

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

F0004-02

INCOMING

DATE RECEIVED: MAY 10, 1991

NAME OF CORRESPONDENT: MR. MERLE MCCANN

SUBJECT: URGES THE PRESIDENT TO CONSIDER ADDITIONAL
CREDIT GUARANTEES FOR THE PURCHASE OF U.S.
AGRICULTURAL COMMODITIES BY THE SOVIET UNION

		ACTION		DISPOSITION	
ROUTE TO:		ACT	DATE	TYPE	C COMPLETED
OFFICE/AGENCY	(STAFF NAME)	CODE	YY/MM/DD	RESP	D YY/MM/DD
HOLLY WILLIAMSON		ORG	91/05/10	Mg	91/05/29 TC
REFERRAL NOTE:			/ /		/ /
REFERRAL NOTE:			/ /		/ /
REFERRAL NOTE:			/ /		/ /
REFERRAL NOTE:			/ /		/ /
REFERRAL NOTE:			/ /		/ /

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 4900 4100

MI 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

May 29, 1991

Dear Mr. McCann:

Thank you for your letter to the President supporting the allocation of additional Commodity Credit Corporation export credit guarantees (GSM-102) in connection with sales of agricultural commodities to the Soviet Union.

As you know, the \$1 billion in export credit guarantees already made available for this purpose, announced in January, has been almost completely used. For this reason, the Soviets have recently requested that up to an additional \$1.5 billion in GSM-102 export credit guarantees be made available during the remainder of fiscal year 1991.

The Department of Agriculture and the Administration are currently reviewing this request, and your views will be given full consideration. We are grateful to have your thoughts on this issue and have also shared your letter with the appropriate Administration officials.

Sincerely,



Michael P. Jackson
Special Assistant to the President
and Executive Secretary for Cabinet Liaison

Mr. Merle McCann
President
American Soybean Association
1300 L Street, NW
Suite 950
Washington, DC 20005-4107

Holly Williamson



American Soybean Association

237/20

May 2, 1991

The President
White House
Washington, DC 20500

Dear Mr. President:

I am writing on behalf of the over 400,000 U.S. soybean farmers about the vital Soviet market. We understand that President Gorbachev has asked for additional credit guarantees for the purchase of U.S. agricultural commodities. We urge you to give full consideration to his request.

The Soviet Union is the number one foreign customer for U.S. soybean meal, taking 31% of our total exports last year. The Soviets are also a major buyers of U.S. soybeans, taking an average of nearly 500,000 MT over the last three fiscal years. Your action last December to waive the Jackson-Vanik amendment enabled the Soviets to take advantage of United States credit guarantee programs.

Unfortunately, the Soviet's recent purchases under the GSM-102 program have not enabled them to maintain their livestock and poultry industries at levels needed to meet domestic requirements. The American Soybean Association office in Vienna recently reported that the broiler and egg industries have been particularly hard hit by shortages of soybean meal. As a result, there have been emergency slaughterings, which have resulted in shortages of eggs and broiler meat in many areas of the USSR. In addition, Soviet livestock inventories are down 2% from last year, which were off from the previous year.

The decline in Soviet purchases has been a key factor in the weakness in the soybean market in recent months. Additional credit guarantees would improve the market, providing the opportunity for a much needed price boost to U.S. soybean farmers who rely on overseas markets for almost 50% of their sales.

We urge you to give full consideration to the Soviet request that will enable the United States to retain its place in this vital foreign market.

Sincerely,

Merle McCann
President

Washington Office