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*10/12/98*

**TO:**

*TOM FREIDMAN*

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*456 7431*

**FROM:**

*TOM AMONTREE*

**DATE:**

*7-21-98*

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# NEWS RELEASE

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## **PRESIDENT CLINTON ANNOUNCES AGRICULTURE DISASTER ASSISTANCE FOR ALL FLORIDA COUNTIES**

DAYTONA BEACH, Fla., July 9, 1998—President Bill Clinton today announced disaster assistance for all Florida counties, making additional help available to agricultural producers whose crops have been ravaged by drought and wildfires. Agriculture Secretary Dan Glickman joined the President in Daytona Beach for the announcement following a tour of affected areas.

In addition to the 475,000 acres scorched by recent fires—including 155,000 acres of forest land valued at \$185 million—some 600,000 acres of summer crops across the State have been severely affected by prolonged drought. An additional 1.2 million acres of grazing land have been severely damaged.

“Extreme conditions such as these call for swift and decisive action,” Clinton said. “My administration will do all that we can to assist Florida farmers and ranchers to recover from this extraordinary disaster.”

This declaration makes all Florida farmers who have suffered a 30 percent loss of normal production eligible for Farm Service Agency emergency farm loans. To qualify, producers must be creditworthy but unable to obtain credit elsewhere and must have adequate security. USDA estimates that 18,000 producers in the state have incurred losses of up to \$160 million. Damage to the Florida corn crop is estimated at 95 percent, and for many other crops yields are projected to be only 10 percent of normal.

USDA also will help producers rebuild fences and otherwise rehabilitate farmland damaged by the recent fires. The Emergency Conservation Program provides a cost share of 64 percent of the first \$62,500, and 40 percent of the next \$62,500, of the cost of rehabilitating farmland damaged by natural disasters.

USDA's Risk Management Agency reports that crop insurance policies covering about 750,000 acres of tomatoes, potatoes, peanuts, nursery crop, and citrus are in force with a total insurance liability approaching \$700 million. Producers with insurance will be covered for losses due to both fire and drought.

-more-

"When natural disasters strike, USDA employees stand ready to help," Glickman said. "Whether fire, drought, or flood, we can and will respond quickly to provide food assistance, firefighting personnel and equipment, and help to producers."

Glickman noted that USDA's Food and Nutrition Service has provided food from its School Lunch Program stocks to the American Red Cross to help provide more than 5,000 meals to Florida residents forced from their homes by recent wildfires.

USDA's Forest Service has more than 1,500 firefighting personnel and hundreds of pieces of firefighting equipment from national forests across the nation in Florida to assist with state and local firefighting efforts.

■

NOTE: USDA news releases and media advisories are available on the Internet. Access the USDA Home Page on the World Wide Web at <http://www.usda.gov>

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**BACKGROUND ON RURAL TRANSPORTATION**  
**JULY 21, 1998**

*President Clinton and Vice President Gore, themselves the natives of states with strong rural traditions, are giving rural Americans the safe, efficient transportation they need. They are helping America's heartland meet the challenges created by long distances, rugged conditions, and the need to ship agricultural products and natural resources.*

- \* **Rebuilding America.** President Clinton recently signed the Transportation Equity Act for the 21st Century (TEA-21), which guarantees \$198 billion over six years to continue rebuilding America. Rural America will benefit from new and rebuilt roads, expanded lifeline paratransit services, and a greater voice in transportation investment decision-making which will ensure that rural areas receive their fair share of federal funds. TEA-21 also dedicates funding to help rural welfare recipients get to jobs and extends the Ethanol Tax Credit through 2007, protecting the environment by encouraging the use of ethanol in gasoline.
- \* **Improving Safety.** Rugged conditions and long distances mean that 60 percent of highway deaths occur on rural roads. New technologies funded by TEA-21 will improve safety through real-time information on weather and road conditions and Mayday services for faster emergency responses on isolated roads. TEA-21 also authorizes \$3 billion for safety construction, including elimination of highway-rail grade crossings, and gets unsafe trucks, and unsafe truckers, off the roads.
- \* **Continuing Air Service.** President Clinton has continued the record \$50 million in annual Essential Air Service operating subsidies to smaller, more isolated communities that otherwise wouldn't be served by commercial carriers. This will ensure continued access to air service for America's heartland.
- \* **Sustaining Passenger Rail Service.** The Amtrak Reform and Accountability Act, which President Clinton signed in December 1997, gives Amtrak the resources and the operating flexibility it needs to continue serving more than 500 communities in 44 states across America, many of them in rural areas not served by airlines.
- \* **Long-Term Agricultural Transportation Strategy.** In Kansas City on July 27-28, Agriculture Secretary Dan Glickman will host a summit on "Agricultural Transportation Challenges for the 21st Century." Transportation Secretary Rodney Slater will join Secretary Glickman in announcing President Clinton's Long-Term Agricultural Transportation Strategy to help meet these challenges.

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August

**Audio-bridge with President Clinton and Secretary Glickman**  
**Thursday, July 23 @ 3:00 p.m. ET**  
**Questioner list**

**Brownfield Network**

**Interviewer:** Shelley Beyer

**Phone:** 573-893-5700

**Topic:** What can we do about low farm prices? Also interested in fast track and IMF.

Based in Jefferson City, Missouri, this network has 200+ affiliate stations in Arkansas, Colorado, Illinois, Indiana, Kansas, Missouri, Nebraska and Tennessee.

**Q: What are you going to do about the rapid decline in farm income?**

**A:** The first thing that we need to recognize is that this is a major drought coupled with other things that are beyond the control of the farmer -- severe weather and a serious economic downturn in Asia where many of our biggest customers are. That's why government must respond quickly to farmers and ranchers who are suffering.

That's why we are pushing Congress to approve emergency assistance for farmers and ranchers who are experiencing financial stress from natural disasters and low prices. In addition, we are purchasing surplus wheat which will be used to help needy people overseas. We are also challenging Congress to improve the farm safety net in a number of very specific ways. We are also looking for ways to strengthen crop insurance, which is a key component of the safety net so that those who suffer repeated disasters are adequately compensated.

**Q: Why is IMF funding so important to farmers and ranchers?**

**A:** When major U.S. agricultural markets like Indonesia, Korea, Russia, and other countries in Southeast Asia experience an economic crisis, they can't afford to buy our goods. The IMF helps stabilize those economies, while they make important structural reforms to open their economies. This provides U.S. farmers and ranchers with both benefits, because it ensures that our customers around the world are strong enough to buy American farm products.

That's why it is so disturbing that Congress has failed to act to provide full funding for the IMF. delaying this important legislation is a mistake that puts American jobs, farmers, and savers at risk. There is no doubt that the resources of the IMF are stretched dangerously thin -- especially in the wake of the Russia package. Failing to act responsibly now only increases the risks to American jobs and exports.

**Q: What about Fast Track?**

**A:** Fast track is critical to our long term ability to negotiate strong agreements to break down unfair trade barriers around the world. I applaud the agricultural community's support for free trade. Agriculture stands to gain perhaps more than any other sector of our economy from breaking down trade barriers overseas. That's why we have put agriculture at the top of the agenda for WTO trade negotiations set to begin in 1999.

But the most important thing we can do this year to give the IMF the funds it needs to improve help American farmers. The IMF helps stabilize those economies, while they make important structural reforms to open their economies. This provides U.S. farmers and ranchers with both benefits, because it ensures that our customers around the world are strong enough to buy American farm products.

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**WHO-AM, Des Moines, Iowa**

**Interviewer:** Gary Wergen

**Phone:** 515-242-3550

**Topic:** Gary will ask what we can do about low farm prices -- uncapping loans; accelerating payments. And, trade, specifically, IMF, sanctions and fast track.

WHO-AM is a 50,000 watt clear-channel radio station that reaches most of Iowa and several surrounding states. The President has previously interviewed with WHO-AM.

**See above, for farm prices Q&A**

**See above, for IMF Q&A**

## **Arkansas Radio Network -- Agriculture**

**Interviewer:** Stewart Doan

**Phone:** 501-661-7612

**Topic:** Will ask about low commodity prices and reaction to the Democratic Congressional proposals to improve the safety net. Also interested in IMF funding and fast track.

Based at KARN-AM/FM in Little Rock, this network has 29 Ag stations and 67 statewide affiliates. Stewart Doan will be the interviewer and is a farm broadcaster based in Little Rock. Mr. Doan is also the current president of the National Association of Farm Broadcasters. The NAFB will make audio from the entire program available to its more than 2000 radio station affiliates nationwide.

**Q:** How would you strengthen the Farm Safety Net?

**A:** When I signed the 1996 Farm Bill, at a time when prices were strong, I made clear my concern that there was not an adequate safety net for farmers. The bill had to be signed to avoid putting farmers in an even more difficult situation under the old 1949 Farm Bill.

We have also proposed legislation to Congress to improve the 1996 Farm Bill to strengthen the safety net for family farmers. Our proposals would extend the term of marketing assistance loans; increase planting flexibility; allow flexibility in farmers can receive advance AMTA payments, improve credit availability and modify the "one strike" policy for farmers who have had a debt writedown; let farmers use USDA guaranteed operating loans to refinance; expand and improve crop insurance; compensate farmers whose crop and pasture land is flooded; and provide emergency feed assistance to livestock producers suffering from drought, and allow us to use leftover EEP funds in future years for food aid and other purposes.

**Texas State Ag Network****Interviewer:** Tony Purcell (Julius Graw as backup)**Phone:** 817-543-5525**Topic:** Concerned about drought relief for Texas. Also, the recent decision to purchase surplus wheat for humanitarian efforts.

Based at KRLD-AM in Dallas, this network has 50 affiliate stations throughout Texas. This network is also affiliated with the Texas State Radio Network, which has an additional 60 stations (total of 110 statewide stations).

**Q:** Why can't you do more to help livestock producers who suffer losses due to drought?

**A:** Unfortunately, the 1996 Farm Bill suspended USDA's emergency feed programs until 2002. This is authority we would like to have back. We expended all available funds from the sale of grain in the Disaster Reserve Assistance Program addressing last year's livestock emergencies and have no congressional authority to replenish those stocks. Last week, I proposed emergency legislation to replenish this reserve with commodities forfeited to the USDA. Congress should move quickly to get this legislation to my desk to sign it.

**Red River Farm Network**

**Interviewer:** Mike Hergert

**Phone:** 701-795-1315

**Topic:** Wants to follow up on Saturday's announcements. And, are we considering any changes to crop insurance?

Based in Grand Forks, North Dakota, this network has 14 affiliate stations in Northwest Minnesota, and Eastern North Dakota.

**Q:** What are you doing to improve crop insurance?

**A:** In addition to all our recent announcements, I have asked the Secretary to look at other ways we can help get our farmers through these tough times. We have already made several changes to crop insurance and we are studying new ways to make it better.

## **Agrinet Farm Radio Network**

**Interviewer:** Bill Ray

**Phone:** 919-480-1372

**Topic:** What are the Administration's suggestions for long term help for farmers. Would we consider returning to provisions from the pre-1996 farm bill?

Based in Kill Devil Hills, North Carolina, this network has 300+ affiliates in Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia, North Carolina, South Carolina, New York, Illinois, Ohio, South Dakota, Texas and Wisconsin

**Q:** Would you consider returning to provisions from the pre-1996 Farm Bill

**A:** I have no intention of returning to the supply management programs of the past. We don't want to go back to the days when government micro-managed farmers, telling them what to plant and when to plant. The Farm Bill's flexibility has proven to be very beneficial to American agriculture in our global economy. Today, our farmers and their products are second to none in innovation and productivity.

But, when I signed the Farm Bill two years ago, I said I was very concerned about its failure to provide an adequate safety net. Unfortunately, that bill took away our authority to respond quickly to disasters. We still are not satisfied that the 1996 Farm Bill provides an adequate safety net for farmers and we have put forward a number of proposals to strengthen it.

**WGNS-AM, Murfreesboro, Tennessee**

**Interviewer:** Bart Walker

**Phone:** 615-893-5373

**Topic:** What can we do to save the family farm. And, what do you see as the differences between the Republican and Democratic proposals to help farmers.

WGNS-AM is 1,000 watt radio family owned and operated talk-news-sports station in Murfreesboro. The station does heavy early morning and late afternoon news and ag coverage and has high listenership among the local farm community.

**Q: What can we do to save the family farm?**

**A:** I am very concerned about the decline in family farms. We believe a comprehensive approach is needed to help keep farmers on the land. That's why we are working to expand markets abroad for American farm products and to make sure that there is a safety net when unforeseen events devastate people's lives and livelihoods.

Family farmers also need access to credit and that's why we have endorsed legislation which would give farmers a second chance by modifying the "one strike and you're out" provisions in the 1996 Farm Bill. The Agriculture Department has also established an Office of Outreach to provide technical assistance to farmers so they can remain competitive. In addition, we're targeting our agricultural research to address their needs.

**Q: What is the difference between the Republican and Democratic proposals to help farmers?**

**A:** There are some in Congress who just think we should leave the market alone and leave these families to the ups-and-downs of the market. They are apparently content to ride out this economic downturn and focus on increasing exports, even though many of our farmers and ranchers are suffering from economic and natural disasters that require action.

We believe the farm safety net needs to be strengthened. We have put forward proposals to address the inadequacies of the safety net which have not been acted upon by Congress. In the meantime, we have exercised what administrative authority we have to help farmers and ranchers -- buying surplus wheat and donating it to people around the world facing real hunger..

On the trade front, we are pushing Congress to provide full funding for the International Monetary Fund, which can help restore stability to the Asian economies, which are such critical customers for America's farmers. We are also pushing for a more rational sanctions policy that exempts basics such as commercial exports of food and medicine except under compelling circumstances.

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*Rural agenda*

July 22, 1998

**CONGRESSIONAL MEETING ON AGRICULTURE AND  
RURAL RADIO CONFERENCE CALL**

DATE: July 23, 1998  
LOCATION: Oval Office  
TIME: 3:00 PM EDT  
FROM: Mike McCurry &  
Megan Moloney

**I. PURPOSE**

This event will give you an opportunity to outline your plans for dealing with the immediate crisis affecting America's farms, point out areas where Congress has failed to act, and to speak more broadly about your agenda for rural America.

You will discuss these issues first with Members of Congress in the Roosevelt Room. You will then participate in a conference call with 7 farm broadcasters on the same issue.

**II. BACKGROUND**

For five and a half years, you have worked to expand opportunity for rural Americans and farm families. The Administration has helped farmers manage risk and address market volatility; provided critical disaster assistance to rural homeowners, farm owners, and business owners, as well as to ranchers who have lost livestock; expanded U.S. agricultural exports; improved our school lunch programs by buying surplus commodities; and worked to diversify the sources of enterprise and income in rural America.

But rural America still faces challenges -- with the economic crisis in Asia weakening some of our best customers for farm products, strong world crop production bringing prices down, and farmers facing floods and fires and drought and crop disease.

Today you will announce important steps to address these challenges.

- 1) A four-point action plan for rural America that:
  - Expands the rural economy through exports and development;
  - Improves the farm income safety net;
  - Strengthens our rural infrastructure by improving transportation, protecting universal service, and improving our schools; and
  - Promotes health and welfare for rural America
- 2) Policy to exempt food exports from U.S. sanctions policy
- 3) Agriculture disaster assistance for Texas counties

### III. PARTICIPANTS

#### Briefing: 1:15 - 2:15 PM

The President  
 Secretary Glickman  
 Rahm Emanuel  
 Mike McCurry  
 Gene Sperling  
 Bruce Reed  
 Daniel Heath  
 Lowell Weiss  
 Greg Frazier, USDA Chief of Staff  
 Tom Amontree, USDA Public Affairs

#### Congressional Pre-Meeting: 2:15 - 2:20 PM

The President  
 Secretary Glickman  
 Sen. Daschle  
 Rep. Gephardt

#### Congressional Meeting: 2:20 - 2:55 PM

The President  
 Secretary Glickman  
 Sen. Daschle  
 Rep. Gephardt  
 (See attachment for members invited to attend)

#### Conference Call: 3:00 - 3:45 PM

The President  
 Secretary Glickman  
 7 Farm Broadcasters (see attachment)  
 6 Future Farmers of America Officers (see

attachment)

Megan Moloney  
 Julianne Corbett

White House Communications (WHCA) Personnel  
 White House Television (WHTV)  
 White House Photographer

#### IV. PRESS PLAN

The Congressional Meeting is **POOL PRESS** coverage. Following the event, Members will do interviews with their local television, radio and print outlets from both the North Lawn and Capitol Hill.

The Conference Call is **STILLS ONLY** at the conclusion of the call. Audio from the call will be available to radio stations and print reporters by way of a listen-only phone line being set up by the USDA. In addition, the National Association of Farm Broadcasters is making the program available to its nearly 2000 member stations. The call will also be simulcast on the White House Web site.

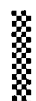
#### V. SEQUENCE OF EVENTS

1:00 Briefing begins  
 2:15 You greet Rep. Gephardt and Sen. Daschle  
 2:20 You proceed to the Roosevelt Room for remarks  
 to  
 Members of Congress  
 (Note: Your remarks will be covered by the  
 pool. Upon conclusion of the remarks, you will need  
 to briefly exit the room so that the press can be  
 pulled out of the Roosevelt before you speak  
 individually with the Members.)  
 2:55 You proceed to the Oval Office  
 3:00 Conference call begins with opening remarks  
 from Secretary Glickman, followed by your opening  
 remarks. Secretary Glickman will then moderate the call  
 as each reporter asks one question.

#### VI. REMARKS

There will be brief opening remarks at the beginning of the call. Remarks will be provided by the Office of Speechwriting.

#### VII. ATTACHMENTS

 Congressional invitation list  
 Farm Broadcasters information  
 Future Farmers of America Officers

information

Q&A

### CONGRESSIONAL INVITATION LIST

The following Members of Congress have been invited to attend the meeting and listen to the conference call on agricultural issues.

Sen. Tom Daschle  
Sen. Max Baucus  
Sen. Barbara Boxer  
Sen. Dale Bumpers  
Sen. Max Cleland  
Sen. Kent Conrad  
Sen. Byron Dorgan  
Sen. Dick Durbin  
Sen. Russ Feingold  
Sen. Bob Graham  
Sen. Tom Harkin  
Sen. Fritz Hollings  
Sen. Tim Johnson  
Sen. Bob Kerrey  
Sen. Herb Kohl  
Sen. Mary Landrieu  
Sen. Patrick Leahy  
Sen. Carol Mosley-Braun  
Sen. Patty Murray  
Sen. Harry Reid  
Sen. Charles Robb  
Sen. Jay Rockefeller  
Sen. Paul Wellstone  
Sen. Ron Wyden

Rep. Dick Gephardt  
Rep. Scotty Baesler  
Rep. John Baldacci  
Rep. Marion Berry  
Rep. Sanford Bishop  
Rep. Leonard Boswell  
Rep. George Brown  
Rep. Eva Clayton  
Rep. Gary Condit  
Rep. Jerry Costello  
Rep. Bud Cramer  
Rep. Pat Danner  
Rep. Cal Dooley  
Rep. Bobby Etheridge  
Rep. Lane Evans  
Rep. San Farr  
Rep. Virgil Goode  
Rep. Earl Hilliard  
Rep. Holden

Rep. Darlene Hooley  
Rep. Jay Johnson  
Rep. Chris John  
Rep. Ron Kind  
Rep. Nick Lampson  
Rep. Mike McIntyre  
Rep. David Minge  
Rep. Collin Peterson  
Rep. Earl Pomeroy  
Rep. Glenn Poshard  
Rep. Max Sandlin  
Rep. Ike Skelton  
Rep. Vic Snyder  
Rep. Debbie Stabenow  
Rep. Charlie Stenholm  
Rep. Ted Strickland  
Rep. Bennie Thompson  
Rep. Jim Turner

## **FARM BROADCASTERS PARTICIPATING IN CONFERENCE CALL**

### **Agrinet Farm Radio Network**

Based in Kill Devil Hills, North Carolina, this network has 300+ affiliates in Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia, North Carolina, South Carolina, New York, Illinois, Ohio, South Dakota, Texas and Wisconsin

Interviewer: Bill Ray

### **Brownfield Network**

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Interviewer: Shelley Beyer

### **Texas State Agricultural Network**

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Interviewer: Bart Walker

## **Briefing Issues, 7/23**

1. In addition to emergency help for crises in agriculture, we need to invest in rural America:

- \* School construction. 30% of rural/small town schools have at least one school building in need of extensive repair or replacement. GAO.

- \* Crime. More than \$2 billion to provide police for small communities. DOJ Examples attached.

- \* Welfare to Work.

- \* Telemedicine.

2. Issues in Contention:

USDA will likely make the point that more than \$500 billion will ultimately be needed. OMB has been hesitant on this issue.

Glickman has publicly favored lifting the cap on loan rates. The President has not said this publicly before. This could be very costly but Daschle wants it.

3. A Future trip.

Discussions are underway to try and get the President to stop in mid-August in the Great plains. Announcing further funds at that time would obviously be a possibility.

4. Polling shows free trade, transportation, and the emergency ag. subsidy are all popular.

5. Breaking news.

A little girl in Georgia has now died from e-coli she apparently got while swimming in a pool. While farmers may be mixed on the topic, if a reporter asks it is a chance to plug for the food safety budget pending in Congress.

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## PRESIDENT CLINTON'S RURAL ACTION PLAN FOR AMERICA

July 23, 1998

**FIVE AND A HALF YEARS OF PROGRESS, BUT CHALLENGES REMAIN.** For five and a half years, President Clinton and Vice President Gore have worked to expand opportunity for rural Americans and farm families. The Administration has provided critical disaster assistance to rural homeowners, farm owners, and business owners, as well as to ranchers who have lost livestock, fought to expand U.S. agricultural exports, improved our school lunch programs by buying surplus commodities, and worked to diversify the sources of enterprise and income in rural America. But rural America still faces challenges -- with the economic crisis in Asia weakening some of our best customers for farm products, strong world crop production bringing prices down, and farmers facing floods and fires and drought and crop disease.

**TODAY, PRESIDENT CLINTON ANNOUNCES IMPORTANT STEPS TO ADDRESS THESE CHALLENGES.**

- ***An Action Plan for Rural America.*** President Clinton today is laying out a four-point action plan for rural America that:
  - ✓ Expands the rural economy through exports and development;
  - ✓ Improves the farm income safety net;
  - ✓ Strengthens our rural infrastructure by improving transportation, protecting universal service, and improving our schools; and
  - ✓ Promotes health, welfare, and a clean environment for rural America.
- ***Agriculture Disaster Assistance for Texas Counties.*** President Clinton today is announcing that all Texas counties are eligible for disaster assistance, making additional help available to producers whose crops have been ravaged by drought. The President will dispatch Secretary Glickman to Texas and Oklahoma next week to survey the hardest-hit regions and to report back on other steps that we should take.

### **A FOUR-POINT ACTION PLAN FOR RURAL AMERICA**

#### **1. EXPANDING THE RURAL ECONOMY THROUGH EXPORTS AND DEVELOPMENT**

- ***Implementing the Wheat Purchase Initiative.*** On Saturday, President Clinton took strong steps to help our family farmers by reducing crop surpluses. He directed the Secretary of Agriculture to purchase 80 million bushels of wheat, which will lift prices for all wheat. The President launched a new initiative to press the struggle against world hunger, donating U.S. wheat to countries where the need is greatest -- places such as Sudan and Indonesia.
- ***Fighting for Full Funding of the IMF to Shore Up America's Customers Around the World.*** We must keep the market for our products growing by giving the International Monetary Fund the resources it needs to stabilize Asian economies that are critical customers for America's farmers. Farm and other exports are responsible for 30% of the economic growth we have enjoyed since 1993.

- ***Exempting Food Exports from U.S. Sanctions Policy.*** The President believes that commercial exports of food and other basic human necessities should be excluded from economic sanctions as a matter of general principle -- except under compelling circumstances. President Clinton signed into law an exemption for US food exports from economic sanctions required by the nuclear non-proliferation law. This law allows American farmers to continue selling wheat to Pakistan, the market for 7 percent of US wheat. But Congress should do more to give us the flexibility we need to protect our domestic interests, without harming our foreign interests. This could best be accomplished by including in any sanctions legislation authority for the President to determine whether exempting food would be in the national interest.
- ***Aggressively Opening Markets Around the World.*** The Clinton Administration has a comprehensive approach to opening agricultural markets in our key export markets -- bilaterally, regionally and multilaterally. Agricultural exports to Mexico have surged over the last year. In Latin America, we have established a negotiating group focused on agricultural trade in the Free Trade Area of the Americas process, and in the Asia-Pacific region, we have kicked off discussions aimed at lowering barriers to specific agricultural products. Across the Atlantic, the President and British Prime Minister Blair announced a new initiative with the European Union last May to address regulatory barriers to bioengineered agricultural exports. In his recent speech at the World Trade Organization, the President laid out an ambitious agenda for the next round of global agricultural negotiations, starting with a launch next year in the United States. And last month, the Secretary of Agriculture and the U.S. Trade Representative initiated an Administration-wide effort to combat phony technical barriers to agricultural exports.
- ***Enforcing Our Trade Agreements.*** We have been aggressive in using every tool at our disposal to ensure that agreements made are agreements kept. The United States is bringing and winning more cases in the WTO than any other country, and over one third of the cases we have initiated involve agriculture. For instance, the Administration has won important agricultural disputes at the WTO challenging the European Union's restrictions on some American-produced beef and Philippine barriers to pork and poultry. And now, the President and Vice President are pressing France to clear the way for \$200 million in U.S. corn exports to Europe. We have also made clear that we support legislation to create a new review mechanism to identify and address unfair trade practices in agriculture.
- ***Promoting Farm Exports.*** The Clinton Administration has nearly doubled USDA export financing in the past year to nearly \$6 billion. On July 7, the Administration proposed legislation to ensure the flexibility to move Export Enhancement Program (EEP) balances left at the end of the year into other programs to fund additional sales of U.S. crops. This year, the President proposed that unused balances be carried over into subsequent years to expand U.S. exports. Congress should move quickly to approve these initiatives.
- ***Increasing Access to Capital in Rural America.*** The Clinton Administration has invested more than \$175 million in the nation's three rural empowerment zones and 33 rural enterprise communities (EZ/ECs) since 1995, creating or saving over 7,000 jobs. And more than 700,000 rural citizens now receive additional services in the EZ/EC's as a result of

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USDA loans, grants, and programs. The Administration wants to build on this effort to bring economic development to distressed rural areas by providing \$40 million in mandatory grants to each of the five new rural EZ's over the next 10 years.

## 2. IMPROVING THE FARM INCOME SAFETY NET

- ***Urging Congress to Help Farmers and Ranchers in Need through Emergency Funding.*** Last week, President Clinton called on Congress to relieve farm financial stress, urging emergency funding to address extraordinary conditions in many regions of the country. The bill is now going to conference, and the Administration urges the conference committee to include emergency funding for the three purposes the President recommended:
    - Supplemental Crop Insurance Benefits would make new supplemental crop insurance payments to farmers who have had losses sufficient to trigger regular crop insurance indemnity payments in three out of the last five years (on the condition that the indemnity payment was greater than the insurance premium paid by both the farmer and USDA). This option avoids market intervention while providing assistance to areas in greatest need and would benefit about 45,000-50,000 farmers.
    - Crop and Pasture Flood Compensation would make payments to farmers and ranchers whose crop or pasture land is under standing water (a problem particularly in parts of the Dakotas). They would receive payments equal to the rental value of the land each year the land is flooded.
    - Replenish the Disaster Reserve for Livestock Feed Losses to replenish a fund used to provide emergency feed and livestock assistance to cover and prevent losses due to natural disasters. The 1996 Farm Bill limited the disaster reserve to about \$60 million in resources, and those resources are now almost exhausted. The program has helped get feed to cattle after blizzards in the Dakotas, New Mexico and the Midwest, but has also aided livestock producers in New York and California.
- The Administration is assessing the damage that farmers and ranchers have suffered because of natural disasters and will be providing the most current estimates to Congress.
- ***Enhancing the Fund for Rural America.*** The Fund provides additional resources for rural development and innovative agricultural research that are vital to improving the quality of life in rural America and increasing the productivity of U.S. farmers. The Administration proposed creating the Fund in 1996 to boost the overall Federal investment in these activities. Unfortunately, Congress is not giving a penny to the Fund for Rural America this year. We will continue to fight for full funding -- \$300 million over the next five years.
  - ***Modernizing Agricultural Research.*** The President recently signed into law the Agricultural Research, Extension, and Education Reform Act of 1998, which puts funding for crop insurance on a sure footing for the future, and boosts investment on agricultural research and rural development. Unfortunately, the House has moved to block \$120 million of this mandatory funding for next year.

- ***Improving Crop Insurance.*** The President has instructed Secretary Glickman to redouble his efforts to augment the current crop insurance program to more adequately meet farmers' needs to protect against farm income losses. Federal crop insurance represents a fundamental fabric of the farm safety net, yet circumstances in some regions reveal the shortcomings of the current program.
- 3. STRENGTHENING RURAL INFRASTRUCTURE BY IMPROVING TRANSPORTATION, PROTECTING UNIVERSAL SERVICE, AND IMPROVING OUR SCHOOLS**
- ***Investing in Rural Transportation Systems.*** President Clinton recently signed the Transportation Equity Act for the 21st Century (TEA-21), which guarantees \$198 billion over six years to continue rebuilding America's transportation infrastructure. Rural America will benefit from new and rebuilt roads, expanded life-line paratransit services, a greater voice in transportation investment decision-making to ensure that rural areas receive their fair share of federal funds. TEA-21 also dedicates funding to help rural welfare recipients get to jobs, and extends the Ethanol Tax Credit through 2007.
  - ***Developing a Long-Term Agricultural Transportation Strategy.*** In Kansas City on July 27-28, Secretary Glickman will host a summit on "Agricultural Transportation Challenges for the 21st Century." Transportation Secretary Rodney Slater will join Secretary Glickman in announcing plans to develop a Long-Term Agricultural Transportation Strategy to help meet these important challenges.
  - ***Continuing Air Service.*** President Clinton has continued the record \$50 million in annual Essential Air Service operating subsidies to smaller, more isolated communities that otherwise would not be served by commercial carriers.
  - ***Protecting Universal Service.*** President Clinton strongly supports universal service to ensure that all Americans have access to affordable telephone service for telecommunications. More than 38 million residential and business subscribers are served by telephone companies that receive support for serving "high cost" (rural) areas. Without universal service, telephone rates would be prohibitively expensive for many Americans living in rural areas, and they would not be able to access the Internet or phone service. All Americans would then lose, since our telecommunications system is much more valuable to the nation when we are all connected. The President strongly supports expanding universal service to include schools, libraries, and rural health care providers. Unfortunately, some members of Congress are threatening repeal of the e-rate and undermine universal service.
  - ***Pushing for Rural School Modernization.*** Almost one-half of the nation's 80,000 public elementary and secondary schools are located in rural or small town areas. According to the U.S. General Accounting Office, 30 percent of those rural and small town schools (educating 4.5 million children) have at least one building in need of extensive repair or replacement. We must move forward this year with a comprehensive effort to address the needs of rural schoolchildren.
  - ***Improving Distance Learning.*** President Clinton has proposed legislation to make it

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easier for Americans to gain access to new skills using distance learning. In his new Higher Education Act proposal, the President seeks to broaden opportunities for distance learners by including computers in the "cost of attendance" for purposes of financial aid; allowing institutions that offer more than 50 percent of their courses using distance learning to be eligible for student aid; and providing grants to "virtual universities" and other experiments with distance learning with a program called "Learning Anytime, Anywhere Partnerships." The Administration's Distance Learning initiative includes loans and grants to help bring the most modern technology and education to rural America.

#### **4. PROMOTING HEALTH, WELFARE, AND A CLEANER ENVIRONMENT FOR RURAL AMERICA**

- ***Advancing Telemedicine.*** The President has set a goal of connecting all rural clinics and hospitals to the "information superhighway." In 1996, he signed the Telecommunications Act, which expanded the definition of universal service to include rural health care providers. The program is designed to ensure that rural health care providers pay no more than their urban counterparts for telecommunication services. This will help improve the quality of care in rural America by allowing patients to receive advice from the best specialists in the country.
- ***Improving Food Safety.*** The President's Food Safety Initiative is a comprehensive plan for improving food safety, including education, new technology, standards and more inspectors to make sure all food, including food that is imported, is safe. Congress should fund this \$101 million initiative when it is raised in conferences on appropriations bills. The President has also called on Congress to pass the Food Safety Enforcement Enhancement Act, which gives USDA the ability to assess civil fines and to order mandatory recalls of unsafe meat and poultry products.
- ***Welfare-to-Work.*** One of the biggest barriers facing people who move from welfare to work, particularly in rural areas, is finding transportation to get to jobs, training, and child care centers. The President's new transportation bill authorizes \$750 million over five years for his initiative to help those on welfare get to work. Last year's balanced bill included \$3 billion to help move the people who are hardest to place people into jobs -- \$700 million of it to be awarded on a competitive basis -- about 30% to rural areas.
- ***Promoting Clean Water.*** To promote private conservation efforts, the President's new Clean Water Action plan includes about \$100 million a year in new resources for farmers to help control polluted runoff, create 2 million miles of buffer zones next to waterways, and develop pollution prevention plans covering more than 35 million acres.
- ***Providing Safe Drinking Water:*** In 1994 President Clinton launched the Water 2000 Initiative to help upgrade and expand drinking water service in rural communities plagued by some of the nation's worst water quality, quantity, and dependability problems. Water 2000 has already improved drinking water quality or provided a public water supply for the first time to some 2.5 million people in over 1,300 rural communities nationwide.

- - ***Making Rural Areas Safer.*** The President has awarded more than \$2.3 billion in COPS grants to 10,500 law enforcement agencies serving small communities. 49% of the grants were awarded to communities with populations of fewer than 10,000.

## COMMODITY PRICES AND THE FARM ECONOMY

**Question:** Is the farm sector in a crisis?

**Answer:** Overall, the U.S. agricultural economy is performing well, but some sectors of agriculture are under stress, and in certain states, considerable stress. Declining commodity prices are taking their toll, particularly on farmers in the Northern Plains, where wheat accounts for roughly 45 percent of the value of all agricultural production. In recent weeks, the Kansas City market for wheat dropped below \$3 per bushel for the first time since 1991. In the Northern Plains, farm income has fallen sharply due to three straight years of record and near-record world wheat production, declining exports, and repeated years of sustained crop losses.

The problems are not limited to the Northern Plains: this year, farm income from wheat, corn, and soybeans will be well below the five year average. With corn, cattle, and soybean prices all down, these regional problems are growing and are a cause for national concern.

**Question:** Why are prices weak for major commodities?

**Answer:** There are many reasons. For one, world grain production is up: this is the third year in a row of record and near-record wheat, corn, and soybean crops. At the same time, demand is down: this year our producers face a triple challenge on the export front: weak demand in Asia, increased export competition due to large world supplies, and a stronger U.S. dollar.

## **STRENGTHENING THE FARM SAFETY NET**

**Question:** What are you going to do about the rapid decline in farm income?

**Answer:** We are purchasing surplus wheat which will be used to help needy people overseas. We are also pushing Congress to provide emergency assistance for farmers and ranchers who are experiencing financial stress from natural disasters and low prices. And we are challenging Congress to improve the farm safety net in a number of very specific ways.

**Question:** How would you assess Freedom to Farm?

**Answer:** We have seen that it works well during good economic times, but it fails to provide an adequate safety net. However, planting flexibility has certainly been a success, as have been the conservation programs.

**Question:** What is the difference between the Republican and Democratic proposals to help farmers?

**Answer:** The Majority really hasn't put forward any new proposals. They are apparently content to ride out this economic downturn, even though many of our farmers and ranchers are suffering from economic and natural disasters that require action.

We on the other hand, believe the farm safety net needs to be strengthened. We have put forward proposals to address the inadequacies of the safety net which have not been acted upon by Congress. In the meantime, we have exercised what administrative authority we have to help farmers and ranchers.

On the trade front, we are pushing Congress to provide full funding for the International Monetary Fund, and a more rational sanctions policy that exempts basics such as food and medicine -- except under compelling circumstances.

**Question:** Would you consider returning to provisions from the pre-1996 Farm Bill

**Answer:** We have no intention of returning to the supply management programs of the past. We don't want to go back to the days when government micro-managed farmers, telling them what to plant and when to plant. The Farm Bill's flexibility has proven to be very beneficial to American agriculture in our global economy.

But, when the President signed the Farm Bill, he made clear his concerns about the adequacy of the safety net. It took away much of our authority to respond quickly to disasters. We still are not satisfied that the 1996 Farm Bill provides an adequate safety net for farmers and we have put forward a number of proposals to strengthen it.

**Question:** How would you strengthen the Farm Safety Net?

**Answer:** When I signed the 1996 Farm Bill, at a time when prices were strong, I made clear my concern that there was not an adequate safety net for farmers. The bill had to be signed to avoid putting farmers in an even more difficult situation under the old 1949 Farm Bill.

We have also proposed legislation to Congress to improve the 1996 Farm Bill to strengthen the safety net for family farmers. Our proposals would extend the term of marketing assistance loans; increase planting flexibility; allow flexibility in farmers can receive advance AMTA payments, improve credit availability and modify the “one strike” policy for farmers who have had a debt writedown; let farmers use USDA guaranteed operating loans to refinance; expand and improve crop insurance; compensate farmers whose crop and pasture land is flooded; and provide emergency feed assistance to livestock producers suffering from drought, and allow us to use leftover EEP funds in future years for food aid and other purposes.

**Question:** Do you support Speaker Gingrich’s call to make over \$5 billion in payments to producers in October?

**Answer:** We should give farmers the opportunity to receive their AMTA payments earlier than December 15, as the 1996 Farm Bill provides. Secretary Glickman proposed this earlier this year. I must remind everyone that the Gingrich plan does not offer additional income to family farms - it simply accelerates payments by a few months. We need more substantiate improvements in farm policy if we are to provide a proper safety net for family farmers.

**Question:** What has USDA proposed to improve access to credit for financially strapped borrowers?

**Answer:** Currently under the 1996 Farm Bill imposes a lifetime ban, without exception, on FSA loans to family farmers who have previously received FSA debt forgiveness. We have requested Congressional authority to give creditworthy USDA borrowers a second chance. Unless this provision changes, many of these borrowers will be forced out of business, even though they have the ability to repay the loans they need.

## **AGRICULTURAL EXPORTS**

**Question:** Why have U.S. agricultural exports fallen so sharply?

**Answer:** There are three main causes for this year's decline. The first has been the Asia crisis which is largely to blame for U.S. exports to the region falling by 17 percent over the first eight months of the year. This region accounts for almost 40 percent of worldwide U.S. exports. The second has been lower commodity prices, especially for grains, which has largely been responsible for the 12 percent decline in the value of our worldwide bulk commodity exports. The third is the strength of dollar, which has made U.S. exports less competitive against major exporters including Canada, Australia, and the European Union.

**Question:** What are you doing to boost commercial U.S. agricultural exports?

**Answer:** For one, we are making substantial credits available under USDA's export credit guarantee programs. In response to the Asia crisis, we made available \$2.4 billion in export credit guarantees in fiscal year 1998 to countries in Asia. Overall, we have announced export credit guarantees of nearly \$5.8 billion for fiscal year 1998, up from \$3.9 billion at this time a year ago. Our export credit guarantee program has proven to be the right tool at the right time.

We also continue to help U.S. producers develop foreign markets through a variety of programs (Market Access Program, Foreign Market Development Program, Cochran Fellowship Program, and Emerging Markets Program).

**Question:** Why is IMF funding so important to farmers and ranchers?

**Answer:** When major U.S. agricultural markets like Mexico, Korea, and those in Southeast Asia experience a macroeconomic crisis, the ensuing chaos and capital flight can sharply reduce U.S. agricultural exports to those markets. IMF loan programs help stabilize those economies and induce them to undertake structural reform and trade liberalization. This provides U.S. farmers and ranchers with both short term and long term benefits. Should another crisis break out, we are concerned about their ability to offer assistance and the negative impact that would have on U.S. agricultural export interests.

**Question:** Why are normal trade relations with China important for farmers and ranchers?

**Answer:** MFN is critical for agriculture. At stake is the fate of \$3.3 billion in U.S. agricultural products. MFN will keep China in the market for U.S. agricultural products. If we were to revoke MFN, it is very likely that China would retaliate and turn to other countries, such as Australia, Canada, and the European Union, all of whom would line up quickly to fill the void left behind by the United States. Moreover, revoking normal trade relations with China would undermine our efforts to resolve several key issues (i.e., access for U.S. wheat from the Pacific Northwest, citrus, plums and tobacco) and jeopardize ongoing WTO accession negotiations.

**Question:** How has agriculture fared under NAFTA?

**Answer:** NAFTA is now the number one regional market for U.S. agricultural exports. Although agricultural exports are down overall, we are seeing strong gains in exports to our NAFTA partners, Mexico and Canada. This year, U.S. agricultural exports to Mexico are up 19 percent over 1997 and exports to Canada are up 8 percent over 1997. **NOTE:** U.S. imports from Canada and Mexico are up as well. We are now running a substantial deficit in agricultural trade with Canada.

**Question:** Is the Administration still concerned about imports of wheat from Canada?

**Answer:** We continue to be concerned about high levels of Canadian wheat and barley imports are of significant regional importance to producers in the northern Plains who believe that excessive Canadian imports disrupt their market. Trade must be fair as well as free. We continue to monitor very closely shipments of wheat and barley from Canada. For the past five years, imports of wheat from Canada have been at historically high levels. As you know, the Canadian Wheat Board controls all wheat and barley exports. We are concerned that this gives Canada the opportunity to compete unfairly in international markets. This is of particular importance to producers in the Northern Plains compete with the CWB. For these reasons, we have requested a full audit of Canadian Wheat board sales, and hope to work with Canadian officials to address our concerns.

**Question:** Will USDA's purchase of wheat encourage more wheat imports from Canada?

**Answer:** This should not draw additional wheat into the United States. We expect typical trade patterns between the United States and Canada to continue. We are now in a global marketplace. To the extent our actions have a positive effect on price, it will be because we are increasing wheat utilization world-wide, not displacing commercial sales.

**Question:** How are you responding to the EU's continued refusal to allow imports of U.S. corn?

**Answer:** We continue to press the Europeans, specifically France, to approve unapproved corn varieties for import. The Vice President called the Prime Minister of France on this very issue on Tuesday morning. We believe these products are safe. Biotechnology offers great promise for improving farmers income and environmental protection.

## **Sanctions and Agricultural Exports**

**Q:** Do you support Congressional efforts to exempt agricultural goods from unilateral sanctions?

**A:** First, we should be prepared to donate food to those around the world at risk of malnutrition or starvation. Moreover, I believe as a general principle that commercial exports of food and other human necessities should be excluded from sanctions, except under compelling circumstances. In implementing sanctions we must never forget their humanitarian impact. On July 14, I signed into law a bill to exempt USDA credit guarantees from mandatory sanctions under the Arms Export Control Act. This allowed U.S. exporters to sell 300,000 tons of wheat to Pakistan the very next day.

And I urge Congress to go further, and to include in any sanctions legislation Presidential authority to determine whether exempting food would be in the national interest.

**Q:** Does this mean you support lifting current restrictions on food and medicine exports to Cuba, Iran, North Korea, Sudan or Libya?

**A:** I currently could not support legislation lifting or modifying sanctions on any of those countries.

## **EXPORT SUBSIDIES**

**Question:** Why are we subsidizing dairy product exports under the Dairy Export Incentive Program (DEIP) and driving up the cost of butter?

**Answer:** DEIP sales were not a factor in driving up the price of butter in the United States. In July 31, 1997, it was anticipated that the full quantity of dairy products permitted by the Uruguay Round agreement would be exported under the DEIP in the 1997/98 (July/June) year. This commitment was fulfilled for three of the four eligible products: nonfat dry milk, whole milk powder, and cheese.

For butterfat, less than half was accepted for export under the DEIP. After January 1, 1998, only 342 tons were sold under the DEIP. High prices and strong demand within the United States are the principal reasons for the relatively low level of DEIP butterfat exports.

**Question:** What is USDA doing about subsidized EU barley?

**Answer:** We objected very strongly when the EU subsidized a shipment of barley to California last April, and then we retaliated with a shipment of US barley to their market using the Export Enhancement Program (EEP.) We remain very concerned over the continued high level of EU barley subsidies - still \$50 per ton, and are closely monitoring the situation to ensure that there is no repeat of last April's subsidized EU sale to California. Global import demand is weak, yet competition has intensified with abundant supplies of cheap barley available for export from a number of countries. Consequently, EU subsidies tend to exacerbate the downward price spiral as well as disrupt normal, free-trade patterns.

**Question:** Are you going to authorize an Export Enhancement Program (EEP) for wheat?

**Answer:** It is not fair, but American farmers and ranchers still have to compete with subsidized exports from the European Union and elsewhere. That is why EEP remains an important tool and we will use it where conditions warrant. Under the current market circumstances, we believe an EEP for wheat would result in lower prices for our farmers. Clearly in these circumstances an EEP for wheat would not be productive.

**Question:** What is your current position on the recent legislation submitted by the Department of Agriculture to allow the use of EEP money for several food aid programs?

**Answer:** I continue to support this legislation and would hope that Congress would act on this proposal. Our legislation would provide the Secretary of Agriculture the ability to assure that funds designed to benefit U.S. agriculture do just that. My budget for next year also proposed that unused EEP balances be available for use in future years.

## **CHARTER ACT AND FOOD AID**

**Question:** Under what authority are you operating the initiative you announced last Saturday?

**Answer:** The CCC Charter Act of 1948 provides broad authority to remove and dispose of, or aid in the removal and disposition of, surplus agricultural commodities. The wheat will be used for humanitarian donations under the authority of Section 416(b) of the Agricultural Act of 1949.

**Question:** When was the last time these authorities were used?

**Answer:** We are currently using the Section 416(b) authority and have used it extensively during the last 15 years. The Charter Act authority we are using has not been used since at least 1985. In 1985, Congress narrowed the authorities delegated to USDA for Charter Act use. With the passage of the 1996 Farm Bill, Congress restored much of this Charter Act authority including the authority to remove and dispose of, or aid in the removal and disposition of, surplus agricultural commodities.

**Question:** Are you going to expand the initiative beyond wheat?

**Answer:** At this time, we are focusing on wheat, but I have directed Secretary Glickman to continue to review the surplus situation facing other commodities.

## **ESTATE TAX RELIEF FOR FARMERS**

**Question:** Farm leaders have called for Congress to provide farmers and ranchers with relief from the Estate Tax. Do you support this?

**Answer:** Last summer when I signed tax relief legislation into law, we completely exempted 96 percent of this nation's farm households from estate taxes and significantly reduced the estate tax burden on the remaining four percent. The topic of today's discussion should be on improving economic opportunity for all farmers and ranchers rather than providing additional relief for just the wealthiest four percent.

## **DISASTER ASSISTANCE**

**Question:** What does your disaster designation mean for Texas farmers?

**Answer:** This makes available low-interest USDA emergency loans.

**Question:** Why can't you do more to help livestock producers who suffer losses due to drought?

**Answer:** Unfortunately, the 1996 Farm Bill suspended USDA's emergency feed programs until 2002. This is authority we would like to have back. We expended all available funds from the sale of grain in the Disaster Reserve Assistance Program addressing last year's livestock emergencies and have no congressional authority to replenish those stocks. Last week, I proposed emergency legislation to replenish this reserve with commodities forfeited to the USDA.

## **RAIL TRANSPORTATION PROBLEMS**

**Question:** What is the current situation with agricultural transportation?

**Answer:** Complicated. A lot of U.S. grain moves directly into the export markets or is exported in value-added forms like pork chops or drum sticks. But because of the Asian economic crisis, U.S. exports have really fallen off, so prices are low and there's a lot of grain in storage right now. The problem is that, as we head into the peak harvest period, folks may decide to move out the old grain all at once to make room for the new grain. That's the recipe for a real mess, particularly when the railroads are really struggling just to provide "routine" service levels.

**Question:** What's USDA doing about the rail transportation problems?

**Answer:** Next week, Secretary Glickman will be in Kansas City with Transportation Secretary Slater at a national agricultural transportation summit. There will be over 200 industry leaders there representing railroads, barge companies, shippers, receivers, and farm organizations. We'll be talking about what we can do now and how agricultural transportation is changing. A lot of the conference is going to focus on long-term issues like the impact of biotechnology, railroad capacity issues, the investments some countries like Argentina and Brazil are making in their inland waterways, but we'll also take time to review the current grain logistics situation.

Earlier this year, Secretary Glickman signed a memorandum of understanding with the Surface Transportation Board, agreeing to work cooperatively to develop better information on grain logistics -- such as how the railroads are performing and where the grain piles are. We hope that this kind of information will help shippers, receivers, and railroads know where the budding problems are and where to focus their attention.

## **MILK MARKETING ORDERS**

**Question:** What is the current status of the Milk Marketing Order reform process?

**Answer:** At this time, USDA is reviewing the comments that were submitted in response to the proposed rule which was issued in January. Almost 4,500 comments have been received with more than 3,350 comments being submitted by dairy producers. Over half of the comments have been received from the Northeastern United States. The comments primarily address the issues of the Class I price structure (fluid milk) and the consolidation of the Federal milk orders which were set forth in the proposed rule.

**Question:** What is the next step in the Federal Order Reform process?

**Answer:** After the comments have been reviewed, additional information obtained, and further analysis completed on various proposed options, USDA will prepare a final decision that will set forth the specifics of the consolidated Federal orders. Producers will be provided the opportunity to vote to determine approval or disapproval of the consolidated orders. Once the voting process is completed, a final order will be issued that will implement the new orders.

The 1996 Farm Bill mandates that the new orders be effective no later than April 4, 1999. Currently there is legislation being considered by Congress that would extend the effective date by six months.

## **AGRICULTURAL RESEARCH**

**Question:** What kind of research is being funded by the Agriculture Research Service?

**Answer:** ARS research has made significant contributions in the areas of food safety with new tests to quickly detect food borne pathogens as well as preventative measures to eliminate salmonella in baby chickens. Other research to control wheat scab, so vital to the great plains ,to eliminating phosphates in livestock waste and control of pfisteria, ARS research is providing the technology to attain a sustainable, efficient, and environmentally sound agricultural system.

**Question:** How will the recently signed Agricultural Research, Extension, and Education Reform Act of 1998 support the needs of farmers, ranchers, and consumers?

**Answer:** Needed funds to continue research to provide a safer more nutritious food supply while protecting our environment will be made available. Production agriculture will gain through research in genomics to produce disease resistant, higher yielding crops as well as alternative uses of agricultural products to provide new avenues of revenue.

## **TOBACCO**

**Question:** What will happen to tobacco farmers if Congress passes a streamlined tobacco bill?

**Answer:** I support a comprehensive approach to resolve the tobacco issue. I have made clear on many occasions that any tobacco legislation must protect tobacco farmers and their communities.

I am concerned that the Congress is considering legislation that does not address the concerns of tobacco growers. I am also concerned that the individual settlements with the State Attorneys General do not address the growers. Most tobacco farmers live and work on small family farms; in many cases, their families have been growing tobacco for generations. In some states, entire communities rely on income from the tobacco crop. I am committed to working with Members of Congress in both parties to ensure that we protect the financial well-being of tobacco farmers, their families, and their communities.

## **ORGANIC REGULATIONS**

**Question:**     **How close are we to getting national organic standards?**

**Answer:**       On December 16, 1997, USDA announced the proposed rule governing national standards for growing, processing, labeling, importing, and certifying organically grown food and fiber. The comment period was open until April 30, 1998. The proposed rule was accessible on the Internet at its own website and comments were accepted online, and put back out on the Internet for public viewing, a government first. More than 275,000 comments were received, which will be considered in formulating a second proposed rule, due out by the end of 1998. USDA is committed to standards that the organic community can embrace.

**Question:**     **Why did USDA rule out the “big three”--products of biotechnology, the use of irradiation in food processing, and the application of biosolids (municipal sludge) in organic food production?**

**Answer:**       The first proposed rule did not take a position on these issues; instead, the proposal asked for public comment on these items. Biotechnology, irradiation, and biosolids are safe and have important roles to play in agriculture, but as the comments made clear, they neither fit current organic practices nor meet current consumer expectations about organics. Therefore these products and practices will not be included in the revised proposal, and food produced with these products and practices will not be allowed to bear the organic label.

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## **RURAL DEVELOPMENT**

**Question:** What can the Federal Government do in rural areas to promote economic growth?

**Answer:** USDA, through its Rural Development Agencies — Rural Business-Cooperative Service (RBS), Rural Housing Service (RHS) and Rural Utilities Service (RUS) — provides a wide range of assistance: grants and guaranteed loans to existing and start-up businesses, distance learning and telemedicine technologies, clean drinking water and proper disposal systems, assistance to help rural citizens become homeowners, essential community facilities (hospitals, childcare centers, fire stations) and numerous other services designed to help communities and their citizens realize a better quality of life.

In addition, the Empowerment Zone/Enterprise Community (EZ/EC) Initiative works with traditionally distressed and under-served communities in a comprehensive manner to create jobs, build infrastructure, spur investment through leveraging and partnerships, and build stronger communities that endure. After a very successful first round of designations, we are now ready to launch a second round.

**Question:** How much funding does the Federal Government provide for these programs?

**Answer:** USDA Rural Development program levels (including grants and loans) is nearly \$10 billion annually nationwide. In South Dakota, Rural Development expects to award \$90 million this year to help South Dakotans meet their housing, business and utility needs.

**Question:** What types of specific initiatives are presently being done?

**Answer:** Obviously everything being done is important. Successful economic development means that you not only create jobs in a community, but also that there is affordable housing, safe and reliable utilities, adequate infrastructure, good schools, hospitals, etc. Presently, my Administration has a home ownership that has pushed home ownership levels to record highs. We also have Water 2000 which is working to ensure that every rural citizen has access to clean, safe drinking water. As I mentioned, the second round to EZ/EC is coming up. We also have a Self-help housing Initiative where groups of rural residents partner with a not-for-profit organization to build their own homes. The “sweat equity” that they provide from physically building their homes is treated as a down-payment that they otherwise would not have had.

**Question:** What is the REAP Initiative?

**Answer:** The Rural Economic Area Partnership (REAP) Initiative was established to address the unique problems of the Northern Great Plains: low-density settlement patterns, historic dependence on agriculture, continued population loss and outmigration, stagnant or declining employment, and isolation that has led to disconnection from markets, suppliers, and centers of information and finance.

Two Zones were designated with each zone completing a strategic plan for economic revitalization. As part of this process, federal funds were targeted to the zones. To date, nearly \$30 million has been invested in the REAP area.

**Question:** What is the Administration's position on the House- and Senate-passed versions of the FY 1999 appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies?

**Answer:** The President's senior advisers have serious reservations about certain aspects of both the House and Senate versions of the bill.

*Farm Issues:* • The total funding in both bills is close to request (\$13.7B), but both achieve these levels in part by cutting key programs including 2 in the Ag research bill signed last month: the Fund for Rural America in FY 1999 (-\$60M); and agriculture research investment (-\$120M in FY 1999).

- The Senate bill provides \$500M in contingent emergency funds to assist farmers and ranchers suffering income loss due to repeated natural disasters and low commodity prices ("the Conrad Amendment")
- Both the House and Senate fail to fund the proposed \$7M increase for Outreach for socially disadvantaged farmers. Both versions of the bill include the requested statute of limitations waiver for civil rights complaints.

*Other issues:* • The House has not funded the \$7M increase for additional research as part of the Climate Change Technology Initiative or the \$23M increase for the Clean Water Action Plan.

- Neither bill accepted increased user fees proposed by the Administration -- the largest was \$473M to cover meat/poultry inspections by USDA's Food Safety and Inspection Service.
- There are no objectionable environmental riders in either bill.
- The House bill contains a provision that would prohibit the Food and Drug Administration from using funds for the testing, development, or approval of any drug for the chemical inducement of abortion. **The Secretary of Health**

**and Human Services would recommend that the President veto any bill that includes this provision. No Senate provision.**

- Both the House and the Senate fail to fund the proposed \$100M increase for FDA's efforts to reduce tobacco use among young people.
- The House bill would freeze WIC funding at the FY 1998 level of \$3,924M. This level is \$157M below the request and would result in cuts to the proposed participation level of 7.5M of over 100,000 participants. Senate bill \$24M more than the House.

**Audio-bridge with President Clinton and Secretary Glickman**  
**Thursday, July 23 @ 3:00 p.m. ET**  
**Questioner list**

**Brownfield Network**

**Interviewer: Shelley Beyer**

**Phone: 573-893-5700**

**Topic: What can we do about low farm prices? Also interested in fast track and IMF.**

Based in Jefferson City, Missouri, this network has 200+ affiliate stations in Arkansas, Colorado, Illinois, Indiana, Kansas, Missouri, Nebraska and Tennessee.

**Question:** What are you going to do about the rapid decline in farm income?

**Answer:** We are supporting Senator Conrad's amendment providing emergency assistance to farmers and ranchers who are experiencing financial stress from natural disasters and low prices. In addition, we are purchasing surplus wheat which will be used to help needy people overseas. We are also challenging Congress to improve the farm safety net in a number of very specific ways. We are also looking for ways to strengthen crop insurance, which is a key component of the safety net so that those who suffer repeated disasters are adequately compensated.

**Question:** Why is IMF funding so important to farmers and ranchers?

**Answer:** When major U.S. agricultural markets like Mexico, Korea, and those in Southeast Asia experience a macroeconomic crisis, the ensuing chaos and capital flight can sharply reduce U.S. agricultural exports to those markets. IMF loan programs help stabilize those economies and induce them to undertake structural reform and trade liberalization. This provides U.S. farmers and ranchers with both short term and long term benefits. Should another crisis break out, we are concerned about their ability to offer assistance and the negative impact that would have on U.S. agricultural export interests.

**Question: What about Fast Track?**

**Answer:** I applaud the agricultural community's support for fast track. Agriculture stands to gain perhaps more than any other sector of our economy from breaking down trade barriers overseas. For one thing, agriculture is at the top of the agenda for WTO trade negotiations set to begin in 1999. In my State of the Union address, I called upon Congress to renew Fast Track, and I am disappointed that they have not done so yet. I am hopeful that Congressional leaders can muster the votes and approve fast track, so we can move forward in opening markets for our exports.

*Message  
Shelley Beyer  
Fast Track  
Not placed  
till later  
- fast track  
now*

*A. Yes,  
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immediately  
help  
17% of grain  
exported.*

*up-  
get every  
country to  
lower*

**WHO-AM, Des Moines, Iowa****Interviewer:** Gary Wergen**Phone:** 515-242-3550**Topic:** Gary will ask what we can do about low farm prices -- uncapping loans; accelerating payments. And, trade, specifically, IMF, sanctions and fast track.

WHO-AM is a 50,000 watt clear-channel radio station that reaches most of Iowa and several surrounding states. The President has previously interviewed with WHO-AM.

See above, for farm prices Q&ASee above, for IMF Q&A**Arkansas Radio Network -- Agriculture****Interviewer:** Stewart Doan**Phone:** 501-661-7612**Topic:** Will ask about low commodity prices and reaction to the Democratic Congressional proposals to improve the safety net. Also interested in IMF funding and fast track.

Based at KARN-AM/FM in Little Rock, this network has 29 Ag stations and 67 statewide affiliates. Stewart Doan will be the interviewer and is a farm broadcaster based in Little Rock. Mr. Doan is also the current president of the National Association of Farm Broadcasters. The NAFB will make audio from the entire program available to its more than 2000 radio station affiliates nationwide.

**Question:** Do you support Congressional proposals to improve the safety net?

**Answer:** The Administration supports the Democratic Congressional proposals including mandatory livestock pricing to make the information more readily available to small and medium sized ranchers. We also support extending loans. We support Sen. Conrad's proposal to provide direct emergency disaster assistance to farmers. We expect to continue to work with the House and the Senate as the financial toll of these disasters becomes apparent.

Country of origin labeling can be a useful source of information to consumers, but such labeling has to be done in a way that avoids unnecessary disruptions to our domestic or export markets. And, of course, it has to be consistent with our international obligations.

We have worked with Sen. Daschle to implement a voluntary "Product of USA" label for U.S. beef and will continue to work with him and other members of Congress, as well as our domestic industries and consumer groups, to fashion a program that meets all concerns.

The Administration is studying carefully the language passed last week by the Senate in the Agricultural Appropriations bill and will be working with Senators and the industry to

Q. Why hasn't  
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- will pass  
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address any problems we may find with that legislation.

### **Texas State Ag Network**

**Interviewer:** Tony Purcell (Julius Graw as backup)

**Phone:** 817-543-5525

**Topic:** Concerned about drought relief for Texas. Also, the recent decision to purchase surplus wheat for humanitarian efforts.

Based at KRLD-AM in Dallas, this network has 50 affiliate stations throughout Texas. This network is also affiliated with the Texas State Radio Network, which has an additional 60 stations (total of 110 statewide stations).

**Question:** What can you do to help the farmers and ranchers in Texas who are suffering from the severe drought there?

**Answer:** The President today will declare the state of Texas a disaster area, enabling the state's farmers and ranchers to apply for low interest emergency loans. Emergency loans help cover production and physical losses. USDA has also authorized emergency haying and grazing of CRP acreage in counties with significant losses in hay and pasture production. And, the President will ask you to travel to Texas and Oklahoma next week to see the damage first hand and report back to him.

**Question:** Tell me about the President's decision to buy surplus wheat for humanitarian purposes.

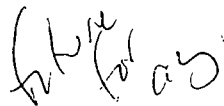
**Answer:** Last Saturday, the President announced that USDA would purchase 80 million bushels of wheat which could lift prices as much as 13 cents a bushel. The wheat will be sent to countries with the greatest need for food.

### **Red River Farm Network**

**Interviewer:** Mike Hergert

**Phone:** 701-795-1315

**Topic:** Wants to follow up on Saturday's announcements. And, are we considering any changes to crop insurance?



Based in Grand Forks, North Dakota, this network has 14 affiliate stations in Northwest Minnesota, and Eastern North Dakota.

**Question:** Are we considering any changes to crop insurance?

**Answer:** In addition to all our recent announcements, I have asked the Secretary to look at other ways we can help get our farmers through these tough times. USDA is looking at ways to enhance the coverage available to producers, reduce the impact of extended periods of adverse weather, and assist producers in obtaining coverage for crops which

they are growing in response to the 1996 Farm Bill.

Question: What have you done to improve crop insurance?

Answer: We have expanded the size of the program from 80 million acres in 1993 to over 180 million acres covered today. We have expanded farmers' choices by creating new varieties of crop insurance that include catastrophic coverage at the low end.

We have introduced the concept of revenue insurance in the large majority of the grain producing parts of the country on major crops.

We have launched a major risk management education program.

We have introduced new forms of risk management such as the dairy options pilot program that will begin in 7 states at the end of the summer.

We have improved the program by offering coverage on prevented planting since 1993 and we have increasingly based our coverage on a farmer's individual yields.

#### **Agrinet Farm Radio Network**

**Interviewer:** Bill Ray

**Phone:** 919-480-1372

**Topic:** What are the Administration's suggestions for long term help for farmers. Would we consider returning to provisions from the pre-1996 farm bill?

Based in Kill Devil Hills, North Carolina, this network has 300+ affiliates in Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia, North Carolina, South Carolina, New York, Illinois, Ohio, South Dakota, Texas and Wisconsin

Question: Would you consider returning to provisions from the pre-1996 Farm Bill

Answer: We have no intention of returning to the supply management programs of the past. We don't want to go back to the days when government micro-managed farmers, telling them what to plant and when to plant. The Farm Bill's flexibility has proven to be very beneficial to American agriculture in our global economy.

But, when the President signed the Farm Bill, he made clear his concerns about the adequacy of the safety net. It took away much of our authority to respond quickly to disasters. We still are not satisfied that the 1996 Farm Bill provides an adequate safety net for farmers and we have put forward a number of proposals to strengthen it.

**WGNS-AM, Murfreesboro, Tennessee**



**Interviewer:**       **Bart Walker**

**Phone:**       **615-893-5373**

**Topic:**       What can we do to save the family farm. And, what do you see as the differences between the Republican and Democratic proposals to help farmers.

WGNS-AM is 1,000 watt radio family owned and operated talk-news-sports station in Murfreesboro. The station does heavy early morning and late afternoon news and ag coverage and has high listenership among the local farm community.

**Question:**   What can we do to save the family farm?

**Answer:**     This Administration is very concerned about the decline in family farms and we believe a comprehensive approach is needed to help keep farmers on the land. Family farmers need access to credit and that's why we have endorsed Representative Eva Clayton's legislation which would give farmers a second chance by modifying the "one strike and you're out" provisions in the 1996 Farm Bill. USDA has also established an Office of Outreach to provide technical assistance to farmers so they can remain competitive. In addition, we're targeting our agricultural research to address their needs.

We are very concerned about concentration in agriculture. That's why we took administrative action to restrict IBP from engaging in preferential pricing -- so family farmers would get a fair price. We also established the small farms commission to look at new ways of helping small farmers. And, Deputy Secretary Rominger is working with other USDA officials to implement the recommendations of that commission's report.

**Question:**   What is the difference between the Republican and Democratic proposals to help farmers?

**Answer:**     The Majority really hasn't put forward any new proposals. They are apparently content to ride out this economic downturn, even though many of our farmers and ranchers are suffering from economic and natural disasters that require action.

We on the other hand, believe the farm safety net needs to be strengthened. We have put forward proposals to address the inadequacies of the safety net which have not been acted upon by Congress. In the meantime, we have exercised what administrative authority we have to help farmers and ranchers.