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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

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**OA/ID Number:** 13515  
**Folder ID Number:** 13515-009

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**Folder Title:**  
American Farm Bureau 1/8/90 [OA 4390] [2]

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Stack:	Row:	Section:	Shelf:	Position:
<b>G</b>	<b>25</b>	<b>6</b>	<b>6</b>	<b>7</b>

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WHITE HOUSE STAFFING MEMORANDUM

0053

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:

January 4, 1990

NSC concurs with suggested changes as marked on page 5.

*Brent Scowcroft*  
Brent Scowcroft

cc: James W. Cicconi

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

19:44 4 270 68

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."

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. ///

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,

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 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

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 trade-distorting subsidies in ten years. **Our goals are simple: free markets and fair trade.**

*The key to the Uruguay Round is free and fair trade in agriculture. I intend to work hard to make the Round a success.*

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 <sup>led</sup> ~~to lead~~ a Presidential ~~(Economic)~~ Delegation to Poland earlier this winter. <sup>to determine how American know-how could assist Poland's</sup> ~~We're not simply handing the Eastern~~

*shift to a market economy.*

~~Europeans food~~ <sup>→</sup> ~~We're~~ forging new partnerships between our agriculture industries and <sup>East Europe's</sup> ~~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.

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 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 five 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.

# # #



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20250

1990 JAN -3 PM 7:48

January 3, 1990

**INFORMATIONAL MEMORANDUM FOR THE PRESIDENT**

FROM: Clayton Yeutter  
Secretary

SUBJECT: Agricultural Effects of the December Freeze

**I. Extent of Damage**

**Intensity of Freeze:**

Cold weather plunged into the lower Rio Grande Valley of Texas on the morning of December 22. On the following day, minimum temperatures reached 18° F at Brownsville, Texas. Temperatures did not exceed freezing again until the afternoon of December 24. Except for one 3-hour period, temperatures were at or below freezing for over 50 consecutive hours.

A freeze occurred in central Florida on the evening of December 23. Temperatures at Orlando were at or below 32° F on the morning of December 24 for a brief period. In southern Florida (latitude of Miami), temperatures were at or below 32° F for brief periods on December 24 and 25.

In both Texas and Florida, the freeze was comparable in intensity and damage to that of December 1983, which caused the most damage of any recent freeze.

**Estimated Losses:**

Damage assessments by USDA's National Agricultural Statistics Service (NASS) for Texas and Florida are under way. Preliminary surveys indicate significant damage of citrus and winter vegetable crops in both States. The rapid return of warm weather has made salvage operations more difficult in both States.

Among vegetables in Texas, cabbage and celery are the most affected. In Florida, tomatoes, sweet corn, peppers, lettuce and cucumbers have been severely damaged. Damage to strawberries has not been as severe. Recovery of crops is fairly rapid. Florida's strawberry output may likely be back to normal in 2 to 4 weeks, while tomato and sweet corn supplies will be affected until March or April. Texas vegetable shipments from the Rio Grande Valley will be disrupted for 4 to 6 weeks.

THE WHITE HOUSE  
WASHINGTON

Date: 1/4

TO: DAVID DEMAREST

FROM: **JAMES W. CICCONI**  
**Assistant to the President and**  
**Deputy to the Chief of Staff**

Some mention of freeze effect  
on agriculture might be  
desirable in Farm Bureau speech.

The attached has been forwarded  
to the President.

*CW - Dave wants a "freeze  
sound bite" in speech for the  
local news coverage. MK*

DEC 4 5:00

Unharvested sugarcane was damaged by the freezing temperatures. Florida and Texas both had completed about half their sugarcane harvests. Preliminary estimates indicate losses could be 100,000 to 200,000 tons, 6 to 12 percent of their combined production.

USDA's first estimate of damage to the 1989/90 citrus crops in Texas and Florida will be published in the January 11 Crop Production report. In Florida, ice was found in all fruit cut in the 113 groves sampled. Fruit droppage, spoilage, weather conditions and juice content of harvested fruit will affect the final outcome which will not be known with certainty for months to come. In 1983, with comparable temperatures, Florida lost about 30 percent of its anticipated citrus output and Texas lost more than half. In the following year, citrus production in Texas was virtually zero while orange production in Florida declined another 10 percent. Texas lost about two-thirds of its orange tree acreage as a result of the 1983 freeze while Florida lost about one-third.

## **II. Economic Effects**

### **Market Overview:**

The principal loss of citrus products will be oranges for frozen concentrated orange juice (FCOJ). The FCOJ futures prices indicate the market's belief that FCOJ wholesale prices will rise perhaps 25 to 35 percent. The January FCOJ contracts traded at \$1.28 per pound in the weeks prior to mid-December, but closed at \$1.70 on Tuesday, January 2. Contracts for delivery later in 1990 have risen almost as much over the past two weeks.

Effects on the fresh orange market should be much less, because Florida and Texas are minor suppliers of fresh oranges for the domestic market. California and Arizona account for nearly 80 percent of all fresh orange shipments. The freeze will have a larger effect on supplies of fresh grapefruit, as Florida and Texas shipped 84 percent of the fresh supply in 1988/89.

Florida accounts for nearly half of domestic consumption of tomatoes, peppers, cucumbers, squash, eggplant, and snapbeans between January and March. Florida accounts for 45 percent of U.S. sugarcane, with Texas providing another 5 percent.

### **Importance of Imports:**

Nearly 40 percent of U.S. consumption of FCOJ was imported in 1988, mostly from Brazil. Following the 1983 freeze, imports surged to 62 percent of consumption from 35 percent before the freeze. This year, Brazil has a bumper crop of oranges, and Brazilian processors currently hold a record supply of FCOJ.

Mexico normally accounts for about half of the fresh tomatoes, peppers, cucumbers, squash, eggplant, and snapbeans consumed in

the United States from January through March. In the past, Mexican growers have been quick to increase exports following U.S. freezes. Because Mexico has dropped a requirement that its growers obtain export permits, more production may be directed to the U.S. this season than in the past.

#### **Retail Prices:**

The effect of the 1989 freeze on retail food prices may parallel what happened after the 1983 freeze. During the month of January 1984, the overall price of fresh fruit and vegetables rose 15 percent. However, as supplies came in from other regions and Mexico and replanted crops were harvested, prices began to drop and by April prices had returned to the December level. Fresh orange prices were largely unaffected, as most come from California. Fresh grapefruit prices initially rose 13 percent during January 1983, but were unchanged thereafter. The retail price of FCOJ, for which most Florida oranges are used, rose steadily throughout 1984, peaking at 21 percent above the December 1983 level. The large Brazilian supplies should temper 1990 price increases.

Domestic sugar prices have risen about 2 percent since the freeze. U.S. sugar supplies have been tight this year and the import quota was recently increased. The effect of the freeze on sugar prices during 1990 will depend on the size and timing of sugar imports, particularly from Brazil.

The freeze is not expected to affect overall food prices appreciably in 1990. The USDA was forecasting a 3 to 5 percent rise in the Consumer Price Index (CPI) for food in 1990 prior to the freeze. The weight of all fresh vegetables in the CPI for food is 4 percent. All fresh fruit 3 percent, and all fruit juices 2 percent. If the fresh vegetable CPI were to rise 15 percent above the pre-freeze estimate for one quarter and all fruit juices 15 percent for all of 1990, the food CPI would increase about 0.5 percent. That is, instead of a pre-freeze rise of perhaps 4 percent in 1990 for the food CPI, we would see a 4-1/2 percent rise. This estimate is very conjectural but gives the order of magnitude of possible freeze-damage effect.

### **III. Federal Response**

The Disaster Assistance Act of 1989 provides for disaster assistance payments to producers of 1989-crop fruits and vegetables damaged by freezing weather. The Act also includes Federal cost sharing of replanting expenses for trees killed by freezing weather. Eligible producers may apply for relief at county offices of the USDA's Agricultural Stabilization and Conservation Service (ASCS). ASCS is now in the process of determining which fruit and vegetables meet the definition of 1989 crops.

**INFORMATIONAL MEMORANDUM FOR THE PRESIDENT**

4

The USDA's Federal Crop Insurance Corporation (FCIC) will provide indemnity payments to insured fruit and vegetable farmers. FCIC is now assessing damages.

The Governor of Florida has declared parts of the State as disaster areas making them eligible for certain State programs. This may be done in Texas soon. Florida has applied for emergency lending programs administered by the USDA's Farmers Home Administration (FmHA). No application has yet been received from Texas. The Disaster Assistance Act of 1989 also provides FmHA guaranteed loans to rural businesses and certain farmers not eligible for regular FmHA loans.

# WHITE HOUSE STAFFING MEMORANDUM

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**RESPONSE:**

89 DEC 4 11:34

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

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and  
ETBE

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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.

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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.

# # #

# 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"/>	UNTERMEYER	<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:**

OK. S.R.

89 DEC 4 10:24

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.

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 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. ///

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,

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 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

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 trade-distorting subsidies in ten years. Our goals are simple: **free markets and 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. 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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Thank you and God bless America.

# # #

THE WHITE HOUSE

WASHINGTON

January 4, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM: JIM PINKERTON

SUBJECT: American Farm Bureau Draft Speech

A good draft, if a little lengthy. One item for consideration: In Looking Forward, the President recounts that he and Mrs. Bush considered becoming farmers as they planned their move from the Northeast in 1948. If we remember correctly, the President read a book about farming at the time. Even though he decided to go into the oil business instead (another enterprise producing wealth from the earth), the Farm Bureau audience might find this fact sympathetic.

A few minor comments follow:

pg. 1, para. 3, line 1 "I won't bore you with my fishing stories because you never know if there are any game wardens nearby...."

We should not have the President in any way suggest that he has or would break the game laws. We suggest omitting the half of the sentence beginning with "because you never know" and substituting something like: "because I could talk all day on that subject."

2,1,2 "And I begin this exciting, new decade by beginning with agriculture."

The use of "begin" and "beginning" is awkward -- instead: "focusing on agriculture" or "looking to the future of farming." Also, the comma after "exciting" should be omitted.

5,2,3 Instead of "The Administration," "This Administration."

###

89 DEC 4 P2:21



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503



**NOTICE:**

Enclosed are comments from staff members of the Office of Management and Budget (OMB). Such comments do not necessarily represent the official position of the Director of OMB or of the Office of Management and Budget. If you wish to have the Director's personal comments, please let me know -- and contact me if you have any questions.

A handwritten signature in black ink, which appears to read "David J. Haun", is written above the typed name.

David J. Haun  
Executive Assistant  
to the Director

89 DEC 4 P 2: 26

# 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:**

*See comments*

**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.

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 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.

*Al-Samarie  
5873*  
→ 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. ///

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,

*Holers  
x 5128  
Questionable  
Taste!*

*those elements that worked*

*Grady  
4844*

*We've got to expand markets. Enhance production*

*Assure the public that America's food safety is the safest in the world,*

*We've got to give American farmers the chance to do what Americans do best: compete.*

*Expand trade opportunities. And keep interest rates down.*

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 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

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 trade-distorting subsidies in ten years. Our goals are simple: free markets and fair trade.

*Al-Samarie  
5873*

*Note: Fair Trade has become a "buzz-word" - meaning protectionism. Suggest you change the phrase to "open markets & free 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. The Administration supports greater research into biotechnology for improved productivity, and is encouraging alternative uses of farm products -- like ethanol and other new fuels.

*In real terms,*

The value of U.S. agricultural exports has increased for the fourth year in a row, and sales to

*is going to*

developing nations -- the dynamic markets of the future -- were up 13 percent last year.

*A.P. Samarie*

*? where did you get this? 1989 numbers aren't in yet*

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

*Brookly  
48440*

*That means expanding agricultural research to improve our agricultural competitiveness. And let me announce today that in my FY '91 budget, I expect to include a major agricultural research initiative. (the history of)*

al-Samarie

have little or no<sup>6</sup>

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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~~that~~ means expanding markets here at home. Just a few months ago, we approved expanding the producer tax credit for alternative fuels to include E15. This will mean more markets for growers, & cleaner air for all Americans.

Brady  
4/8/44

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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Thank you and God bless America.

# # #

# WHITE HOUSE STAFFING MEMORANDUM

1/5/90

DATE: \_\_\_\_\_ ACTION/CONCURRENCE/COMMENT DUE BY: \_\_\_\_\_

PRESIDENTIAL REMARKS: AMERICAN FARM BUREAU  
71ST ANNUAL CONVENTION  
ORLANDO, FLORIDA

SUBJECT: \_\_\_\_\_  
(1/5 - draft eight)

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BATES	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	DELAND	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
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**REMARKS:**

The attached has been forwarded to the President.

**RESPONSE:**

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

THE WHITE HOUSE

WASHINGTON 20503  
930 JAN -5 PM 3.53

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

**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, 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.

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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