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AMERICAN FARM BUREAU FEDERATION

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AMERICAN FARM BUREAU
KANSAS CITY, MISSOURI
MONDAY, JANUARY 13, 1992
10:00 A.M.

THANK YOU, DEAN KLECKNER. IT'S A PLEASURE TO BE
UP HERE WITH SO MANY SUPPORTERS OF AGRICULTURE:
SECRETARY MADIGAN, GOV. ASHCROFT, SEN. JACK DANFORTH
AND KIT BOND, AND CONGRESSMAN TOM COLEMAN. I HAD THE
CHANCE JUST A FEW MINUTES AGO TO MEET WITH YOUR BOARD.
IT'S GOOD TO SEE JOHN WHITE AND ENID SCHLIFF [SHLIFF]
AGAIN. I SPENT THE DAY WITH THEM IN CHICAGO LAST MONTH
WHEN I SPOKE TO THE ILLINOIS FARM BUREAU.

((I WON'T LEAD YOU IN THE SINGING, BUT IF YOU SEE
ED MADIGAN LATER, YOU MIGHT WISH HIM A HAPPY
BIRTHDAY.)) //

[[AS YOU KNOW, I JUST GOT BACK FROM A TRIP TO
ASIA. AND OF COURSE, YOU KNOW WHY I WENT: THE FOOD.
// MY DOCTOR TOLD ME ON THAT FATEFUL NIGHT IN JAPAN
THAT I LOOKED LIKE I HAD BECOME A MEMBER OF THE GREEN
PARTY. // WELL, DON'T COUNT ON SEEING ME AT A
BENIHANA'S ANYTIME SOON.]] //

THAT GREAT VOICE OF RURAL AMERICA, WILL ROGERS,
ONCE OBSERVED, "A MAN IN THE COUNTRY DOES HIS OWN
THINKING / BUT YOU GET HIM INTO TOWN, AND HE WILL SOON
BE THINKING SECOND-HANDED." // TODAY, I'M HERE TO GIVE
YOU MY FIRST-HAND REPORT ON MY TRIP TO AUSTRALIA,
SINGAPORE, KOREA, AND JAPAN. //

ALL OF YOU KNOW MY REAL REASON FOR GOING TO ASIA:
PROSPERITY. OURS AND THEIRS. THAT REQUIRES SECURITY,
STABILITY, DEMOCRACY, AND TRADE. FREE TRADE CAN GIVE
THE AMERICAN FARMER NEW OPPORTUNITIES TO SAVE / INVEST
/ CREATE / AND DREAM. // IT RESULTS IN THOSE THREE
MAGIC WORDS: JOBS, JOBS, JOBS.

THE COLD WAR HAS ENDED, AND WE STAND ON THE VERGE
OF A NEW AGE OF COMPETITION. OUR IDEALS TRIUMPHED IN
THE COLD WAR, AND THE NEW WAVE OF DEMOCRACY REPRESENTS
NOTHING LESS THAN THE POLITICAL RESTRUCTURING OF THE
WORLD. THAT WAS A TOUGH FIGHT, A LONG FIGHT, BUT IT
WAS WORTH IT.

NOW WE MUST LEAD AN ECONOMIC RESTRUCTURING FOR FREE AND FAIR TRADE -- OPEN MARKETS ALL OVER THE WORLD. THAT FIGHT WILL TAKE TIME, AND LOTS OF PEOPLE WILL WANT IMMEDIATE RESULTS. BUT WE WON THE COLD WAR -- AND WE WILL WIN THE COMPETITIVE WARS. WE'LL DO IT ON THE MERITS, AND WE'LL DO IT THE AMERICAN WAY -- THROUGH GRIT, DETERMINATION AND QUALITY.

MY TRIP TO ASIA WAS AN IMPORTANT STEP TOWARD BUILDING THAT NEW WORLD. WE REACHED DOZENS OF NEW AGREEMENTS ON MARKET OPENINGS -- FROM COMPUTERS, TO PAPER, TO GLASS, TO AUTOMOTIVE PRODUCTS. IN JAPAN ALONE WE REACHED 49 STANDARDS AGREEMENTS IN NON-AUTOMOTIVE INDUSTRIES; AND HAMMERED OUT MARKET OPENING AGREEMENTS IN A VARIETY OF INDUSTRIAL SECTORS.

THAT WAS JUST A START. JAPANESE PRIME MINISTER MIYAZAWA HAS AGREED TO VISIT WASHINGTON LATER THIS YEAR AS A FOLLOW-UP TO THE TRIP -- AND BOTH SIDES HAVE PLEDGED TO ADVANCE THE CAUSE OF OPEN, FREE AND FAIR TRADE.

OUR FARMERS AND RANCHERS THRIVE IN THE INTERNATIONAL MARKETPLACE DESPITE THE BARRIERS THAT OTHER GOVERNMENTS THROW IN THEIR WAY. A FULL 25 PERCENT OF OUR AGRICULTURAL PRODUCTION GETS SOLD ABROAD. YOU DON'T COMPLAIN -- YOU GET THE JOB DONE.

LOOK, WE ALL KNOW THAT PROTECTIONISM BOILS DOWN TO DEFEATISM. IF YOU DON'T TRUST YOUR PRODUCT -- YOU TRY TO KEEP OTHERS FROM SAMPLING THE COMPETITION. BUT IF YOU TRUST YOUR HANDIWORK, YOU SEE FOREIGN MARKETS AS A GREAT OPPORTUNITY.

CONSIDER THE PAYOFF. EVERY \$1 BILLION OF AMERICAN AGRICULTURAL EXPORTS MEANS 25,000 AMERICAN JOBS. FARM EXPORTS SHOULD EXCEED \$40 BILLION IN 1992. IN THIS TIME OF TRADE DEFICITS, THAT'S A FARM TRADE SURPLUS OF \$17 BILLION, AND ONE MILLION GOOD AMERICAN JOBS. //

DON SHAWCROFT KNOWS WHAT I'M TALKING ABOUT. /
JAPAN IMPORTS \$1.7 BILLION IN BEEF -- AND 53 PER CENT
OF THAT BEEF COMES FROM AMERICA. THIS HELPS CATTLE
RANCHERS LIKE DON, WHO RUNS A 600-HEAD BEEF HERD WITH
HIS DAD IN ALAMOSA, COLORADO. //

FIVE HUNDRED MILES AWAY LIVES ARLENE WESSEL, WHO
PRODUCES FARROW-TO-FINISH HOGS, DRYLAND WHEAT, AND CORN
ON HER FAMILY'S FARM NEAR HURON, SOUTH DAKOTA. //
ARLENE ALSO KNOWS HOW TO KEEP AMERICA'S STANDARD OF
LIVING NO. 1 IN THE WORLD. NOT BY BUILDING A FENCE
AROUND AMERICA -- BUT BY CONVINCING OTHER COUNTRIES TO
TEAR THEIR FENCES DOWN. //

I WANT TO GIVE ALL FARMERS -- THE GRAIN FARMERS,
THE RICE FARMERS, THOSE WHO GROW THE BEST PRODUCE IN
THE WORLD -- A FAIR SHOT AT SELLING THEIR GOODS
EVERYWHERE.

((TO ACHIEVE THIS, OF COURSE, WILL REQUIRE DILIGENCE, AND PATIENCE. I RECALL AN OLD QUAKER FARMER WHO WOULD NEVER TAKE THE NAME OF THE LORD IN VAIN. BUT ONE DAY HIS MULE, WHO WAS HITCHED TO A HAY WAGON, WOULDN'T BUDGE AN INCH. // THE FARMER TRIED EVERY BIT OF COAXING. NO SUCCESS. FINALLY, HE REACHED THE END OF HIS ROPE. "MULE," HE SAID, "I CANNOT BEAT THEE, OR CURSE THEE, OR ABUSE THEE IN ANY WAY. BUT MULE, WHAT THEE DOESN'T KNOW IS THAT I CAN SELL THEE TO AN EPISCOPALIAN."))

IN THAT CONTEXT, LET ME SAY A FEW WORDS ABOUT EXPORT SUBSIDIES. // ULTIMATELY, THEY STIFLE GROWTH / BURDEN THE TAXPAYER / COST CONSUMERS / AND MAKE INDUSTRY LESS COMPETITIVE. // I ALSO KNOW THAT I MUST -- AND WILL -- SAFEGUARD THE INTERESTS OF AMERICAN FARMING. I WILL NOT LET AMERICAN AGRICULTURE DISARM UNILATERALLY. //

TODAY, THE TRADE PRACTICES OF THE EUROPEAN COMMUNITY HURT AMERICAN FARMERS. OUR AGRICULTURAL EXPORT ENHANCEMENT PROGRAM IS SPECIFICALLY DESIGNED TO COUNTER THE E.C.'S MASSIVE EXPORT SUBSIDIES. WITHOUT THIS EFFORT -- WHICH IS LESS THAN ONE-TENTH THE SIZE OF THE E.C. SUBSIDY -- AMERICAN FARMERS WOULD LOSE EVEN GREATER MARKET SHARES TO THE E.C.

YES, WE MUST END EXPORT SUBSIDIES. BUT WE WON'T DO IT UNTIL OTHER NATIONS DO THE SAME. I WILL NOT PUT OUR FARMERS AT AN UNFAIR DISADVANTAGE. [[SOONER OR LATER, THE E.C. WILL STOP HIDING BEHIND ITS OWN IRON CURTAIN OF PROTECTIONISM -- OR IT WILL GO BROKE. MEANWHILE, WE'LL JUST GET LEANER, TOUGHER AND MORE COMPETITIVE.]]

THE WORLD'S FUTURE PROGRESS AND PROSPERITY DEPEND
UPON FREE TRADE. I AM WORKING TO CONCLUDE THE URUGUAY
ROUND OF GATT NEGOTIATIONS SUCCESSFULLY. / I
ESPECIALLY APPRECIATE THE FARM BUREAU'S STEADFAST
SUPPORT FOR FREE AND FAIR TRADE. /// GATT WILL HELP
THE WORLD MOVE TOWARD BROADER ECONOMIC INTEGRATION --
NOT TRADING BLOCS. //

OUR ADMINISTRATION WILL SETTLE FOR NOTHING LESS
THAN A GATT AGREEMENT THAT EXPANDS MARKETS AND
INCREASES OPPORTUNITIES FOR OUR EXPORTERS. // WE WANT
FREE TRADE, AND WE WANT FAIR TRADE -- AND WE WANT
ABUNDANT TRADE. AND GATT REALLY IS THE KEY. I KNOW
THE E.C.'S BEHAVIOR THREATENS PROGRESS, BUT WE WILL GET
A GOOD AGREEMENT.

WHILE MY ADMINISTRATION SUPPORTS AMERICAN BUSINESS
ABROAD, WE'RE ALSO DOING OUR BEST TO HELP AT HOME. //

((IN THAT SPIRIT, I RECALL SOMETHING WRITTEN ABOUT
PEOPLE WHO GROW UP CLOSE TO THE SOIL. "THERE'S
SOMETHING ABOUT GETTING UP AT 5 O'CLOCK, FEEDING THE
STOCK AND CHICKENS AND MILKING A COUPLE OF COWS BEFORE
BREAKFAST THAT GIVES YOU A RESPECT FOR THE PRICE OF
BUTTER AND EGGS." // THAT WRITER KNEW THAT WHEN IT
COMES TO FARMING, WASHINGTON DOESN'T KNOW BEST.
AMERICAN FARMERS DO.))

IN 1990, I WORKED HARD TO GET CONGRESSIONAL
APPROVAL OF A FARM BILL THAT IS EVEN-HANDED -- AND
LEVEL-HEADED. // THAT BILL HELPED REDUCE INTEREST
RATES, SLASH INFLATION AND INCREASE FLEXIBILITY FOR
FARMERS TO DECIDE WHAT TO GROW. //

I'VE PROMOTED "FIRST-HAND" THINKING IN FARM POLICY FROM DAY ONE. / WE SET OUT TO REDUCE FARM DEBT AND INCREASE FARMERS' INDEPENDENCE -- AND WE GOT RESULTS. FARMERS' EQUITY HAS GROWN \$45 BILLION IN THREE YEARS. MEANWHILE, AGRICULTURAL SALES -- GROSS CASH RECEIPTS -- HAVE RISEN \$17 BILLION SINCE I TOOK OFFICE -- TO \$168 BILLION. AGAIN -- REAL RESULTS.

WE'RE COMMITTED TO COMMON SENSE IN FEDERAL WETLANDS POLICY. / MY DIRECTION TO VICE PRESIDENT QUAYLE'S COUNCIL ON COMPETITIVENESS WAS TO PROTECT ENVIRONMENTALLY SENSITIVE WETLANDS AND PROTECT THE PROPERTY RIGHTS OF LANDOWNERS. //

OUR NEW GUIDELINES WILL DISTINGUISH BETWEEN GENUINE WETLANDS, WHICH DESERVE TO BE PROTECTED, AND OTHER KINDS OF LAND -- INCLUDING YOUR FARMLANDS -- THAT SHOULDN'T. IT'S PRETTY SIMPLE: WETLANDS SHOULD BE WET. //

ALSO, LAST MONTH I SIGNED A BILL MAKING NEARLY \$1 BILLION IN DISASTER RELIEF AVAILABLE TO PRODUCERS FOR 1990 AND '91 CROP LOSSES. //

PUT THESE INITIATIVES TOGETHER AND YOU GET A FARM POLICY THAT LETS FARMERS DO WHAT THEY DO BEST -- FARM AND COMPETE -- ALL OVER THE WORLD.

OUR POLICIES REFLECT THE VALUES THAT WE ALL CHERISH: SELF-RELIANCE, GENEROSITY, FAMILY, COMMUNITY. THEY DRAW UPON YOUR STRENGTHS -- YOUR INTELLIGENCE, DILIGENCE, DETERMINATION AND FAITH.//

TODAY WE MEET IN A CITY THAT TESTIFIES TO ALL THESE VIRTUES. KANSAS CITY HAS BRAVED THREE MAJOR FLOODS THIS CENTURY -- AND RISEN TO NEW GREATNESS EACH TIME. NINETY-TWO YEARS AGO, THE CONVENTION HALL BURNED TO THE GROUND. PROUD MEN AND WOMEN REBUILT IT IN NINETY DAYS. // "IN KANSAS CITY," SOMEONE EXPLAINED, "WE DON'T KNOW WHAT 'IMPOSSIBLE' MEANS." MY FRIENDS, IN AMERICA WE DON'T KNOW WHAT "IMPOSSIBLE" MEANS. //

THE AMERICAN DREAM ISN'T AN IMPOSSIBLE DREAM. //
TOGETHER, WE WILL BUILD A BETTER AMERICA THAN EVEN WE
INHERITED -- AN AMERICA THAT LEADS THE WORLD TOWARD NEW
FREEDOM AND PROSPERITY.

THANK YOU. GOD BLESS ALL OF YOU, AND THE UNITED
STATES OF AMERICA.

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THE WHITE HOUSE
Office of the Press Secretary
(Tokyo, Japan)

FOR IMMEDIATE RELEASE

January 9, 1992

FACT SHEET: PAPER

Recent Developments.

- By the end of March 1992, the U.S. and Japanese Governments will agree on measures to substantially increase market access for foreign firms exporting paper products to Japan.
- Further, the Japan Fair Trade Commission (JFTC) has decided to initiate a survey on conditions in the paper sector from the competition policy prospective, before the end of March 1992.
- And, under MITI's Business Initiative for Global Partnership, the National Paper Merchants Association of Japan announced, on January 6, a voluntary plan in which 37 paper distribution companies indicated their desire to develop business relations with foreign paper producers.

Background

- Japan is the second largest producer of paper and paperboard after the United States. U.S. producers are globally competitive.
- Despite this, U.S. penetration in the Japanese Market for all paper and paperboard products is only 2.2% of total consumption, and penetration from all foreign producers is only 3.7%.
- In the U.S. market, despite raw materials and highly competitive domestic manufacturers, import penetration for paper and paperboard is nearly 15% of the U.S. markets.

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16:30

16:30

THE TOKYO DECLARATION
ON THE U.S.-JAPAN GLOBAL PARTNERSHIP

The President of the United States of America and the Prime Minister of Japan declare:

PREAMBLE

From tragic conflict fifty years ago, Japan and the United States have developed a highly productive and mutually beneficial relationship of close political, security, economic, scientific, and cultural cooperation. The two countries are now highly interdependent at all levels of their societies. They base their cooperation on shared principles of political and economic freedom, democracy, the rule of law, and respect for human rights.

The two countries recognize that this cooperation made an important contribution to weathering the chill of the Cold War era and in promoting four decades of global stability and prosperity.

The two governments recognize that today, in the post-Cold War era, new political and economic challenges confront the U.S.-Japan relationship. Economic issues have assumed new prominence. To ensure that the U.S. and Japan fully exploit opportunities for cooperation, both countries place the highest priority on taking effective measures to address factors underlying economic friction, with a focus on issues in their trading and investment relations.

Japan and the United States recognize the benefits to their societies of the close cooperation they have enjoyed in the post-war period and are committed to building on this foundation to create an even closer partnership. Both acknowledge that a closer relationship must be constructed on enhanced mutual understanding and shared interests. As the two largest market oriented economies and democracies in the world, Japan and the United States accept a special responsibility for shaping the new era.

The two governments therefore resolve to join in a Global Partnership based on these enduring values to help build a just, peaceful and prosperous world and to meet the challenges of the twenty-first century.

THE WHITE HOUSE

Office of the Press Secretary
(Tokyo, Japan)

FOR IMMEDIATE RELEASE

January 9, 1992

FACT SHEET: MAJOR PROJECTS AGREEMENT

- o On June 1, 1991, the U.S. and Japan concluded the Two Year Review of the 1988 Major Projects Arrangements, after nine meetings. As a result of the review, a formal exchange of letters constituting a new agreement was signed on July 31, 1991.
- o The new agreement provides procedural improvements including a simplified ranking system, new procedures for design/build procurements, and a comprehensive complaints mechanism featuring an independent procurement review board.
- o The agreement expands coverage to 23 new projects, bringing the total number of projects covered to 40. Seventeen of the 23 new projects, worth an estimated \$6.4 billion, have been approved for construction. An additional six projects, worth an estimated \$20.3 billion, are in the planning stage.
- o The new agreement will be reviewed after one year to expand the scope of coverage and adjust the procedures as necessary.
- o The total value of contract awarded to U.S. firms under the MPA since 1988 is approximately \$375 million. A precise figure cannot be determined because the U.S. share of certain contracts has not been disclosed.

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Office of the Press Secretary
(Tokyo, Japan)

FOR IMMEDIATE RELEASE

January 9, 1992

FACT SHEET: TELECOMMUNICATIONS

- o U.S. firms are making significant progress in exporting telecommunications products to Japan. In 1990 U.S. exports were \$375.3 million, up from \$323.1 million in 1989 and \$263.3 million in 1988.
- o The U.S. telecommunications products trade deficit with Japan was \$1.3 billion in 1990, \$2.1 billion in 1989. We expect the deficit will show slight decrease when final 1991 figures are available.
- o U.S.-Japan telecommunications relations for the past three years have been largely influenced by Section 1377 of the 1988 Trade Act, which requires an annual review of other countries' compliance with telecommunications trade agreements with the U.S.
- o The 1989 review resulted in an agreement which provides foreign firms increased access to Japan's mobile communications markets. Following the 1990 review, agreements were reached improving foreign access to Japan's international value-added network (IVAN) and digital equipment markets. Further agreements on IVANs were reached following 1991 review.
- o The U.S. also conducts an annual review of the Nippon Telegraph and Telephone (NTT) Agreement, which commits NTT (Japan's major domestic telecommunications carrier) to follow competitive procurement procedures. NTT procurement from U.S. firms has risen steadily since the agreement went into effect in 1981, reaching \$31 million in 1990. But foreign firms account for only about 4-5 percent of total NTT purchases.
- o NTT recently announced a decision to purchase two U.S. communications satellites (valued at about \$500 million) which will be delivered in 1995. The procurement was conducted under the terms of the 1990 U.S.-Japan Satellite Agreement.
- o Japan is setting up nationwide digital cellular telephone service, expected to begin in 1994. The Ministry of Posts and Telecommunications is overseeing the process and has approved two new consortia to provide this service in addition to existing service providers. U.S. firms are members of both consortia.

THE WHITE HOUSE

**Office of the Press Secretary
(Tokyo, Japan)**

FOR IMMEDIATE RELEASE

January 9, 1992

FACT SHEET: COMPUTER PROCUREMENT

On January 9, 1992, the U.S. Government and Japanese Government reached an agreement on Japanese public sector computer procurement. The Government of Japan will initiate measures with the goal of expanding Japanese public sector computer procurements of competitive foreign computer products and services. Given the competitiveness of U.S. computer manufacturers, the measures should lead to substantially increased sales in the Japanese public sector market. The agreement also contains significant procedural improvements, including an impartial bid protest system, increased transparency and reduction of single tendering by Japanese Government entities. Further, the Government of Japan will commit to promote a multi-vendor open systems environment.

According to the U.S. computer industry, foreign companies currently have a 41 percent share of the \$16.1 billion Japanese private sector mainframe market, but only 6 percent of the \$3 billion Japanese public sector mainframe market. (The U.S. industry estimates the overall public sector market for computer hardware, including mainframes, at \$6 billion.)

This agreement also covers government procurement of computer services which is the fastest growing sector of the market.

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THE WHITE HOUSE
Office of the Press Secretary
(Tokyo, Japan)

FOR IMMEDIATE RELEASE

January 9, 1992

FACT SHEET: GLASS

Recent Developments:

The Government of Japan will take steps to substantially increase market access for competitive foreign firms making efforts to export flat glass to Japan, including the following:

--MITI will facilitate the efforts of foreign firms to increase sales in the Japanese market;

--MITI will encourage Japanese companies to increase imports of flat glass;

--MITI and the Japan Fair Trade Commission (JFTC) will encourage all Japanese glass manufacturers to put anti-monopoly compliance programs into effect by February 1992. One purpose of these programs is to ensure that the distribution system is open to competitive foreign glass manufacturers.

--The JFTC will survey conditions in the glass market from a competition policy perspective. That survey will start before the end of March 1992;

--The Construction Ministry will facilitate efforts of foreign firms to meet Japanese building codes;

--and the Government of Japan and the U.S. Government have agreed to meet in the future to exchange information on glass issues.

Background:

- o The Japanese market for flat glass is approximately USD 4 billion per year.
- o The construction market accounts for approximately 60% of flat glass consumption and automobiles 30%.
- o Japan's domestic glass industry is highly concentrated.
- o Japan's imports of U.S. flat glass have increased 5.7 times from USD 6.1 million in 1985 to USD 34.7 million in 1990.

Office of the Press Secretary
(Tokyo, Japan)

FOR IMMEDIATE RELEASE

January 9, 1992

FACT SHEET: STANDARDS, CERTIFICATION AND TESTING

In addition to the automotive standards issues, the Government of Japan has resolved or has established a process to resolve 49 standards, certification, testing and import procedures issues raised by American companies. These steps will improve market access for U.S. exporters of industrial machinery, chemicals, transportation equipment, processed food, cosmetics and pharmaceuticals among others. The Government of Japan has also promised to actively address market access issues raised by foreign businesses through the Office of the Trade and Investment (OTO) Ombudsman.

Examples of the resolved complaints are:

- 1) -- Amend the Measurement Law to eliminate the requirement that each imported measuring instrument be tested.
- 2) -- Accept foreign factory test data in lieu of certain tests on imported pharmaceuticals.
- 3) -- Adopt performance standards for boat engines.
- 4) -- Accept foreign test data on aerosol can safety.
- 5) -- streamline and make transparent import procedures for imported storage batteries.
- 6) -- extension of the operating hours of the food and plant inspection office at Narita airport.
- 7) -- Reduction of required paperwork to obtain approval for new suppliers of cosmetics ingredients.
- 8) -- Make standards for slot machines transparent.

In twelve cases, the Government of Japan has agreed to a process for handling the U.S. concerns. Examples include:

- 1) The Japan Badminton association will meet in January to discuss reduction of processing time for quality marks on badminton equipment.
- 2) An experts committee is reviewing meat pasteurization standards and will issue recommendations within the calendar year.
- 3) The Government will review implementation of the High Pressure Gas Law by October 1992, with a view toward streamlining and increasing transparency.

TALKING POINTS ON THE PRESIDENT'S TRIP TO JAPAN

"This visit has been a success. . . . It has advanced our goal of leveling the playing field in U.S.-Japan competition of further opening Japan's markets to our exports. So this progress translates into jobs and economic growth in America, because I know the American worker can compete with anyone around the world if given a fair chance."

-- President Bush, January 9, 1992

o Throughout his Administration, President Bush has improved job-creating trade relations with Japan:

o The trade deficit with Japan has dropped 30 percent since 1987, and U.S. exports to Japan are up 70 percent in that same period. That means an additional \$20 billion in exports and some 400,000 American jobs dependent on trade with Japan;

o The Administration has already forged a number of agreements to promote free trade in areas such as telecommunication products, supercomputers, wood products and pharmaceuticals.

o This trip is yet another great stride toward free market trade between the two economic powers. On this trip, President Bush and Prime Minister Miyazawa agreed to an historic action plan called A Strategy for World Growth to further promote bilateral trade and economic strength. This will expand markets for U.S.-made goods and produce American jobs by breaking down trade barriers and cutting away trade protectionism.

o To promote free and fair trade, the two leaders agreed to a series of unprecedented steps that will significantly reduce the U.S.-Japanese trade imbalance:

o Private Japanese companies have promised billions in increased trade and opportunities for U.S. businesses. For auto exports alone, the Japanese have pledged to more than double their imports of U.S.-made auto parts from \$9 billion to \$19 billion by 1994, and to buy 20,000 more American cars each year, an increase of over 50 percent;

o The Japanese will increase the value of the yen against the dollar, which will lower the cost of U.S. goods in Japan and make them more competitive. The Japanese government will also lower interest rates, which will spur economic growth and may help deflate interest rates worldwide;

o The two leaders resolved over 50 standards problems that have impeded access to Japanese markets for American businesses;

o New agreements provide billions of dollars in market opportunities for American exporters of paper goods, glass and computers;

ASIA TRIP TALKING POINTS
PAGE TWO

- o The President and Prime Minister agreed to expand the Structural Impediments Initiative by adding new commitments that will help the Administration continue its progress toward free and fair trade with Japan.
- o These recent landmark agreements are another milestone in the Administration's promotion of free trade, not just in Japan, but in the global marketplace. Along with the Enterprise for the Americas Initiative, NAFTA and GATT agreements, the recent talks in Asia point to the President's leadership in a changing world market -- from isolated, unstable, and fractured protectionist economies to a new, vibrant global marketplace.
- o President Bush asserted his global trade leadership in enlisting Japanese support to further long-stalled GATT trade talks. At President Bush's request, Japan endorsed replacement of quotas on farm products with tariffs. In promoting free and open trade, the President is first among equals in the world.
- o These recent talks mean more than free trade, they mean greater opportunity for American workers and businesses.

Office of the Press Secretary
(Tokyo, Japan)

FOR IMMEDIATE RELEASE

January 9, 1992

FACT SHEET: U.S.-JAPAN ACHIEVEMENTS ON ECONOMIC ISSUES

- o Twenty-three companies in the Japanese electronics, automobile and machinery industries are planning to increase their level of imports from the world by \$10 billion in JFY 1993 as compared with JFY 1990.
 - Eighty-eight corporations and 22 Japanese trade associations have expressed their support for increasing imports under MITI'S Business Global Partnership Initiative, but all of their voluntary import plans have not yet been completed.
- o Strategy for World Growth -- joint statement.
 - Both countries recognize global growth is a top priority, that they have a special responsibility because of their size (40 percent of world GNP), and that they will take actions to strengthen the international economy.
 - Japan cut the discount rate by 1/2 percent to 4.5 percent.
 - The Japanese Government will "monitor progress (of fiscal actions) to assure the expected effects."
- o Agreement on government computer procurement covering both products and services.
 - Foreign/mostly U.S. companies currently have 41 percent of the \$16.1 billion Japanese private sector mainframe market, but only 6 percent of \$3 billion Japanese public sector mainframe market. (The U.S. industry estimates the overall public sector market for hardware, including mainframes, at \$5 billion. The agreement would cover both computer products and services, but we don't have data on the size of the service market.)
 - The agreement expands Japanese public sector procurements of competitive foreign computer products and services, provides greater transparency, increased publication of information on procurement opportunities, an impartial bid protest system, and safeguards against unfair bids.
- o By the end of March 1992, the Government of Japan and the United States Government will agree on measures to substantially increase market access for foreign firms exporting paper products to Japan.
 - The American Paper Institute estimates that Japan's total paper market (including pulp) was \$65 billion in 1989.
 - Import penetration of the paper product market in Japan is only 3.7 percent from all sources, 2.2 percent from the U.S., so there are large, untapped market opportunities.

- more -

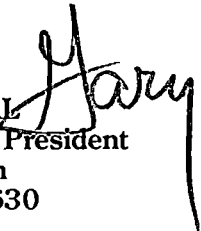
- The Japan Fair Trade Commission (JFTC) will survey the paper industry from the perspective of competition policy.
- o The GOJ will take steps to substantially increase market access for competitive foreign firms making efforts to export flat glass to Japan, including the following:
 - MITI will facilitate the efforts of foreign firms to increase sales in the Japanese market.
 - MITI will encourage Japanese glass end-users to make efforts to increase imports of flat glass under its import expansion program.
 - MITI and the JFTC will encourage all Japanese glass manufacturers to put anti-monopoly compliance programs into effect by February 1992. One purpose of these programs is to ensure that the distribution system is open to competitive foreign glass manufacturers.
 - The Ministry of Construction will facilitate the efforts of foreign firms to meet Japanese building standards for flat glass and other glass building materials through briefings, English language texts, and other steps.
 - The JFTC will survey the glass industry from the perspective of competition policy.
 - The GOJ and the U.S. Government agree to meet as either side may deem appropriate to exchange information relevant to the aforementioned steps.
- o The foreign (primarily U.S.) share of the semiconductor market stood at 14.3 percent in the 3rd quarter of 1991, up from 9 percent in 1986; both sides affirm their agreement, under which we hope to achieve the 20 percent market share by the end of this year.
- o Resolved 49 non-auto standards problems (over two-thirds of those submitted). This will help industries in sectors such as processed foods, cosmetics, industrial equipment, transport machinery, pharmaceuticals, and medical devices.
- o Japan took steps to expand opportunities for foreign companies to sell products to the Japanese Government (government procurement). According to the Foreign Ministry, this would basically double the value of government contracts open to bidders to about \$6.3 billion.
- 9 Both sides agree to reinvigorate the Structural Impediments Initiative (SII) talks with new commitments.
- o The JFTC will survey four industries -- paper, glass, autos, and auto parts -- from the perspective of competition policy.
- o MITI is expanding its cooperation with the U.S. EXIM Bank to expand U.S. exports to Japan and developing countries. From May to December 1991, projects involved about \$3 billion of developing country imports. MITI expressed its intention to allocate, for further expansion of this program, \$5 billion of trade insurance resources over several years.

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THE WHITE HOUSE
WASHINGTON

Date: 1/11/91

TO: Bob Simon

FROM: GARY R. BLUMENTHAL 
Deputy Assistant to the President
for Cabinet Liaison
Room 231, OEOB, x6630

Page 6, para. 2 -- most important is that gross cash receipts rose \$17 billion since he took office -- not each year since he took office.

From a political standpoint, I would not rub in that direct government payments have fallen from \$14.5 billion to \$8.5 billion. They accept cutbacks in federal spending overall but feel they have been hit harder than other parts of the federal budget. Just drop the line.

Finally, instead of saying "Farm income" which is more associated with net cash receipts, say "Agricultural sales" at the start of the second sentence in para. 2 of pg. 6

Call me if you have questions (703)243-6475.

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Ag sales
~~We want to increase farm income and reduce federal spending.~~
~~Agri~~ Agricultural sales
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② same venue as
FFA...

③ Mix + single before -
"Just met w/ Board +
many of your members."
(Smith/Simon)
January 10, 1992
2:45 P.M.
FARM

PRESIDENTIAL REMARKS: AMERICAN FARM BUREAU
KANSAS CITY, MISSOURI
MONDAY, JANUARY 13, 1992

Dean Kleckner, Secretary Madigan, ladies and gentlemen, my fellow Americans. As always, it is a special privilege to address the members of the American Farm Bureau Federation. //

((Two years ago, I spoke to your convention in the great city of Orlando -- the home of Disney World. / Today, I've flown here from Disney World North. / Washington, D.C.)) //

((Not that I'm superstitious, but I'm glad Friday the 13th falls on Monday this month. // I'm also pleased to be here with the ranchers who show America that not all the bull is produced in Washington -- and with the farmers who grow the food enjoyed by millions // and also those who grow broccoli.)) //

When you visit a family farm, you realize that America's greatness didn't arise out of a vacuum. It grew out of the values that gave this nation life -- and have made it great.

You see it all on a family farm: liberty and self-reliance, democracy and enterprise, hard work and rock-solid values: respect for neighbors, love of family, belief in God. //

No government designed the family farm. No bureaucracy made it flourish. It thrives because dedicated families devote their sweat, their hope, their lives to making something good.

[place-holder on anti-fraud efforts in federal ag programs]

④ John White - Pres of Ill F.B. spent day w/
~~Secret [STUFF] up.~~ J.W.

⑤ Madigan's B'Day. on Monday

That great Voice of Rural America, Will Rogers, once observed, "A man in the country does his own thinking / but you get him into town, and he will soon be thinking second-handed." // Today, I'm here to give you my first-hand report on my trip to Australia, Singapore, Korea, and Japan. //

All of you know why I went to Asia: prosperity. Ours and theirs. That means security, stability, democracy, and trade. Here it means following through on our commitments. And the result is three syllables: Jobs, jobs, jobs. // Free trade can give the American farmer new opportunities to save / invest / create / and dream. //

Here's what I told our allies in Asia: Americans don't ask for a home-field trade advantage. We just want a level playing field. Give us a fair shot, and the American farmer will out-think / outwork / and outproduce anyone in the world. //

I told our trading partners what we will, and will not, accept. We want free trade. We also demand fair trade. // We want the open markets that increase prosperity -- not higher consumer prices and lower levels of economic growth. //

Protectionism boils down to defeatism. 25 percent of our overall agricultural production is sold abroad. American farmers can't prosper unless we expand foreign markets. Protectionism would keep foreign products out of American markets -- and American products out of foreign markets. // It would make farming even harder than it is. / ((I remember Edgar Howe's quip: "About the only thing on a farm that has an easy time is

the dog.")) // We need to make it easier for American exports to rise -- and thus, for the American economy to grow. //

Most farmers know this. / Just consider the payoff. Every \$1 billion of American agricultural exports means 25,000 American jobs. Farm exports eclipsed \$40 billion in 1990, the highest since 1981 -- helping our farm trade surplus pass \$17 billion. / Forty percent of farm receipts are from exports. //

Don Shawcroft knows what I'm talking about. ((Don, where are you? Give us a wave.)) / Japan imports \$1.7 billion in beef -- and 53 per cent of that beef comes from America. This helps cattle ranchers like Don, who runs a 600-head beef herd with his dad in Alamosa, Colorado. //

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Today, the trade practices of the European Community hurt American farmers. Our Agricultural Export Enhancement Program is specifically designed to counter the EC's massive export subsidies. Without this effort -- which is less than one-tenth the size of the EC subsidy -- American farmers would lose even greater market shares to the EC.

Yes, we must end export subsidies. But we won't do it until other nations do the same. I will not put our farmers at an unfair disadvantage. //

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690-4915
fax

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720-6185

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#

U Se
FY 1992

Please let me know if these figures are right, and if not, why not. My number is 456-7750.

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1. "Farm exports eclipsed ~~\$40~~ billion in 1992, ~~the highest since 1981~~ -- helping our farm trade surplus pass \$17 billion."

Question: is it better to use this or 1991 figure? *← 1992*

2. *one quarter* ~~Forty percent~~ of farm receipts are from exports."

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not changed in the last 3 years. *←*

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This was FY 1986.

\$168

*Note:
The \$60 billion fall
was from 1982 to 1988.*

*Sumner at home
703-548-1307*

**OFFICE OF THE ASSISTANT SECRETARY
FOR ECONOMICS, USDA
FAX TRANSMITTAL**

DATE: 1-10-92 SUBJECT: _____

TO: _____ FROM: _____

Name: Robert Simon Name: Dan Sumner

Company: EOB Company: USDA

Telephone: 456. Telephone: 720.6185

FAX: 456.6218 FAX: 690.4915

MESSAGE:

We have made the corrections,
as you see. If you have problems
reading these numbers, please call
Beverly Barnard at 720.6185.

NUMBER OF PAGES SENT, INCLUDING COVER SHEET 2

01/10/92 15:50:35;

EOP OASIS FAX->

202 475 4915; Msg:001534 2 Pages Page 2

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OFFICE OF MANAGEMENT AND BUDGET

FAX COVER SHEET

Number of pages
(excluding cover sheet):

7

Date:

1/8/92

TO:

Tony Snow

Fax Number:

Telephone:

FROM:

Bob Grady

Fax Number:

Telephone:

Time:

SPECIAL INSTRUCTIONS:

I presume some of these
facts may be helpful for
America FAX Bureau
m.d. : Kansas City, Mo

Record / on
The **BUSH ADMINISTRATION ACCOMPLISHMENTS IN AGRICULTURE** *(center)*

Increased agricultural exports

-- Exports of farm products in FY-90 reached \$40.1 billion, the highest since 1981. The combined value of U.S. farm exports over the last 3 years has been at the highest level in nearly 10 years and is the second highest ever. U.S. farm exports in FY-92 are forecast to rise \$1.5 billion over FY-91 levels.

-- In October 1989 and again in October 1990 proposed the most sweeping changes ever developed to establish fair rules in world agricultural trade. Those proposals made at the GATT Uruguay Round negotiations would:

boost U.S. farm exports; lower high foreign trade barriers that constrict U.S. farm exports;

require governments to reduce export subsidies that "buy markets"; and

establish sound international health and safety standards for imports.

Since 1989 President Bush has been the world leader in pushing for fair rules in farm trade and has personally participated in several international trade conferences to bring the GATT negotiations to a successful conclusion.

EEP -- Throughout the last 3 years, the Bush Administration has boosted U.S. farm exports through the Export Enhancement Program (EEP), credit guarantee programs, market development activities, and bilateral trade negotiations.

In FY-89 the value of U.S. farm exports moved under EEP-- which is designed to help U.S. farm exports meet subsidized foreign competition--totaled nearly \$3 billion, about 7 percent of U.S. farm exports.

In FY-90 EEP-assisted trade accounted for 6 percent of U.S. farm trade.

In FY-91 EEP aid to U.S. farm exports almost tripled FY-90 levels.

Since the inception of the EEP program in May 1985 through FY-91, the EEP program provided export bonuses of \$3.8 billion that moved U.S. farm products with a trade value of \$13 billion into 80 countries.

-- Maintained Soviet purchases of U.S. grains at high levels. On June 1, 1990, the Bush Administration signed a 5-year U.S.-USSR trade agreement that raised Soviet minimum purchase commitments

to 10 million tons of grain annually, up from 9 million. In 1988-89 and 1989-90, Soviet purchases of U.S. wheat and corn were at record levels of 21.7 and 20.5 million tons.

- In 1988 established a food aid program to help Poland become a democratic country with a market economy and a trade-oriented outlook.

In 1989 President Bush sent Secretary of Agriculture Yeutter to Poland on a mission to determine that nation's needs to convert to a market economy in agriculture. On Nov. 20, 1989, the U.S. signed a technical agreement with Poland.

The Bush Administration has extended similar action to other Central and Eastern European nations. That is helping establish peace-seeking democratic governments in those areas and now in the former Soviet Union. This food aid program is vital to world peace and world trade and boosts freedom throughout the world.

- Boosted U.S. farm exports and protected U.S. agriculture from overseas pests and diseases through cooperative programs with more than 100 countries. These programs help establish research and training in those countries and stop insect pests and diseases before they become a danger to the U.S.

Administration farm exports increased 40% from 1987 to 1990

- Boosted high value U.S. farm exports so that last year their value exceeded the value of bulk farm exports for the first time since World War II.

- ✓-- Negotiated an agreement with Korea in 1990 to open its beef import markets through 1997. Korea is now the third largest foreign market for U.S. beef.

- ✓-- A similar agreement with Japan led to a complete lifting of quotas on beef imports on April 1, 1991, and which increased U.S. beef exports to Japan from \$557 million in 1987 to more than \$920 million in 1991.

Increased U.S. farm income

- Developed and implemented farm programs that helped boost farmers' net cash income and net farm income to record levels in 1989 and again in 1990.

1991? > The 1990 levels were \$61.8 and \$50.8 billion. When final 1991 figures are in, the 3-year 1989-91 totals will exceed any previous 3-year period by a wide margin.

- Emphasized policies and programs that increase demand for farm products, helping to raise the prices of farm products to a new all-time high in 1990. Average farm price levels in 1991 were 7 percent higher than 3 years earlier.
- Emphasis on sound economic policies and inflation control held down the increase in prices that farmers pay for production items to less than 2% in 1991. That enabled farmers to keep more of the money they got from cash sales of farm products.

In the third year of the last Democratic administration, the prices farmers paid jumped 15.7 percent.

In the 4 years of the last Democratic administration, the prices that farmers paid for production items soared a total of more than 40 percent.

In the first 4 years of the Bush Administration the increase is expected to be less than 7 percent.

- In the first 3 years of the Bush Administration, farmers reduced their total debts. During the 3 years, the value of farmers' equity in their farm business increased each year--by a combined total of \$45 billion.

In the first 3 years of the last Democratic administration, farmers increased their real estate debts by \$31.3 billion and their nonreal estate debts by \$28.0 billion--for a combined 3-year increase in farm debts of \$59.3 billion.

- Stable economic policies and record farm income in the first 2 years of the Bush Administration, enabled farmers to reduce their debts, which resulted in lower total interest payments by farmers.

In the first 2 years of the most recent Democratic administration, inflation, rising farm debts, and skyrocketing interest rates forced farmers to increase their total interest payments by almost \$3 billion--almost a 40 percent jump--eating up that much more of farmers' cash receipts.

In the 4 years of the last Democratic administration, farmers interest payments increased \$8.9 billion, an increase of 121 percent.

- Helped farmers received more of their money from the market, thus having to rely less on Government payments. In the first 3 years of the Bush Administration, direct Government payments fell from \$14.5 billion in 1988 to about \$8.5 billion in 1991.

Meanwhile, gross cash receipts from farm products and farm-related income increased from \$157 billion to about \$175 billion. The ratio of Government direct payments to cash farm receipts dropped from 9.2 percent to less than 5 percent.

Strengthened market-oriented farm programs

- Implemented the final 2 years of the 1985 Farm Act in 1989-90, which rebuilt farm exports from \$26 billion to \$40 billion; reduced carryover stocks; raised net farm income to new highs; reduced farmers' debt loads; and pared annual Government farm support costs from \$26 billion to \$8 billion.
- Engineered the development of the 1990 Farm Act to continue the market-growth farm policies of the 1985 Act. 1990 Farm Act programs emphasize new planting flexibility, encourage farm exports, increase agricultural competitiveness, enhance the environment, strengthen rural areas, and redirect and increase agricultural research.
- Through the 1990 Farm Act, tied annual acreage reduction programs to rates of stock carryover instead of being tied to specific levels of carryover stocks without regard to use.

What does this mean?

This increased flexibility leads to higher production of crops in scarce supply, lowers production of crops in surplus, loosens controls on farmers, increases the benefits of good management, makes U.S. crops more competitive in international markets, and encourages the planting of experimental crops and crops with industrial uses.

- Developed farm programs based on the 1990 Farm Act that allow farmers to plant for the most promising market and profit opportunities rather than to plant for Federal farm programs.

1.9, common sense

Enables farmers to plan for their best crop use and crop rotation years in advance rather than having to wait for annual farm program announcements.

Gives farmers new flexibility to follow their most profitable use of their land without losing their crop bases.

- Managed commodity programs that over the first 3 years of the Bush Administration reduced price-depressing carryover stocks of wheat, corn, grain sorghum, barley, rice, and cotton.

Changed research priorities

- Changed agricultural research priorities to include water quality, global change, low input agriculture, the relationship of human health to diet and food safety and quality, natural plant pest and disease resistance, improved biomass for energy production, increased forest productivity, more nutritious plants, and mapping the genome "genetic blueprints" of major crops and livestock.
- Developed a National Research Initiative to expand competitive grants to select the most promising research projects.
- Boosted alternative farming with increased State and Federal research in alternative farming techniques that enable farmers to reduce production inputs without losing income.

Provides more education to support alternative farming opportunities that will guide farmers toward maintaining output and profits with reduced inputs.

Establishes demonstration farms that use the latest techniques to maintain or increase farm income using sustainable agricultural methods.

Increases the awareness of the advantages of farming in cooperation with the natural environment.

Aided the environment

- Launched the President's "America the Beautiful" program. President Bush planted the first tree of the campaign on the White House lawn in March 1990. The goal is to plant 1 billion trees a year over the next several years. This program will:
 - increase fish, wildlife, and recreational opportunities; aid biological diversity;
 - improve air and water quality;
 - reduce soil erosion;
 - increase economic stability and diversity in rural America; and
 - enhance the biological environment in rural areas.
- Developed a water quality program that will provide farmers, ranchers, and other land managers with the information they

need to voluntarily adopt improved, environmentally-sound management practices without sacrificing profitability.

- Enlarged water quality research to help determine how agricultural practices might contribute to groundwater contamination. Better water quality will result from increased conservation cover, less soil erosion, expanded tree plantings, reduced use of farm chemicals, boosts in sustainable agriculture.
- Introduced a global change initiative that emphasizes the need for greater research activities on global change and the coordination of Federal research projects in global change.

More than doubled the USDA global change budget proposals in FY-91 over FY-90.

- Expanded land eligibility for the Conservation Reserve Program to include windbreaks, shelterbelts, filterstrips along waterways, and similar land without having to enroll whole fields that meet highly erodible land criteria. Also targeted wellhead water sources for special conservation measures to improve the quality of drinking water.
- Established educational programs that increase the awareness of the advantages of farming in cooperation with the natural environment.

The programs are increasing crop rotations, reducing chemical use, saving soil, protecting water quality, supporting the wildlife environment, boosting tree planting, and expanding conservation cover.

- Improved water and soil conservation and benefitted the environment with programs that encourage planting flexibility and reduce the incentives to chemical and land resources simply to capture subsidies.
- Established approved conservation plans for more than 135 million acres of highly erodible land on nearly 1.5 million farms. These plans provide for more than 215,000 miles of terraces, 1.3 million acres of grassed waterways, 25 million acres of contouring, and more than 100 million acres of conservation tillage.
- Placed more emphasis on sustainable agriculture that is productive, competitive, and profitable and which conserves natural resources and helps protect the environment and enhances public health and safety.

Emphasized alternative fuels

- In June 1989 at the University of Nebraska, President Bush said that "expanded use of alternative fuels is a key element in my plan to guarantee that 20 years from now every American in every city across the country will breathe clean air. Our goal: Clean air."

Speaking of ethanol as a "home grown energy alternative," President Bush said, "Farmers put food on America's table, and now you are going to help America fill up its tanks."

- Directed research in the Department of Agriculture and in other Government departments to emphasize the development of alternative fuels to help meet the goals of the Clean Air Act.

(Smith/Simon)
January 8, 1992
8A.M.
FARM

Ashcroft
 Bond, Danforth, Coleman
 Tom

PRESIDENTIAL REMARKS:
 AMERICAN FARM BUREAU
 KANSAS CITY, MISSOURI
 MONDAY, JANUARY 13, 1992

___, ladies and gentlemen, my fellow Americans. As always, it is a special privilege to address the members of the American Farm Bureau Federation. //

le ((Two years ago, I spoke to your convention in the great city of Orlando -- the home of Disney World. / Today, I've flown here from Disney World East. / Washington, D.C.)) //

((Not that I'm superstitious, but I'm glad Friday the 13th falls on Monday this month. / I'm also pleased to be here with the ranchers who show America that not all the bull is produced in Washington -- and with the farmers who grow the food enjoyed by millions // and also those who grow broccoli.)) //

That great Voice of Rural America, Will Rogers, once observed, "A man in the country does his own thinking / but you get him into town, and he will soon be thinking second-handed."

// Today, I'm here to give you my first-hand report on my trip to Australia, Singapore, Korea, and Japan. //

All of you know why I went to Asia. Here's the three-syllable reason: Jobs, jobs, jobs. // I mean the jobs that will unleash the American farmer's ability to save / invest / create / and dream. // Here is the message I took to Asia. We don't ask for a home-field trade advantage. We just want a level playing

field. Give us a fair shot, and the American farmer will
outthink / outwork / and outproduce anyone in the world. //

I told our trading partners what we will, and will not,
accept. We want free trade. We also demand fair trade. // We
want the open markets that increase prosperity -- not the closed
markets of protectionism that create suspicion and misery. //

Protectionism would keep foreign products out of American
markets -- and American products out of foreign markets. // It
would make farming even harder than it is. / I remember Edgar
^{a Ransan,} Howe, who said: "About the only thing on a farm that has an easy
time is the dog." // We need to make it easier for American
exports to rise -- and thus, for the American economy to grow. //

Most farmers know this. / Well, maybe most west of the
Potomac. // They understand that every \$1 billion of American
agricultural exports means 25,000 American jobs. They realize,
too, that in 1990, farm exports eclipsed \$40 billion, the highest
since 1981 -- helping our farm trade surplus pass \$17 billion. /

Don Schawcroft can attest to that. ((Don, where are you?
Give us a wave.)) / Japan imports \$1.654 million in beef -- and
53 per cent of that beef comes from American products. This
helps cattle ranchers like Don, who runs a 600-head beef herd
with his dad in Alamosa, Colorado. // Five hundred miles away
lives Arlene Wessel, who produces farrow-to-finish hogs, dryland
wheat, and corn on her family's farm near Huron, South Dakota. //
Arlene also knows how to keep America's standard of living No. 1

See
file

Keith
Collins
USDA
720-5955

Roger
Runinger
USDA
720-4623

Dave
Lane
Farm
Bureau
484-3610
816-283-
4912

816-
474-4400
x754

in the world. Not by building a fence around America -- but by convincing other countries to tear their fences down. //

((To achieve this, of course, will require diligence, and patience. I recall an old Quaker farmer who would never use the name of the Lord in vain. But one day his mule, who was hitched to a hay wagon, wouldn't budge an inch. // The farmer tried every bit of coaxing. No success. Finally, he reached the end of his rope. "Mule," he said, "I cannot beat thee, or curse thee, or abuse thee in any way. But mule, "what thee doesn't know is that I can sell thee to an Episcopalian."))

Last week, I prodded our allies in America's leading agricultural export market to expand markets for their sake -- and ours. // I talked with foreign leaders about erasing import quotas / cutting domestic tariffs / and increasing the free trade that means new jobs. // In that context, let me say a few words about agricultural subsidies. // I don't like them any more than you do. Ultimately, they stifle growth / burden the taxpayer / and make industry less competitive. // I also know that I must -- and will -- safeguard the interests of American farming. I don't intend to let American agriculture disarm **unilaterally**. //

Today, American farmers suffer from the predatory trade practices and huge subsidies of the European Community. Let us remember: Only **our** subsidies -- less than one-tenth of Europe's -- keep the EC from depressing prices artificially and stealing additional markets. // Yes, in the long run, we must end farm

subsidies. In the short run, I will not try to balance our trade deficit on the back of the American farmer. //

USTR
The world's future progress and prosperity depend upon free trade. That is why I support enlarging the U.S.-Canada Free Trade Agreement to include Mexico. A North American Free Trade Agreement would create the largest market in the world -- with more than 360 million consumers and an economy of \$6 trillion. //

David Walters
USTR
Insie Early
I am also working to successfully conclude the Uruguay Round of GATT negotiations. // GATT will help the world move toward broader economic integration -- not trading blocks. // Let me pledge: Our Administration will settle for nothing less than a GATT Treaty that enlarges markets and opportunities. // In 1990, we negotiated an agreement with Korea to ^{fully} open its beef import markets ^{by} through 1997 -- and a similar agreement ^{with Japan already} which has doubled ¹ 1987-91 U.S. beef exports to Japan. // GATT can make this progress global -- not merely regional. Here is what I want it to tell the world: "Trade is now fair as well as free. Now, it's up to us. Let the best nation win."

see file
William Vaughan
Like you, I believe that nation is America. Yet we will win only through policies that are worthy of our people. // ((In that spirit, I recall something written about people who grow up close to the soil. "There's something about getting up at 5 o'clock, feeding the stock and chickens and milking a couple of cows before breakfast that gives you a respect for the price of butter and eggs." // That writer knew that when it comes to farming, Washington doesn't know best. American farmers do.))

did not talk about 1990 Farm bill in FFA speech *right in this very room,*
 Two months ago, in Kansas City, I spoke about this America

// - 13 - 91
 to 18,000 Future Farmers of America. / I talked of the new farm bill I convinced Congress to pass last year that is even-handed - and level-headed. // (I'll never forget a letter a farmer sent to Congress at the time. He asked if he could have some fertilizer left over from the debates.)) // In the end, our bill enhanced competitiveness while increasing flexibility for farmers to decide what crops to grow. //

I thank you for your support of a farm bill that has already helped lower interest rates, cut inflation, and increase choices for farmers and consumers. // Toward those ends, I signed an agreement at the 1990 Summit with then President Gorbachev calling for at least 40 million metric tons of grain to be purchased by the former Soviet republics in the next five years. / Incidentally, I have not changed my views on using food as a political weapon. I still remember the disastrous grain embargo put into effect by President Carter. Never again. //

Instead, I have pursued policies that reflect farming's "first-hand" thinking. / I have tried to put common sense into federal wetlands policy. / Our new guidelines will distinguish between genuine wetlands, which deserve to be protected, and other kinds of land -- like dry, productive farmland -- which do not. It's pretty simple: Wetlands should be wet. // Also, last month I signed a bill making nearly \$1 billion in disaster relief available to producers for 1990 and '91 crop losses. //

These policies mirror the America most farmers, and ranchers, want -- a Nation that prizes self-reliance, generosity, family, and community. // It is an America of courage, and initiative, which rolled back the frontiers / blazed railroads west / and helped this city on the Missouri survive three floods this century. // It is an America of the sod-buster and trailblazer and 19th Century pioneer -- heroes who believed in a Nation of "America-Can" -- not "bureaucracy-must." //

Ninety-two years ago, Kansas City showed the wonder of those words. // On April 4th, the Convention Hall here burned to the ground.

Incredibly, proud men and women rebuilt it in ninety days. //

"In Kansas City," someone explained, "we don't know what 'impossible' means." My friends, in America we don't know what "impossible" means. //

For two centuries, this spirit has forged America's gateway to the future -- built on dreams as vast as the prairie wilderness / as sweeping as the Mississippi / as soaring as the Texas sky. //

Our forefathers knew that the American Dream was not an Impossible Dream. // So let us -- as they did -- build a better America than even we inherited. // Thank you for your support, and the kindness of this occasion. God bless all of you, and the United States of America.

#

"Kansas City"

by
Hallmark
Cards

see
file

**DEPARTMENT OF AGRICULTURE****OFFICE OF PUBLIC AFFAIRS****WASHINGTON, D. C. 20250-1300****December 24, 1991****MEMORANDUM**

TO: KATHY SHANAHAN
Associate Director,
Office of Cabinet Affairs

FROM: ROGER RUNNINGEN
USDA Director of Public Affairs
and Press Secretary *RR*

SUBJECT: TALKING POINTS FOR PRESIDENT BUSH

Here is a package of talking points for President Bush for his address to the American Farm Bureau Federation's annual meeting in Kansas City on January 13.

Asia is the United States' most important agricultural export market. This could serve as an underlying theme for members of the export-minded Farm Bureau, and will also serve the President well since his appearance will be the first major domestic address since his trip. The package contains statistics on small, medium and large markets so Joe Duggan can fashion the points any way he wants.

In addition, as we discussed, we have unearthed the names of several agricultural producers from around the country who likely will attend the convention. Duggan wanted these names to help personalize the President's address and draw a link between domestic production and exports.

Let me know if I can help in any other way. My number is 720-4623.

Talking Points for President Bush's
Address to the American Farm Bureau Federation
January 13, 1991

Asian Countries are Important Agricultural Markets for the U.S.

***NOTE TO SPEECHWRITERS: Asia is an important agricultural export market for American agriculture. But these markets are not without their problems. For example, Korea and Japan do not accept American rice; and Japan only began accepting American beef and citrus products in the mid-1980s.

- * Asia is the United States' most important agricultural export market. Strong growth in Asian Gross Domestic Product (GDP) and per capita income has fueled increasing purchases of U.S. agricultural products. Asia accounts for 43 percent of our exports in 1990-91, up from 36 percent in 1981-82.

- U.S. agricultural exports to the four tigers of Asia (Korea, Taiwan, Hong Kong and Singapore) rose roughly 50 percent, from \$3.2 billion in 1985 to \$4.8 billion in FY 1991.

- Korea leads the four tigers, taking in \$2.2 billion worth of U.S. agricultural exports in FY 1991, representing 5.9 percent of total U.S. farm exports. This is up from \$1.4 billion and 4.5 percent in 1985.

***NOTE: no one knows "exactly why" these four are referred to as the "four tigers." However, the top three speculations are: they have the fastest growing economies in the region; they are aggressive in export promotion; and the tiger is a symbol of strength in their culture.

- * U.S. agricultural exports to the smaller Association of Southeast Asian Nations (ASEAN)-4 countries (the Philippines, Thailand, Indonesia and Malaysia) have grown from \$720 million in 1985 to \$1.1 billion in 1991.

- 2.9 percent of all U.S. agricultural exports were sent to the ASEAN-4 in 1991, compared with 2.3 percent in 1985.

- American farm exports to the Philippines were the greatest among the ASEAN-4 in 1991 at \$373 million, up from \$284 million in 1985.

- * Japan, which surpassed the European Community (EC) in 1989 as the top farm export market for the United States, accounted for \$7.7 billion of American agricultural exports in FY 1991, up from \$5.6 billion in FY 1985.

- The Japanese share of total U.S. agricultural exports rose from just under 18 percent in 1985 to 20.5 percent in 1991.

- Just under half of American exports to Japan are bulk commodities.
- Consumer-oriented, high-value products -- such as fresh and canned fruits, juices, meat products and nuts -- are the fastest growing sector and now comprise almost 40 percent of all U.S. agricultural exports to Japan, up from 28 percent in 1985.
- * American farm exports to China have risen almost three-fold since 1985: from \$230 million to \$667 million in 1991. China's share of the total U.S. agricultural exports grew from less than one percent in 1985 to almost two percent.

The Farm Economy

- * American farmers will enjoy a relatively strong financial condition in 1992. The farm debt-to-asset ratio will continue to improve, and commodity marketing receipts will remain close to record levels.
 - NOTE: slightly higher production expenses will trim farm income.
- * Since the mid-1980s, the financial condition of U.S. farmers has improved considerably due to expanding markets here and abroad and the greater flexibility of our farmers to respond to market signals. Farmers reduced their debt for the 7th year in a row through 1990.
 - The value of U.S. exports rose from \$26 billion in FY 1986 to \$37.5 billion in FY 1991 (a gain of nearly 45 percent).
 - Net cash income increased (the pool of money from which farmers make purchases) from \$47 billion in 1985 to \$58 billion in 1991 (an increase of nearly one-fourth).
- * As farmers continue to cut debt and increase assets, about 60 percent of the equity decline in the first half of the 1980s will be regained by the end of 1992.

Outlook for Agricultural Trade

- * American agricultural exports are expected to increase in FY 1992, reversing last year's decline.
 - USDA's Foreign Agriculture Service (FAS) projects overseas sales will reach \$39 billion in FY 1992, an increase of \$1.5 billion from FY 1991.

- * Increased exports of wheat, soybean products and consumer-oriented, high-value products such as fruits and vegetables will account for most of the \$1.5 billion increase.
 - NOTE: U.S. coarse grain such as corn exports are expected to decline by \$350 million.
- * U.S. agricultural exports to Japan are projected to rebound \$400 million in FY 1992 to over \$8 billion.
- * Strong growth is also expected on exports to Canada, the former USSR and China.
- * U.S. agricultural imports are expected to decline slightly to \$22 billion for FY 1992. This, combined with the projected rise in exports, means the agricultural trade surplus should increase to \$17 billion, up \$2 billion from 1991.

Personal Examples of American Farmers Exporting to Asian Markets and Australia

***NOTE: Here are a couple of pages of raw people-oriented data. While these producers don't necessarily sell their products directly to Asian markets, their products do end up as exports. An example of how this data could be used follows:

"Japan imports \$1,654 million in beef, and 53 percent of that beef comes from American producers. This helps cattle ranchers like Don Shawcroft from Alamosa, Colorado, who runs a 600-cow beef herd with his father. Don, where are you? Give us a wave . . ."

- * Don Shawcroft, (will be at the annual meeting) is a cattle rancher from Alamosa, CO, who is involved in a family operation with his father. They utilize both private and public land for grazing their 600-cow beef herd as well as raising their own alfalfa and other forage crops.
 - Japan imports \$1,654 million in beef - 53 percent from U.S.
 - Singapore imports \$185 million in meats - 23 percent from U.S.
- * Arlene Wessel (will attend annual meeting) is a woman who has a 500-head cow/calf operation and produces farrow-to-finish hogs, dryland wheat and corn on her family's farm near Huron, SD.
 - Japan imports \$1,654 million in beef - 53 percent from U.S. Singapore imports \$185 million in meats - 23 percent from U.S.

-- Corn is imported by: South Korea \$856 million - 89 percent from U.S.; Taiwan \$720 million - 92 percent from U.S.; and Japan \$2,261 million - 83 percent from U.S.

-- Wheat is imported by: South Korea \$407 million - 79 percent from U.S.; and Taiwan \$174 million - 84 percent from U.S.

-- Singapore also imports \$232 million in grains - 6 percent from U.S.

* Atlas Wooten (expected at meeting) is a flue-cured tobacco producer from Greenville, NC. He operates 1,500 acres of large tobacco, corn, peanuts, soybeans, row-crop and beef cattle in Pitt County. He is also vice president of the North Carolina Farm Bureau.

* Carl Biddle (will attend meeting), is a burley tobacco producer from Talbott, TN. He has a 350-acre farm which includes a 100-head cow/calf operation besides producing hay and tobacco.

-- Tobacco is imported: by Australia \$59 million - 43 percent from U.S.; Taiwan \$127 million - 84 percent from U.S.; and Japan \$446 million - 67 percent from U.S.

* David Craigmile (attendance 95 percent certain at meeting) operates an 1,100-acre farm in Boyd, MN. Half of his production is in corn with the remainder in soybeans and spring wheat.

* Bill Patmon (attendance 95 percent certain at meeting) operates a 5,000-acre farm in Hoxie, KS. He produces corn and wheat.

-- Corn is imported by: South Korea \$856 million - 89 percent from U.S.; Taiwan \$720 million - 92 percent from U.S.; and Japan \$2,261 million - 83 percent from U.S.

-- Wheat is imported by: South Korea \$407 million - 79 percent from U.S.; and Taiwan \$174 million - 84 percent from U.S.

* Warren Schildroth (attendance 95 percent certain) is a soybean producer from Reinbeck, IA. He also raises corn and hogs on his 320-acre farm.

* Don Strietelmeier (attendance 95 percent certain) has a 550-acre farm near Hope, IN. In addition to soybeans, he produces corn, wheat and beef cattle.

-- Soybeans are imported by: South Korea \$251 million - 80 percent from U.S.; Taiwan \$534 million - 93 percent from U.S.; and Japan \$1,348 million - 75 percent from U.S.

- * Mal Machado (attendance 95 percent certain) is a farmer who grows vegetables and potatoes on his 250-acre farm near Merced, CA. He also produces some cotton, wheat, alfalfa and grass.
- * Bert Chestnut (attendance 95 percent certain) has a 50-acre fruit operation in East Wenatchee, WA. He produces apples and cherries.
 - Singapore imports \$569 million in fruits and vegetables - 16 percent from U.S.
 - Taiwan bought 60,839 tons of U.S. apples in 1990/91, accounting for 42 percent of the total U.S. apple export volume to Asia that year.
- * Kinley Sorrells (attendance 95 percent certain) is a pecan grower from Comanche, TX. He has an 800-acre farm on which he also raises peaches, watermelons, cantaloupes, hay and cattle.
- * Dennis Atkinson (attendance 95 percent certain) has a 6,300-acre farm near Arvin, CA. He primarily grows almonds but raises wine grapes as well.
 - Australia imports \$62 million of nuts - 32 percent from the U.S.

Dangers of Protectionism/Isolationism

- * America has earned the reputation of a world leader by setting a standard for success based on the principles of free markets and free enterprise. If we want America to remain a world leader, we are going to have to be strong enough to challenge the voices of protectionism and isolationism.
- * I don't need to tell this group that the business of America does not stop at our waters' edge. You know the value that engaging in open world markets hold, not just for American farmers, but for all Americans. Increasing our access to global markets will: create more jobs here at home; boost the American economy; and improve our standard of living.

Disaster Assistance for Farmers

***NOTE: Please refer to talking points Secretary Madigan provided to the President on this subject for his Illinois Farm Bureau speech.

- * After lengthy and time-consuming negotiations with Congress, the Administration has signed an agreement to give farmers the help they need without undermining our goal to reduce the deficit.

- * We are thankful the issue of disaster payments for farmers who suffered crop losses due to natural disasters has been resolved. I signed a bill into law last month (Dec. 12) to make \$995 million available to producers for 1990 and 1991 crop losses.
- * I know you need this money now, and we're making every effort to minimize the time it takes to get it into your hands.

What GATT means for American Agriculture -- THIS SECTION WILL NEED
TO BE REVISED AS EVENTS
WARRANT

- * This Administration is committed to securing fair rules for international trade. Our farmers are the most efficient and productive farmers in the world -- bar none. But our opportunity to export agricultural products is unfairly hindered by artificial restraints.
- * Given an open world trading system, I am confident that American farmers will compete successfully. And because American agriculture is already on the path of increased market orientation, we are well-positioned to take advantage of a more open trade environment.
- * A successful outcome of the Uruguay Round Agreement will benefit American agriculture in a number of ways:
 - First, reducing import barriers and subsidized exports will enlarge the markets available to the U.S. and spur economic growth.
 - Second, trade reform will keep markets that are now open from closing and reverse the current "protectionist" trend in agriculture among countries with growing economies.
 - Third, American producers will earn more of their incomes from the market and thereby reduce their dependence on government supports.
- * However, this Administration will not accept an agreement that does not further our goals for America's farmers -- we will not settle for anything less than a level playing field.

Wetlands

***NOTE: The wetlands issue is very sensitive to AFBF. Please refer to talking points provided on this subject for the President's speech to the Illinois Farm Bureau as well as the Vice President's speech in Kansas City (see David Beckwith).

- * The main point to stress on this issue is the fact that the comment period has been extended (now Jan. 21), and we want to encourage producers to comment so the regulations will be useful to them.
- * Dean Kleckner, President of the American Farm Bureau Federation (AFBF), has heaped praise on the "rational voices in the administration" for their "logical wetlands rules."
- * AFBF opposes the "no-net loss" policy and giving determination authority to EPA. It favors legislation which would: protect previously converted land, give enforcement authority to USDA's Soil Conservation Service, and provide for more local control.

Final Note

- * January 13th is Secretary Madigan's 56th birthday.