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Remarks to the American Farm Bureau Federation in Orlando, Florida

January 8, 1990

Well, my thanks to my friend Dean Kleckner, Farm Bureau president, for that warm introduction. We're grateful for his leadership on that National Economic Commission and the tremendous support of you, the members of the Farm Bureau. My thanks, too, to Bob Delano out here, former Farm Bureau president, whose leadership and counsel have been so helpful to me.

I'm happy to have our distinguished Secretary of Agriculture, Clayton Yeutter, here at my side, doing a superb job for us. And I know you'll hear tomorrow from Ambassador Carla Hills [United States Trade Representative]. You talk about two people who understand the need to open up foreign markets to U.S. agricultural products—these two are tough, and they are the tops, and we're grateful to both of them.

My friend, Bob Martinez, Governor Martinez, it's always a pleasure to see you and visit your beautiful State. And of course, I'm very proud of the next two. Great to see Senator Connie Mack here—a new Senator making a national impression, I'll tell you—and next to him, or right near him, second from the end, my close friend and a long-time supporter [Representative] Bill McCollum—two outstanding voices for Florida in our Nation's Capital. I wish we had a lot more like them, I'll tell you.

I just returned from a little fishing and hunting over the holidays in Texas and Alabama, and I heard a story about the time that Mark Twain spent 3 weeks fishing in Maine after the fishing season had closed. On the way home, aboard the train, he told the man seated next to him about all the fish he'd caught. Finally, Mark Twain asked, "By the way, who are you, sir?" "I'm the State game warden," replied the man. "Who are you?" And after a long pause, Twain said, "Well, to be perfectly truthful, I'm the biggest damn liar in the whole United States." [Laughter]

I won't bore you with my fishing stories because I could reminisce with you all day long on this subject. It's a pleasure to be

here because for 71 years now the American Farm Bureau has helped American farmers—over 3 million member families—to become the best in the world. And farming is a proud and noble part of our history. In fact, Thomas Jefferson himself wrote that "Agriculture is the most useful of the occupations of man." Today, nearly two centuries later, I'm here to give my first major address of the new decade, and I'm proud to begin this decade by talking to you about the future of farming in this country. But as we look forward, it's also important to reflect upon the past and what farmers have gone through, both good and bad.

You, America's farmers, deserve the credit for the rebound in U.S. farming, and I salute you again. I salute the board of directors up here, all farmers, who are leading this outstanding organization. You've been through the worst droughts and national disasters of the 1980's, and you've survived tough economic times. But you've worked with your minds and your hands to beat adversity with a kind of can-do commitment that's been the hallmark of American farming for generations.

Right here in Florida, we're seeing some of that can-do attitude as you face—Florida farmers—as you face the terrible loss of the citrus and winter vegetable crop. On the way down on Air Force One, Bob Martinez gave me the details of Florida's losses. But let me tell you—I'm sure you've heard this from Clayton—you will not be facing this alone. Clayton and I have talked, and I've asked the Secretary to personally oversee our efforts to provide assistance. And I know you can count on the USDA to be in there fighting with you.

It was a little over 4 years ago—seems like just yesterday—but a little over 4 years ago that the 1985 farm bill became law. Admittedly, the cost has been high, but it has worked. Since then, the news has been good. Surpluses have declined dramatically, and most of our good land has been brought back into production. Net farm

income reached a record level last year, and the share of income that came from market sales continued to grow. The farm credit situation has greatly improved, bringing more financial stability to rural America.

As we face the future, the outlook is even better. Through sound fiscal policies and wise management of our resources, commonsense attitudes and, God willing, good weather, we can succeed. Together, we will keep rural America strong and American agriculture thriving in the 1990's.

But to do that—and Dean Kleckner alluded to this in his introductory remarks—to do that, our first priority must be to keep the American economy growing. That means fiscal and monetary policies that make sense. Today one of the best things we can do for farmers is to keep the interest rates low, and that is exactly what we intend to do.

This year, we will work with Congress on the 1990 farm bill. Getting a good farm bill through Congress is like milking a bull. [Laughter] But I can tell you that to be competitive we must have market-oriented farm policies that allow producers more flexibility to decide what crops to grow—and that because American farmers then can do what Americans do best, compete. At the same time, we've got to maintain a safety net to protect farmers from conditions beyond their control. But market-oriented farm policies are only a part of the agricultural picture; it is absolutely essential that we expand markets and enhance productivity.

We've got to assure the public that America's food is safest in the world, and we've got to protect our precious environment. America's farmers—I know this—America's farmers understand the importance of a clean environment. Many of you here today come from farms that have been handed down from parents and grandparents. You know that to protect the land is to protect not just your livelihood but your heritage.

We must recognize that productive agriculture and a sound environment can be compatible, especially in terms of water quality. The administration has initiated a concentrated 5-year effort to work with the Nation's farmers to protect our ground

water from contamination by fertilizers and pesticides. We'll spend close to a third of a billion dollars on research and support for farmers to stop contamination of our land and water. We must keep your good land in business without unreasonable burdens, but we must also keep it good land. I am counting on your leadership as we work to expand farm productivity while safeguarding our precious environment.

We must also make sure that all Americans are confident in the safety of our food supply. My administration is working hard to develop legislation to protect the food supply without overwhelming the agricultural industry.

But in the coming decade, the American farmer must have a level playing field in the international trade arena, too. And the way to fight trade barriers is through negotiation, not reciprocal protectionism. I know that many Farm Bureau leaders serve on the Agricultural Trade Policy Advisory Committee—and how important this issue is to you. Our administration has just made a bold proposal in the Uruguay round that would phase out export subsidies in 5 years and other trade-distorting practices in 10 years. But any agreement we sign—and I can guarantee you this—any agreement that we sign will be an agreement that is also good for American agriculture. You see, our goal is simple: open markets and free trade.

And it's beginning to work—international markets are improving. The value of U.S. agricultural exports has increased for the third year in a row; and sales to developing nations, the dynamic markets of the future, were up 13 percent last year.

We also support expanding our ties with Eastern Europe and the Soviet Union to open even more markets. Earlier this winter, Secretary Clayton Yeutter led a Presidential delegation to Poland to determine how American know-how can help Poland shift from that controlled economy to a market economy. It was a wonderful mission, and we're forging new partnerships between our agricultural industries and Eastern Europe's emerging economies.

But in today's global economy, America must also become more competitive

through increased production, new uses for our products, and expanded markets at home. And so, this administration supports greater research into biotechnology for improved productivity, and we're encouraging alternative uses of farm products like ethanol and other new fuels and fuel additives. Just a few months ago, we proposed the expansion of the producer tax credit for alternative fuels to include ETBE. This will mean more markets for growers and cleaner air for all Americans.

But for us to reap the full benefits of a competitive economy we must cut the capital gains tax rate. With our capital gains tax proposal, we can help keep American agriculture dynamic and prosperous. And with continued economic growth, we can keep rural America going strong. Passage of our capital gains proposal, which would apply to the sale of farmland, will be one of my top priorities in this legislative year. Your support has been instrumental in the fight for the capital gains cut. And the fight isn't over yet. And I am sick and tired of the demagogues who call this a tax cut for the rich. It means jobs, it means savings, and it is good for all Americans.

And so, the farm bill, our international trade negotiations, and a capital gains tax cut will be high on my agenda for this great nation, because what's good for agriculture is good for America.

Let me talk just a little about some of the challenges facing all America. Like people everywhere in this great country, you work hard. You sacrifice to make good lives for yourselves and your children. Every one of us dreams of excellence in education; economic opportunity for all citizens; and a clean and healthy environment; and safe, drug-free streets, schools, and workplaces.

Together we are working to build a better America; but much remains to be done, and you're in the forefront. Rural America cares about education. You know, some say improving our schools is something for Federal money and Washington bureaucrats to handle, and I know you don't believe that. Whether it's a classroom on a rolling prairie in Nebraska or a busy New York street, improving education is a national challenge.

Last September, I met with the Nation's

Governors at the education summit in Virginia to begin promoting educational restructuring in every State and determining national goals to attain excellence. The administration has sent the Educational Excellence Act to the Congress, and we want—and America needs—action on it soon.

Rural America is also battling the ravages of violence and drugs. Every citizen has the right to a safe home, the right to freedom from fear. Early in my administration, we sent the Comprehensive Violent Crime Control Act to the Congress. We proposed measures to improve enforcement and prosecution and strengthen current laws to put the drug dealers behind bars and keep them there. This critical crime legislation has been sitting on Capitol Hill for months. Brave citizens everywhere are standing up to crime, and it's a time for Congress to act quickly and responsibly because the war on drugs and crime will not wait. And I might say parenthetically, thank God we've got Bill McCollum in a key role in the House and Connie Mack, Senator. I again want to mention the support that we are getting from them and others like them for this approach I've outlined.

Let me just add a little more on our relationship with Capitol Hill. When I took office—Inaugural Address—I put out my hand to the Congress, to the Democratic majority, and reminded us all that the American people did not send us to Washington to bicker. As I've said, we sent proposals to Congress on clean air, combating crime, capital gains—responsible proposals, carefully thought out, based on principles. Now a year has passed. A new year has become. And it's time—it is past time—for Congress to tend to some of the unfinished business. Let me say to Congress as it comes back in a couple of weeks now: The hand of cooperation is once again extended. And I would only add: America wants it done right. America wants it done responsibly. And America wants it done now. We are always willing to listen to ideas and alternatives, but we are not willing to compromise on fundamental principles.

Finally, rural America does believe in liberty and democracy. Freedom-loving people everywhere are following the news

reports from behind what used to be called the Iron Curtain. In fact, I read that the first thing to sell out in West Berlin on the day the Wall came down wasn't TV's or denim jeans. It was fresh fruit. In Romania, citizens knew freedom had arrived because for the first time in many years they saw food on the grocery store shelves. We reap what we sow, says the Bible, and what a bountiful harvest we are witnessing. It is a harvest of joy and opportunity that we will continue to support and encourage every step of the way. And let me add: This harvest is not just happening in Eastern Europe. Let's help the countries to our south, so that this hemisphere will be the first totally democratic hemisphere in the entire world.

I know I don't have to tell you this, but let me just tell you from the bottom of a grateful heart that I am mighty proud of our courageous fighting men who have helped Panama. And the joy shown by the people of Panama says it all, right there in the streets of Panama City.

And so, as I conclude my comments to the Farm Bureau, I can tell you I am optimistic about the coming decade, for I believe in the wisdom of our policies; I believe in the providence of the Almighty; and most importantly, I believe in the tough resiliency and the moral strength of the American people. Throughout our history, farmers—many in this room—have weathered disaster; and each time, like steel forged in a white-hot furnace, you are

stronger with each testing by fire.

In the "Dirty Thirties" swirling clouds of dust ruined hundreds of farmsteads on the Great Plains. Many of the Dust Bowl farmers stayed on the land, and today their descendants have invented conservation techniques to catch and preserve the winter snows and the spring rains to carry their crops through the hot plains summer—a triumph of human courage and ingenuity. In the 1970's, an unheard-of disease, the southern corn leaf blight, swept through the fields of the Midwest. In a few days, the tall, green, tasseled corn was devastated, as if someone had taken a blowtorch to it. Over that winter, scientists and farmers developed resistant corn varieties in time for the next spring planting. A national food disaster was stopped dead in its tracks—a triumph of faith, science, and inventiveness.

And today, at the daybreak of the new decade, I want rural America to share in the promise and prosperity of our great nation. And in the months and years to come, as we approach the horizon of the new century, may we all share in the opportunity and optimism of a world at peace.

Thank you, and God bless the United States of America. Thank you very, very much.

Note: The President spoke at 10:47 a.m. in Hall D of the Orange County Convention/Civic Center. Following his remarks, he visited the Land and the Living Seas Pavilions at EPCOT Center and then returned to Washington, DC.

Remarks Introducing the Presidential Lecture Series

January 7, 1990

Professor Donald and Mrs. Donald; Mr. Chief Justice and Mrs. Rehnquist; Chief Justice Burger, I understand, is here; Secretary Cheney and the Honorable Lynne Cheney; distinguished Members of the Congress; General Powell: Let me welcome you to the White House. And Barbara and I are very pleased to have you here. It's a privilege.

We're proud to host this lecture on the Presidency of the United States. And this is the first in a series of lectures on the men who have held this office. And it seeks to make them come alive: What were they like? How did they live? How was history, the history of America's house, molded by their dreams? To occupy this office is to ask those questions, and certainly to feel a kin-

rights agreements. Two hundred years after the ratification of our Bill of Rights, the principles it enshrines continue to take root around the world.

Having triumphed over communism, many peoples and nations now confront the challenge of improving respect for human rights among various ethnic and religious groups, as well as members of national minorities. The United States will continue to urge these and all nations to abide by international human rights agreements and to act in the spirit of political pluralism and tolerance—traditions that have made America's diversity a source of pride and strength.

Now, Therefore, I, George Bush, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim December 10, 1991, as Human Rights Day and December 15, 1991, as Bill of Rights Day and call upon all Americans to observe the week beginning December 10, 1991, as Human Rights Week.

In Witness Whereof, I have hereunto set my hand this ninth day of December, in the year of our Lord nineteen hundred and ninety-one, and of the Independence of the United States of America the two hundred and sixteenth.

George Bush

[Filed with the Office of the Federal Register, 5:01 p.m., December 9, 1991]

Note: This proclamation was published in the Federal Register on December 11.

Remarks to the Chicago Board of Trade in Chicago, Illinois December 10, 1991

Thank you, Billy and thank you, Tom. Listen, it's a great pleasure to be with all of you. And standing next to me is a guy who most of you know, son of Illinois, Ed Madigan, the Secretary of Agriculture, doing a great job.

Listen, we wanted to come by and see this great market. And all of you ought to

know that, around the world, people are trying as they come out from behind that Iron Curtain to emulate the market here, free trading in a very, very important area. And you are doing more for agriculture and for business, and we are very, very grateful to you.

Let me just say a word. I am not happy, and nor is anybody, with the state of the economy. We want to see it moving. We want to see it growing. And I will gather up the best ideas I can between now and the time that the Congress comes back, try to lay partisan politics aside, and get this country moving by a strong growth package that was long overdue.

The current performance of this economy is unacceptable; growth is too slow. But there are some encouraging signs: Interest rates are down, mortgage interest rates, inflation seems to be holding down. And now, we've just got to give it a kick and get it started up again. And I'm grateful to all of you for the example you've set. And now I guess we have about 6 minutes, but I want to see this place spring into action. Maybe I can learn a few new hand gestures.

Thank you all. God bless you, and God bless the United States.

Note: The President spoke at 10:23 a.m. from the soybean pit of the Chicago Board of Trade. In his remarks, he referred to William F. O'Connor, chairman, and Thomas F. Donovan, president and chief executive officer of the Chicago Board of Trade.

Remarks to the Chicago Mercantile Exchange in Chicago, Illinois December 10, 1991

Thank you all very much. And Jack, thank you, sir, for that more-than-generous introduction. To Bill Brodsky, my thanks to you, sir, for arranging all of this, coming from Wall Street to Chicago, as you have. I'm delighted to be with you. To Leo, Leo Melamed, the Babe Ruth of the exchange, I want to thank him. And, of course, salute two others with me, your great Governor, my friend Jim Edgar, and Ed Madigan, who is our new—former Illinois Congressman,

and now our able Secretary of Agriculture, who is up to his eyeballs in working with us to try to make a successful conclusion to this GATT round. And he's knocking himself out, crossing the Atlantic Ocean back and forth, but we couldn't have a better Secretary of Agriculture trying to open up these foreign markets to our agricultural products. Ed, thank you.

And I thought Jim Thompson was going to be with us, but maybe he's not that brave, a member of the Board of Trade and a lawyer. [Laughter] But he was here, and I salute him, a longtime friend.

Jack mentioned the visit to the trading floor, and I do want to thank everyone involved in that trip through that melee for their warmth of the reception and the—I thought it would be pretty hard to match the emotion of last weekend out there in Pearl Harbor, but I'll tell you, this was a little different. Younger kids, all—there were a few old guys down there—[laughter]—but I'm talking about enthusiasm and the future. And it was a wonderfully inspiring trip through that floor, and I want to thank those of you who were here that participated in that and everybody else responsible for that visit. Thank you very, very much.

It's great to be back here and to have a chance to visit briefly with the leaders of the business community and leaders of this exchange. As you know, we've had a staff change at the White House, a new Chief of Staff coming there. And when John Sununu resigned, I looked to Chicago, I looked to the Windy City for help, for another sound manager, communicator, and consummate politician. Well, Mike Ditka was busy with other responsibilities—[laughter]—and Sam Skinner, though, rose to the fore. And I think we're going to have a very good operation with your friend and mine, Sam, who did a great job as Secretary of Transportation, now in this new, key place as we move into a new year.

I've really enjoyed my visits here to both exchanges today, the board and then here. I've seen the future. It uses hand signals, at least for now. [Laughter] But then, I've also glimpsed at the fact that that's also changing. Speaking of hand signals, I saw a few riding in here. [Laughter] They have a nice way here of making one feel at home.

[Laughter] No, actually it's been very, very friendly.

But I really enjoyed the tour downstairs, and I also have been looking forward to this part of the program, here on the upper floor, the futures market of the future, I think we really can peek into the next century. Soon, probably sooner than you expect, this area will be as packed and busy as the trading pits below.

The Merc has become a bellwether of the future because it never, ever lost the inventive spirit of its founders. You defied the doomsayers when you pioneered that risk-pool management through the Exchange Trust. You established the first financial futures market, the International Monetary Market. You saw an international marketplace and established overseas offices before most exchanges even thought of setting up domestic branches. And you created Euro-dollar Futures a decade ago, and I know you celebrated its 10th anniversary yesterday. And you should be very, very proud of this world leadership.

In challenging times, you've thrived. And this year, you trimmed expenses to improve efficiency, and your business grew by more than 4 percent, I'm told. Through the ups and downs of the business cycle, you've operated without requiring a dime's worth of assistance from the American taxpayer. And you've taken care of your own without losing your momentum for a single minute.

It's great to be here—I mentioned him earlier—with Leo Melamed whom, I suppose, you call the father of the future. And now, you all know of his professional accomplishments, but he never left his imagination at the office. As many of you know, he has also written prodigiously. His greatest triumph was the science fiction thriller "The Tenth Planet." It's not about Capitol Hill; it is another science fiction thriller.

Sometimes, though, debates on Capitol Hill about the economy sound as if they were about life on another planet. And you know, an economy does not run just on money. An economy lives and breathes on ideas and information.

Entrepreneurs like the men and women who trade in the Merc's pits, the farmers who work the fields by day and the computers by night, arbitrageurs in London,

and investors the world over, these people swap ideas, information, dreams, and dares, and they fire an economy. Their energy drives our Nation forward. They chart the course through the international marketplace.

A government that does not understand the gritty fundamentals of business cannot understand how to help an economy grow. Ten years ago, many of you stood with us as the Reagan-Bush administration took on the old wisdom that government could solve everything and that business could flourish regardless of what burdens Washington heaped upon it. We cut the taxes and peeled away regulations, restrained spending, promoted free trade. And out of that came the longest peacetime economic expansion in the history of this country. While others may have sat back to enjoy their new prosperity, you were a driving dynamic here. You moved forward.

You've stood with my administration as we work to create the conditions for a more vibrant economy. I've asked Congress for 3 years to pass a series of growth initiatives, job-creating initiatives. And the economy has turned sluggish. People want action. And I want action, action to help people, action to make things better now and in the future.

And our administration believes as you do that the solution lies in free markets for free people. We've promoted straightforward measures to invigorate the economy, such as cuts in the capital gains tax; banking reform, inclusive banking reform legislation; letting first-time homebuyers use these IRA's for purchasing homes; a permanent tax credit for R&D, for research and development, and so on.

We pushed other initiatives to make the most of our human capital now and in the future: A revolution, for example, in American education; a tough crime package to back up the police officers that we are supported by every single day of our lives; a tort reform bill up there that will put some caps on some of these mindlessly high settlements that are driving much of the industry to its knees; and recently, a transportation bill that will create jobs and provide much needed repair for our roads and bridges and infrastructure.

And, again, I salute Sam Skinner for his leadership as our Secretary of Transportation on this important job-creating legislation.

Although both political parties will feel tempted to engage in partisan warfare when Congress comes back in January, reconvenes, I will be calling upon the Democrats and the Republicans to lay partisanship aside long enough to pass a clear, strong growth package. We owe it to the taxpayer; we owe it to those who have jobs, and we owe it to those who don't have jobs to get that done regardless of politics. And I'm going to do that, no matter that 1992 is a Presidential election year.

And I might say, being in his hometown, I can work with Dan Rostenkowski, your friend and mine, who is chairman of the Ways and Means Committee. And if we had more like him I believe we could have gotten these problems solved long, long ago.

In the post-cold war world—and you've set the example on this one—we must thrive in the international marketplace. I am going to be meeting this weekend with President Salinas. And I know he was up visiting you all earlier this year. And the two of us are going to discuss trade matters in detail. And later this month I will promote free and fair trade—read that, jobs—with our allies in Japan and South Korea and Singapore, and also going down to Australia. Free and fair trade means more jobs for Americans.

And we must not pull back into some isolationistic sphere listening to the siren's call of "America first." I learned that lesson as a young kid just at the beginning of World War II, and I don't want to see this country go back to "America first" and protection. That will shrink markets and throw people out of work. And we need to stand together against that call from the left and against that call from the right to stay within ourselves. We owe the world leadership, and they're going to get it from this President.

You know, the allegation is that I spend a lot of time on foreign affairs. I take great pride in some of the accomplishments we've made. I think America came together at Desert Storm, and we found a new sense

of confidence, a new spirit as a Nation. And I'm not going to back away from that. I am proud that we're bringing parties that have stood at each other's throats for years, bringing them together in the Middle East to talk some peace. I'm proud of the way we've handled the evolution in the Soviet Union. And right today it is extraordinarily complicated.

But my point is, we cannot withdraw, we can't pull back. You can't do it. You're engaged in the markets, and well you should be, because that offers prosperity to the American people as well as to others. And I don't think a President should pull back in the face of domestic criticism by some partisans suggesting that we don't have to worry about our national security and that we don't see that jobs stem from being engaged with foreign countries, instead of being pulled back from engagement with foreign countries.

So, I can do both. We can stay involved, work for world peace, enhance our national security, and now drive forward to get this economy moving by bipartisan action for growth, economic growth that means jobs for the American people.

Years ago, Carl Sandburg described this city as "the hog butcher for the world." That was the Chicago of another era, another world. And today, Chicago serves the pork belly's future, the currency's future, the future, period, of an international marketplace. And the one message I'd like to come out of this meeting here today and the other meetings I've had is that we are the hub of the international market. And countries that are emerging into democracy are looking to us for leadership in terms of making world markets. And nobody does it any better than the people right here in this room.

Thank you very, very much. And now get back to work and help us shape another American century. Thank you all. I'm glad to be with you.

Note: The President spoke at 12:05 p.m. following a tour of the trading floor. In his remarks, he referred to John F. Sandner, chairman of the board of governors of the Chicago Mercantile Exchange; William J. Brodsky, president and chief executive officer of the exchange; and Leo Melamed,

chairman emeritus of the exchange and chairman of the Globex Corp. A tape was not available for verification of the content of these remarks.

Remarks to the Illinois Farm Bureau in Chicago, Illinois

December 10, 1991

Thank you, John, and to all the members, thank you. Thank you, John White, Governor Edgar, and to Secretary Madigan, son of Illinois, who is doing a superb job as our Secretary of Agriculture. I'm glad he flew out here with us. To Congressman Ewing, who will be flying back with us, I understand, on Air Force One back to Washington. We've welcomed him to the Congress and proud he's there. To Enid Schlipf, who has been at my side today, and I'm grateful for that, his counsel. We had a session, a listening session, getting counsel from business people, and it was most appropriate that Messrs. White and Schlipf were there.

And to all of you ladies and gentlemen of the Illinois Farm Bureau, thank you for that warm reception and for your hospitality. I feel that I've come to the right place. My top priority is to get this country moving faster and more confidently on the path of economic progress.

I've had excellent visits this morning on the trading floors at the Merc and at the Board of Trade. I lost 3 pounds in the process just kind of working my way through those hand signals. And it was wonderful. And I had the privilege to have both John and Enid, who are leaders of the Farm Bureau, at my side during those sessions and also, at Billy Goat's—[laughter]—I think you guys were up there. It's a marvelous burger place here. But speaking of farming, let me give you a little bit of historical trivia that will not send you into euphoria, but I always try to claim kinship with various States. And my great-grandfather, David Walker, grew up on a farm near Bloomington, Illinois. How about that one? Nobody's ever heard that before.

But anyway, meeting with so many Illinois farmers and agribusiness leaders, I've had a chance to talk face to face with some

men and women who are leading the way. You see, agriculture is a perennial export leader, and recently exports have been a tremendous factor, a big factor in our overall economic growth. And here's how important that is: Every billion dollars in agricultural exports means approximately 25,000 American jobs.

American farmers understand how the world works. You know that taking a stand for peace and stability abroad, supporting emerging democracies, developing free and fair international markets, will make our national economy much stronger. You know what a determined American involvement in global trade represents to the bottom line. It means higher net farm income.

So first, I really wanted to thank, enthusiastically give thanks for the Farm Bureau's efforts to keep America a leader in world commerce and world security. I know I speak for several hundred thousand young service men and women in saying thank you for all your support during Desert Shield and thank you for all your support during Desert Storm. We are very, very grateful.

The Farm Bureau's leadership is vital to our progress for free and fair trade, no mistake about it. You made a big contribution to getting the North American free trade talks off and running. You've helped launch our Enterprise for the Americas Initiative for trade and investment throughout the Western Hemisphere. I can assure you, because of your foresight, we can look forward to unprecedented prosperity and economic security for hundreds of millions of North and South Americans from the Illinois prairies to the pampas of the Argentine.

Secretary Madigan and Ambassador Carla Hills are working to secure a solid agreement for global trade at the Uruguay round of the GATT negotiations. A successful GATT negotiation will literally revolutionize world agriculture trade, opening markets and leveling the playing field for American exports. When we achieve this, we will owe an incalculable debt to the Farm Bureau who has always looked ahead and never looked back on this important question of international trade.

And I might say, John, you're quite a contrast, this marvelous organization, to the noisy voices that want to withdraw us into

isolationism and protectionism. They say they want to put "America first." You have the common sense to recognize that America is first and will remain first only if we stay engaged in world markets and involved in world security. And as long as I am President, that's exactly what I intend to do.

American agriculture is productive and competitive because of its strong orientation to free markets. Our agriculture owes much to such fundamentals as advancing productivity, embracing new technologies, moving forward to new frontiers in scientific research.

Rural America is a model of strength on social issues that are vital to our future. Thank God that family and family values remain so important to agricultural America. Farm communities, let's face it, they face many hardships. But they always involve parents in the schools, and that always produces better students. With programs such as 4-H and FFA, Future Farmers of America, rural America takes a leading role in our America 2000 strategy to revolutionize, literally revolutionize our education.

I can't tell you how impressed I am also at how much most farmers know about computers, not speaking for all of you, I understand, but some of you. But I've had enough trouble just finding the "on" switch on my computer, say nothing of getting the cursor to move where and when I want it to. But the point is this, anyone who doesn't appreciate the sophistication of the modern farmer doesn't understand the modern farmer.

Last month, by the way—maybe some of you all were out there—but I spoke to 18,000 of our best and brightest kids at the Future Farmers of America convention in Kansas City. And let me tell you, I can't contain my excitement thinking about the day when those young men and women become the leaders of our country. They were bright and alert and patriotic and forward-looking. And somebody, parents in this room and across agricultural America are doing a wonderful job with these young men and women.

The guy that introduced me was so good, I thought he was getting ready to run against me. [Laughter] But anyway, you

should have heard him. He's a real articulate dude.

Another concern I know you share with me is the drug problem. The stakes here involve not just the economy but our deepest social and moral well-being. Wherever I go in this country, I call attention to those who fight the drug war on the front lines. I praise the businessmen and women who keep drugs out of their companies and the neighborhood youth centers that keep teenagers off the streets. So, let me take this opportunity right now to thank hundreds and thousands of Americans who don't get mentioned often enough for their devotion in running the strongest kind of drug-free workplaces. And I'm referring, again, to the moms and the dads and the grandparents who run America's family farms.

Now, I know that sometimes times are tough for America's farmer. And that's why we stand by our commitment to help ease the pain caused by natural disasters. This week I will be signing legislation to provide drought and disaster relief. Many farmers in Illinois and other States suffered unusually severe losses this year and last year. And this legislation will provide much-needed assistance for hard-hit farmers. And I will be delighted to sign it.

Now, I know that the economic downturn is hurting a lot of people in virtually every sector. And I've heard from some tough, optimistic people on my visit just today, but they didn't sugarcoat their message about the pain and the problems the country is going through right now.

You and I know that we've got to do more to get the economy on the move, to get confidence back. And I'm prepared to fight harder than ever for a series of growth initiatives. And when Members of Congress go back to work in January, after Christmas, they'll hear from me in no uncertain terms. My growth initiatives will give Americans the freedom and incentive to get higher yields from their efforts. A top priority, and John referred to this, is to cut capital gains taxes. I know it's a top priority of the Farm Bureau, too, and I want to express my deep thanks for your outstanding support on this initiative.

Our high taxes, then, on capital gains are way out of line with the policies in other successful economies. Germany has no cap-

ital gains, no tax on capital gains on assets held longer than 6 months. In Japan, an entrepreneur who sells the company that he's built from scratch pays a tax of 1 percent. A capital gains tax cut will free up the capital that we need for growth. And it will increase the value of land, of labor and capital all at once by reducing the tax on success. And I am going to keep on fighting until we get that done.

Right now, we place entrepreneurs in a lose-lose situation. When they risk money and effort on something that fails, they lose. And when they risk money on a winner, we tax the capital gain, and they lose again. We have to put an end to this lose-lose approach to the economy. A capital gains cut will stimulate investment and create jobs in every sector. And quite frankly, it will restore some fundamental fairness to the way we treat farmers and the way we treat homeowners.

Capital gains tax relief is but a part of our program. Thanks to leadership from Illinois' own Sam Skinner, our soon-to-be Chief of Staff, I expect soon to sign a transportation bill that creates new jobs while rebuilding our roads and bridges. And I'm working for a research tax credit to help new technologies create more jobs; working for new IRA's to help the first-time homebuyer, stimulate that homebuilding market; and for bank reform. We desperately need comprehensive bank reform to help America compete in the 21st century and to help free up capital right now.

We want our children's future to be worthy of the dreams and sacrifices that built and sustained America as a great Nation. Back in 1862, in spite of his preoccupation with the Civil War, our President established back then the U.S. Department of Agriculture. Abraham Lincoln revered the American farmer. He believed deeply and stated eloquently that a strong American agriculture was the key to preserving our Nation's independence.

A century and a quarter later, the men and women of Illinois ag are worthy heirs to Lincoln's vision. You and this organization form a vital force for keeping America strong and free. And I am looking forward to seeing some of you, many of you maybe, next month at the American Farm Bureau

national convention out in Kansas City. And I am delighted to be with you today. And I am proud to work with you to help keep this great country of ours growing and thriving. I pledge to you I will do my level best to lead this country to new growth and new opportunity.

May God bless you and may God bless the United States of America. Thank you all very, very much.

Note: The President spoke at 1:45 p.m. at the Palmer House Hotel. In his remarks, he referred to John White, Jr., and Enid Schlipf, president and former vice president, respectively, of the Illinois Farm Bureau.

Exchange With Reporters in the Cabinet Room

December 11, 1991

Soviet Union

Q. Mr. President, who is in charge in the Soviet Union at this point?

The President. Well, we're following that situation very closely in the Soviet Union. And of course, our main interest is in democratic and market reform, the continuation of that. They are going to sort these matters out themselves. We will support democrat and—reformers wherever they are there. And that means at all levels, incidentally.

So, we are watching it very closely. And as these dramatic changes take place or proposals come forward, that's a matter for the Republics and the center to sort out. I think the answer to that question, you've just got to look at where you're talking about. So, we'll let that evolve.

I'll be meeting this afternoon with the Secretary and our Ambassador and be talking about Jim's upcoming trip, the reasons that are clearly of vital interest to us. One, we want this humanitarian question, humanitarian aid, to go forward in order to promote peaceful reform. That's a question—besides that, we've got just a plain interest in seeing that people are fed. Ed Madigan and I were talking about this yesterday on the way to Chicago.

And then, of course, we have a keen interest, the whole world does, in the nuclear questions there. And frankly, assurances have been pretty good there. I see no reason to alarm the American people, but it's something that we're following extraordinarily closely, and we are in touch. And I feel that the thing to do now is just to go forward with the plan of the Secretary and see where it comes out.

But we can't make any predictions on the evolution of all of this. That's their business. Our interests are as I stated in here: Democracy, market reform, humanitarian assistance, the nuclear question, and peace, peaceful evolution of all of this.

Capital Gains Tax Cut

Q. Mr. President, you made clear yesterday you're going to keep fighting for a capital gains tax cut—

The President. Yes. I will keep on fighting—

Q. Are you going to, have you got any other—

The President. —for that. But now we've got to get to work in the Cabinet, so thank you.

Q. But, sir, do you have any other ideas to jumpstart the economy?

The President. We'll be talking about that, as I said yesterday—at the time I said yesterday, too. So, we'll just keep working on it.

Note: The President spoke at 10:35 a.m. In his remarks, he referred to Secretary of State James A. Baker III and Robert S. Strauss, U.S. Ambassador to the Soviet Union. A tape was not available for verification of the content of this exchange.

Remarks at a Fundraising Luncheon for Senator Frank H. Murkowski

December 11, 1991

Frank, thank you, and good luck. Thank you for that very nice welcome. To you all assembled, my thanks to you. And, Nancy, Barbara and I send our very best wishes, not just for the holiday season but for what's over the horizon for you and that

remarks, he referred to Lord Henry Plumb, former President of the European Parliament, and R. Emmett Tyrrell, Jr., editor of

the American Spectator, a monthly magazine.

Remarks to the Law Enforcement Community in Kansas City, Missouri January 23, 1990

Thank you, Mayor Berkley. Thank you very, very much, all of you. Thank you very much. But how did you know that our dog, Millie, was the most popular person in the Bush family? [Laughter] I'm delighted to be introduced by my friend Dick Berkley, and thank you for that warm introduction. As he confessed, we go back a long, long time, and I'm grateful to him for his friendship and his leadership. I also want to thank and pay my respects to two that flew out here with me on Air Force One: our distinguished Attorney General, Dick Thornburgh; and our drug policy czar—why we use the word in the United States, I do not know—but our able Drug Policy Director, Bill Bennett. Both here with me today, and both doing a superb job for our country.

It's always good to see the Governors, and be with them, of these two great States, both friends—John Ashcroft, from Missouri, and of course my friend Mike Hayden, from just across the line—I think it's just across the line—but both of them, side by side with us, recognizing that the States must have considerable influence, must take a lot of action, if we're going to solve the problems that I wanted to talk to you about today.

And of course, we also had some other travelers with me, friends of good standing flying out, your two able Missouri Senators, Jack Danforth and Kit Bond. Both—whoops, they're here—here's one. Where's Kit? Over here. And of course, Congressman Ike Skelton, my friend, and also Tom Coleman. And let me just say about this group of Representatives, Senate and House: All of them, all four, are taking leadership roles in this fight against crime. And I know that your Congressman from the district I just visited, Alan Wheat, wanted to be here. He

is attending to duties in Washington. I hope he's doing the right thing back there, as Congress just reconvened. And of course, so many law enforcement and community leaders—the police chief has been at my side, and the respect with which he's held by people in the communities is very clear and obvious—Commissioner Ray Price.

And of course, I had a wonderful meeting with the Ad Hoc Group. I've known the leader of the group because he is serving on one of our most prestigious antinarcotics task forces in Washington, Presidentially appointed, working closely with Bill Bennett and me. Al, we're just delighted that you are willing to not only do what you are doing here but take the time to be a part of that. Al Brooks—an outstanding leader for this community.

Then I had a list—not to read off, necessarily, but I would be remiss if I didn't say how pleased I was with the briefing I received out here—the Ad Hoc Group. Inspiring presentations—and I won't mention them all, but Dr. Stacey Daniels, Dr. Mark Mitchell, one a Ph.D. psychologist, the other an M.D.; Cliff Sargeon, who just hitchhiked a ride with us somewhere along the line—I don't know where he is out there—and of course, Ron Finley and Vic, Majeeda, Aasim—so many others that just made this whole program come alive.

And now, before I get to my words, let me also salute the Army and thank the band from Fort Riley for that wonderful music. Outstanding, as always.

And I can tell you—and mean it—that it is great to be in the heartland, great to be back in Kansas City. And you know, Kansas City has so much of which to be proud. You've heard the tally: grassier than Ireland; built on more hills than ancient Rome;

more water, more fountains than Paris. But you also know what really sets Kansas City apart. It is not your parks. It's your people. They call it the Kansas City spirit—restless, idealistic, determined. It's the kind of spirit that pushed back frontiers and brought the railroads west, rebuilt a burned-down convention hall in 90 days, and survived three floods this century. And, yes, it's a community spirit, a spirit that emphasizes the value of collective well-being. Norman Rockwell captured—in a painting called just that—the “Kansas City Spirit.” It pictures a brawny, sunburned man, feet firmly planted on the ground, eyes on the distant horizon. And one hand clutches a blueprint, and the other's rolling up his sleeves.

And thank God, it's a spirit that is very much alive today, because in recent years, it's not the convention hall that's caught fire but the streets themselves, burning with a new form of pain called crack and crackling with a burst of gunfire not heard in Kansas City since the outlaw days of the Old West.

But people in this town refused to surrender to the drug plague. You took back what's yours—took back your kids and took back your streets. It began like the spirit of Kansas City, when one man rolled up his sleeves and stepped forward with a blueprint—a blueprint that's become a model for our cities, an inspiration to people everywhere. I had the pleasure of meeting with him, as I alluded to earlier, and with his group this morning; and I know that many more than I mentioned are here with us this afternoon. They're a group of home-grown Kansas City heroes called the Ad Hoc Group Against Crime, and the man's name—you know him, Alvin to some, Al to me—Al Brooks.

Ad Hoc recognized early on that the war on drugs meant unconventional warfare, a battle to be fought day by day, house by house, family by family, child by child, because each kid saved is a victory won. Working closely with police, Ad Hoc members gather in force—gather by the dozen, using bullhorns, wooden coffins, street rallies—to warn drug dealers to get off the street. They're not subtle. I just saw them in action out there. But they are determined, and they are united, and they are

clearly making a difference.

I spent a part of the morning here in the downtown inner-city area. I can't remember a more inspiring experience since I've been President. Went to 33d and Park—saw what they used to call the drug tree, an ancient, curbside oak where the drug dealers put up a basketball board to lure young children and cover up their own deadly operations. And it's still a rough area, still not free of crime. But a lot of crack houses are gone, and a lot of pride's come back. And block after block, house after house carries the sign of victory, Ad Hoc's six-word warning to the cowards of the night: “This neighborhood fights back against drugs.”

Part of the solution to the drug menace lies in effective, community-based initiatives like the Ad Hoc Group here. Also, cooperation between local and Federal law enforcement is essential, as we saw last Friday when Kansas City police combined with Federal agents to bust what may be the biggest crack ring in town. Another part, an essential part, lies in the demand side: stopping drug use before it starts, and helping those who want to stop. And our national drug strategy calls for record levels of new funding for both education and treatment.

But demand-side solutions alone, important as they are, will never be enough. There are people out there intent on doing evil—cowardly, amoral. And when they spot someone vulnerable—the school kid who has to cross a drug-infested corner to get home—they see their fellow man the way a pack of jackals sees a wounded fawn.

A 4-year-old boy shot dead in a suspected crack house; an 11-year-old kid gunned down outside another drug den, allegedly at the hands of a 14-year-old guard; in a downtown bar, a mother sells her baby for crack; and a firebombing leaves three generations dead, including a grandmother and three little kids—the headlines are horrifying, sickening, outrageous. And though they come from Kansas City, they are tragically familiar in cities across America.

Strong families are an important element in a healthy, respectful society. Many of life's most important lessons are learned within the walls of our own homes, and we

must do everything we can do to strengthen our families and help them cultivate character in our children. But let us also be clear about the role of personal accountability, of the responsibility of the criminal for his actions. The fact of the matter is, the criminal chooses his way of life, his companions, the kind of crimes he commits. He's not the victim; he is the victimizer.

And you who have struggled, worked hard for safe streets know this. It's time we protect the rights of our elderly, our kids, and our crime victims everywhere. The law-abiding community that you represent has a duty to punish wrongdoers. Punishment is not, as some may see it, an unseemly indulgence in revenge. Just punishment is a moral, civilized response to wrong. Punishment is necessary not only as a deterrent to future crimes but for its own sake—which is to say, for the sake of justice.

This tradition of justice speaks not of a society that disparages human life but, rather, one that treasures innocent human life as precious, as unique. In Larry McMurtry's—you remember it—classic western novel "Lonesome Dove," two Rangers finally put an end to a brutal gang's deadly rampage, and one of the outlaws turns out to be Jake Spoon, the Rangers' old partner. "It's a bad situation," says Captain Call, moments before arresting his old friend. "But there he is. He put himself in it." McMurtry's saga, like the lives of the real-life pioneers who inspired it, reveals some simple truths. Most Americans believe each of us faces the innate temptation to succumb to evil and yet always has the freedom instead to choose to do good.

Today too many law-abiding Americans are prisoners in their own homes, and we really have to change that. We have got to change it. The wrong people are behind bars. Go to the community I came from. Talk to the lady and her husband in a Christian home, a cross and the Bible inside, locked in for fear of what's on the outside.

The first line of defense will always be our local law enforcement. But as in the days of legendary U.S. marshals like Bat Masterson and Wild Bill Hickok, places like Kansas City again need the support of top-notch Federal lawmen. Congress deserves

our thanks for providing the new Federal troops that we asked for—new agents, new prosecutors, new prisons to catch, convict, and contain those who prey on our cities.

But it's time for Congress, reconvening this very day, to finish the job, because it does no good to send the troops into battle wearing handcuffs. Shortly after taking office, I sent a comprehensive package to Congress to combat violent crime, to back up our new lawmen with new laws—laws that are fair, fast and final. Fair—an exclusionary rule designed to protect the truth and punish the guilty, and not good cops who have acted in faith. Fast—habeas corpus reforms to stop the frivolous appeals that are choking our courts. And finally—fair, constitutionally sound death penalty provisions, because for any drug dealer who kills a cop, no penalty, in my view, is too tough.

Major portions of our crime bill still await congressional action. But today there's another bill—a Trojan horse standing at the gates of Congress. It's called S. 1970. It looks like a real crime bill. It sounds like a real crime bill. But look at it—take a look at it. Go to the library and get it. In actuality it will be tougher on law enforcement than on criminals. And its so-called reforms of the exclusionary rule, habeas corpus, the death penalty, and the Justice Department itself will only entrench and extend the legal loopholes and the redtape that disrupt honest law enforcement and have angered the American people for far too long. It must be defeated. America needs a crime bill with teeth, yes, but this is a sheep in wolf's clothing.

We don't question anyone's motives. One of the things I don't like about politics—maybe I should expect it, get into the arena, as Teddy Roosevelt called it—it seems to be a charge and countercharge. I propose one agenda and somebody else, another. We don't have to question the other person's motives or integrity in making the proposal, but it is time to debate these differences openly. We can't accept anything—and I will not—that rolls back the clock on our ability to fight crime and punish wrong-doers. And good legislation shouldn't have to wait until the final weeks

of an election year—as happened in 1984, 1986, and 1988, just by coincidence. And America wants it done right. And America wants it done responsibly. And America wants it done now.

You in Kansas and Missouri, right here, have set a personal example of courage in grappling with tough choices. In this city, you fought back and you got involved and you refused to look the other way. And you have my thanks and the gratitude of an admiring nation.

In the Norman Rockwell painting that I mentioned earlier, the man with the blueprints is looking sharply to one side. They say a young boy saw the picture in a book and asked his father, "Dad, Kansas City is in the center of America. Which way is the man facing—west or east?" The father's answer was pure Midwest: "Well, son, it sort of depends on which way you hold the book." [Laughter]

Of course, the truth is, it doesn't matter how you hold that picture. Because no matter how you look at it, the Kansas City spirit, the real Kansas City spirit, always faces the same way—forward to a brighter tomorrow, forward to the future ahead.

Thank you for an inspiring day. Thank you for this warm greeting on this January day. God bless you all as we begin a new year. God bless Kansas City, and especially, God bless the United States of America. Thank you all very, very much.

Note: The President spoke at 1:40 p.m. in the Kansas City Municipal Auditorium Music Hall. In his remarks, he referred to Larry Joiner, Kansas City chief of police; Ray Price, president of the board of police commissioners; and Stacey Daniels, Mark Mitchell, Cliff Sargeon, Ronald Finley, Victor Syng, Majeeda Baheyadeen, and Aasim Baheyadeen, members of the Ad Hoc Group Against Crime Steering Committee.

Nomination of Bradley Gordon To Be an Assistant Director of the United States Arms Control and Disarmament Agency

January 23, 1990

The President today announced his intention to nominate Bradley Gordon to be an Assistant Director of the U.S. Arms Control and Disarmament Agency for the Bureau of Nuclear Weapons and Control. He would succeed Kathleen C. Bailey.

Since 1987 Dr. Gordon has served as a legislative assistant for foreign policy, defense, and intelligence for Senator Rudy Boschwitz. Prior to this, he served as a professional staff member on the Senate Foreign Relations Committee, 1985–1987; political analyst for the Central Intelligence

Office of Near Eastern and South Asian Analysis, 1979–1985; research assistant for the Middle East Institute at Columbia University, 1975–1976; and research assistant for the Bureau of Applied Social Research at Columbia University, 1975.

Dr. Gordon graduated from Brandeis University (B.A., 1971), the University of Vermont (M.A., 1974), and Columbia University (Ph.D., 1979). He was born May 22, 1949, in Burlington, VT. Dr. Gordon is married, has three children, and resides in Reston, VA.

December 31, 1991

MEMORANDUM FOR CURT SMITH

FROM: BOB SIMON

SUBJECT: JOKE PREMISES FOR FARM BUREAU

- o Bush spoke to the same convention two years ago in Orlando.
- o Bush spoke to the Illinois Farm Bureau on Dec. 10 in Chicago. While there, he visited the Chicago Bd. of Trade, where agricultural products are bought and sold.
- o Bush was last in Kansas City on Nov. 13, where he spoke to 18,000 screaming teenagers who belonged to the Future Farmers of America.
- o Bush will have just gotten back from Asia, which is now the largest export market for US agriculture.
- o The audience will be made up of actual working farmers. They tend to be conservative and Republican. The Farm Bureau has been very supportive of Reagan and Bush policies in the past.

OFFICE OF THE VICE PRESIDENT

As delivered on December 5, 1991

TEXT OF REMARKS BY THE VICE PRESIDENT

FARMLAND INDUSTRIES, INCORPORATED
1991 ANNUAL MEETING
Hyatt Regency Hotel
Kansas City, Missouri

Thank you Harry Cleberg. Before I go on today, I want to congratulate the recipient of this year's Dreyer Award, Stan Hillius. Stan, job well done.

Now, I confess that I feel right at home with a group like yours, as I do with any group that has 22,000 Hoosiers! It's great to be back in the Midwest. Kansas is the home of Dwight Eisenhower, and Missouri is the home of Harry Truman. As a matter of fact, Truman's home in Independence is not too far from here.

Truman, of course, served as Vice President to a popular President, and his critics were very, very tough on him. Some called him "unintelligent;" others called him a "roughneck." One columnist wrote that Truman "gives no evidence of his ability to perform the function of the Commander-in-chief." I just can't imagine anybody saying such things about a Vice President!

I'm from Huntington, a small town in Indiana. Huntington is a farm community. Communities like Huntington depend upon farmers, who, to be successful in this day and age, must be part businessman, part chemist, and part engineer. To run a farm or a ranch you've got to be strong and tireless, and you need common sense. More than anything else, though, you've got to have patience. My friends, I don't blame you if your patience with Washington, D.C. is running a little thin these days.

For more than two years, President George Bush has had a jobs package on Capitol Hill. That package includes a cut in the capital gains tax, to encourage investment in new ideas and new opportunities. Unfortunately, the Democratic Congress refused to pass our growth package. If our jobs package had passed the Congress, I am convinced we would see a strong vibrant economy, instead of the weak sluggish economy that we see now. I'm not here to blame others, I'm merely stating a fact. A lot of people have been put out of work, a lot of families have been thrown into uncertainty. Since the Congress has refused to pass the President's jobs package, we have no alternative but to take our case to the American people, and that is exactly what the President will do.

My friends, we continue to have a huge problem, and that problem is not unprecedented. Our problem is Washington, D.C. has a built-in bias against reform, against individual initiative and creativity, and in favor of big government. Throughout the bureaucratic system, there are those would regulate business to death and smother the free market with red tape and litigation. The special interests in Washington love the system. I call it the iron triangle: the unelected special interests, the Congressional staff, and unelected Federal bureaucracy.

Now, I don't mean to suggest that there's never a new idea in Washington. After all, many in Congress have an idea for a brand-new entitlement program. It's a new way to spend your tax dollars. This new entitlement program is not for the farmers, nor for the middle class, nor is it for the poor, the disabled, nor the aged. No, this new entitlement program is for Congress itself. It's called taxpayer financing of their own elections. Well, I have a better idea that will break the iron triangle: instead of taxpayer financing for the Congress of the United States, how about term limitation for the Congress of the United States?

As many of you know, I am the Chairman of the President's Council on Competitiveness. To make America more competitive, and to revive the entrepreneurial spirit, the Council's goals are simple and straightforward: to reduce the costs imposed by government, whether through taxes or by regulation; to restore our education system; to level the playing field for American exporters; and to give Americans more control over their lives.

Look at the regulations that come out of Washington -- more than 2,000 every year, taking up about 53,000 pages of fine print in a big, ugly book of which most Americans have never heard: the "Code of Federal Regulations." Did you know that last year Americans spent 5.2 billion hours filling out government forms? Do you know what that means in terms of jobs? It's the equivalent of 2.6 million full-time employees doing nothing else but filling out forms!

Now, some regulations are necessary to protect public health and safety; nobody disagrees with that, but many regulations are unnecessary, and an awful lot of them don't really protect anyone. In fact, some regulations are downright harmful. Overregulation comes from an attitude in the bureaucracy that they know how to run your farm, or run your life, better than you do.

Regulations are expensive too. In our opinion, our current regulations are more expensive than they need to be. If you want to talk about "expensive," consider this: regulations cost the economy at least 180 billion dollars every single year.

That exorbitant cost is why the Competitiveness Council is committed to reducing and -- wherever possible -- eliminating burdensome and unnecessary regulations. Especially the regulations that threaten the loss of American jobs, waste millions of dollars in time and money, impose unnecessary mandates on farms, cities and towns, and cause higher prices for consumers.

That leads me to another area where the Council is making a difference: the exciting field of biotechnology. By the year 2000, if we play our cards right, biotechnology should become a 50 billion dollar industry, with the United States as the world's leader. The possibilities are truly wondrous, from safer medicines to a cleaner environment.

In agriculture, new biotechnology can mean faster results, more resilient crops, leaner livestock, and healthier foods. We simply can't afford to neglect biotechnology. That is why the Council is going to make sure the bureaucracy doesn't needlessly hold back this growing industry.

We've also been adamant about making real reforms in one of the largest sectors in our economy: our legal system. America has the very best legal system in the world, but I think you'll agree with me on one thing: there's a heck of a lot of room for improvement. That's the message I brought to the American Bar Association a few months ago. Naturally, the leadership of the ABA had a conniption, but the American people understand the problems; they know the system is simply out of control.

Look at the issue of product liability. It's been estimated that product liability insurance for American firms costs as much as 15 times more than what some European and Japanese companies have to pay. Remember, that's just insurance. Think of the growing portion of operating costs that used to go to testing labs but now go to law firms. Closer to home, look at how much extra you pay for farm machinery because of liability concerns.

We've become the most litigious society in the world. The litigation explosion has meant a loss of jobs, but it's had other implications, too, such as its implications for competitiveness, for quality of life, for access to justice, and for the cost and availability of health care. I'm told of an experimental vaccine that might reduce the incidence of HIV-positive babies born to mothers with AIDS. This is a wonderful development; but for fear of legal problems, companies have been reluctant to go forward with testing. Ladies and gentlemen, I say it's about time Americans had more incentives to create and innovate and build not incentives to file lawsuits.

I know every person in this room today is proud, as I am, of a rather remarkable fact: each American farmer puts food on the table for 128 people around the world. Unfortunately, we're not a model of efficiency in everything. After all, we have five percent of the world's population, but we have 70 percent of the world's lawyers. Enough is enough!

You know, I often think back to one of former President Ronald Reagan's descriptions of the Federal government. Any of you who raise livestock know what he was talking about: at one end, nothing but appetite; at the other end, no sense of responsibility. Well, we're trying to make sure the government acts more responsibly in a lot of different areas.

A good example of that is our attempts to put some common sense into federal wetlands policy. As you may know, we supervised the revision of the manual on America's wetlands. The Council reviewed the facts, then recommended guidelines. It's pretty simple: wetlands should be wet! 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. We struck an important balance: keeping the President's pledge of no net loss of actual wetlands, while allowing for perfectly legitimate land use and protecting the constitutional rights of landowners.

Now, I freely admit that we upset a few Washington bureaucrats, who wanted to expand the definition of "wetland" to include millions and millions of acres of dry land. These bureaucrats claim that science is on their side. Well, that's the kind of "science" the columnist Warren Brookes calls "Bureaucratic Science," a term best described by its initials.

My friends, I came here today to touch base with one of the most important groups in all of America, those who work the land. Everything you do here at Farmland helps to fulfill two critical needs, preserving the great American farming heritage, and building the future of American agriculture. As always, you are doing your job very, very well.

Let me congratulate you on what you've accomplished, and let me encourage you on what you're about to undertake, both challenges known, and unknown, because, in the words of President George Bush, "what's good for agriculture is good for America."

Thanks again. God bless you, and enjoy the holidays.

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Farm-State Republicans Nervous About a Winter of Discontent

By Guy Gugliotta
Washington Post Staff Writer

NEW HARTFORD, Iowa—Chuck Grassley drove his 1961 Oldsmobile 98 slowly along back country roads, talking crops and weather with his son Robin and pointing out the windbreaks, fences and tree lines that mark the borders of the half-dozen pieces of Iowa that make up the Grassley farm.

"Robin was the only son who wanted to farm," Grassley remarked. "But as a practical matter he was the only one I could afford to help." Farming, as Grassley is wont to philosophize, keeps you "income poor when you're alive," even though it can make you "asset rich when you die."

Charles E. Grassley, 58—a homespun Republican sprung from the rich, dark soil of eastern Iowa—is the only full-fledged farmer in the U.S. Senate. His father raised a family on 80 acres of corn; Grassley raised his family on 200 acres of corn and soybeans; and now Robin, 31, owns, leases or shares with his father 850 acres of corn and soybeans and sells pigs on the side.

Caught in a credit crunch in 1985, Robin almost lost it all, but he was able to struggle through. "It's not bad now," Robin said. "The rest of the country may be having a recession, but we're doing all right."

Still, for the elder Grassley and other farm-state Republicans in Congress, 1991-92 promises to be a winter of difficulty, perhaps to be followed—for some—by an ugly payoff at the ballot box in November.

The Agriculture Department projects national net farm income: at \$44 billion for 1991, down from 1990's record \$50.8 billion. In 1992, it predicts, net farm income could drop further, perhaps as low as \$40 billion.

The department and farmers attribute the downturn to flat grain prices early in

the year, a softening in what had been a strong livestock market and a collapse in the dairy industry, where milk prices dropped from \$13.43 to \$10.02 per hundredweight between July 1990 and March 1991.

Prices have since improved somewhat, helped especially by the Soviet Union's decision to buy \$3.75 billion in U.S. grain, but the dairy industry continues to suffer and no one is particularly optimistic, especially farm-state members of Congress. "The agricultural economy could best be described as a house of cards," Senate Minority Leader Robert J. Dole (R-Kan.) wrote President Bush on Sept. 12.

Dole's letter, ostensibly private but readily available to anyone who wanted a copy, has become one of Congress's most cited jeremiads. Its principal complaint, however, had little to do with domestic markets.

Instead, Dole focused on what he perceived as U.S. passivity in allowing Europe and Japan to use agricultural subsidies and restrictive trade practices to capture markets that used to belong to U.S. farmers. USDA figures show U.S. farm products in 1980 were worth \$40.5 billion and commanded 18.3 percent of the world export market, while in 1990, \$40.2 billion in U.S. exports held a 13.9 percent market share.

The United States, Dole said, has been losing ground during two Republican presidencies, "and the market senses that there is no firm commitment in Washington to do anything about it. . . . Some would say our policy amounts to 'unilateral surrender.'"

With only 2 million farmers in the country, many of them in states with small populations, the effect of agricultural discontent on next year's presidential race is likely to be minimal. But "the stakes are high for congressional Republicans," Dole cautioned.



SEN. CHARLES E. GRASSLEY
"I don't feel good about" trade talks

In particular, Dole said, there could be a resurgence of farm "populism," advocating tighter controls on production to boost farm prices. This policy, known as "supply management," is closely identified with Sen. Tom Harkin (D-Iowa), a Democratic presidential hopeful.

Dole said in a recent interview he has not changed his views since September: "People in farm country will favor a Republican, but if times are hard and somebody's got another idea, they'll listen." Dole, who recently underwent surgery for prostate cancer, said he has not yet decided whether to run for reelection next year.

Republicans have been able to sell a free-market agricultural policy in part by pre-

dicting that international trade negotiations will result in reduced subsidies by other countries and more access for U.S. farmers to foreign markets. The mechanism for these hoped-for reforms is the current round of talks on a new General Agreement on Tariffs and Trade, the basic document that regulates the world's commerce. The agricultural GATT talks have remained deadlocked for six years, with the United States charging that Europe and Japan are not serious about liberalization.

No one can predict whether a breakthrough is possible, but there is little optimism among congressional Republicans: "Deep down here in my gut, I see them [negotiators] going over . . . to sit for six months and they think we have to have an agreement, just for the sake of having an agreement," said Grassley, who is up for reelection next year, but in no immediate danger of losing. "I don't feel good about it."

The biggest fear expressed by Grassley and others is that U.S. interest in resolving other GATT concerns—the agreement covers many different kinds of trade—could lead negotiators to bargain agricultural interests away in a "bad" agreement. In that case, Grassley said, the GATT treaty will be in for "a bad time" when the Senate meets to ratify it.

For Rep. Steve Gunderson (R-Wis.), a bad GATT agreement could be the finishing touch on what promises to be a horrible year. With the highest concentration of dairy farmers in the United States—many of them Democrats—Gunderson said his only advantage heading into the election year is that no one is running against him yet.

"Trying to sell any GATT agreement in a depressed economy is very hard . . . and dairy is in a despair that is very difficult to overcome," Gunderson said. "A supporter of mine back home told me last week that even though I didn't have an opponent, I'd still lose if the economy didn't improve."

Republican nervousness over the GATT talks has been apparent at least since the Dole letter, which suggested that Bush remind the world that European and Japanese intransigence could prompt the United States to activate "triggers," putting all its fallow land into production, jacking up its export subsidies and enacting other measures designed to flood international markets with cheap U.S. food.

Trade war is likely to cost the United States billions of dollars in unplanned subsidies and incentives, a stiff price for a government trying to manage a prolonged budget crisis. Understanding the financial constraint, Rep. Pat Roberts (R-Kan.) has introduced legislation to open debate on the possibility of pulling the triggers as soon as possible: "Some people say I'm advocating a trade war," Roberts said. "My point is that we're already in a trade war . . . and there isn't any farm-state representative that's optimistic about any real breakthrough in GATT."

The Bush administration refused to compromise agriculture at GATT talks last year, helping to provoke the current impasse. Officially, the administration continues to regard agriculture as the "linchpin" of GATT, and has repeatedly promised Congress that there will be no agreement that does not satisfy agriculture.

Still, Republican members of Congress are not convinced that the administration's belligerence matches their own: "I hope they're thinking about using the triggers," Grassley said. "If the administration is hard-nosed in negotiations, if they're talking tough and we don't use those triggers, we're going to lose all credibility."

If Bush does not read the signals, he could find himself harshly judged by his Republican colleagues: "Farm-state congressmen are a pretty independent lot," Roberts said. "You learn early to take care of your district, because if you don't nobody else will."

This Is FARM BUREAU



American Farm Bureau Federation

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BELONGING MAKES A DIFFERENCE...

The many programs and services provided by the American Farm Bureau, in cooperation with state and county Farm Bureaus, are tailored to strengthen agriculture and rural America. However, the organization's true strength pours from its members. The work of individuals is vital.

Generations of American farmers and ranchers have discovered that Farm Bureau enables them to accomplish tasks they cannot accomplish alone. Today, like yesterday, Farm Bureau is an organization where belonging makes a difference.



FARM BUREAU IS...

Farm Bureau is the nation's largest farm organization. Farm Bureau is a voluntary organization of member families speaking out for agriculture. These member families grow every farm commodity produced in the nation.

Farm Bureau's influence runs from local to international levels. Farm Bureau is nonpartisan, but is politically active. It exists so farmers and ranchers may work toward mutual goals. Members control Farm Bureau and its policies.

Farm Bureau is nongovernmental. Farm Bureau is more than 3.8 million families in 50 states and Puerto Rico united in action.

GRASSROOTS MEMBER CONTROL...

The foundation of Farm Bureau is more than 2,700 county Farm Bureaus, which offer programs to meet farm families' needs. Farm Bureau relies on its member families for strength. Thousands of volunteer leaders serve at the county, state and national levels. These leaders serve on boards, committees and as voting delegates during annual business meetings. From social outings and educational workshops, to political action and community forums, Farm Bureau offers programs and services for the entire family.

Voting delegates govern Farm Bureau. Once county Farm Bureaus set policies, they select voting delegates to voice their beliefs at state Farm Bureau annual meetings. After states adopt their policies, they name delegates to represent them at the AFBF annual meeting. Policies adopted by voting delegates govern the American Farm Bureau. These policies deal with many issues, such as natural resources, economics and the production and marketing of agricultural commodities. Other policies deal with international trade, food quality and safety, research and technology, health and humanities and many other matters.

THE OFFICERS AND BOARD...

The president, vice president and the 24 other members of



ECONOMIC RESEARCH...

Farm Bureau economists advise leaders and staff on all economic aspects of public policy. This division conducts studies and public presentations on issues such as farm policy, international trade, health care, regulatory policy, the federal budget and tax policy.

AMERICAN AGRICULTURAL INSURANCE...

The American Agricultural Insurance Company reinsures state Farm Bureau insurance companies, which cover many types of casualty and property risks.

COMMUNICATIONS SYSTEMS...

This division oversees the technical aspects of communicating with members. This includes the operation of the Farm Bureau Advantage Skynet Satellite Network, which links AFBF to state Farm Bureaus, and state Farm Bureaus with county Farm Bureaus. The network also delivers Farm Bureau video productions.

ACRES, a computerized information system, offers subscribers the latest marketing information, news and advice. It includes USDA reports, legislative updates, agricultural weather reports and satellite mail.



INFORMATION AND PUBLIC RELATIONS...

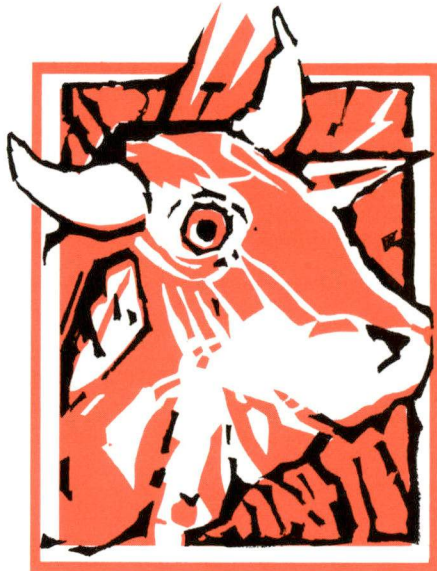
Farm Bureau's information division communicates with member families and the public. Members receive a weekly newsletter, the "Farm Bureau News." Members also receive regular broadcast information through the monthly video newsletter "Farm Bureau Reports." Farm Bureau provides information to the media through personal contact, print and video news releases, daily radio Newslines, satellite feeds, backgrounders and other projects.

NATURAL AND ENVIRONMENTAL RESOURCES...

Farm Bureau's Natural and Environmental Resources (NER) division fosters stewardship. The NER staff includes specialists in resource management and agricultural inputs. Issues of concern include land and water use and conservation, energy, wildlife management and the efficient use of farm inputs.

LEGAL...

The general counsel's office provides legal advice to officers, the board and staff members. Farm Bureau attorneys pursue agricultural policy issues in the courts, and before governmental agencies.



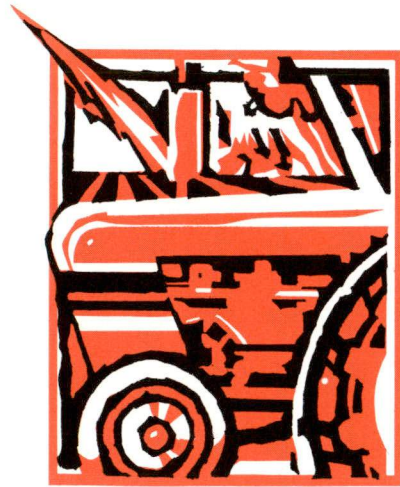
the AFBF Board of Directors are farmers and ranchers. The president is the organization's chief executive officer. The vice president performs duties as directed by the president. Voting delegates elect the president, vice president and 22 board members for two-year terms. The chairmen of AFB Women and the Young Farmers and Ranchers Committee also serve on the board.

Officers are selected by the board. The administrator and assistant secretary/treasurer coordinates and directs the staff. The general counsel and associates provide legal advice and representation to officers, board and staff members. The treasurer oversees the organization's finances, manages investments and prepares budgets. The secretary coordinates materials submitted to the AFBF Board, maintains the official minutes of the board meetings and keeps the organization's official documents and written records.

AFBF OFFICES...

The general offices of AFBF in Park Ridge, Ill. include: the office of the president, the administrator and assistant secretary/treasurer, general counsel, treasurer, secretary and all but one of the federation's operating divisions.

The Washington, D.C. office is located near the Capitol, and serves as headquarters for the national affairs division and some members of the information staff. From these offices, American Farm Bureau offers many services and programs through its divisions.



ORGANIZATION...

This division coordinates AFBF's membership activities and policy development process. Eight area field service directors report to the organization division director. Area directors work with state Farm Bureaus on program and organizational matters.

This division includes the program development department, which helps with the programs and activities of the AFB Women's Committee and the Young Farmers and Ranchers Committee. Other activities include: rural health and safety programs, Ag in the Classroom, Adopt-A-Scientist program, and Farm/City Week activities.

Political education and local affairs programs also spring from the organization division. These programs include: L.E.G.I.S./State (a program which tracks agricultural legislation in the states), local affairs, and the rural crime prevention program.

Coordination of the AFBF annual meeting and other meetings, and human resource development for members and staff also comes through this division. In addition, this department presents Market Master seminars, an educational ag-marketing program.

NATIONAL AFFAIRS...

The national affairs staff maintains daily contact with Congress and regulatory agencies. Each member of this staff of registered lobbyists specializes in a different area of agricultural expertise—from farm programs and trade, to transportation and the environment. They represent America's farmers and ranchers before boards, agencies and at congressional hearings. Each year the battle differs, but the national affairs staff states agriculture's case in the nation's capital.



COMMODITIES...

Market research and development are the commodity division's priorities. Advisory committees, composed of active producers of each major commodity, meet regularly to make recommendations to the AFBF Board. Staff members carry out the board-approved recommendations.

The American Agricultural Marketing Association (AAMA), an AFBF affiliate, handles marketing activity. The AFBF commodity staff supervises the AAMA fruit and vegetable programs and coordinates state association marketing programs.

FARM BUREAU NEWS

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AMERICAN FARM BUREAU FEDERATION

October 28, 1991

Farm Bureau presses for health insurance deduction

The American Farm Bureau Federation last week urged Congress to allow a 100 percent deduction of health insurance premiums paid by self-employed farmers, ranchers and other small business operators.

John G. Laurie, president of the Michigan Farm Bureau and a member of the AFBF board, told the House Ways and Means Committee that at the very least, the 25 percent deduction due to expire at the end of this year should be promptly extended. The congressional committee is holding three weeks of hearings to examine comprehensive health insurance reform in America.

Denying tax deductibility for self-employed people while permitting it for other workers is simply unfair, said Laurie, who with his family operates a 2,000-acre dairy and cash crop farm near Cass City, Mich. And, he added, allowing the 25 percent deduction to expire at the end of the year also would be unjust.

At press time, national health care legislation, including the extension of the current tax deduction for health insurance costs of self-employed individuals was introduced in Congress by Sen. Lloyd Bentsen (D-Texas) and Rep. Dan Rostenkowski (D-Ill.). It also would increase the deduction from the current level of 25 percent to 100 percent. Farm Bureau is studying the measures.

"Health care and health insurance are of direct and pressing concern to our membership," Laurie emphasized. "We strongly support a system of private health insurance where all individuals have the opportunity to join a group that is insured by an insurance carrier that is able to operate under a sound financial basis.

"We are heartened by some recent trends in the

health insurance industry that point to systems that provide 'no frills' health plans to subscribers at reasonable prices," Laurie testified. He said the state of Maryland has permitted Blue Cross-Blue Shield to provide policies that do not contain some two dozen state-mandated health benefits that conventional policies must contain. He added, "State mandates are indeed a growing problem as more expensive coverage and high-risk coverage are imposed on the health insurance industry.

"We are particularly concerned about the health delivery system in rural areas and strongly support efforts to recruit and encourage health professionals to serve rural communities."

He added that veterans who are eligible for VA medical benefits should be permitted to use the rural

See Health insurance, page 3

Congress acts on grazing, highway, ag measures

The House last week voted to retain the current grazing fee formula, and passed a \$151 billion, six-year highway bill. The Senate Agriculture Committee

to take this issue through the authorizing process. The facts are there and we can win this battle on the merits of the argument."

tax through Sept. 30, 1998, and permit the other 2.5 cents to expire. This would mean that the federal gasoline tax would drop from 14 cents a gallon to

ministration is expected to oppose this cost as well as provisions in the bill that would raise dairy price supports.

The fact that the two provisions are

reported out a bill that ties dairy and disaster provisions.

Grazing fee formula retained

Fees charged for grazing animals on federal lands will remain the same in 1992, after House passage of the 1992 Interior Department appropriations bill.

Jon Doggett, an AFBF assistant director of national affairs, while applauding the move, said proposals such as a grazing fee increase should be handled through the authorizing process, not appropriations.

Doggett noted that "many perceive there was a trade-off of funding for the National Endowment of Arts for grazing fees, a perfect example of why we need

Highway bill increases money for mass transit

A highway bill that would increase money for mass transit and set aside \$5 billion for special projects passed in the House on a 343-83 vote.

The measure now moves to a conference committee with the earlier \$123 billion five-year highway bill passed by the Senate. Bruce Lear, an AFBF assistant director of national affairs, said the House and the Senate bills differ on some issues, including a major difference over taxes.

Last year's nickel gas tax increase is set to expire on Sept. 30, 1994. The House bill would extend 2.5 cents of that

11.5 cents on Oct. 1, 1994.

Farm Bureau supports the Senate bill because it does not extend the tax; it would return the tax to 9 cents, Lear said. Under the House bill, each state would get back at least 90 cents for every dollar it pays in gas taxes. The amount allocated for mass transit is \$32 billion, a far larger amount than in the past, Lear said.

Senate Ag Committee marks up dairy, disaster bill

A dairy and disaster bill was reported out of the Senate Agriculture Committee on a voice vote with little debate.

The disaster provisions are estimated to cost \$3.2 billion if enacted. The ad-

linked decreases the chances of either a dairy or a disaster bill passing this year.

It would extend provisions of the crop insurance and disaster assistance title of the 1990 farm act. Producers would be eligible to receive payments for either 1990 or 1991 crop losses.

The dairy bill includes a diversion program, a price support of \$11.10 and changes in the solids content of milk. Costs would be paid through assessments on the milk sold by producers who increase their marketings. It also mandates the sale of surplus dairy products to the USSR during the remainder of 1991.

FB NEWSWRAP

Last Week

■ Hearings on wetlands continued in a House subcommittee with testimony from government agencies.

■ USDA announced price support levels and target prices for 1992 wheat and feed grain crops, and set price support levels for 1992 oilseed crops. Price supports for wheat and feed grains increased 8 and 6 percent; target prices remain the same. Price supports for oilseeds are unchanged.

This Week

■ House leadership plans to consider a dire emergency supplemental appropriations bill.

■ Energy legislation may come before the full Senate. House subcommittee markup continues.

FB calls for tax cut, reduced spending

The American Farm Bureau Federation and the National Taxpayers Union teamed up last week to renew a call for an immediate tax cut paid for by reduced government spending.

In a nationwide video news conference on the Farm Bureau satellite network, AFBF President Dean Kleckner said that one year after the highly touted budget agreement passed Congress, the nation's fiscal condition is a shambles and Washington spenders are out of control.

"The budget deal cut by Congress and the administration was a political fast shuffle in which we got higher taxes but no spending reduction," Kleckner said. "Taxpayers are frustrated and angry and they are going to do something about it" in the next election.

"We were promised a \$500 billion deficit reduction but wound up with a \$54 billion increase. We were promised a \$366 billion spending cut, but we'll pay

\$64 billion more instead," Kleckner said.

David Keating, executive vice president of the National Taxpayers Union, said the federal deficit, running between \$350 billion and \$360 billion this year, is the largest ever.

"Federal spending on domestic programs is rising at a rate of 7-10 percent a year after adjustment for inflation, the fastest growth in spending since World War II," he said.

Keating agreed the budget deal and new taxes gave little in return to taxpayers, while the Senate has made it harder to cut taxes than to raise them.

There are a few hopeful signs. Keating mentioned the growing sentiment in Congress for legislation mandating a balanced federal budget. Indications are that congressional leaders from both parties are becoming more interested in trying to pass an anti-recession tax package.

See Tax cut, page 3

COMMENTARY

Are farm politics rooted in myth?

By Hyde Murray

Recently, a Washington think tank called the Center for National Policy gave all of us in agricultural policy and politics something startling to think about.

They said two main myths are the cornerstones of farm policy in our country.

The first myth found was that farming and farm payments play a minimally significant role as a source of income in rural areas. The second myth they found was that the "farm vote" is not a significant factor in presidential elections.

To back up their findings, the center cited statistics that show only 19 of the poorest 583 counties in the country depend on farming for one-fifth or more of their total personal income. They also found that among the 482 highest income rural counties, only 167 depended on farming.

On the voting side, the center discovered that farmers like members of most other occupations, are not automatic votes for one party or another, but like their city and suburban neighbors they are heavily influenced by national and international issues and trends.

The center's study also found that rural people themselves overwhelmingly perceive farm program payments to be important to their local economies, even in places where the center found government payments were hardly a factor.

Finally, the study concluded that elected leaders must change their views in spite of the beliefs of their rural constituents, and that such action will take insight, courage and leadership to bring about a change in the established pattern.

What does all this mean to you and me? Does it mean that agriculture is no longer an influential and vibrant force in American politics? Of course not.

It's a great thing for all of us that think tanks exist. They make us think and make us act.

This study is a valuable one in the sense it will help make all of us think again about the goals and purposes of farm programs and about continuing our common effort to make the Ruropolis a better place to live and work.

At the same time, we should retain our basic perspectives about the essen-



nal nature of American agriculture and the vital role it plays in our economy, our nation and the world.

Sure, the farm population has shrunk from colonial days when nearly 90 percent of our ancestors were engaged in agriculture to a mere 2 percent of today's national population of 250 million. And, of course, farmers are Americans first and farmers second. They proved that this year by supporting Operation Desert Storm while forfeiting a billion-dollar grain market in Iraq.

Fewer farmers, however, doesn't mean less influential farmers. Their support or opposition as a bloc of voters and citizens can still mean the difference between victory and defeat in many states and districts ... and in the electoral college where the fate of presidential candidates is decided.

We also should remember that many people who live in off-farm communities retain a generational link and a sympathy for the problems faced by farmers and ranchers. The mere fact that there are relatively few people engaged in a profession does not mean that public support and public interest in that profession is equally small.

A case in point: There are only 1,700 or so professional football players in the NFL, but millions of Americans follow their performances; and millions of dollars are generated by the franchises, the goods and the services that flow from the activity of this tiny group of citizens. Instead of a federal farm program, this group enjoys a federal antitrust exemption ... and the football player bloc is unlikely to change the outcome of many presidential elections.

An example of agricultural relevance is seen in our international trade activities. Relatively tiny groups of rice farmers in Japan and wheat farmers in France seem to hold the political levers that will open or close enhanced trade between the peoples of 102 nations of the world.

Another point of reference for the center's study and conclusion should be the clear recognition that farm programs are instruments of public policy, not merely devices to bring financial joy to farm and ranch operators. Environmental enhancement, the delivery of a safe, clean, wholesome and fairly priced supply of food, fiber and forestry products, along with benefits, such as orderly marketing, raising tax revenue for federal, state and local governments, and job creation across the land also are factors that convince all Americans that farm programs are indeed important to everybody.

In conclusion, let's all look at the whole picture ... myths and facts ... before we begin to reject and abandon the notion that the farm vote and farm programs are very important for all of us.

(Hyde Murray is an assistant director of national affairs for the American Farm Bureau Federation in Washington, D.C. Before joining Farm Bureau he served as counsel and minority staff director of the House Agriculture Committee and as minority counsel of the U.S. House of Representatives.)

Bush urged to press EC on oilseeds

The American Farm Bureau Federation has urged President Bush to obtain a commitment from the European Community to bring its oilseed subsidy system into conformity with the General Agreement on Tariffs and Trade (GATT) or take appropriate countermeasures.

Nearly two years ago, a GATT panel ruled that EC subsidies on oilseed products were inconsistent with the EC's GATT obligations and nullified the trading rights of the United States.

In a letter to Bush, AFBF President Dean Kleckner pointed out that since then "there has been a great deal of talk but no concrete action by the EC to halt these admittedly unfair subsidies. In the meantime, U.S. soybean producers and processors have lost billions of dollars in exports."

Failure to resolve the issue soon will raise serious questions about the effectiveness of the GATT dispute settlement process and the GATT itself, Kleckner said.

"There is little doubt that if the United States adopted a similar pro-

ducer and processor subsidy system, which had the effect of dramatically reducing imports from Europe, the EC would demand the elimination of those subsidies and would be taking a very hard position in the GATT to protect its trade rights," Kleckner said.

A new oilseed subsidy system was approved by EC farm ministers last week, which they said "is compatible with the GATT conclusions," according to EC Agriculture Commissioner Ray MacSharry. But U.S. officials reacted cautiously to the plan, voicing concern that the measure does not comply with GATT rules and may be no better than the existing policy.

Pressure on the administration to retaliate against the EC is increasing in Washington. Resolutions were introduced last week in Congress calling on, but not mandating, the administration to take action to enforce the GATT ruling against the EC if it is not in compliance by Oct. 31. Farm Bureau supports the resolution.

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Canadian heart patients look to U.S. for critical care

By Mace Thornton

WINDSOR, Ontario — Seventy-year-old Renzo Ghiloni smiles as he puts a treadmill through its paces. Stride by stride, the machine's rhythmic whirl floods his ears like a sweet symphony. Heartbeat by precious heartbeat, the retired Canadian has a new lease on life orchestrated by surgeons, not in his own country, but in the United States.

Regardless, some Americans continue to look to the Canadian health care system as a model for solving U.S. health care woes. Many Canadians, however, like Ghiloni, know their health care system is far from perfect. For them, the leap across the border to secure American health care is a matter of life and death.

Nearly eight months ago, after unsuccessful heart catheterization surgery in Canada, Ghiloni was told his aortic heart valve remained 95 percent closed. He needed surgery within two weeks, or he would face the real possibility of death.

Unable to secure timely surgery in either of two Ontario locations, he faced the life-threatening proposition of waiting. However, like a number of other Canadians, Ghiloni reached out for what has been called the "safety valve" of the Canadian health care system. He crossed the Ambassador Bridge linking Windsor with Detroit, and underwent immediate heart surgery in the United States.

"I can honestly say I wouldn't be talking to you right now if I had to wait on a list here in Canada," Ghiloni says.

The life-saving surgery was made possible by the groundwork of patient advocate Michael Billett, chairman of the Windsor Cardiac Emergency Care Association, commonly known as Heartbeat Windsor. He convinced hospitals in the United States to accept

payments, at about 75 percent of the total bill, from Ontario's Health Insurance Program.

Billett's action came after recognizing Canada's health care accessibility problem. "This is not a utopia. We've got many people dying, we've got people sitting at home waiting for that phone call in pain. I've had farmers come in here and say, 'I'm just going back to work till I die, then at least my family will get my death benefit.'"

Billett says U.S. policy-makers still tell him Canada has the best health care system in the world. "I say, 'Yes, we do, as long as you're not sick.' We should have the ability for a two-year-old to get surgery, instead of waiting six months and then getting bumped. We've had people bumped 11 times off their surgical rosters. We've had people not admitted into hospitals because there was just no room."

Heartbeat Windsor, a private, voluntary organization, was founded in 1989 to help critical Canadian heart patients who faced the long waiting lists of socialized medicine. The organization has directly helped save hundreds, and indirectly maybe thousands, of Canadian lives. However, as of Oct. 1, the Canadian government slashed funds for stateside operations because last year it lost \$240 million to U.S. facilities. The decision to cut has effectively closed the U.S. border to Canadian patients.

According to American Tom Lubotsky, administrator of the cardiology product line at Detroit's Harper/Wayne State University Hospital, that Canadian government decision will drastically affect the number of Canadian patients his hospital treats.

"For this kind of care, especially open-heart surgery, the Canadian government would now only pay \$400 a day," he explains. "If you assume a length of stay of 10 to 11 days for an open-heart patient, you're talking \$4,000 or \$4,400. Our average bill for a simple bypass would be anywhere from \$23,000 to \$27,000. That's just the hospital bill, that doesn't include professional fees. Obviously, there is not an incentive for

Health care video conference set

A live nationwide video conference on national health insurance and rural health care will be aired at noon CST, Nov. 5, over the Farm Bureau Advantage Satellite Network. The conference will report the findings of a study into the impact, in other nations, of national health insurance on health care access in rural areas.

The study was contracted by the American Farm Bureau Research Foundation and conducted by the National Center for Policy Analysis in Dallas. The logistics for the one-hour conference: Satellite K2, DX Channel 8, Transponder 6, Audio 6.2 and 6.8.

Billett says both cases are indicative of socialized medicine in Canada. "It does not work for the multitudes, or for some of the very critical, life-threatening conditions," he says. "We do not have free health care. If a man makes \$50,000 a year, he will be taxed at three levels up to \$25,000. Half of what he earns is taxed to pay for these services; however, we are not getting these services."

Billett says barring positive changes by the Canadian government, the Canadian health care system could fail within three years. He says it could go totally bankrupt, and it's close to that now.

Dr. David Wonham, who practices medicine in Windsor, has seen socialized medicine fail before. After 10 years of practice under a socialized system that eventually faltered in England, he moved to Canada.

After practicing in Canada for the last 21 years, he has grown critical of Canada's government-controlled, one-payer system.

"If you have it all in one ball of wax, there is no competition," he says. "Things go downhill. The user will not complain because he's got no choice. The person who's running the care, the worker, the doctor, the

Health

Continued from page 1

hospitals and health facilities near their homes, utilizing a voucher or reimbursement system.

"In recent months, there has been a great deal of interest in a single-payer system like the one implemented by Canada," Laurie told the committee members. "We believe a system like that is not adaptable to our country because it fails to deliver the quality and quantity of care that we in this country take for granted."

The Farm Bureau leader added, "The one thing the failures of the economies of the Soviet Union and Eastern Europe have shown is that more government central planning will not provide high quality health care at reasonable prices."

AFBF joined with 290 other groups to form the Healthcare Equity Action League (HEAL). HEAL represents more than 1 million employers and more than 30 million employees nationwide.

us to handle those patients."

That's bad news to people like 41-year-old Canadian Mike Roy. Luckily, he had heart surgery at Detroit's Sinai Hospital 10 weeks ago and is recovering. However, because of diabetes and other health concerns, he's not confident about his future.

"My condition, more than likely, is going to happen again eventually," he says. "When it does, I figure that's going to be it."

After being turned down by three heart specialists in Toronto for being a "bad risk," heart surgery for Florida Roy (no relation to Mike Roy) was arranged by Billett at a hospital in Philadelphia.

"I'm not covered with insurance. If I had to have surgery again today, who's going to care about me? Canada didn't," she says. "Canada didn't care for this surgery. They won't care next time either. Now, I can't even go to the States. That was taken away from us. That hurts."

nurse, they can't complain because they've got no other employer. And if the government complains, guess what? It costs them more money. Nobody complains and it's too late. Then, when things go wrong, there's nothing to fall back on."

Successful health care systems must be immune from politics, according to Dr. Wonham. He says realistic guidelines must also be set to dictate who foots the bill for specific procedures, and individuals must be given the option to participate, financially and by choice, in their own health care. Without those essential points, a system will fail.

"I did tenure under the British system," he says. "That's why I came over here. Unfortunately, the system has gone the same way here. I hope you guys don't do the same thing, I'd hate to see three systems go down the drain in my lifetime."

Young farmer tightens belt; wishes Uncle Sam would

With his corn and soybean crop yields cut in half by drought this year, Illinois farmer Dan Vial says he will have to cut expenses in 1992. He wishes the federal government would do the same.

Vial, who was featured on an American Farm Bureau Federation video conference on tax and budget issues, farms 900 acres near Streator. He splits his 750 tillable acres between corn and soybeans. Corn yields ranging from 40-80 bushels per acre and beans between 17 and 20 were about half what they would be in a normal year, Vial said.

Vial and his family will feel the pinch of lower net income next year as will farmers and business operators who depend heavily on agriculture.

Farm expenses for the Vials will be almost the same as for a normal crop. Living expenses, taxes and health insurance premiums will have to be paid

out of diminished returns before the family can think of such things as vacation, home improvements or capital expenditures for farm machinery.

The young farmer, in his 11th year of business, feels the brunt of big government constantly borrowing to finance expenditures, something individual farmers and other small business operators can't do.

"We have failures and temporary setbacks, but you have to live within your means," says Vial. "We might have to borrow to keep going sometimes, but that only works for so long. I don't see how the government seems to think they can keep doing that all the time. It just won't work."

Farmers aren't cold to the needs of people who presently have to draw upon the government, said Vial. "But we'd like to see the government get control

of spending and give better value for dollars spent."

Vial says he definitely feels that tax relief and tax savings to individuals and business people would be a boon to the local economy. Feed, plant food and implement dealers already are feeling the losses being suffered by farmers this year.

Tax cut

A top priority of both Farm Bureau and the National Taxpayers Union is getting control of federal spending, reducing the tax rate for immediate relief to taxpayers and a constitutional amendment to require a balanced budget and to limit taxing and spending power, according to the two leaders.

Kleckner said Farm Bureau's message to the president, Congress and those seeking office in 1992 is: "Scrap the 1990

The Streator farmer thinks farmers and other self-employed business people are unfairly treated in only being allowed to deduct 25 percent of the premiums they pay on health insurance. Employers can deduct the full amount of insurance premiums paid as a benefit to their workers, Vial said.

budget deal, seriously address the spending issue and say no to more taxes."

Farm Bureau is calling for a reform of the budget process, no more budget summits and an overall limit on federal spending. Spending should be allowed to grow no more than the rate of inflation, with the exception of servicing the national debt and meeting national emergencies, according to Farm Bureau policy.

Continued from page 1

INSIDE FARM BUREAU

Kansan hopes Soviet freedoms will spur economic reform

By Gordon Hibbard

Attentive adults took notes, asked questions and focused full attention on the impromptu lecture presented in the Ukraine by the farm leader from Kansas.

What was designed to be an informal gathering of local Ukrainian leaders and visiting Kansans, transcended into an elementary mini-course on private enterprise.

Led by Kansas Farm Bureau President Doyle Rahjes, the 18 agricultural and agribusiness leaders from Kansas were overwhelmed by the interest local leaders expressed in free enterprise and private agriculture. Local leaders asked questions unheard of in the Soviet republic just a few weeks before.

Leaders in Nebelitz village, about 60 miles from Kiev, located in the Makazow area, enthusiastically welcomed their guests from the United States. Most wanted to know how to set up a private farm and what help Americans could provide.

Since the failed coup in August, the reform movement in the Soviet republics has lunged forward at breakneck speed. A once proud Communist Party has been stifled. Reforms have increased personal and political freedoms, but economic freedom has not been fully addressed by the Soviet leaders.

The eyes of Nikolai Lenin presided over the meeting from a memorial cameo on the front wall, while Rahjes

“The Soviet leaders must act quickly and boldly to peel away the layers of bureaucracy that are suffocating the human spirit. Until that happens I cannot be optimistic that the political and economic reforms will be achieved.”

• Doyle Rahjes, President
Kansas Farm Bureau

When the Kansans' agricultural mission to the Ukraine, Belorussia and Russia was arranged almost 18 months earlier, little did anyone realize the timeliness of the October visit.

Rahjes, whose group was in the Ukraine at the same time Secretary of Agriculture Edward Madigan was completing his assessment of Soviet agriculture, was able to brief the Cabinet officer in Kiev on the challenges facing local villages and the vacuum of understanding they have concerning private initiatives and free enterprise.

“The local officials had no understanding of free enterprise, how a free enterprise system provides a tax revenue base for government services or how to achieve a business profit,” Rahjes said.

The Kansas delegation's visit was the first time international visitors had



Doyle Rahjes, president of Kansas Farm Bureau, discusses wheat varieties with farm managers at the “Temp” Collective Farm near Nebelitz in the Ukraine. Rahjes led a group of 18 Kansas agricultural and agribusiness leaders on a two-week mission to three Soviet republics.

Soviets question whether political decisions are being made fast enough. Ration stamps already are issued to limit food purchased through the state stores.

Rahjes said he is “pessimistic that reform measures will occur very soon, but hopeful the new political and personal freedoms will forward economic freedom.”

He said he was impressed with the

even a short supply of those products,” Rahjes said.

The farm leader believes the United States has an obligation to provide assistance to Soviet agricultural producers.

“We need to help them construct a system rewarding individual efforts,” Rahjes said, adding such aid might include agricultural education or techno-

outlined steps for a successful private business. The image of the Marxist revolutionary leader's image reinforced the Kansans' view that the bureaucratic system was still in place, they said.

The economy is crippled. Printing presses in the Soviet republics are running day and night to satisfy the income of soldiers, bureaucrats and other government workers. Skeptical citizens are tired of high prices and unfulfilled promises of better living conditions.

been in place since 1956. At that time, a group of Chinese officials were escorted by Communist Party leaders wanting to impress the Marxist allies.

"When they came, the party leaders made us put on our good clothes before we could welcome them," a local collective farm manager said. And today, "Our workers wanted me to express to you how happy we are that you are here."

With inflation running 3 percent a week and rumors of food shortages, many

freedom of expression exhibited by the Soviet people. Officials and workers were "very critical" of their government.

"Many people we talked to were frustrated with the lack of leadership and direction," he said. "It is obvious that there are very few restraints in personal expression of opinion. Hopefully, this same freedom can be applied to their economic system, which currently inhibits individual initiatives."

Rahjes is concerned that the old order of control is still entrenched at the local level among political leaders and state farm managers. Economic reform, as it relates to private ownership of land or free enterprise, will not be fully achieved until local leaders relinquish their control, he said.

Complicating the bureaucratic maze is the nationalism exhibited by the independent republics. The Ukraine is opting for complete sovereignty, with a national referendum in December.

Local Ukrainian leaders are calling for a move to sever ties with the remaining Soviet republics. The strong anti-Soviet fervor already has been blamed for some food shortages in Russia.

"Ukrainians will not sell their agricultural products for rubles, they want something tangible," Rahjes said. "It is a very difficult situation because they are very bitter toward the Soviet system, and especially Russians."

While U.S. grain sales to the Soviets were discussed, Rahjes said it "makes no sense to assume there will be significant purchases without something to back the tumbling ruble."

Bartered goods, he said, could be one option if an adequate supply of a needed resource can be provided. "Russia is best known for its vodka and oil, but there's

logical support.

The farm leader believes the Soviet agricultural system is several decades behind the United States in technological support, infrastructure and business knowledge.

"We should pursue any opportunity to encourage their steps toward an economic and political system that will unshackle the centuries of political repression and unhealthy nationalism," Rahjes said. However, he added, any help given "must be carefully designed and monitored."

Without outside assistance, Rahjes fears the economic reforms will collapse, the bureaucratic system will continue and an adversarial relationship with the Soviets will rekindle.

"The Soviet leaders must act quickly and boldly to peel away the layers of bureaucracy that are suffocating the human spirit," Rahjes said. "Until that happens, I cannot be optimistic that the political and economic reforms will be achieved."

(Gordon Hibbard is director of communications and public relations with the Kansas Farm Bureau.)

Neb., N.J. FBs reach '91 quota

Two more state Farm Bureaus reached their membership quotas recently. Membership statistics for Nebraska and New Jersey are:

Nebraska — 42,671 families; 37th in nation; 9th in Midwest; 23 years of growth; all-time high.

New Jersey — 5,409 families; 38th in nation; 11th in Northeast; 13 years of growth.

AFB Research Foundation progress report

Jan. 1 - Oct. 11, 1991

\$162,633.20

Campaign total (1990-91)

\$247,481.30

| Top counties | | Top states | | Top states % of goal | |
|-----------------------|---------|--------------|----------|----------------------|------|
| Mississippi Co., Ark. | \$3,570 | Arkansas | \$32,625 | Vermont | 205% |
| Crawford Co., Ark. | \$1,900 | Iowa | \$18,879 | New Jersey | 126% |
| White Co., Ark. | \$1,750 | Mississippi | \$10,182 | New Hampshire | 116% |
| Faulkner Co., Ark. | \$1,500 | Pennsylvania | \$ 8,704 | Delaware | 103% |
| Craighead Co., Ark. | \$1,275 | Illinois | \$ 8,147 | Arizona | 89% |
| Morris Co., N.J. | \$1,150 | Oklahoma | \$ 7,125 | Pennsylvania | 76% |
| Hamilton Co., Ind. | \$1,000 | Utah | \$ 6,250 | Utah | 72% |
| Kosciusko Co., Ind. | \$1,000 | Indiana | \$ 5,350 | Colorado | 45% |
| Salt Lake Co., Utah | \$1,000 | Vermont | \$ 4,905 | Arkansas | 41% |
| Weber Co., Utah | \$1,000 | Virginia | \$ 4,646 | Oregon | 40% |
| Sangamon Co., Ill. | \$1,000 | | | | |

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Signature: _____

FARM BUREAU NEWS

Vol. 70, No. 46

AMERICAN FARM BUREAU FEDERATION

December 2, 1991

Economic growth package needed, FB tells Congress

A comprehensive economic growth package, including a capital gains tax cut expanded individual retirement accounts, is sorely needed to encourage capital investment and individual savings, Farm Bureau said in a letter to all members of Congress.

"Without a program, we are concerned that the economy will continue to flounder," American Farm Bureau Federation President Dean Kleckner said. "Congress must take action in the coming year."

Farm Bureau urged Congress to consider several AFBF policy positions and to incorporate them in legislation. One of the policy positions states that future economic policies should build on the successes of the 1980s, which were lower taxation, spending restraint, regulatory common sense, freer trade and sound money.

Kleckner called on lawmakers to immediately cut taxes on labor, including Social Security taxes on individuals and self-employed persons, to the rate needed to pay current retirees plus a one and one-half year reserve fund. He also urged the removal of the earn-

ings cap and benefit tax on Social Security recipients.

Two other policies that Farm Bureau asked Congress to adopt are a cut in the tax rate on capital gains to a maximum of 15 percent and indexing of capital gains for inflation.

The federal government should limit spending "by allowing no program to grow more than the inflation rate, with exclusions for debt service and national emergencies," Kleckner said.

The Farm Bureau leader urged reform of the budget process, with an end to "budget summits" and "deals."

"Stop the congressional sham of referring to 'reductions from scheduled increases' as spending cuts," Kleckner said. "Stop blaming the Federal Reserve Board and higher oil prices for the economic slowdown that has been caused by runaway federal spending, anti-growth tax policy and productivity damaging federal regulations."

He urged Congress to place a two-year moratorium on "all social, economic and environmental regulations that damage productivity and destroy jobs and living

standards. And, restore tax-deductible IRAs as a vehicle for increasing savings for retirement, education, first-time home buyers and catastrophic illness."

Another important issue is the health insurance tax deduction for self-employed taxpayers. A six-month extension of the current 25 percent deduction, set to expire Dec. 31, was passed last week by Congress. The six-month extension would coincide with development of a tax bill next spring, according to AFBF tax and budget specialist Grace Ellen Rice. House Ways and Means Committee Chairman Dan Rostenkowski (D-Ill.) indicated this would be the last extension to be granted for such provisions, "so Farm Bureau members will have to work hard to preserve and expand the health insurance tax deduction," Rice said.

Kleckner emphasized that this provision "must be reinstated and expanded in the next Congress, just as an economic growth package must be put in place to set the country on a surefooted economic course into the 21st century."

Administration stands behind proposed manual revisions

Reports that the Bush administration has shifted its stance in revising the fed-

federal wetlands delineation manual. The Council on Competitiveness,

ulgated without public review and comment, went too far in subjecting non-

field tests of the manual's new definitions were being shared. "Partial infor-

eral wetlands manual are erroneous, according to a statement from Vice President Dan Quayle's office.

The administration remains committed to correcting "an overly broad wetlands definition that has caused hardship and unnecessary interference with private property rights since its adoption in 1989," the statement said.

The statement was issued in response to news reports last week suggesting that the administration had backed away from its proposal on defining wetlands after scientists had concluded that it could leave many "obvious wetlands unprotected." The reports referred to the proposed revisions to the 1989

chaired by Quayle, has played a key role in the revision process.

The revisions are currently open to public comment and will remain so until Dec. 15, Quayle's office said.

The Quayle statement confirmed that "there has been no change whatsoever in the delineation process, which is continuing as planned.

"All responsible officials have agreed that the 1989 manual, which was prom-

wetlands to regulatory oversight," Quayle's office said. "The process now being overseen by the Competitiveness Council — particularly the notice and comment period now under way — will supply additional information with the goal of eliminating confusion prompted by the unreviewed 1989 manual."

Assistant Secretary of Agriculture James Moseley said it is "unfortunate and unfair" that preliminary data from

mation is a dangerous thing," he said. "People can make the wrong assumptions. Some of the data may apply to a county or state but does not reflect an across-the-board assessment of what is really going on throughout the United States."

He said USDA's Soil Conservation Service, one of the agencies involved in wetlands regulation, won't provide public comment on the manual until all of the data has been compiled and analyzed. "It is not good public policy to come out with results when the information-gathering process is not complete," Moseley said.

See Wetlands, page 3

Highway, disaster bills passed

Property rights dropped

After long hours of debate on how to divide the funds, House and Senate conferees agreed last week on a six-year, \$151 billion bill to reauthorize and revamp highway and mass transit programs. The bill did not include the Farm Bureau-backed private property rights amendment.

During negotiations on the bill, conferees dropped the private property rights measure because of lack of support in the House. "The Senate strongly supported this measure, but with only 102 co-sponsors in the House we didn't have the support needed to carry the bill forward," said Jon Doggett, American Farm Bureau Federation assistant director of national affairs.

"We haven't lost yet. Farmers and ranchers need to contact their congressmen during the holiday break and let them know how important private property rights are to landowners," Doggett said. The amendment would require legislators and regulatory agencies to consider the impact of any action on private property rights and avoid any unnecessary taking of private property.

Ag disaster aid included

House and Senate conferees agreed to compromise provisions of a "dire emergency" supplemental appropriations bill last week. The House and Senate then passed the bill.

"Farm Bureau considers passage of the bill a win," said Rob Nooter, American Farm Bureau Federation farm program specialist. "While the amount of disaster assistance is not as much as we would have hoped for, it should provide meaningful assistance to farmers who need it."

The conference report included \$995 million for disaster assistance for 1990 and 1991 crops. Another \$775 million would be available for fiscal year 1993, if President Bush includes such a request in his budget submission, Nooter said. The additional funding would apply to 1990, 1991 or 1992 crops with at least \$100 million designated for program crops planted in 1991 and harvested in 1992.

The entire bill will cost \$5.8 billion and includes funds for costs of Operation Desert Storm and additional funding for the Federal Emergency Management Agency in addition to agriculture disaster provisions.

FB NEWSWRAP

Last Week

■ AFBF President Dean Kleckner and Illinois Agricultural Association President John White traveled to Moscow where they met with Russian agricultural officials, farm groups and farmers, and with U.S. Ambassador Robert Strauss.

■ The Senate approved a set of amendments to the 1990 farm bill that give producers more flexibility in planting on 0/92 acres and accelerate wheat deficiency payments. The bill was sent to President Bush.

This Week

■ A delegation of Farm Bureau leaders will meet with trade negotiators in Geneva for consultations on the GATT talks.

The President's Column

By Dean Kleckner

President
American Farm
Bureau Federation



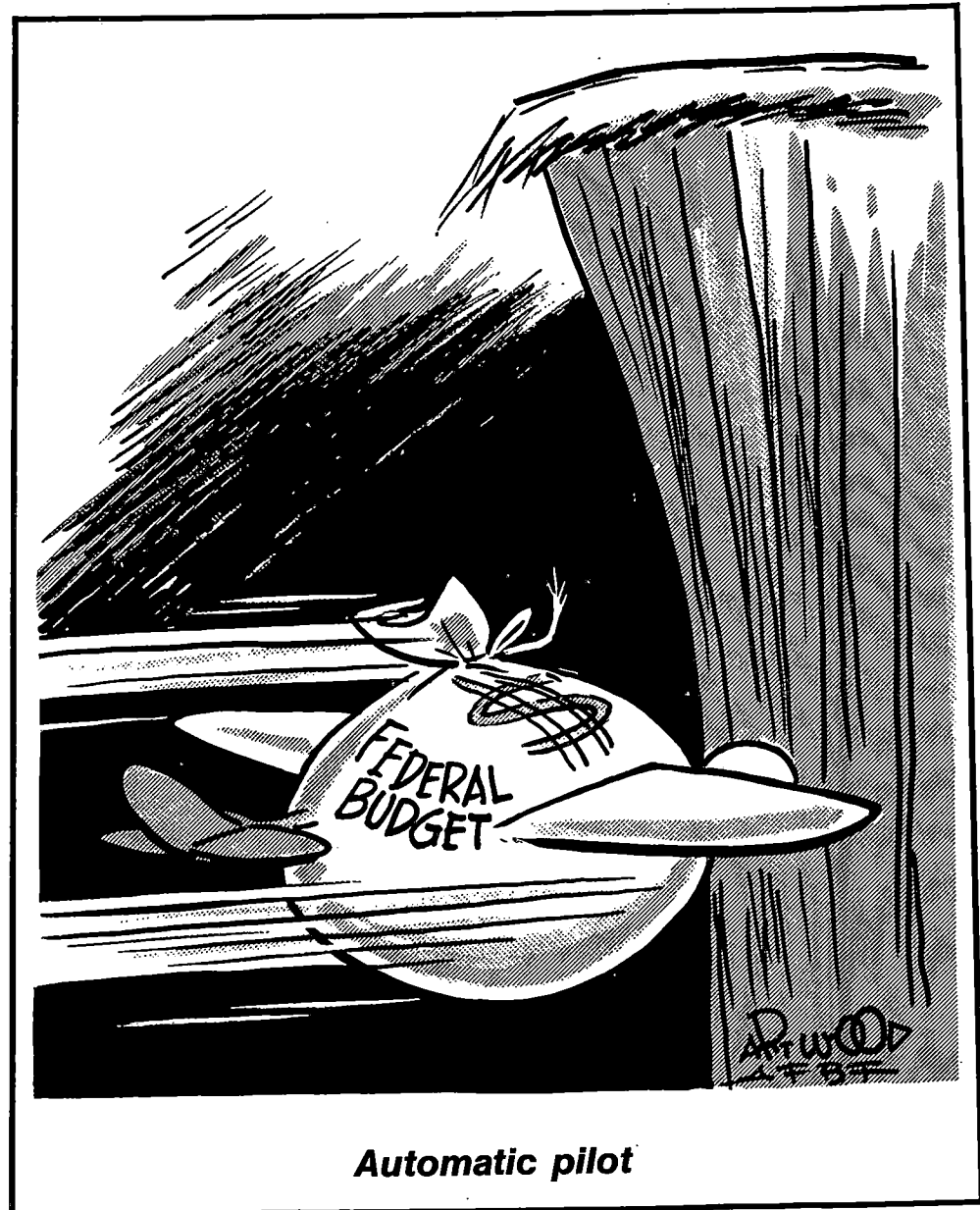
How do you rate Farm Bureau?

Even though the calendar's winding down, Farm Bureau's work continues. Virtually everything we do in Farm Bureau is aimed at one of two goals. One is to improve net farm income. The second is to enhance the quality of rural life. The two goals are open-ended. Most of the time, for most of our work, we don't have specific numbers to attain by a certain date. This effort for continuous improvement makes it tough to measure results.

Some issues do lend themselves to dollars-and-cents analyses. Look at our effort to avert higher grazing fees on public lands. Working closely with the Public Lands Council, the Cattlemen and others in a coalition, Farm Bureau helped inform legislators of the harm that quadrupling grazing fees would cause ranchers and rural communities. So, the fee hike was thwarted, saving those who run cattle and sheep on public lands more than \$119 million a year.

Another Farm Bureau program with measurable results is our well water testing project. So far, 12,500 farmers have had their well water tested for purity by Heidelberg College in Ohio. Because we deliver a significant number of samples to be tested, the college grants Farm Bureau members a special price. Those farmers who have participated in this program have saved \$1.2 million in lab fees. More important, they now know the quality of the water their family uses.

There are other examples of more money in farmers' and ranchers' pockets, thanks to Farm Bureau. They include our efforts to keep the health insurance tax deduction or to regain title for property owners who granted easements to



Automatic pilot

railroads. We produce and distribute low-cost or free self-help checklists and how-to manuals, we offer marketing education courses and we televise livestock auctions to attract more buyers.

Pay-off is far off for some projects

More often than not, though, we are involved with projects where benefits are not immediate. One example is our bid to maintain what are commonly called minor-use pesticides, agricultural chemicals used by virtually all growers of fruits, vegetables and nursery crops, certainly not minor by my definition.

In 1988, Congress amended the Federal Insecticide, Fungicide and Rodenticide Act to require chemical companies to retest and reregister all pesticides labeled prior to 1984. This is expensive. Paperwork for one new herbicide weighed 37 pounds. Rather than bear the expense, manufacturers have yanked over 20,000 out of 45,000 registered products off the market, as we predicted when we lobbied for more sensible rules in 1988. Farmers who produce fruits, vegetables and nursery crops worth \$35 billion are losing safe pesticides.

The imminent withdrawal of the fungicide OPP illustrates the problem. Growers spray OPP on citrus to prevent rot and mold during storage and handling. Less than 200,000 pounds are applied annually and there is no effective alternative. Annual sales of OPP are less than \$500,000. Compiling data to reregister OPP with EPA would cost manufacturers \$2.5 million. And, there is no guarantee that EPA will grant the registration.

Another aspect of this issue is that people's increasingly prevalent anti-chemical attitude makes retention of minor-use chemicals a very unattractive issue for Congress. Imagine the reaction we get when we ask for help keeping pesticides on the market, no matter how spotless the scientific credentials. But, we keep on asking.

Detail work is necessary for results

Back in June, we invited over 30 groups to a conference on minor-use pesticides. Now, as a coalition, we are addressing deficiencies in FIFRA. Agriculture must speak with one voice or our message and our food protection tools will be lost.

Farm Bureau is working with Congress, manufacturers, farm groups and others to reduce the cost of reregistration for minor-use chemicals; to address the food safety concerns of consumers; and to assure the availability of safe, effective pesticides.

We're doing all this to address one part of one policy written by America's farm and ranch families. Protecting private property rights by seeking sensible wetlands definitions and compensation for impaired value is another area that is demanding a great deal of organizational money, time and effort. We're doing the same to implement our policies on international trade, tax relief, food safety, education, conservation and the rest of the 185 policy areas. How does Farm Bureau measure up to your expectations, your standards? Increasing membership numbers tell me that we are meeting your demands and desires.

Dairy legislation fails in the Senate

An amendment to the supplemental appropriations bill that would have modified the dairy program and established an \$11.10 per hundredweight support price failed 51-47 in the Senate Nov. 22.

The amendment, offered by Sen. Patrick Leahy (D-Vt.), would have established a voluntary diversion program to pay producers for agreeing to reduce their output by 5 to 25 percent. Another provision would have allowed no more than 20,000 additional cows to go to slaughter each month as a result of the diversion. It would have maintained the California exemption for milk solids standards, but would not have mandated increased standards for the entire country.

The vote represents the probable end to dairy legislation in the Senate for some time to come. Several weeks ago a similar proposal died before reaching the House floor because it lacked a consensus of support from the dairy industry. Provisions to provide protection

to the red meat industry and the amount of producer assessments necessitated by the bill caused a dilution of support.

The government supports the price of milk by buying excess production of dairy products at the support price. Farmers are now being paid an average of \$12 to \$12.50, which is above the \$10.10 support level and higher than price levels that prevailed earlier this year.

Dairy legislation has been opposed by the Bush administration and consumer activists who said the legislation would have increased consumer dairy prices. The Congressional Budget Office estimated that the higher support level would raise consumer dairy prices 7 percent or about 17.5 cents on a gallon of milk costing \$2.50.

Since efforts to create dairy legislation began last spring, prices have returned to more normal levels; however, a recent USDA report warned that "income prospects will not be bright" during the first half of 1992.

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TRADE

Latest proposal may mean breakthrough on GATT talks

As the General Agreement on Tariffs and Trade negotiations move forward, numerous questions are arising about the effect of an agreement on U.S. commodities and farm programs.

While many key issues remain unsettled, Paul Drazek, American Farm Bureau Federation trade specialist, said it appears the U.S. and the European Community are moving toward an agreement that would result in agricultural subsidy cuts in the range of 30-35 percent, phased in over five or six years.

Does such a proposal represent a greater compromise by the U.S. or the EC? Drazek explained that it depends largely on the yet-to-be-decided base year chosen as the starting point, as well as a number of other factors.

Subsidy reductions from current levels may be larger or smaller than 30-35 percent depending on the level of subsidies during the base year selected, Drazek explained. "If subsidies were lower during the base year, a 30-35 percent reduction from that level would mean countries would really have to make a larger cut from the higher subsidy levels currently in place."

The reverse also would be true. If subsidy levels were higher during the base year than current levels, the actual subsidy reduction would be lower than 30-35 percent. This is one way countries can get a "credit" for having made subsidy cuts in recent years, Drazek said.

He added that the 35 percent cut could turn into a 60 percent cut if a "continuation clause" is adopted, extending the cut to 10 years. "Obviously, this would result in more substantial subsidy reductions in the EC, and much more open markets in other countries such as Japan. But it also would mean more substantial cuts by the U.S."

The benefit of a 30-35 percent cut in export subsidies depends on how the cuts are made. Drazek said the

expenditures (now around \$12 billion per year) would impose a limit of around \$7.9 billion by 1998. Under a continuation clause, EC subsidies could drop to around \$4.8 billion by the year 2002.

If the 35 percent cuts were undertaken in volume or tonnage, an important shift in world market shares could occur, he said. "EC wheat exports might be reduced from 20 million tons to 13 million tons by 1998 and down to 8 million tons by 2002. The additional 12 million tons available to other grain exporting countries would be equal to almost a half billion bushels of potential additional sales." EC wheat exported for both flour and feed competes with U.S. wheat, corn and soybeans in world markets.

The EC uses export subsidies on many commodities including pork, poultry, beef, barley and numerous high value products. "It is not surprising that the EC is arguing for its budgetary-limit approach and the United States and other countries favor the tonnage-based approach," Drazek said.

Farm Bureau's position is that the export subsidy negotiations must result in meaningful cuts in volumes of commodities exported with subsidies. Before making a judgment on the reported 30-35 percent reduction figures, Drazek said, "we must see more clearly what they really mean."

Discussions of a 30-35 percent cut in import protection can be misleading, Drazek said. Products subject to tariffs will be treated differently than those subject to non-tariff barriers. "The most sensitive commodity areas in the U.S. are where import quotas are maintained under Section 22 of the Agricultural Adjustment Act (dairy, peanuts, cotton and sugar-containing products). For such commodities, as well as for many products subject to non-tariff barriers in the EC, Japan, and other countries, the agreement likely will require that quotas be replaced by minimum access commitments

year by increasing the tonnage subject to the low tariff and lowering slightly the high tariff above the quota.

For commodities where imports already exceed 3 percent of domestic consumption, the initial minimum access level would simply be current import levels. Unclear at this point, Drazek said, is how to handle cases when current imports are already higher than the minimum established during a base period when imports were lower.

A USDA study released in May, although using different base years and percentage reductions than will likely be agreed upon, concluded that the following commodities would not face meaningful cuts in U.S. support prices as a result of the Uruguay Round: wheat, feed grains, rice, cotton, tobacco and probably oilseeds. Fruits, tree nuts, vegetables, nursery and greenhouse products, beef, pork, sheep meat, poultry and eggs also would be unaffected, since there are no domestic support programs for them.

According to the study, virtually all of these commodities would benefit from the GATT agreement through some combination of increased production, increased exports, higher prices and higher farm income.

Commodities likely to be affected are dairy, peanuts, sugar and wool. The extent to which support programs for these commodities would be affected depends on a number of yet undecided factors, including the base year, percentage cut and the definition of subsidies to be disciplined. "It is fairly safe to assume that the effects on these commodities would take the form of increased imports, lower production, lower support prices or lower farm revenues," Drazek said.

Although world market prices might rise for these commodities with reduced foreign subsidization, prices would not likely rise to offset the reductions in supports, he added.

Once a GATT agreement is finalized, the president

depends on how the cuts are made. EC wants to make its subsidy reductions in budgetary terms only. "Comparable reductions in EC internal price supports would mean the EC would not need as much money to subsidize its commodities down to the world market price. So the EC could reduce its budget but not really affect the ability of the remaining subsidies to meet and beat world prices."

A cut in both the budgetary limits on export subsidies and the actual volume of product that can be exported with subsidies would be much more meaningful, Drazek said.

For example, a 35 percent reduction in EC subsidy

governed by 'tariff-rate quotas.' The minimum access levels apparently being discussed are 3 percent of domestic consumption the first year, perhaps increasing to around 5 percent after five years."

Minimum access using "tariff-rate quotas" would likely work in the following manner. Each year, foreign products could be sold in the importing country at a low or zero duty, until a quantity has entered that equals the agreed minimum percentage of domestic consumption. At that point, the importing country would erect a high enough duty to cut off additional imports. Market-access growth would be achieved each subsequent

must notify Congress 90 days in advance of signing the agreement. The Congress then can review the agreement and assist in the drafting of the implementing legislation. During this process, changes in the agreement are possible, although "major changes could scuttle the entire package," Drazek said. Provisions also could be added to the legislation to minimize damage to U.S. producers.

After the review process, Congress gets the completed and signed agreement and implementing bill for passage or rejection under the "fast-track" 60-day approval process.

STATUS REPORT

PESTICIDE REGULATIONS: A bill to pre-empt local government from regulating pesticides (H.R. 3850) was introduced in the House last week. Supported by Farm Bureau, the bill would make it clear that only the federal government and states have the authority to regulate the manufacturing and use of agricultural chemicals. Companion legislation also was introduced in the Senate.

AG FACTS: Agriculture provides employment for 21 million people, or one out of every six jobs in the country. Each American farmer produces enough food for 128 people — 94 in the U.S. and 34 in other parts of the world.

COTTON CROP: USDA predicts the 1991 cotton crop will total 18.2 million bales, up 17.5 percent from last season and the second largest on record. Meanwhile, a resurgence in the popularity of cotton apparel helped boost growers' receipts to a record \$5 billion in 1990.

BREAKFAST CEREAL EXPORTS: U.S.

exports of dried breakfast cereals reached a record \$85 million in fiscal year 1990, up fourfold since 1986 and accounting for 17 percent of worldwide trade, up from only 8.5 percent in 1986, according to USDA.

CATTLE ESTIMATES: Starting next year, USDA will release cattle inventory and cattle on feed reports on Fridays or, when Friday is a holiday, on the previous workday. The action was taken because of public comments that release of cattle on feed reports early in the week disrupts marketings as traders wait for the report's information. Farm Bureau supported the change.

BST BAN VETO: Wisconsin Gov. Tommy Thompson vetoed a bill that would have renewed a ban on BST. An earlier state ban on use of the hormone expired June 1. A similar ban on farmer use of BST in Minnesota is tied to the Wisconsin law; it is effective only if Wisconsin adopts a similar ban or states with 40 percent of the total U.S. milk production adopt a ban.

Wetlands

Continued from page 1

Farm Bureau has repeatedly called for a balanced wetlands policy "that will allow farmers to farm and true wetlands to be preserved," according to Herb Manig, assistant director of the American Farm Bureau Federation's natural and environmental resources division.

Claims that vast acres of wetlands will be lost as a result of the revised manual are simply not true, according to several wetlands experts. Kevin Martin, a North Carolina soil scientist, said after reviewing the new manual that the revisions should cause "no loss of marshes, swamps and bogs."

"Most of these 'losses' are 'paper' wetlands in the 1989 manual that never should have been called wetlands in the first place," Martin said. "What is needed first is the definition, to determine what a wetland is, through science. Then, where politics should get involved is determining what you can and can't do on a wetland."

North Carolina soil scientist Hubert Byrd agreed the manual changes will not reduce the acreage of valuable wetlands in the United States.

"It will return to private landowners

areas that do not function as 'true' wetlands and never should have been jurisdictional," he said.

Quayle has stated that the manual's final definition will honor the "no net loss of wetlands" pledge made by then Vice President Bush in 1988. But Massachusetts soil scientist Jerome Carr said the "no net loss" slogan has become so abbreviated that it is counterproductive.

"In the original agreement between the Environmental Protection Agency and the Corps of Engineers, the actual wording refers to 'a goal of no overall net loss of values and functions.' That agreement also recognizes that 'no net loss of wetland functions and values may not be achieved in each and every permit action,'" Carr added. Federal regulators and environmentalists are reluctant to acknowledge these points, he added.

Carr suggested that the "no net loss" slogan be replaced with a more accurate one of, "Wetland stewardship: protect the best, manage the rest."

Farm Bureau strongly supports legislation in Congress (H.R. 1330, S. 1463) to establish a rational wetlands policy.

Receiving the ASAE's Educational Aids Blue Ribbon Awards were Farm Bureau's cooperative well water testing program, a winner in the video category, and the organization's professional self-help education series in the publications category.

The videotape presentation describing the AFBF well water testing program involved Jim Porterfield, associate director of the AFBF natural and environmental resources division, and Stewart Truelsen, Ed Cilley and Tom McCoskey of the information division's broadcast department.

The professional self-help education program consists of a series of publications

related to engineering in agriculture

• American Society of Agricultural Engineers

on agricultural technology, chemical use and integrated pest management. The set was produced by Porterfield and Ann Sorensen of the AFBF natural and environmental resources division and Scott Rawlins, Hugh Johnson and Steve Newton of the organization's commodity and marketing division.

The publications are designed to encourage farm operators to evaluate their

The ASAE competition recognizes entries judged outstanding in originality and effectiveness as specific aids to education that can be copied, emulated or otherwise used in the interest of agriculture far beyond the range of their original application.

The awards encourage excellence in educational aids related to engineering in agriculture and contribute to the overall improvement of educational aids, ASAE said.

The blue ribbon awards were presented at the ASAE awards and recognition banquet during the society's international summer meeting in Albuquerque, N.M.

A membership of 3,927,115 families is an all-time high and marks 31 years of growth for the national organization.

Also reporting quota this past week: **Illinois** — 362,400 families; 44th in nation; 11th in Midwest; all-time high; 25 years of growth. To date, the Illinois Agricultural Association is the largest state Farm Bureau.

Oregon — 10,783 families; 45th in nation; 13th in West; 2nd year of growth.

The Midwest Region also has exceeded its membership quota. It is the third of Farm Bureau's four regions to hit quota. Its membership of 1,367,658 families is a new high for the region and represents 25 years of growth.

AFBF holds satellite conference on NAFTA



American Farm Bureau Federation President Dean Kleckner (at podium) opens a satellite conference held recently to discuss the results of a Farm Bureau Research Foundation study on the impact of a North American free trade agreement on U.S. agriculture. Participants were (from left) Mickey Paggi, AFBF; Karl Meilke, University of Guelph, Canada; Emily McClain,

Clemson University; Cary W. Herndon, Mississippi State University; Roberta Cook, University of California-Davis; Jim Holt, McGuiness and Williams, Washington, D.C.; Mark D. Newman, Abt Associates, Inc., Bethesda, Md.; Thomas H. Spreen, University of Florida; E. Wesley Peterson, University of Nebraska; and C. Parr Rosson, Texas A&M.

Top Twenty

In Membership Achievement

November 26 1991

Percentage of '91 Quota

| | |
|---------------|-------|
| Alabama | 224.1 |
| Rhode Island | 117.2 |
| Alaska | 115.9 |
| Nevada | 110.6 |
| Utah | 109.7 |
| New Hampshire | 108.5 |
| Ohio | 108.4 |
| Georgia | 107.7 |
| Maine | 107.3 |
| Oklahoma | 107.1 |
| South Dakota | 106.7 |
| Connecticut | 106.4 |
| Hawaii | 105.3 |
| North Dakota | 104.6 |
| Michigan | 104.6 |
| Virginia | 104.4 |
| Florida | 104.1 |
| Arkansas | 103.8 |
| Montana | 103.8 |
| Louisiana | 103.8 |

INSIDE FARM BUREAU

Average cost of Thanksgiving meal lower than last year

The average cost of a Thanksgiving meal for 10 people was nearly \$3 less than last year, according to a survey conducted by the American Farm Bureau Federation.

This year's traditional family-sized meal cost \$25.95. Last year the same meal cost \$28.85. Costs in other years averaged: \$24.51 in 1987, \$26.61 in 1988 and \$24.70 in 1989.

A lower average price for the traditional Thanksgiving turkey set the tone for the decrease in this year's meal. In addition, rolls, vegetables and cranberries cost less than a year ago.

At \$2.59 per person this year, the meal's menu includes turkey, stuffing, sweet potatoes, peas, rolls, cranberries, pumpkin pie with whipped cream, a relish dish and beverages.

Turkey supplies and marketings were up slightly this year, according to Farm Bureau commodity specialist Dr. Hugh Johnson. Consumers are benefitting from the wholesale trade of frozen turkeys, which are about 15 cents per pound lower than a year ago.

According to Johnson, America's appetite for turkey continues to grow, with individual consumption up nearly one pound in the past year to 19 pounds annually.

"While U.S. consumers already pay the lowest food prices in the world, the holiday meal becomes an even better value since most stores offer the ingredients at special prices," said Marsha Purcell, AFBF spokesperson.

The overall price for this year's meal was determined from results of a nationwide survey of 72 Farm Bureau volunteer shoppers in 25 states and Washington, D.C.

Farm Bureau's Thanksgiving Day dinner for 10 included these items: a 16-pound, self-basting tom turkey; a 14-ounce package of herb-seasoned, cubed stuffing mix; a 30-ounce can of pumpkin pie mix; and a package of two, nine-inch, frozen pie shells.

Also included were three pounds of fresh sweet potatoes; a 12-ounce package of brown-and-serve rolls; a one-pound package of frozen green peas; a half-pound each of fresh carrots, celery and yellow onions; a 12-ounce package of fresh cranberries; a gallon of whole milk; coffee; and one-half pint of whipping cream.

Although eating habits have changed and areas of the country vary in what they include in their traditional meal, Farm Bureau's survey has remained constant over the years to allow the price comparison.

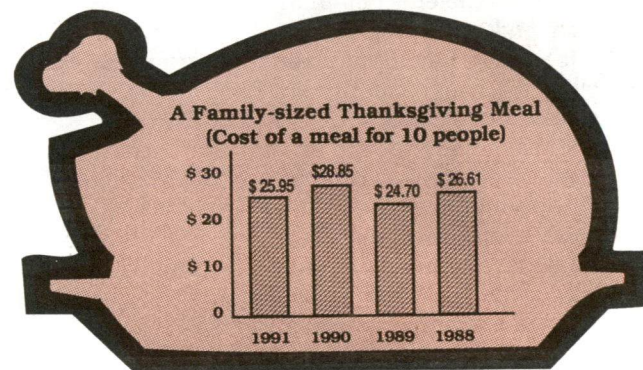
"Events of the past year around the world demonstrate the real meaning of Thanksgiving for Americans," said Purcell.

"We live in a bountiful nation that is the envy of the world. Thanksgiving has become a celebration of family and friends, but we mustn't lose sight of the spirit of the early settlers who took time to give thanks for the good harvest."

Average prices to feed 10: Turkey, \$10.67; stuffing, \$1.99; pumpkin pie mix, \$1.41; pie shells, \$1.24; sweet

A Family-sized Thanksgiving Meal

(Cost of a meal for 10 people)



SOURCE: American Farm Bureau Federation

potatoes, \$1.36; rolls, \$1.00; peas, \$1.06; carrots, \$0.24; celery, \$0.20; milk, \$2.31; onions, \$0.35; cranberries, \$1.34; coffee, \$0.18; whipping cream, \$0.76; and miscellaneous items, \$1.85.

The following states participated in the price survey: Arizona, Arkansas, California, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, North Dakota, Ohio, Pennsylvania, South Dakota, Texas, Virginia, Washington and Washington, D.C.

FB programs recognized by ASAE

The American Farm Bureau Federation was recognized recently for communication excellence in two categories by the American Society of Agricultural Engineers (ASAE).

... Excellence in educational aids

farming systems in terms of proper and safe chemical use, adaptation to new technology and incorporation of integrated pest management practices.

AFBF exceeds quota for 31st year in a row

With almost a week to spare, the American Farm Bureau Federation reached its 1991 membership quota — and then some!

FARM BUREAU NEWS

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AMERICAN FARM BUREAU FEDERATION

December 9, 1991

International trade negotiations heating up

By Jack King

Negotiators in the world agricultural trade talks are finally getting down to serious business, following five and one-half years of lackluster talks. The outcome of the Uruguay Round remains uncertain, however, due to continued sharp differences between the United States and the European Community.

A delegation of Farm Bureau leaders traveled to Geneva, Switzerland, last week to monitor the talks and present U.S. farm viewpoints. The delegation included American Farm Bureau Federation President Dean Kleckner, AFBF Vice President and South Carolina Farm Bureau President Harry Bell, Pennsylvania Farmers' Association President Keith Eckel and Kansas Farm Bureau President Doyle Rahjes.

"For the first time since the talks began, we observed a serious commitment to the negotiations, but a lot of work needs to be done if an agreement is to be reached by the Dec. 20 deadline," said Kleckner.

"We remain convinced that progress must be made in world agricultural trade in the areas of market access, sanitary and phytosanitary standards and especially export subsidies. The terms, however, of any

agreement must be right or we will be forced to oppose it," Kleckner warned.

The Farm Bureau delegation met with Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), members of the U.S. trade representative's office involved in the negotiations and delegates from the EC, Japan, Latin America and Australia.

A working paper submitted by Dunkel has become the basis for the current talks. Though the paper lacks precise details, the talks are proceeding on the assumption of various numbers and concepts.

The discussions are moving forward on the basis of a suggested 30-35 percent cut in export subsidies over five years; tariffication of quotas and other border protection measures, with minimum access levels; plus a continuation or "review" clause at the end of the adjustment period.

"While we are encouraged by the newfound commitment to serious talks, we are troubled that the most the Europeans are willing to give in agriculture may not be enough to make the agreement worthwhile for the United States," Kleckner said.

"We also are concerned that a 30-35 percent cut in

export subsidies be based on the volume of exports, not expenditure levels, which the Europeans want. The base years used to compute the subsidy cutbacks also will be critical to the agreement.

"In all our meetings, we made it clear that a moratorium on filing of complaints related to soybeans or any other agricultural products for the duration of the agreement would be unacceptable. In addition, we stressed the need for the term of any agreement to be continued and expanded beyond the initial five- to six-year period," Kleckner added.

The farm leader said a disproportionate level of export subsidies exists between the United States and the EC, making the talks especially difficult. In the past year, the EC paid \$12 billion in export subsidies toward the sale of 22 million metric tons of grain, meats, dairy products and other goods, compared with \$700 million in U.S. expenditures.

"The talks have been made more difficult by the Europeans' failure to prepare their farmers for cuts in export subsidies and as a result their negotiators face stiff domestic problems. European Community officials

See GATT, page 4

Administration encouraged by recent GATT meetings

U.S. leaders said last week they are encouraged by recent trade negotiations with the European Community.

Agriculture Secretary Edward Madigan said in his opening comments at the USDA Outlook Conference last week, "For the first time — in the last few weeks — we are 'meaningfully engaged' in negotiations with the EC." Last month he participated in trade talks in Europe — in Brussels, in Rome and in The Hague — regarding negotiations in the Uruguay Round of the General Agreement on Tariffs and Trade.

U.S. Trade Representative Carla Hills

said, "Finally we are talking about cutting export subsidies that have so depressed world market prices, and we are talking about cutting barriers to market access that have limited export opportunities. For the United States, agriculture is important because it is our No. 1 export."

Madigan said that the U.S. has shown a "willingness to consider any proposal that we feel would be in the best interest

of American agriculture," and is still in that posture.

Responding to questions from the media, Madigan said the tonnage of cuts in export subsidies was important to the U.S., not just the budgetary cuts. He explained that the EC is currently spending the equivalent of \$12 billion U.S. dollars on export subsidies. Even if that were cut in half, he said the EC might still be able to subsidize the same

volume of product that it is currently subsidizing.

When questioned about Section 22 products, Madigan said the administration was not bargaining away that provision. Section 22 products, including dairy, peanuts, cotton and sugar-containing products, are those on which U.S. import quotas are maintained. "If we reached a GATT agreement that replaced quotas with tariffication, ultimately there would be some impact on some of the Section 22 commodities. But, the tariffication that would replace

See Outlook, page 4



PHOTO BY JOE FIELDS

Discussions about U.S. agriculture and the structure of Farm Bureau highlighted a recent visit to Moscow by Farm Bureau leaders. From left, John White, Illinois Agricultural Association president, and Dean Kleckner, AFBF president, use AFBF's "Farm Facts" to answer questions from Russian farm organization leader Vladimir Bashmachnikov and Evgenij Ulyanov of the State Committee for Land Reform. See article, page 3

FB NEWSWRAP

Last Week

■ The House Ways and Means Committee held hearings on economic policy proposals.

■ At its annual outlook conference, the Agriculture Department forecast a "healthy, stable farm economy" for 1992 due largely to farmers' conservative borrowing practices.

This Week

■ Congressional committee hearings on economic issues continue.

Next Week

■ The AFBF Resolutions Committee will meet in Chicago.

COMMENTARY

Harsh realities for Russian farmers

By Joe Fields

American farmers and ranchers often feel threatened by political developments and government actions that endanger their way of life. To better understand what farmers in the former Soviet Union are up against, try to imagine yourself in the following scenario.

You were born into a collective farm behind the Iron Curtain. You learned only the farming methods practiced on the collective and were not allowed to hear or read about how farmers in other parts of the world operate. It is obvious to you that state collective farms have failed miserably to feed your countrymen.

Being the pioneering, entrepreneurial person you are, you recently seized an opportunity that your father and grandfather never had. As steps toward democracy began to disintegrate the USSR, your collective farm was left in disarray, so you took over some of the land it no longer used. The abandoned property you began using includes a few acres, a few buildings and run-down equipment, nearly all of which had been cannibalized for parts.

You fashioned some living quarters for your family out of prefabricated construction materials left laying around the property, and acquired some livestock, perhaps dairy cows, hogs, maybe a few chickens, by trading items you owned or found. You collect garbage from local restaurants to feed your livestock. You supplement that with some mash from a nearby brewery.

You are now producing agricultural commodities, but it's hard to find a market for them. You might be able to sell some produce or meat to a local store, but the rubles they pay you have decreased in value in recent weeks to the point that any amount of currency is virtually useless to you. So you have turned to bartering your products for what you need to live and farm.

You're not making any money, but you can feed your family from what your farm produces, and the rest of what you produce can be traded for a used welder, a worn out tractor or clothes for your family.

But several worries keep you awake at night. The land, facilities and home you occupy could be taken away from you tomorrow.



What a reach!

Your government, which has been too quick to punish you for worrying about what you're up to, might revert back to an oppressive, socialist or fascist regime and punish you for daring to practice private enterprise, something it might consider as treason. You are also very well aware the government knows how to punish its people.

New bill in Senate would make SCS responsible for ag wetlands

A bipartisan group of senators has introduced Farm Bureau-backed legislation that would put the U.S. Agriculture Department in charge of wetlands decisions.

The legislation (S. 2018) would create a "one-stop shop for farmers and ranchers when seeking answers on wetlands," according to the bill's chief sponsor, Sen. Christopher Bond (R-Mo.).

If passed, the measure would make the USDA's Soil Conservation Service responsible for determining whether agricultural land is classified as a wetland. Currently, the Army Corps of Engineers, the Environmental Protection Agency, the Interior Department's Fish and Wildlife Service and SCS are responsible for regulating wetlands.

The Wetlands Simplification Act would give SCS, in consultation with the Fish and Wildlife Service, the authority to identify wetlands and develop restoration and mitigation plans concerning wetlands on agricultural lands.

Under the Clean Water Act, property considered a wetland cannot be filled or drained. In addition, the federal "swampbuster" law denies crop subsidies and farm program benefits to producers who alter wetlands.

Bond said the current regulatory

system "has created a nightmare for farmers."

"If you are a farmer with a single wet patch of ground on your land, you are up against four different agencies of the federal government armed with complex and confusing regulations from two different pieces of legislation," he said.

"Even worse, the four federal agencies probably will not even agree on whether the patch of wet ground on your farm is a wetland or not, let alone how you should handle it. But if you don't handle it right, you could be penalized or fined tens of thousands of dollars," Bond said.

The best agency for handling wetlands issues is the Soil Conservation Service, he said, because it "knows farmers and farm operations and can apply that understanding to these determinations." The legislation would keep SCS working in consultation with the Fish and Wildlife Service.

"We can preserve our wetlands without burying family farmers in red tape, bureaucracy and paperwork. It is clear that we must increase federal efficiency when dealing with wetlands," Bond said.

Farm Bureau strongly supports this measure along with the wetlands legislation introduced by Rep. James Hayes (D-La.).

Congress okays FB-supported technical corrections bill

Prior to its holiday recess, Congress approved and sent to President Bush a package of technical amendments to the 1990 farm act. Farm Bureau supported the measure, which Bush is expected to sign.

The corrections, among other things, will give producers more flexibility in the crops they can plant on 0/92 acres and accelerate government deficiency payments to wheat farmers.

The provisions will allow farmers to interchange planting of corn and grain sorghum on their base acres for those crops.

The 0/92 program allows farmers to plant protective ground cover on acres enrolled in wheat and feed grain programs, and still collect 92 percent of those crop subsidies. In recent years, Congress has expanded the number of cash crops farmers can grow on the land and still receive subsidies.

The 1990 farm act, for the first time,

allowed producers to plant minor oilseeds on those acres. The "technical corrections" legislation expands the list of "minor use," experimental and industrial crops that can be grown on land already eligible for subsidies under the 0/92 and 50/92 program.

The measure passed by Congress also would accelerate deficiency payments made to farmers participating in the wheat, barley and oats programs. Initial payments will be made in December rather than in July.

In addition, it will eliminate the requirement for dairy producers to comply with a conservation plan in order to receive refunds of assessments collected from them, and correct a flaw in the farm bill that prevented USDA from making loans to farmers under the high moisture corn loan program.

The measure also contains a number of other technical improvements to errors and omissions in the 1990 farm act.

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THE CHANGING USSR

Private farmers struggle against obstacles in 'new' Russia

By Joe Fields

MOSCOW — If someone waved a magic wand over the Soviet republics and dropped in an agricultural infrastructure like America's, Soviet farmers still might be no better off. Even if equipment, fuel, chemicals, seeds and markets were available, what value is a bountiful harvest if money is worthless?

AFBF President Dean Kleckner and Illinois Farm Bureau President John White made that assessment of the situation in Russia during a trip to Moscow just before Thanksgiving.

They toured a hog operation and a dairy, both located about 30 miles east of Moscow. They talked with farmers. Through an interpreter, they learned what the new breed of private farmers is up against.

Kleckner and White also had meetings with U.S. Ambassador Robert Strauss. In Moscow, Strauss struggles to keep up with developments in all the republics so he can advise U.S. officials on appropriate roles and responses. He is optimistic democracy will survive. Kleckner agrees.

"I believe the chances for successful transition to democracy are slightly better than 50-50," Kleckner said. "On the upside is their strong desire for freedom and privatization. The downside is their lack of infrastructure, facilities and choices to allow it to happen.

"There are things we, the Western

ing partners with them through joint ventures and other changes."

The two American farm leaders also met with the new Russian minister of agriculture, Victor Khlystun, appointed to that position by Russian President Boris Yeltsin only a week earlier. Kleckner urged Khlystun to set up programs to help private farmers through the current transition period, but also to leave them free enough from central control to farm.

The Agriculture Ministry of the Soviet Union no longer exists. It is just one of many casualties of the disintegrated USSR. As many officials told Kleckner and White, Mikhail Gorbachev is now president of nothing.

Individual republics are faring much better. Farm Bureau has a counterpart in Russia. Just as private farms are in their infancy, their farm organization is barely born. Vladimir Bashmachnikov is president of the Association of Farmers and Agricultural Cooperatives of Russia.

That makes Bashmachnikov's position comparable to Kleckner's, except that the Russian farm organization is funded by the government. The needs of Russia's private farmers are so great that their organization is overwhelmed. It wants to step in and fix all the problems at once, but lacks the resources.

President Kleckner invited Bashmachnikov to America in the next few months to visit with farmers and see



John White (center) and Dean Kleckner (right) lined up with other Moscow citizens to check out the meat supplies in a private store.

his members, Bashmachnikov is extremely interested in gaining further knowledge of how Americans farm and how Farm Bureau works.

"These Russian farmers have a hard time comprehending how we in the United States have choices of where to buy tractors or chemicals or seed or feed," Kleckner said, "much less how we have choices in marketing our commodities. They just don't understand."

chase a coat priced at 1,100 rubles. In the time it took her to get the cash together, the price had jumped to 1,800 rubles.

There are two kinds of grocery stores — state stores and new private stores. Some Russians can afford the prices in the state stores, but there is little or no food. Kleckner and White stepped inside one state store and did what Russian consumers were doing. They observed empty shelves, fought their way up to

There are things we
World and Farm Bureau — can do to
help them along the way, perhaps by be-

how Farm Bureau operates at the coun-
ty, state and national levels. Just like



Natasha, the
13-year-old
daughter of
a Russian
dairy farmer,
poses
with some
hogs, which
were kept in
the same
barn as the
dairy cows.

According to Kleckner, Russian farm-
ers are very inquisitive, still starved for
words from the outside world.

"They are hungry for information,
anxious to learn how we farm," said
Kleckner. "But when we tell them, they
realize that they lack the infrastructure
to do what we do."

According to Kleckner, it's easy to feel
a tinge of pity for the farmers, and even
more for the average Moscow citizen fac-
ing runaway inflation and a shortage of
food. In a society where virtually every
product and service has been provided by
the central government, nearly every cit-
izen is an employee of the government.

That government has collapsed, but
Russian President Boris Yeltsin says his
republic will fund the USSR payroll
through December, longer if he can.
However, Yeltsin's rubles are becoming
more worthless by the day. The skyrock-
eting inflation can be illustrated in a
story about a woman who wanted to pur-

the one counter that had a few chickens
on display, asked the price and left. It
wasn't the price, it was the quality.

In private stores there is plenty of
food, but virtually nobody, except for-
eign tourists, can afford it.

What kind of government will evolve?
No one knows what the future may
bring to the Soviet republics. No one
knows if any trace of the former central
government will continue to exist.
Worse, no one knows if democratic re-
form and private enterprise will survive
the sudden shock of such radical change.

"These new private farmers are in a
very volatile situation," said Kleckner.
"I just hope and pray they can make it
through this transition toward democ-
racy and opening of markets, for their
own good and for the good of America
and the rest of the world."

*(Joe Fields is director of the information
and public relations division for the
American Farm Bureau Federation.)*

STATUS REPORT

GATT MEASURE: A sense of the
Senate resolution was introduced by
Sen. Larry Pressler (R-S.D.) concerning
necessary criteria for a GATT agree-
ment. The measure says any agreement
must achieve elimination or substantial
reduction of export subsidies as a
means of disposing of ag surpluses on
world markets; create new and ex-
panded market opportunities for U.S.
farm products; ensure against EC
moves to substitute other trade im-
pediments to offset reductions in export
subsidies; allow the U.S. to exercise its

rights to eliminate unfair trade barriers;
and achieve a sound agreement govern-
ing sanitary and phytosanitary regulations.
Farm Bureau supports the resolution.

SOVIET PACKAGE: USDA has an-
nounced commodity allocations for the
\$1.25 billion credit guarantee package to
the Soviet Union. A total of \$600 million
will become operational immediately for export
sales of ag commodities. The remaining
\$650 million will be made available in allo-
cations of \$200 million each on Feb. 1 and
March 1 and \$250 million on April 1. Of the

\$600 million, \$275 million will go for wheat,
\$138 million for feed grains, \$67.5 million
for protein meals and \$22.5 million each for
soybeans and vegetable oils.

FOOD PRICES STABLE: A quarterly
survey taken by AFBF shows average
prices for 16 common food items totaled
\$29.56 in the fourth quarter of 1991, just
34 cents more than in the same period of
1990. Items that rose slightly from the
previous quarter were whole fryers, milk,
cheese, Cheerios, white bread, Crisco oil
and Kraft mayonnaise. Items that declined

were pork chops, bacon, eggs, potatoes,
red delicious apples and Mazola oil.

BEEF CONSUMPTION: After declin-
ing during most of the past 15 years,
beef consumption has stabilized, ac-
cording to the National Cattlemen's
Association. Per capita beef consump-
tion is projected to reach 67.6 pounds
(retail weight) in 1991, about even with
1990 levels. Beef consumption in 1992
is projected at close to 68 pounds. In-
creased production is cited as the cause
for the upturn.

INSIDE FARM BUREAU

American Farm Bureau reaches new membership record

The American Farm Bureau Federation's membership soared to a new record high 3,983,870 families for the year. Forty-seven state Farm Bureaus and all four geographic regions achieved membership gain in 1991 over the previous year, propelling the national organization to an 88,480 member gain.

The Tennessee Farm Bureau had the largest gain. It signed 17,432 more members this year than last, and remains the largest of all state Farm Bureaus with 381,173 member families. Three other state units with more than 300,000 members are Illinois with 372,838, Kentucky with 329,709 and North Carolina, 312,938.

Close behind Tennessee in membership gain was Georgia with a gain of 14,361 members. Others adding more than 10,000 were North Carolina, 11,451; Illinois, 10,863; and Kentucky, 10,256.

Eight states had membership gains in every county and 27 states reached all-time high enrollments. Delaware gained members in every county for the 14th consecutive year. Tennessee accomplished it for the fifth year in a row, Maine and Rhode Island each did it for the fourth straight year. It was the second consecutive year of every-county gain for Georgia, Louisiana and Idaho. Massachusetts was the eighth state to register a gain in every county.

Tennessee proudly extended its consecutive years of growth to 51. Other states with long strings of growth years are North Carolina with 33; Louisiana, Mississippi and South Carolina, 32 each; Kentucky and Rhode Island, 30 each; Delaware and Georgia, each 28; Illinois, 25; Ohio, 24; Iowa and Nebraska, 23; and Wyoming, 20.

Other states with 10 or more years of continuous gain are Colorado, 18; Maine, 15; New Jersey, 13; New Hampshire and

North Dakota, 11 each; and Connecticut, 10 years. Maryland, Massachusetts, Pennsylvania, Kansas, Michigan, Minnesota, Missouri, Alabama, Arkansas, Florida, Oklahoma, Virginia, Arizona, Hawaii, Idaho, Montana, New Mexico,

Oregon, Utah and Washington had between two and nine consecutive years of membership growth.

Gains are also kept in percentages year by year and a top 20 published weekly throughout the year.

'91 state Farm Bureau membership

| | | | |
|---------------|-----------|----------------|-----------|
| Alabama | 272** | Nebraska | 42,714** |
| Alaska | 221** | Nevada | 2,922* |
| Arizona | 4,177* | New Hampshire | 5,000* |
| Arkansas | 166,740** | New Jersey | 5,429* |
| California | 83,002* | New Mexico | 10,122* |
| Colorado | 16,650** | New York | 22,802* |
| Connecticut | 3,690* | North Carolina | 312,938** |
| Delaware | 2,677** | North Dakota | 26,681** |
| Florida | 81,093* | Ohio | 125,351** |
| Georgia | 199,812** | Oklahoma | 87,122** |
| Hawaii | 1,701** | Oregon | 10,783* |
| Idaho | 32,715** | Pennsylvania | 23,042* |
| Illinois | 372,838** | Puerto Rico | 1,700 |
| Indiana | 232,533 | Rhode Island | 1,013** |
| Iowa | 154,135** | South Carolina | 103,750** |
| Kansas | 140,120** | South Dakota | 9,265** |
| Kentucky | 329,709** | Tennessee | 381,173** |
| Louisiana | 68,500** | Texas | 296,024 |
| Maine | 4,550** | Utah | 19,002* |
| Maryland | 14,288* | Vermont | 4,564 |
| Massachusetts | 5,004* | Virginia | 99,332** |
| Michigan | 114,859** | Washington | 5,423* |
| Minnesota | 34,002* | West Virginia | 12,677* |

Top Twenty

State FBs in Percentage of '91 quota
November 30, 1991

| | |
|---------------|-------|
| Alabama | 242.9 |
| Rhode Island | 117.2 |
| Alaska | 116.9 |
| Nevada | 110.6 |
| Utah | 109.7 |
| New Hampshire | 108.5 |
| Ohio | 108.4 |
| Georgia | 107.7 |
| Maine | 107.3 |
| Oklahoma | 107.1 |
| South Dakota | 106.7 |
| Connecticut | 106.4 |
| Montana | 106.4 |
| Hawaii | 105.3 |
| Idaho | 104.9 |
| Tennessee | 104.8 |
| North Dakota | 104.6 |
| Michigan | 104.6 |
| Virginia | 104.4 |
| Florida | 104.1 |

The "Update" video news program will be presented via Farm Bureau Advantage Satellite on Thursday, Dec. 19. The half-hour program will begin at 3 p.m. Eastern Standard Time.

American Farm Bureau Federation President Dean Kleckner will open the show with a review of several key issues, including federal budget, international

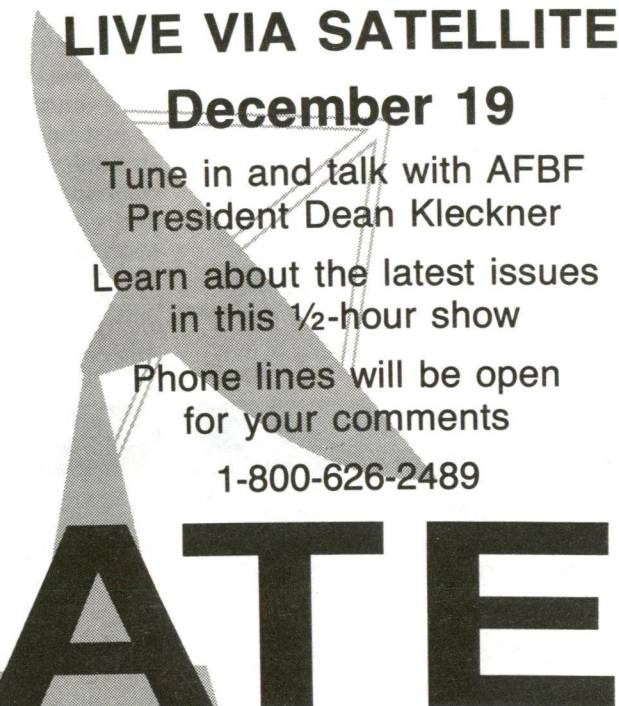
trade talks, the Russian situation, wetlands and legislative issues.

Following Kleckner's introductory comments, there will be an opportunity for state Farm Bureau leaders to phone in questions and comments regarding these and other issues. Viewers may phone 1-800-626-2489 during the program.

| | | | |
|-------------|-----------|-----------|----------|
| Mississippi | 173,926** | Wisconsin | 55,242** |
| Missouri | 70,356* | Wyoming | 8,059* |
| Montana | 4,170* | | |

AFBF 3,983,870**

* Membership gain ** All-time high



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LIVE VIA SATELLITE

December 19

Tune in and talk with AFBF
President Dean Kleckner

Learn about the latest issues
in this 1/2-hour show

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for your comments

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Farm Bureau Advantage Satellite Network (K2)
Transponder 8, DX receiver channel 12
Audio 6.2 — 6.8
Program begins at 3:00 p.m. (Eastern Standard Time)

Outlook

Continued from page 1

the quotas conceivably could be at such a significant number that it would be many years before anyone would be affected."

Hills said fairer competition and more open markets will benefit American farmers, who lead the world with more than \$40 billion in annual exports. That is about a third of the total value of U.S. farm production, she said. USDA has

estimated that a successful Uruguay Round agreement would expand U.S. agricultural exports by \$6-8 billion over the next five years and add \$1-2 billion to farm income.

"How far ... how fast ... and where it will end up ... are still in contention. I can't tell you how it is going to come out. But we are engaged and we are fighting every step of the way," Madigan said.

GATT

Continued from page 1

admit, however, they cannot continue to pay ever-increasing amounts for export subsidies."

The European Community has devised a new compensatory payment program to cushion the effect of cuts in export subsidies and internal supports. The EC is proposing it be included in a category not subject to GATT disciplines.

The Farm Bureau delegation expressed serious concerns over the unknowns of such a program. "The United States has to be leery about the size and potential permanency of such a proposal," said Kleckner.

There are many issues in the talks beyond export subsidies, said Kleckner. "While seemingly further along, the issue of sanitary and phytosanitary standards also must be resolved in a satisfactory manner. Unless these health and inspection standards are properly settled, other trade problems could overlap into this area. We sought and received indications that satisfactory progress will occur in this area."

The agricultural talks are considered the linchpin in the current Uruguay Round, but agreements must be forged in 14 other sectors as well. All seven previous rounds have ended with agreements.