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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Draft Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13515
Folder ID Number: 13515-008

Folder Title:
American Farm Bureau 1/8/90 [OA 4390] [1]

Stack:	Row:	Section:	Shelf:	Position:
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THE WHITE HOUSE

Office of the Press Secretary
(Orlando, Florida)

For Immediate Release

January 8, 1990

REMARKS BY THE PRESIDENT
TO THE AMERICAN FARM BUREAU

Orlando Convention Center
Orlando, Florida

10:47 A.M. EST

THE PRESIDENT: Thank you all very much. Thank you, Dean. (Applause.) 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 my distinguished -- our distinguished Secretary of Agriculture Clayton Yeutter here at my side, doing a superb job for us. (Applause.) And I know you'll hear tomorrow from Ambassador Carla Hills. 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. (Applause.) 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, 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. (Applause.)

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 three 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 three 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

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outstanding organization. You've been through the worst droughts and national disasters of the 1980s, 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. (Applause.)

It was a little over four years ago -- seems like just yesterday -- but a little over four 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, common-sense attitudes -- and, God willing, good weather -- we can succeed. Together, we will keep rural America strong and American agriculture thriving in the 1990s. (Applause.)

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. (Applause.)

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 -- (applause) -- 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 five-year effort to work with the nation's farmers to protect our groundwater 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 five 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. (Applause.)

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. (Applause.) 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. (Applause.)

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. (Applause.)

Let me talk just a little about some of the challenge 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

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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. (Applause.)

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. (Applause.) 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 that the support that we are getting for 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 my hand out 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. Finally, rural America -- let me just finish. 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. (Applause.)

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 TVs 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. (Applause.)

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. (Applause.) 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.

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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 '30s" 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 1970s, 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. (Applause.)

END

11:11 A.M. EST

**AMERICAN FARM BUREAU \ ORLANDO CONVENTION CENTER
MONDAY, JANUARY 8, 1990 \ 10:45 A.M.**

**MY THANKS TO DEAN KLECKNER ((AFB PRESIDENT)) FOR
THAT WARM INTRODUCTION ... WE ARE GRATEFUL FOR HIS
LEADERSHIP ON THE NATIONAL ECONOMIC COMMISSION, AND THE
TREMENDOUS SUPPORT OF THE FARM BUREAU MEMBERSHIP. MY
THANKS, TOO, TO YOUR FORMER FARM BUREAU PRESIDENT,
ROBERT DELANO, WHOSE LEADERSHIP AND COUNSEL HAVE BEEN
SO HELPFUL.**

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**I'M HAPPY TO HAVE MY OUTSTANDING SECRETARY OF
AGRICULTURE CLAYTON YEUTTER HERE AT MY SIDE, AND I KNOW
YOU'LL HEAR FROM AMBASSADOR HILLS TOMORROW. TALK ABOUT
TWO PEOPLE WHO UNDERSTAND THE NEED TO OPEN UP FOREIGN
MARKETS TO U.S. AGRICULTURAL PRODUCTS -- THESE TWO ARE
TOPS. GOVERNOR MARTINEZ, IT'S ALWAYS A PLEASURE TO SEE
YOU AND VISIT THIS BEAUTIFUL STATE.**

((THIS MORNING WE SAW AN INSPIRING LAUNCH OF THE SPACE SHUTTLE COLUMBIA, LIFTING OFF THE BREATHTAKING COAST OF FLORIDA FOR YET ANOTHER SUCCESSFUL MISSION.))

I JUST RETURNED FROM SOME FISHING AND HUNTING OVER THE HOLIDAYS, AND I HEARD A STORY ABOUT THE TIME MARK TWAIN SPENT THREE WEEKS FISHING IN MAINE -- AFTER FISHING SEASON HAD CLOSED. ON THE WAY HOME, ABOARD THE TRAIN, HE TOLD THE MAN SEATED NEXT TO HIM ABOUT ALL THE FISH HE CAUGHT.

FINALLY, TWAIN ASKED, "BY THE WAY, WHO ARE YOU, SIR?"
"I'M THE STATE GAME WARDEN," REPLIED THE MAN, "WHO ARE YOU?" AFTER A LONG PAUSE, TWAIN SAID, "WELL, TO BE PERFECTLY TRUTHFUL, I'M THE BIGGEST DAMN LIAR IN THE WHOLE UNITED STATES." ///

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I WON'T BORE YOU WITH MY FISHING STORIES, BECAUSE I COULD TALK ALL DAY 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. 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."

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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.

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YOU -- AMERICA'S FARMERS -- DESERVE THE CREDIT FOR THE REBOUND IN U.S. FARMING. YOU'VE BEEN THROUGH THE WORST DROUGHTS AND NATURAL DISASTERS OF THE 1980s, AND SURVIVED ECONOMIC TOUGH TIMES. BUT YOU HAVE 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.

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RIGHT HERE IN FLORIDA WE'RE SEEING, SOME OF THAT CAN-DO ATTITUDE AS YOU FACE THE TERRIBLE LOSS OF THE CITRUS AND WINTER VEGETABLE CROP. BUT LET ME TELL YOU. YOU WON'T BE DOING IT ALONE. I'VE ASKED SECRETARY YEUTTER TO PERSONALLY OVERSEE OUR EFFORTS TO PROVIDE ASSISTANCE AND I KNOW YOU CAN COUNT ON U.S.D.A. TO BE IN THERE FIGHTING WITH YOU.

IT WAS A LITTLE OVER FOUR 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 PRACTICES, WISE MANAGEMENT OF OUR RESOURCES, COMMON SENSE ATTITUDES -- AND, GOD WILLING, GOOD WEATHER -- WE CAN SUCCEED. TOGETHER, WE WILL KEEP RURAL AMERICA STRONG, AND AMERICAN AGRICULTURE THRIVING IN THE 90'S.

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 INTEREST RATES LOW, AND THAT'S WHAT WE INTEND TO DO.

THIS YEAR, WE WILL WORK WITH CONGRESS ON THE 1990 FARM BILL. ((YOU KNOW, GETTING A GOOD FARM BILL THROUGH CONGRESS IS A LITTLE LIKE MILKING A BULL ...))

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. SO AMERICAN FARMERS 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. WE'VE GOT TO EXPAND MARKETS AND ENHANCE PRODUCTIVITY.

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WE'VE GOT TO ASSURE THE PUBLIC THAT AMERICA'S FOOD IS THE SAFEST IN THE WORLD, AND WE'VE GOT TO PROTECT OUR PRECIOUS ENVIRONMENT.

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.



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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 FIVE-YEAR EFFORT TO WORK WITH THE NATION'S FARMERS TO PROTECT OUR GROUNDWATER 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.

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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 THE ENVIRONMENT.


WE MUST ALSO MAKE SURE THAT ALL AMERICANS ARE CONFIDENT IN THE SAFETY OF OUR FOOD SUPPLY.

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THE ADMINISTRATION IS WORKING HARD TO DEVELOP LEGISLATION TO PROTECT THE FOOD SUPPLY WITHOUT OVERWHELMING THE AGRICULTURE 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 TOUGH 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 FIVE YEARS AND OTHER TRADE-DISTORTING PRACTICES IN TEN YEARS. BUT ANY AGREEMENT WE SIGN WILL BE AN AGREEMENT THAT'S ALSO GOOD FOR AMERICAN AGRICULTURE. OUR GOAL IS SIMPLE: OPEN MARKETS AND FREE TRADE.



AND 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 YEUTTER LED A PRESIDENTIAL DELEGATION TO POLAND TO DETERMINE HOW AMERICAN KNOW-HOW CAN HELP POLAND SHIFT TO A MARKET ECONOMY. WE'RE FORGING NEW PARTNERSHIPS BETWEEN OUR AGRICULTURE 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.

THIS ADMINISTRATION SUPPORTS GREATER RESEARCH INTO BIOTECHNOLOGY FOR IMPROVED PRODUCTIVITY, AND IS 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.

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BUT FOR US TO REAP THE FULL BENEFITS OF A COMPETITIVE ECONOMY, WE MUST CUT THE CAPITAL GAINS TAX RATE. WITH OUR CAPITAL GAINS 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.

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YOUR SUPPORT HAS BEEN INSTRUMENTAL IN THE FIGHT FOR THE CAPITAL GAINS TAX CUT. AND THE FIGHT ISN'T OVER YET.

THE FARM BILL, OUR INTERNATIONAL TRADE NEGOTIATIONS, AND A CAPITAL GAINS TAX CUT WILL BE HIGH ON MY AGENDA FOR THE NATION. BECAUSE WHAT'S GOOD FOR AGRICULTURE IS GOOD FOR AMERICA.///

BUT I ALSO WANT TO TALK TO YOU TODAY ABOUT SOME OF THE CHALLENGES FACING ALL AMERICA.

LIKE PEOPLE EVERYWHERE IN THIS GREAT COUNTRY, YOU WORK HARD AND SACRIFICE TO MAKE GOOD LIVES FOR YOURSELVES AND YOUR CHILDREN. EVERY ONE OF US DREAMS OF EXCELLENCE IN EDUCATION, ECONOMIC OPPORTUNITY FOR ALL CITIZENS, A CLEAN AND HEALTHY ENVIRONMENT, AND SAFE, DRUG-FREE STREETS, SCHOOLS, AND WORKPLACES. TOGETHER, WE'RE WORKING TO BUILD A BETTER AMERICA.


BUT MUCH REMAINS TO BE DONE AND YOU'RE IN THE FOREFRONT. RURAL AMERICA CARES ABOUT EDUCATION.



SOME SAY IMPROVING OUR SCHOOLS IS SOMETHING FOR FEDERAL MONEY AND WASHINGTON BUREAUCRATS TO HANDLE. 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 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. 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 AND 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 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. IT'S TIME FOR CONGRESS TO ACT QUICKLY AND RESPONSIBLY. THE WAR ON DRUGS AND CRIME WON'T WAIT.

((AND LET ME JUST ADD A LITTLE MORE ON OUR
RELATIONSHIP WITH CAPITOL HILL.

WHEN I TOOK OFFICE, I PUT MY HAND OUT TO CONGRESS,
TO THE DEMOCRATIC MAJORITY, AND REMINDED US ALL THAT
THE AMERICAN PEOPLE DID NOT SEND US HERE TO BICKER.

AS I'VE SAID, WE SENT PROPOSALS TO CONGRESS ON
CLEAN AIR, COMBATting CRIME, CAPITAL GAINS.
RESPONSIBLE PROPOSALS. CAREFULLY THOUGHT OUT. BASED
ON PRINCIPLE.

NOW A YEAR HAS PASSED. A NEW YEAR HAS BEGUN. AND
IT'S TIME -- IT'S PAST TIME -- FOR CONGRESS TO TEND TO
SOME UNFINISHED BUSINESS.

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 OUR
PRINCIPLES.

**COMPROMISE OUR PRINCIPLES -- THAT'S WHEN YOU'LL SEE A
PRESIDENTIAL VETO.)) [[PAUSE]]**

**FINALLY, RURAL AMERICA BELIEVES 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.**

I AM OPTIMISTIC ABOUT THE COMING DECADE, FOR I BELIEVE IN THE WISDOM OF OUR POLICIES AND IN THE PROVIDENCE OF THE ALMIGHTY. AND MOST IMPORTANTLY, I BELIEVE IN THE TOUGH RESILIENCY AND 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 DUSTBOWL FARMERS STAYED ON THE LAND, AND TODAY, THEIR DESCENDANTS HAVE INVENTED CONSERVATION TECHNIQUES TO CATCH AND PRESERVE THE WINTER SNOWS AND SPRING RAINS -- TO CARRY THEIR CROPS THROUGH THE HOT PLAINS SUMMERS. A TRIUMPH OF HUMAN COURAGE, HOPE AND INGENUITY.

IN THE 1970s, AN UNHEARD-OF DISEASE, SOUTHERN CORN LEAF BLIGHT, SWEEPED 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.

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 AMERICA.

#

THE WHITE HOUSE
WASHINGTON

January 5, 1990

TO: BOB GRADY
LEHMANN LI
ROGER PORTER
MICHAEL JACKSON (for conveyance
to Pat Kearney, USDA)

Attached is a revised draft of the
Farm Bureau speech.

In order for the President to review
the text today it is essential that
you forward your comments to Chriss
Winston by 12:30 pm today (with a
copy to this office).

Thank you.

Jim
Jim Cicconi

*Ann Marie
Cicconi*

Grant/Cawley
January 5, 1990
Draft seven
A:farmers

PRESIDENTIAL REMARKS: AMERICAN FARM BUREAU
ORLANDO CONVENTION CENTER
JANUARY 8, 1990
10:45 A.M.

My thanks to Dean Kleckner ((AFB President)) for that warm introduction ... We are grateful for his leadership on the National Economic Commission, and the tremendous support of the Farm Bureau membership. Secretary Yeutter and Governor Martinez, it's always a pleasure to see you. My thanks, too, to your former Farm Bureau president, Robert Delano, whose leadership and counsel have been so helpful.

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

I won't bore you with my fishing stories, because I could talk all day 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. 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. You've been through the worst droughts and natural disasters of the 1980s, and survived economic tough times. But you have 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 the terrible loss of the citrus and winter vegetable crop. But let me tell you. You won't be doing it alone. I've asked Secretary Yeutter to personally oversee our efforts to provide assistance and I know you can count on U.S.D.A. to be in there fighting with you.

It was ^{a little over} ~~only five~~ ^{four} 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 practices, wise management of our resources, common sense attitudes -- and, God willing, good weather -- we can succeed. **Together, we will keep rural America strong, and American agriculture thriving in the 90's.**

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 interest rates low, and that's what we intend to do.

This year, we will work with Congress on the 1990 Farm Bill. ((You know, getting a good Farm Bill through Congress is a little like milking a bull ...)) 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. **So American farmers can do what Americans do best: compete.**

~~At the same time, this Administration will not cut and run.~~
 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. We've got to expand markets and enhance productivity. We've got to assure the public that America's food is the safest in the world, and we've got to protect our precious environment.

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 five-year effort to work with the nation's farmers to protect our groundwater 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 the environment.

We must also make sure that (all Americans) are confident in the safety of our food supply. The Administration is working hard to develop legislation to protect the food supply without overwhelming the agriculture 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 tough negotiation, not reciprocal protectionism. I know that many Farm Bureau leaders serve on the Agricultural Trade Advisory Committee, and how important this issue is to you. Our Administration has just made a bold proposal in the Uruguay Round, ~~key to its success~~, that would phase out export subsidies in five years and other trade-

Agreement with...

Any agreement must be also be good for American agriculture.

But any agreement we sign will be an agreement that's good for American agriculture. ^{also}

distorting practices in ten years. ¹ Our goal is simple: open markets and free trade.

And international markets are improving. The value of U.S. agricultural exports ^{is expected to} has increased ^{last year} for the ^{third} ~~fourth~~ 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 Yeutter led a Presidential Delegation to Poland to determine how American know-how can help Poland shift to a market economy. We're forging new partnerships between our agriculture 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. This Administration supports greater research into biotechnology for improved productivity, and is 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 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 tax cut. **And the fight isn't over yet.**

The Farm Bill, our international trade negotiations, and a capital gains tax cut will be high on my agenda for the nation. **Because what's good for agriculture is good for America.///**

But I also want to talk to you today about some of the challenges facing all America. Like people everywhere in this great country, you work hard and sacrifice to make good lives for yourselves and your children. Every one of us dreams of excellence in education, economic opportunity for all citizens, a clean and healthy environment, and safe, drug-free streets, schools, and workplaces. **Together, we're working to build a better America.**

But much remains to be done and you're in the forefront. Rural America cares about education. Some say improving our schools is something for federal money and Washington bureaucrats to handle. I know you don't believe that. Whether it's a classroom on a ^{*rolling prairie Nebraska*} ~~dusty plain in North Dakota~~ 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 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. **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 and 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 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. **It's time for Congress to act quickly and responsibly. The war on drugs and crime won't wait.**

Finally, rural America believes 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.**

I am optimistic about the coming decade, for I believe in the wisdom of our policies and in the providence of the Almighty. And most importantly, I believe in the tough resiliency and 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.

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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 America.

#

THE WHITE HOUSE

WASHINGTON

1990 JAN -5 PM 3:41

January 5, 1990

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH:

CHRISS WINSTON *W*

FROM:

MARY KATE GRANT *MKG*

SUBJECT:

AMERICAN FARM BUREAU SPEECH TO BE DELIVERED IN
ORLANDO ON MONDAY, JANUARY 8

OK - Jim
CB
1-5-90

I. SUMMARY

Attached for your review is a proposed speech you will deliver at the Orlando Convention Center before the American Farm Bureau. Approximately 7,000 members will attend, and Secretary Yeutter will address the group later in the day. The speech will be teleprompted.

II. DISCUSSION

The American Farm Bureau is the agricultural equivalent of the U.S. Chamber of Commerce, and has been very supportive of the Administration's proposals on capital gains and a line-item veto.

This speech is one of the first to give your general outlook on farm policy, especially environmental, economic and international trade issues. More general topics -- foreign policy and the domestic legislative agenda -- then follow. We have worked very closely with Secretary Yeutter's office throughout this speech, and believe he is comfortable with it.

*Talk about 2 people who
understand the need to open up foreign
markets to U.S. Ag products -
these two are
topo.*

Grant/Cawley
January 5, 1990
Draft eight
A: farmers

PRESIDENTIAL REMARKS: AMERICAN FARM BUREAU
ORLANDO CONVENTION CENTER
JANUARY 8, 1990
10:45 A.M.

My thanks to Dean Kleckner ((AFB President)) for that warm introduction ... We are grateful for his leadership on the National Economic Commission, and the tremendous support of the Farm Bureau membership. My thanks, too, to your former Farm Bureau president, Robert Delano, whose leadership and counsel have been so helpful. I'm happy to have my outstanding Secretary of Agriculture Clayton Yeutter here at my side, and I know you'll hear from Ambassador Hills tomorrow. Governor Martinez, it's always a pleasure to see you and visit this beautiful state.

((This morning we saw an inspiring launch of the Space Shuttle Columbia, lifting off the breathtaking coast of Florida for yet another successful mission.))

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

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Right here in Florida we're seeing some of that can-do attitude as you face the terrible loss of the citrus and winter vegetable crop. But let me tell you. You won't be doing it alone. I've asked Secretary Yeutter to personally oversee our efforts to provide assistance and I know you can count on U.S.D.A. to be in there fighting with you.

It was a little over four 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 practices, wise management of our resources, common sense attitudes -- and, God willing, good weather -- we can succeed. Together, we will keep rural America strong, and American agriculture thriving in the 90's.

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 interest rates low, and that's what we intend to do.

This year, we will work with Congress on the 1990 Farm Bill. ((You know, getting a good Farm Bill through Congress is a little like milking a bull ...)) 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. So American farmers 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. We've got to expand markets and enhance productivity.

✓ We've got to assure the public that America's food is the safest in the world, and we've got to protect our precious environment.

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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 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. **We want, and America needs, action on it soon.**

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#

WHITE HOUSE STAFFING MEMORANDUM

DATE: 1/3/90 ACTION/CONCURRENCE/COMMENT DUE BY: 1/4/90 2:00 PM

SUBJECT: PRESIDENTIAL REMARKS: AMERICAN FARM BUREAU

	ACTION FYI			ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	DELAND	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 2:00 PM, Thursday, January 4, with a copy to my office. Thank you.

RESPONSE:

*N/C 1-4-90
ESS*

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

WHITE HOUSE STAFFING MEMORANDUM

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FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	DELAND <i>5080 n/c</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
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RESPONSE:

89 DEC 4 4 48:28

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

Grant/Cawley
January 3, 1990
Draft five 1990 JAN -3 PM 5:08
A:farmers

PRESIDENTIAL REMARKS: AMERICAN FARM BUREAU
71ST ANNUAL CONVENTION
ORLANDO CONVENTION CENTER
JANUARY 8, 1990
10:45 A.M.

Beef up
My thanks to Dean Kleckner ((AFB President)) for that introduction. Governor Martinez, it's always a pleasure to see you. I'd also like to thank Secretary Yeutter for joining us here today.

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

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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 exciting, new decade ~~by beginning with~~^{by} agriculture. I'd like to talk^{ing} to you about the future of farming in this country, and about the future of America. But as we look forward to the future, it's also important to ~~take a moment and~~^{past} reflect upon the last decade -- and what farmers have gone through, both good and bad.

You -- America's farmers -- deserve the credit for the rebound in U.S. farming achieved ~~over the last ten years~~. You've been through the worst droughts and natural disasters of the 1980s, ~~and~~^{and} survived economic tough times, ~~and now face the loss of this year's citrus crop~~^{and winter vegetable}. But each time, you have worked with your minds -- and your hands -- to beat adversity at every turn with a kind of can-do commitment that's been the hallmark of American farming for generations.

It was only five years ago that the landmark 1985 Farm Bill became law. ~~Admittedly, the cost has been high but it has worked.~~ Since then, the news has been good. Today, ~~agricultural exports are reaching record highs~~^{have increased for the fourth year in a row}. Surpluses have declined dramatically, and most of our good land has been brought back into production. Net farm income attained a record level last year, and the share of income that came from market sales -- instead of government supports -- ~~continued to grow~~. The farm credit situation has greatly improved, bringing ^{more} financial stability back to rural America.

As we face the future, the outlook is even better. Through sound fiscal practices, wise management of our resources, common

Right here in Florida we're seeing that
can do a little as you face the terrible loss of
the citrus and winter vegetable crop,
#1 ~~and we're behind you.~~ '1

But let me tell you. You won't be doing
it alone. I've asked Secretary Yentler
to personally oversee our efforts to provide
assistance and ~~we~~ I know you can
count on USDA to be in there fighting with
you.

Lehman changes

sense attitudes -- and, God willing, good weather -- we can succeed. Together, we will ~~develop policies to keep rural America strong, and American agriculture thriving~~ *for the 90's* *in the 90's.*

Insert A, B C

~~First on our plate is the 1990 Farm Bill. ((You know, getting a good Farm Bill through Congress is a little like milking a bull ...))~~

~~But I can tell you, we will stay with the proven principles of the 1985 Farm Bill when we sit down to write a new bill for 1990 and beyond. Certain improvements are necessary, of course, but we must not change direction. From subsidy levels, to food safety measures, to environmental concerns and free trade provisions, we will stay in keeping with the 1985 legislation.~~

E. But market oriented farm policies are only a part of the agriculture picture. F.

At the same time
D. ~~This Administration will not cut and run.~~

~~We've got to maintain the safety net under farm income by maintaining the crop subsidies that have been so vital to help make ends meet on our farms. Since 1986, the cost of Federal farm programs has been cut in half, without hurting farm income.~~

a to protect farmers from conditions beyond their control.

B

~~Let me tell you, today, the two best things we can do for farmers are keep interest rates low, and cut the budget deficit. ///~~

and that's what we intend to do. ///

insert E

~~But I also want to say to rural America that I do not intend to try to balance the federal budget on the backs of American farmers and ranchers. ///~~

~~Historically, America's farmers have understood the importance of a clean environment, and truly are stewards of the land. Many of you here today come from farms that have been handed down from your parents and grandparents, and for many,~~

and
Yates

A.

Our first priority must be to keep the American economy growing. That means ~~economic~~ fiscal and monetary policies that make sense -- that provide a stable business environment. ~~Let me~~ tell.

C

~~Next~~ ^{later this year,} we will ~~be~~ work with Congress on the 1990 Farm Bill. (Joke) But I can tell you that to be ^{economically} competitive, ~~in world markets~~ we must have market-oriented farm policies. ~~that allow~~ Farmers ^{need} more flexibility to decide what crops to grow, based on market signals not government mandate. We've got to give American farmers the chance to do what Americans do best: compete. B.F.

F.

~~Environmental concerns, food safety and free trade provisions will all help shape the American agriculture in the next decade.~~
We've got to expand markets, ^{and} enhance productivity, ^{we've got to} assure the public that America's ^{we've got to} food is the safest in the world, and ~~its environment~~ ^{we've got to} protect ~~our~~ our precious environment.

great-grandparents. The land you till will hopefully be planted by your children after you. You know that to protect the land is to protect not just your livelihood, ~~but your traditions,~~ ^{but} and 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} ~~proposed~~ a concentrated five-year effort to work with the nation's farmers to protect our groundwater from contamination by fertilizers and pesticides. We'll spend close to a third of a billion dollars on research and support for farmers, so that we put a stop to the 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 the environment. *the insert*

We must also make sure that all Americans are confident in the safety of our food supply. The Administration is working to ^{develop} ~~include~~ legislative ^{on} provisions to protect the food supply without overwhelming the agriculture industry -- and already we've seen improved coordination between the FDA, the EPA and the Department of Agriculture on this issue.

~~But the environment is only a part of the agricultural picture. Our farm policies must be market-oriented to guarantee that producers have the flexibility to decide what crops to grow.~~ ^{But in the coming decade,} And the American farmer ^{needs} ~~needs~~ a level playing field in the international trade arena. ^{must have} ~~But~~ the way to fight trade barriers ^{and}

is through tough negotiation, not ~~retaliation~~ ^{reciprocal} and protectionism.

Our Administration has just made a bold proposal in the Uruguay

Round, ^{key to its success,} that would phase out export subsidies in five years and ^{other} trade-distorting ^{practices} ~~subsidies~~ in ten years. ^{while we will not unilaterally phase out such subsidies} Our goals ^{is} are simple: ^{open} free markets and ^{free} fair trade.

But in today's global economy, America must also become more competitive -- through increased production, new uses for our products, and more open markets. ^{both foreign and domestic} ^{this} The Administration supports greater research into biotechnology for improved productivity, and is encouraging alternative uses of farm products -- like ^{and fuel additives.} ethanol and other new fuels. ^{And international markets are improving} The value of U.S. agricultural exports ^{is expected to increase in 1990 by 2%} has increased for the fourth 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,} That's why I sent Secretary Yeutter to lead a ^{led} Presidential ~~Economic~~ Delegation to Poland earlier this winter. ^{to determine how American know-how can help Poland shift to a market economy.} We're not simply handing the Eastern Europeans food -- we're forging new partnerships between our ^E agriculture industries and ^{Eastern Europe's} their emerging ~~market~~ economies. Through market development, technology transfers, and information sharing at all levels -- Americans are helping these nations take their place in the global marketplace.

But for us to reap the benefits of a competitive economy, ^{by expanding domestic production and by} we must begin at home. ^{step} That means cutting the capital gains tax rate. ~~Two of our biggest competitors internationally -- West~~

~~Just a few months ago, we broadened the producer tax credit for alternative fuels to include~~

fact check

Insert 2 - Just a few months ago,
we ~~approved~~ expanded the
producer tax credit for alternative
fuels to include ETB. This will
mean more markets for growers and
cleaner air for all Americans.

reference
FB support

~~Germany and Japan -- don't tax long-term gains at all.~~ With a cut in the capital gains tax rate, 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 includes provisions for the sale of farmland -- will be one of my top priorities in this legislative year. **Because what's good for agriculture is good for America.**

Sound agriculture policies are important to me. The Farm Bill, our international trade negotiations, and the fight for a capital gains tax cut will be high on my agenda for the nation. But I also want to talk to you today about some of the challenges facing all America. Like people everywhere in this great country, you work hard and sacrifice to make good lives for yourselves and your children. Every one of us dreams of excellence in education, economic opportunity for all citizens, a clean and healthy environment, and safe, drug-free streets, schools, and workplaces. **Together, we're working to build a better America.**

But much remains to be done and you're in the forefront. Rural America cares about education. Some say improving our schools is something for federal money and Washington bureaucrats to handle. That's not true. Whether it's a classroom on a dusty plain in North Dakota or a busy street in New York, improving education is a national challenge. Last September, the Nation's Governors and I met at the Education Summit 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. We want, and America needs, action on it soon.

Rural America is also battling the ravages of violence and drugs. Too many people think drugs and crime are solely an inner-city problem. Every citizen has the right to a safe home and 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 ~~cop-killers and~~ drug-dealers behind bars and keep them there. I urge the Congress to act swiftly on our crime legislation, which has been sitting on Capitol Hill for months. Brave citizens everywhere are standing up to crime. It's time for Congress to act quickly and responsibly. The war on drugs and crime won't wait.

Finally, rural America believes 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.

These are the concerns of Americans everywhere, not just those in the cities or on the plains. I am optimistic about the coming decade, for I believe in the wisdom of our policies and in the providence of the Almighty. And most importantly, I believe in the tough resiliency and moral strength of the American people. Throughout our history, farmers -- many in this room -- have weathered disaster after disaster. And each time, like steel forged in a white-hot furnace, you come out stronger with each testing by fire.

In the "Dirty Thirties," swirling clouds of dust ruined hundreds of farmsteads on the Great Plains, choked thousands of head of livestock and inspired the epic The Grapes of Wrath. Many of the dustbowl farmers stayed on the land, and today, their descendants have invented modern conservation techniques to catch and preserve the winter snows and spring rains -- to carry their thirsty crops through the hot plains summers. **A triumph of human courage, hope and ingenuity.**

In the 1970s, an unheard-of disease, Southern Corn Leaf Blight, swept through the fields of the Midwest. In ~~less than~~ ^{a few} ~~five~~ ^{was devastated} days, the tall green, tasseled corn died -- 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.**

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 America.

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THE WHITE HOUSE
WASHINGTON

January 5, 1990

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *W*

FROM: MARY KATE GRANT *MKG*

SUBJECT: AMERICAN FARM BUREAU SPEECH TO BE DELIVERED IN
 ORLANDO ON MONDAY, JANUARY 8

I. SUMMARY

Attached for your review is a proposed speech you will deliver at the Orlando Convention Center before the American Farm Bureau. Approximately 7,000 members will attend, and Secretary Yeutter will address the group later in the day. The speech will be teleprompted.

II. DISCUSSION

The American Farm Bureau is the agricultural equivalent of the U.S. Chamber of Commerce, and has been very supportive of the Administration's proposals on capital gains and a line-item veto.

This speech is one of the first to give your general outlook on farm policy, especially environmental, economic and international trade issues. More general topics -- foreign policy and the domestic legislative agenda -- then follow. We have worked very closely with Secretary Yeutter's office throughout this speech, and believe he is comfortable with it.

Grant/Cawley
January 5, 1990
Draft eight
A:farmers

PRESIDENTIAL REMARKS: AMERICAN FARM BUREAU
ORLANDO CONVENTION CENTER
JANUARY 8, 1990
10:45 A.M.

My thanks to Dean Kleckner ((AFB President)) for that warm introduction ... We are grateful for his leadership on the National Economic Commission, and the tremendous support of the Farm Bureau membership. My thanks, too, to your former Farm Bureau president, Robert Delano, whose leadership and counsel have been so helpful. I'm happy to have my outstanding Secretary of Agriculture Clayton Yeutter here at my side, and I know you'll hear from Ambassador Hills tomorrow. Governor Martinez, it's always a pleasure to see you and visit this beautiful state. ((This morning we saw an inspiring launch of the Space Shuttle Columbia, lifting off the breathtaking coast of Florida for yet another successful mission.))

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

I won't bore you with my fishing stories, because I could talk all day 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. 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. You've been through the worst droughts and natural disasters of the 1980s, and survived economic tough times. But you have 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 the terrible loss of the citrus and winter vegetable crop. But let me tell you. You won't be doing it alone. I've asked Secretary Yeutter to personally oversee our efforts to provide assistance and I know you can count on U.S.D.A. to be in there fighting with you.

It was a little over four 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 practices, wise management of our resources, common sense attitudes -- and, God willing, good weather -- we can succeed. Together, we will keep rural America strong, and American agriculture thriving in the 90's.

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 interest rates low, and that's what we intend to do.

This year, we will work with Congress on the 1990 Farm Bill. ((You know, getting a good Farm Bill through Congress is a little like milking a bull ...)) 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. So American farmers 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. We've got to expand markets and enhance productivity. We've got to assure the public that America's food is the safest in the world, and we've got to protect our precious environment.

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 five-year effort to work with the nation's farmers to protect our groundwater 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 the environment.

We must also make sure that all Americans are confident in the safety of our food supply. The Administration is working hard to develop legislation to protect the food supply without overwhelming the agriculture 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 tough 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 five years and other trade-distorting practices in ten years. But any agreement we sign will be an agreement that's also good for American agriculture. Our goal is simple: open markets and free trade.

And 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 Yeutter led a Presidential Delegation to Poland to determine how American know-how can help Poland shift to a market economy. We're forging new partnerships between our agriculture 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. This Administration supports greater research into biotechnology for improved productivity, and is 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 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 tax cut. **And the fight isn't over yet.**

The Farm Bill, our international trade negotiations, and a capital gains tax cut will be high on my agenda for the nation. **Because what's good for agriculture is good for America.///**

But I also want to talk to you today about some of the challenges facing all America. Like people everywhere in this great country, you work hard and sacrifice to make good lives for yourselves and your children. Every one of us dreams of excellence in education, economic opportunity for all citizens, a clean and healthy environment, and safe, drug-free streets, schools, and workplaces. **Together, we're working to build a better America.**

But much remains to be done and you're in the forefront. Rural America cares about education. Some say improving our schools is something for federal money and Washington bureaucrats to handle. 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 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. **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 and 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 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. **It's time for Congress to act quickly and responsibly. The war on drugs and crime won't wait.**

Finally, rural America believes 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**

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CAWLEY'S CHANGES

Grant/Cawley
January 3, 1990
Draft five 1990 JAN -3 PM 5:08
A:farmers

PRESIDENTIAL REMARKS: AMERICAN FARM BUREAU
71ST ANNUAL CONVENTION
ORLANDO CONVENTION CENTER
JANUARY 8, 1990
10:45 A.M.

My thanks to Dean Kleckner ((AFB President)) for that introduction. Governor Martinez, it's always a pleasure to see you. I'd also like to thank Secretary Yeutter for joining us here today.

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

I won't bore you with my fishing stories, because you never know if there are any game wardens nearby ... 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. Farming is the backbone of this country, a proud and noble part of our history. In fact, in the earliest days of our nation, Thomas Jefferson wrote that "Agriculture is the most useful of the occupations of man."

The AFB will advise as
to others who need
to be acknowledged.

Today, nearly two centuries later, I'm here to give my first major address of the new decade. And I begin this exciting, new decade by beginning with agriculture. I'd like to talk to you about the future of farming in this country, and about the future of America. But as we look forward to the future, it's also important to take a moment and reflect upon the last decade -- and what farmers have gone through, both good and bad.

You -- America's farmers -- deserve the credit for the rebound in U.S. farming achieved over the last ten years. You've been through the worst droughts and natural disasters of the 1980s, survived economic tough times, and now face the loss of this year's citrus crop. But each time, you have worked with your minds -- and your hands -- to beat adversity at every turn with a kind of can-do commitment that's been the hallmark of American farming for generations.

It was only five years ago that the landmark 1985 Farm Bill became law. Since then, the news has been good. Today, agricultural exports are reaching record highs. Surpluses have declined dramatically, and most of our good land has been brought back into production. Net farm income attained a record level last year, and the share of income that came from market sales -- instead of government supports -- continued to grow. The farm credit situation has greatly improved, bringing financial stability back to rural America.

As we face the future, the outlook is even better. Through sound fiscal practices, wise management of our resources, common

sense attitudes -- and, God willing, good weather -- we can succeed. Together, we will develop policies to keep rural America strong, and American agriculture thriving.

First on our plate is the 1990 Farm Bill. ((You know, getting a good Farm Bill through Congress is a little like milking a bull ...))

But I can tell you, we will stay with the proven principles of the 1985 Farm Bill when we sit down to write a new bill for 1990 and beyond. Certain improvements are necessary, of course, but we must not change direction. From subsidy levels, to food safety measures, to environmental concerns and free trade provisions, we will stay in keeping with the 1985 legislation. **This Administration will not cut and run.**

We've got to maintain the safety net, under farm income by maintaining the crop subsidies that have been so vital to help make ends meet on our farms. Since 1986, the cost of Federal farm programs has been cut in half, without hurting farm income. **Let me tell you, today, the two best things we can do for farmers are keep interest rates low, and cut the budget deficit.///**

But I also want to say to rural America that I do not intend to try to balance the federal budget on the backs of American farmers and ranchers. ///

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We must recognize that agriculture and a sound environment can be compatible -- especially in terms of water quality. The Administration has proposed a concentrated five-year effort to work with the nation's farmers to protect our groundwater from contamination by fertilizers and pesticides. We'll spend close to a third of a billion dollars on research and support for farmers, so that we put a stop to the 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 the environment.

We must also make sure that all Americans are confident in the safety of our food supply. The Administration is working to include legislative provisions to protect the food supply without overwhelming the agriculture industry -- and already we've seen improved coordination between the FDA, the EPA and the Department of Agriculture on this issue.

But the environment is only a part of the agricultural picture. Our farm policies must be market-oriented to guarantee that producers have the flexibility to decide what crops to grow. And the American farmer needs a level playing field in the international trade arena. But the way to fight trade barriers

remove "retaliation" ---there is concern that
this limits Carla Hills' efforts. Suggest
replacing highlighted words w/
"reciprocal protectionism"

5

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But for us to reap the benefits of a competitive economy, we must begin at home. That means cutting the capital gains tax rate. Two of our biggest competitors internationally -- West

Germany and Japan -- don't tax long-term gains at all. With a cut in the capital gains tax rate, 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 includes provisions for the sale of farmland -- will be one of my top priorities in this legislative year. **Because what's good for agriculture is good for America.**

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Thank you and God bless America.

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Pat Keeney

904-324-3101

X 302

THE WHITE HOUSE
WASHINGTON

or ask for
USPA control
Room

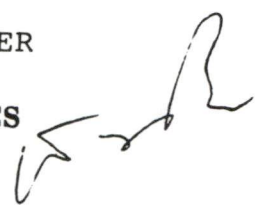
TO: CLAYTON YEUTTER

FROM: DAVID Q. BATES

FYI

Action

Comment



John Dent - Farm Bureau
supported Bush for 1st time in 2004

1990 JAN -3 PM 1

January 3, 1990

THE PRESIDENT HAS SEEN

MEMORANDUM

TO: THE PRESIDENT
FROM: CLAYTON YEUTTER

*Clayt -
a fine idea!
good report
Happy 1990
OS*

This will be a pre-weekend memo since Jeanne and I are about to head to Orlando to host a few of my fellow ag ministers and their wives for a two day meeting. We've copied a format that Bill Brock and I used at USTR, namely hosting ministers from the EC, Canada and Japan at a very informal session where we can get a lot of work done. Shirt sleeves, no communiques, an unstructured agenda. We've added Australia to this group because of their importance in agriculture. We'll give considerable attention to Uruguay Round issues, along with environmental concerns, food safety, etc.

I'll remain in Orlando over the weekend, and will do a helicopter tour over the area affected by the freeze. I'll then join you for the Farm Bureau event on Monday morning. Sorry to add that one to your agenda, but the Farm Bureau gave you enormous support during the campaign, and they constitute the conservative base in farm country. Most of the other general farm organizations are on the radical end of the political spectrum. My only guidance to your staff was that they not do a "farm speech" for you. It needs to have some generally supportive references to farmers, of course, but this is not the time to outline specific policy positions. (We've been working on those in preparation for the 1990 farm bill debate, and should have them ready to surface publicly shortly after the Congress returns). In addition, farmers are like all Americans: they're interested in what's happening in Eastern Europe and Panama, the overall performance of the economy, drug control, etc., as much or more than they are in target price or loan levels.

glad to do it

I hope the Poland trip report was helpful. Had we taken more time, both on the trip and on the report, we could have done a more polished job, but we felt timing was critical. We stayed in Warsaw only two and one half days because the Poles just can't spend all their time with visiting travelers; they have too much to do. And we wanted to surface our trip report quickly, for whatever immediate benefits it might provide here and in Poland, and to get Larry Eagleburger's followup underway promptly.

Amb. Dubinin invited me to lunch just before Christmas, and we had a most interesting conversation. He wanted to talk about Poland! He was extremely interested in all facets of our trip, particularly those relating to agriculture, and he invited me to come to the Soviet Union this year, and to bring with me the kind of private sector agribusiness people who accompanied us to Poland. That says to me that the Soviet agricultural economy is

in deep trouble, and the government is obviously contemplating some major reforms. It also indicates that they're looking for help from us, without being specific or formal about it. And I'm sure they want to keep the profile low. I told Dubinin that I'm really inundated this year with the farm bill and agricultural trade negotiations on my agenda, but that I might possibly be able to come during the August recess. My guess is that an official invitation will be forthcoming soon.

Good appointment of Deane Hinton to Panama. He's a tough and talented pro, and he'll handle things well.

Finally, special thanks for the New Year's greeting. That was a mighty thoughtful gesture. We've had a solid first year, and we just need to sustain the momentum. You and Barbara have been the star performers. Jeanne and I empathized with you as you stood and posed with all those lines at Christmas!



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

DATE:

1/3/89

TO:

Mary Kate Grant

FROM:

ROBERT E. GRADY
ASSOCIATE DIRECTOR
NATURAL RESOURCES, ENERGY AND SCIENCE

It's vital that the changes
I've marked on p. 2. As written,
the current wording is not consistent
with our approach to the farm
bill & would be devastating
at budget time.

I also suggest the ETBE
insert on p. 3

Bob Grady

ps - let me know if you need more help

CLOSE HOLD

DRAFT

Grant/Cawley
January 3, 1990
Draft five
A:farmers

PRESIDENTIAL REMARKS: AMERICAN FARM BUREAU
71ST ANNUAL CONVENTION
ORLANDO CONVENTION CENTER
JANUARY 8, 1990
10:45 A.M.

My thanks to Dean Kleckner ((AFB President)) for that introduction. Governor Martinez, it's always a pleasure to see you. I'd also like to thank Secretary Yeutter for joining us here today.

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

I won't bore you with my fishing stories, because you never know if there are any game wardens nearby ... 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. Farming is the backbone of this country, a proud and noble part of our history. In fact, in the earliest days of our nation, Thomas Jefferson 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 begin this exciting, new decade by beginning with agriculture. I'd like to talk to you about the future of farming in this country, and about the future of America. But as we look forward to the future, it's also important to take a moment and reflect upon the ^{recent past --} ~~last decade~~ and what farmers have gone through, both good and bad.

You -- America's farmers -- deserve the credit for the rebound in U.S. farming ^{in recent years} ~~achieved over the last ten years~~. You've been through the worst droughts and natural disasters of the 1980s, survived economic tough times, and now face the loss of this year's citrus crop. But each time, you have worked with your minds -- and your hands -- to beat adversity at every turn with a kind of can-do commitment that's been the hallmark of American farming for generations.

It was only five years ago that the ~~landmark~~ 1985 Farm Bill became law. ^{The costs of the bill have been very high -- about \$85 billion more -- but it has worked.} Since then, the news has been good. ~~Today,~~ ^{have increased for the fourth year in a row.} agricultural exports ~~are reaching record highs~~. Surpluses have declined dramatically, and ~~most~~ of our good land has been brought back into production. ~~Net~~ farm income attained a record level last year, and the share of income that came from market sales -- instead of government supports -- continued to grow. The farm credit situation has greatly improved, ~~bringing~~ ^{more} financial stability ~~back~~ to rural America.

As we face the future, the outlook is even better. Through sound fiscal practices, wise management of our resources, common

Redlines
Changes

Our first priority is to maintain keep the overall economy growing. That means pursuing sound fiscal and monetary policies to get interest rates down and the dollar

help provide a proable business environment in which farmers can borrow at affordable rates.

DRAFT

sense attitudes -- and, God willing, good weather -- we can succeed. Together, we will develop policies to keep rural America strong, and American agriculture thriving.

First on our plate is the 1990 Farm Bill. ((You know, getting a good Farm Bill through Congress is a little like milking a bull ...)) In addition, we will be working with the Congress this year on the 1990 Farm Bill. To be competitive in world markets, our farm policies must continue to be

But I can tell you, we will stay with the proven principles of the 1985 Farm Bill when we sit down to write a new bill for 1990 and beyond. Certain improvements are necessary, of course, but we must not change direction. From subsidy levels, to food safety measures, to environmental concerns and free trade provisions, we will stay in keeping with the 1985 legislation.

market-oriented allowing farmers the flexibility to decide what crops to grow based on market signals, not government programs. In what

At the same time, This Administration will not cut and run.

We've got to maintain the safety net under farm income by maintaining the crop subsidies that have been so vital to help make ends meet on our farms. Since 1986, the cost of Federal farm programs has been cut in half, without hurting farm income. Let me tell you, today, the two best things we can do for farmers are keep interest rates low, and cut the budget deficit. ///

But I also want to say to rural America that I do not intend to try to balance the federal budget on the backs of American farmers and ranchers. ///

I believe that Historically, America's farmers have understood the importance of a clean environment, and truly are stewards of the land. Many of you here today come from farms that have been handed down from your parents and grandparents, and for many,

OK

great-grandparents. The land you till will hopefully be planted by your children after you. You know that to protect the land is to protect not just your livelihood, but your traditions, and 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} ~~proposed~~ a concentrated five-year effort to work with the nation's farmers to protect our groundwater from contamination by fertilizers and pesticides. We'll spend close to a third of a billion dollars on research and support for farmers, so that we put a stop to the 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 the environment.

We must also make sure that all Americans are confident in the safety of our food supply. The Administration is working to ^{develop} ~~include~~ ^{on} ~~legislative provisions~~ to protect the food supply without overwhelming the agriculture industry -- and already we've seen improved coordination between the FDA, the EPA and the Department of Agriculture on this issue.

^{market orientation}
 But ~~the~~ environment is only a part of the agricultural picture. ~~Our farm policies must be market-oriented to guarantee that producers have the flexibility to decide what crops to grow.~~

^{Small}
 And, the American farmer needs a level playing field in the international trade arena. But the way to fight trade barriers

[rural development paragraph]

→ But the American farmer and consumer can be assured that we will not unilaterally phase out ~~subsidies~~ other subsidies.

DRAFT

is through tough negotiation, not retaliation and protectionism. Our Administration has just made a bold proposal in the Uruguay Round that would phase out export subsidies in five years and *other* trade-distorting subsidies in ten years. **Our goals are simple: free markets and fair trade.**

move

But in today's global economy, America must also become more competitive -- through increased production, new uses for our products, and more open markets. The Administration supports greater research into biotechnology for improved productivity, and is encouraging alternative uses of farm products -- like ethanol and other new fuels. **The value of U.S. agricultural exports has increased for the fourth 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.** That's why I sent Secretary Yeutter to lead a Presidential Economic Delegation to Poland earlier this winter. We're not simply handing the Eastern Europeans food -- we're forging new partnerships between our agriculture industries and their emerging market economies. Through market development, technology transfers, and information sharing at all levels -- Americans are helping these nations take their place in the global marketplace.

But for us to reap the benefits of a competitive economy, we must begin at home. That means cutting the capital gains tax rate. Two of our biggest competitors internationally -- West

Germany and Japan -- don't tax long-term gains at all. With a cut in the capital gains tax rate, 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 includes provisions for the sale of farmland -- will be one of my top priorities in this legislative year. **Because what's good for agriculture is good for America.**

Sound agriculture policies are important to me. The Farm Bill, our international trade negotiations, and the fight for a capital gains tax cut will be high on my agenda for the nation. But I also want to talk to you today about some of the challenges facing all America. Like people everywhere in this great country, you work hard and sacrifice to make good lives for yourselves and your children. Every one of us dreams of excellence in education, economic opportunity for all citizens, a clean and healthy environment, and safe, drug-free streets, schools, and workplaces. **Together, we're working to build a better America.**

But much remains to be done and you're in the forefront. Rural America cares about education. Some say improving our schools is something for federal money and Washington bureaucrats to handle. That's not true. Whether it's a classroom on a dusty plain in North Dakota or a busy street in New York, improving education is a national challenge. Last September, the Nation's Governors and I met at the Education Summit 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. We want, and America needs, action on it soon.

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