARCH 14, 1991

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SENATE COMMITTEE LIFTS SPENDING CAP
ON EXPORT ENHANCEMENT PROGRAM;
DOLE: "U.S. MUST PLAY TO WIN"

WASHINGTON -- CONGRESS GOT ONE STEP CLOSER TODAY TO LIFTING THE CAP ON AMERICA'S MOST IMPORTANT AGRICULTURAL EXPORT PROGRAM, WHEN THE SENATE APPROPRIATIONS COMMITTEE AGREED TO BOOST FUNDING FOR THE EXPORT ENHANCEMENT PROGRAM TO \$900 MILLION FOR FISCAL YEAR 1991.

SENATOR BOB DOLE (R-KS) - ONE OF THE CHIEF ARCHITECTS OF "EEP" - HAS BEEN PUSHING THE ADMINISTRATION AND THE CONGRESS TO RAISE THE PROGRAM'S CAP IN THE FACE OF STIFF COMPETITION FROM HEAVILY-SUBSIDIZED FOREIGN GOODS. ACCORDING TO THE ADMINISTRATION, THE COST OF THE INCREASE WILL BE ZERO, BECAUSE INCREASED EXPORTS WILL MEAN DECREASED DEFICIENCY PAYMENTS.

"THIS COULD BE A BIG WIN FOR THE AMERICAN PRODUCERS, ESPECIALLY THE WHEAT FARMER. WE HAVE TO PLAY TO WIN BECAUSE THE FOREIGN COMPETITION IS LOADING UP ON JUICY SUBSIDIES. I APPRECIATE SENATOR BYRD'S UNDERSTANDING OF THE PROBLEM AND HIS LEADERSHIP ON THE COMMITTEE. LIFTING THE CAP WILL ALSO ALLOW US TO MAINTAIN OUR STRONG HAND AT THE GATT NEGOTIATING TABLE," SAID DOLE.

SINCE 1985, THE EEP HAS BEEN A SUCCESSFUL TOOL IN ENABLING AMERICAN FARMERS TO COMPETE WITH THE COSTLY EXPORT-DUMPING POLICIES OF THE EC. DOLE'S STATEMENT ECHOES THE ADMINISTRATION'S RESOLVE TO KEEP THE EC'S FEET TO THE FIRE AS THE STALLED GATT NEGOTIATIONS BEGIN TO SHOW SIGNS OF RECONVENING.

UNDER THE EEP, IMPORTING COUNTRIES SUBMIT BIDS WHICH ARE COMPETITIVE WITH EC PRICES. IN ORDER FOR AMERICAN EXPORTERS TO FACILITATE TRADE AT THIS DISTORTED PRICE LEVEL, THE USDA AWARDS AN "EEP BONUS" TO THE EXPORTER TO MAKE UP THE DIFFERENCE BETWEEN DOMESTIC PRICE LEVELS AND THE BID PRICE. DUE TO RECORD CROPS AND SUBSEQUENT WORLD PRICE DECLINES IN 1990, EEP BONUSES HAVE REACHED RECORD HIGHS, EXPENDING ALL BUT \$7 MILLION OF THE \$425 MILLION APPROPRIATED FOR FISCAL YEAR 1991 IN LESS THAN SIX MONTHS.

"WITHOUT THIS LEGISLATION, OUR WHEAT EXPORTS WILL COME TO A DEAD HALT. FOR YEARS, THE EC HAS BEEN DRAINING ITS COFFERS TO FINANCE THEIR POLICIES, BANKING ON A LACK OF AMERICAN RESOLVE TO PROTECT OUR OWN. THIS TIME, THEY BET ON THE WRONG HORSE."

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