

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: NOVEMBER 27, 1990

FO 004-02

NAME OF CORRESPONDENT: THE HONORABLE LELAND A. IMIG

SUBJECT: URGES PRESIDENT TO AUTHORIZE CREDIT FOR BOTH
THE USSR AND EASTERN EUROPEAN COUNTRIES TO
ALLOW THEM TO PURCHASE GRAIN

		ACTION		DISPOSITION	
ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACT CODE	DATE YY/MM/DD	TYPE RESP	C COMPLETED D YY/MM/DD
LANNY GRIFFITH		ORG	90/11/27	LG	11/30/90
REFERRAL NOTE:			/ /		/ /
REFERRAL NOTE:			/ /		/ /
REFERRAL NOTE:			/ /		/ /
REFERRAL NOTE:			/ /		/ /
REFERRAL NOTE:			/ /		/ /

COMMENTS: PRESIDENT, U.S. GRAIN SORGHUM FEDERATION
GRAIN SOGHUM BOARD MEMBERS ARE APPOINTED BY
GOVERNOR

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 2130

IG MAIL USER CODES: (A) (B) (C)

*ACTION CODES:	*DISPOSITION	*OUTGOING	*
*	*	*CORRESPONDENCE:	*
*A-APPROPRIATE ACTION	*A-ANSWERED	*TYPE RESP=INITIALS	*
*C-COMMENT/RECOM	*B-NON-SPEC-REFERRAL	*OF SIGNER	*
*D-DRAFT RESPONSE	*C-COMPLETED	*CODE = A	*
*F-FURNISH FACT SHEET	*S-SUSPENDED	*COMPLETED = DATE OF	*
I-INFO COPY/NO ACT NEC		*OUTGOING	*
*R-DIRECT REPLY W/COPY *			*
*S-FOR-SIGNATURE *			*
*X-INTERIM REPLY *			*

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE
(ROOM 75, OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING
LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS
MANAGEMENT.

THE WHITE HOUSE

WASHINGTON

November 30, 1990

Dear Mr. Imig:

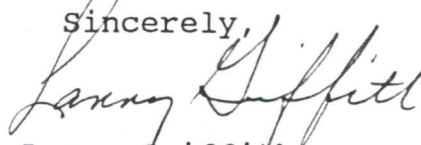
On behalf of the President, I want to thank you for your recent correspondence regarding the extension by the United States Government of credits and loan guarantees to the Soviet Union in order to promote U.S. grain sales. We are extremely sensitive to the difficulties faced by our agricultural sector in trying to serve the Soviet market.

The Administration is working actively to lay the foundation for the expansion of trade relations with the Soviet Union. The President signed a trade agreement at the Washington Summit that, if approved by Congress, would lead to the extension of MFN treatment to the Soviet Union. The agreement also contains provisions designed to facilitate the efforts of U.S. individuals and enterprises to conduct trade with the USSR. The President has said that he will waive the Jackson-Vanik restriction and submit the trade agreement for approval by Congress after Soviet passage of their emigration bill. We have been assured by Soviet officials that they expect the emigration reform bill to be passed this year.

A credit guarantee program for the USSR cannot be established at this time because the Jackson-Vanik amendment prohibits the extension of credits or credit guarantees to any non-market economy that restricts or denies emigration. Once the President issues a Jackson-Vanik waiver and the trade agreement is approved by Congress, we will work with the Congress to remove any remaining legal impediments to the extension of official credits and guarantees to the Soviet Union.

I appreciate your bringing your views on this matter to the attention of the Administration. Please let me know if we can be of further assistance in any way.

Sincerely,



Lanny Griffith

Special Assistant to the President for
Intergovernmental Affairs

The Honorable Leland Imig
Nebraska Grain Sorghum Development,
Utilization and Marketing Board
Box 94982
Lincoln, NE 68509

8 . . . apple 193878
Nebraska Grain Sorghum Development, Utilization and Marketing Board

301 Centennial Mall South, Fourth Floor
Box 94982, Lincoln, Nebr. 68509, Ph. (402) 471-4276

L. Griffith
November 21, 1990

Honorable George Bush
President of the United States
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Dear President Bush:

I am writing to urge you to offer grain-purchasing credit to the USSR and the Eastern European countries. This letter not only expresses my personal concern that this credit be made available, but also the collective concern of the 90,000 grain sorghum producers in the states of Nebraska, Kansas and Texas.

As you are aware, the Soviet Union has been the largest customer of U.S. feed grains for a number of years. In recent years, their purchases have been for cash. However, due primarily to their ongoing economic and political turmoil, they are unable to purchase grain with hard currency at this time. To have them continue as a high-volume customer, both now and in the future, the extension of U.S. credit is vital.

I understand that in the entire experience of all such agricultural credit use, no country has ever defaulted. Thus, the financial risk to American taxpayers is minimal. Current large American supplies of feed grains are keeping our prices depressed. Some large-volume sales would be greatly beneficial to American grain producers by reducing supplies and thereby causing our own market to rise. A further benefit to American taxpayers resulting from higher local prices would be the diminution of cost of U.S. farm program payments to feed grain producers.

Two days ago, I returned from a visit to the Soviet Union, traveling with a contingent of feed grain producers sponsored by the U.S. Feed Grains Council. We visited livestock feeding operations, feed mills, grain farms and government agencies in Hungary, Bulgaria, Czechoslovakia, Poland, Lithuania, the Ukraine, Byelorussia and the Russian Republic. Without exception, the people we talked with said that their supplies of feed grains are critically short; possibly not sufficient to last beyond the end of the year. Therefore, they need to begin import proceedings immediately. We heard that the port of Leningrad is gearing up to receive 200 million bushels of feed grain between now and July of 1991. Will any of it be U.S. grain?

(continued)

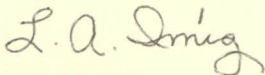
Page 2

To: President Bush
From: Leland Imig

The USSR has received purchase credit offers from France, Canada, Germany and Japan. Japan has even offered to supply feed grains, which (as you know) they don't even produce. They are obviously positioning themselves to be in a profitable middle-man arrangement between U.S. grain producers and Soviet buyers. Such arrangements are clearly counter to the interests of the United States and to our grain producers. We heard that Soviet grain buyers prefer the same relationship that U.S. producers prefer -- to continue a long-term, stable, high-volume grain trade. If we do not continue this relationship, we will do ourselves a drastic disservice by handing an established market to our competitors.

Mr. President, I urge you to take your pen from your pocket and authorize credit for both the USSR and Eastern European countries. Doing so is clearly in the interests of all American taxpayers. Neglecting to do so is not an acceptable option.

Very truly yours,



Leland A. Imig
Member, Nebraska Grain Sorghum Board
President, U.S. Grain Sorghum Federation

LI/jis

xc: Nebraska Congressional Delegation
Stan Barrett, U.S. Feed Grains Council
Clayton Yeutter, U.S. Secretary of Agriculture
Jack Eberspacher, Executive Director, U.S. Grain Sorghum Federation
Members of the House Agriculture Committee
Members of the Senate Agriculture Committee
Galen Swenson, Director, Kansas Grain Sorghum Commission