

*Les AuCoin*

Extension of Remarks  
By Congressman Les AuCoin  
in the Congressional Record  
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### U.S. Grain Embargo a Failure

Mr. Speaker, three months ago the United States clamped an embargo on grain exports to the Soviet Union in retaliation for the invasion of Afghanistan.

At that time I joined with many colleagues on both sides of the aisle in supporting the need for firm and decisive responses to blatant Soviet aggression.

I welcomed the President's strong, unequivocal statement that the Persian Gulf is an area of vital interest to the United States, that the invasion of Afghanistan is a matter of gravest concern, and that verbal condemnation of the Soviet Government is not enough -- that the Soviet Union must pay a concrete price for its aggression.

However, it was in that context, Mr. Speaker, that I cautioned against turning to trade sanctions as a retaliatory weapon. I cautioned that before rushing into politicizing our trade policy we should have a clear understanding of the costs of our actions -- because trade sanctions cut both ways. They involve a price. So at the very least we ought to make sure that the price inflicted on the recipient exceeds the cost we impose upon ourselves.

In the case of the grain embargo, I expressed doubt that it would deal a punishing blow to the Soviet economy.

It is no satisfaction observe in retrospect that the grain embargo has failed, and for the very reasons I cited.

Last month the Agriculture Department issued a new forecast showing that the Soviet Union has been able to purchase enough new grain from Argentina, Canada and smaller producers to offset all but 2 million tons of the 17 million tons of U.S. corn and wheat withheld from export.

One agriculture official, trying to put the best face on things, called the embargo a "success" because it forced the Soviets, in his words, "to go scrounging all over the world for grain."

He called this a "real inconvenience" for the Soviets.

I call it a mistake, and a failure.

I suggest that the inconvenience our embargo has imposed on the Soviets is far less painful than the sacrifice we have inflicted on American grain producers and losses to our own economy.

Trade sanctions have to be understood in terms of national economic priorities. At a time when Congress is struggling to restrain federal spending and bring the budget into balance, the embargo will entail the commitment of billions of dollars -- on top of the \$2 billion already pledged to buy up existing Soviet grain contracts -- to shore up grain producers in the years ahead. This will not make balancing the budget any easier.

There are long-term costs of politicizing the grain trade as well. Not only do we endanger existing markets, but we discourage new ones because of the uncertainty -- the strings, if you will -- that go with buying our grain.

This could not occur at a worse time. Though progress is being made to build markets in Asia, including Singapore, Malaysia, Indonesia, Sri Lanka and to reopen markets in China, our gains abroad could be undermined if the world perceives U.S. policy as unstable when it comes to trade.

Competition with Australia for Asian wheat markets is expected to be stiff in the 1980s, especially as fuel prices continue to rise. Uncertainty of supply could become the determining factor in whether or not we make sales of our wheat.

Trade is no gift. It is the exchange of goods or services between a willing buyer and seller. In trade, you only have leverage if you are willing to make an exchange. If you aren't a buyer will look elsewhere. In our world today, there are plenty of "elsewheres."

Mr. Speaker, if we have gained anything from this embargo, it should be the lesson that trade embargoes, unilaterally imposed, rarely work. To be effective, an embargo cannot be undercut by other nations which have the same trading capacity and choose to do business as usual.

The grain embargo has demonstrated that this is not an abstract theory. It is a fact.

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