

Allen Bean
N.C. Trip
7/8-9

COBEY FOR CONGRESS

BREAKFAST WITH SENATOR ROBERT DOLE/FARM TOUR

DATE: Wednesday, July 9, 1986

PLACE: Home of Mr. and Mrs. Bill Upchurch.
Directions: From Highway 55, go until come to HIGH HOUSE Road. Take a right. Go approximately 1½ miles and take a left onto Upchurch-Carpenter Road. Look for the Upchurch farm on the left. There will be a log cabin displaying the American flag and a surrounding fenced-in area.
Parking: Cobey and Dole drivers use the first driveway. All others use the second driveway.

CONTACT: Mr. and Mrs. Bill Upchurch
Phone: H) 467-9476
O) 782-1705

Also, Mr. Steve Gooch will be there and will lead the tour to the tobacco field. Phone: H) 467-8086.

STAFF ASSIGNMENTS:

Reception table: Ann Rains
Serving Table: Kari Trumbull
Press: Dave Murray
Drivers: Bill Peaslee, Keith Windley, Allen Bean

STAFF POINT PERSON: Allen Bean

ALSO IN ATTENDANCE:

Marshall Grant - State Chairman of ASCS
Larry Godwin - FHMA State Director
John Cooper - State ASCS Executive Director
John Parker - Assistant to President of Farm Bureau

TOBACCO SPEECH

SENATOR DOLE

Tobacco farmers have many reasons to be more optimistic today than in recent memory. The tobacco legislation passed in Congress a few months ago marks a new day for tobacco farmers, and you owe a great deal of gratitude to your Republican Senators and Congressmen.

Flue-cured tobacco farmers were staring down the barrel at a no-net-cost assessment of 32 cents. This enormous "tax" on tobacco farmers -- and a tax is exactly what it is -- was necessary to pay the carrying charges on the more than 800 million pounds of surplus flue-cured tobacco.

Without this legislation, the tobacco program would surely have collapsed under its own weight. Tobacco farmers were headed down that road of higher and higher assessments, more and more tobacco going under loan, and ever-increasing quota cuts. The tobacco program was going in the wrong direction, and this legislation definitely turned it around.

The tobacco reform package gets rid of the surplus monster -- which was absolutely mandatory, if the tobacco program was to survive. And, it makes fundamental changes -- such as market-oriented price supports -- that are essential to ensure we never again build up that kind of surplus!

I don't think it is presumptuous to say that "the tobacco program has been saved." It is now on its way to being restored as a sound and stable mechanism which will assure all tobacco farmers a bright and profitable future.

I won't be foolish enough to promise completely clear sailing ahead for tobacco. We still have a large anti-tobacco contingent in Washington and in Congress, and it will never be easy to protect tobacco from these folks -- some of them zealots.

However, with these recent changes in the tobacco program, we should be able to keep tobacco legislation off the floors of Congress for a good period of time. Hopefully, we can also keep tobacco out of the headlines.

The additional good news for farmers will come if we can refrain from changing the tobacco program "just for the sake of change," and the degree to which we can prevent politicians from playing games with tobacco. This will eliminate the constant uncertainty, waiting, and worrying tobacco farmers have been subjected to over the past several years.

Again, all tobacco farmers should thank the following people for their countless hours of hard work and dedication that resulted in this landmark tobacco legislation: Jesse Helms, John East, Bill Cobey, . . .

TOBACCO TALKING POINTS

- o As a result of high support prices over the past several years, \$2 billion in surplus tobacco has built up under CCC loans. USDA reached agreement with tobacco producers in a bill passed last year that, in exchange for a major reduction in the loan rate, CCC would take over the surplus.
- o On July 2, Deputy Secretary Peter Myers signed contracts with the tobacco companies in Raleigh, North Carolina, regarding their purchase of the CCC tobacco. The contracts specify that the companies will pay about 20¢ for each dollar of loan value, and will purchase the flue-cured surplus over 8 years and the burley surplus over 5 years.
- o The contracts had been held up for several weeks over whether the companies could terminate purchases if USDA announces sharp reductions in future loan rates or changes in production quotas. The final agreement allows contract termination 180 days after USDA announcement of loan rates and quotas, which usually takes place in January of each year.
- o All sides are satisfied with the agreement.

Gramm-Rudman-Hollings Sequestration

The tobacco growers have requested USDA to institute an assessment program to satisfy the 4.3% cut in their loan rate required under G-R-H. This reduction would have meant a 6¢/lb. cut in the loan, and will equate to a 1¢/lb. assessment.

USDA lawyers have found a way to justify the assessment which has no relation to G-R-H. If Amstutz agrees to go ahead, it is likely that some tobacco grower will challenge it in court. Moreover, in the event the Supreme Court throws G-R-H out completely, it may be impossible to rescind the assessment once it is in place.

Senator Helms has not publicly objected to instituting a tobacco "tax", which apparently is more acceptable than a dairy "tax".

TALKING POINTS FOR NORTH CAROLINA

* Tobacco is North Carolina's largest cash crop (flu-cured). The three main issues of concern regarding tobacco are the buyout contract, the producer assessment and the impact of Gramm-Rudman-Hollings on the tobacco program. The buyout contract and the producer assessment are a result of the tobacco legislation passed as part of the Budget Reconciliation Act.

* Buyout contract/producer assessment - Tobacco companies will buy the 584 million pounds of surplus tobacco (pre-1985 levels) in exchange for the support price being lowered by 30 cents. Support price would now be set by a legislated formula tied to market fundamentals. Producer assessments would also drop from 32 cents to 2-3 cents. Net prices may not change much from a year ago. The new tobacco program will make tobacco more competitive, increase exports and prevent less tobacco from being forfeited.

* G-R-H Impact - Tobacco producers would like an increased assessment to pay for the G-R-H cut rather than a reduction in the price support, similar to the dairy assessment. USDA has not determined the policy implications of the Supreme Court's ruling.

* Tobacco Summary - Tobacco stocks carried over to 1986/87 will likely decline about 3 % from last year's 3.85 billion pounds.

* Supplies are expected to decline again next marketing year because of a smaller crop and smaller carryover stocks.

* Lower U.S. prices, the declining dollar, and a major drought in Brazil may boost U.S. exports in the months ahead.

Congressman Cobey - Strongly opposed the cutback in the Extension Services budget. North Carolina State is in his district --Raleigh. Cobey stayed away from the Helms tobacco legislation since it was controversial. Attention on Tobacco has now turned to making the program work. Congress has laid the groundwork for a better future for tobacco producers and hopefully in a few years exports will increase as demand for U.S. tobacco strengthens.

Congressman Hendon - They have burley tobacco in their district and supported the Helms legislation.

Congressman Coble - Farmers in his district are relieved that the surplus tobacco will be bought by the Tobacco companies. Reducing the surplus, reducing producer assessments and keeping the market active will help producers. Tobacco producers are like any other farmer -- they don't want handouts or special treatment, they just want to know the rules of the game and to have enough certainty to make prudent business decisions.

GENERAL AGRICULTURE - FOR JULY RECESS

1987 Wheat Program provisions - USDA made final announcements last week. Program now is: \$4.38 Target price; \$2.85 basic loan and \$2.28 adjusted loan with the difference between the basic loan and adjusted loan not subject to \$50,000 payment limit; haying and grazing on 50/92 if requested by State ASCS; nonenrolled program crop plantings cannot exceed established bases (limited cross compliance); actual yields for 1987 will not be used to establish 1988 or future payment yields; signup will run from Oct. 1, 1986 to March 30, 1987.

May Ag Trade Deficit - The \$ 348 mln deficit was the largest in history and the first month since 1971 that value of farm product imports exceeded the value of farm exports.

Letter to President - I sent a letter to the President requesting a personal meeting with him and suggested a list of options. This action follows two letters to USDA and a meeting with farm organizations and Republican farm-state senators two weeks ago to discuss ways to boost exports.

Options included: marketing loan, across-the-board subsidies; ensuring the USSR adheres to the LTA by purchasing 4 mmt of wheat and corn each year; Special food aid program to the Phillipines and Mexico; export credit program targeting traditional U.S. ag export customers that have been adversely affected by declines in oil prices; redirect foreign aid to assist U.S. interests and not enhance the abilities of foreign nations to compete directly with U.S. farmers in foreign markets.

Farm Credit System - FCS will lose about \$600 mln for the second quarter as compared with \$206 mln during the first quarter of 1986 in part due to better accounting practices. The Farm Credit Administration maintains the FCS still retains substantial financial strength. As of the first quarter FCS had approximately \$3.2 billion of earned surplus and \$3.2 billion of loss reserves.

Grain Storage - Will be extremely tight this fall. 93% of known on and off farm storage in 27 key states will be used this fall. USDA has approved about 70 million bushels of emergency storage.

Conservation Reserve (CRP) - USDA has announced signup for the 1987 CRP will be Aug. 4-15 with goal of idling 10 million acres of highly erodible cropland. With first two signups netting 3.8 mln acres, USDA may have to accept higher bids. However, coming conservation cross-compliance may make the CRP more attractive. Conservation cross-compliance will require producers who have farmed highly erodible land since 1981 to begin implementing a conservation plan by 1990 or forgo government payments.

EC Trade War - USTR's Yeutter and EC Minister De Clercq have reached an agreement to continue negotiations on U.S. compensation for our loss of Spanish corn and sorghum export markets. Full EC member approval is still required. New deadline is December 31. For 1986, the U.S. will have access to the EC at zero or reduced levies on 234,000 tons of feedgrains/month. This is an "interim" solution.

LESHER AND ASSOCIATES, INC.

517 C STREET, N.E. WASHINGTON, D.C. 20002-5809 202/546-6501

June 30, 1986

Don:

Attached is a short set of comments regarding the status of the tobacco program which Senator Dole may find helpful in preparation for his North Carolina trip.

Thanks.

RANDY RUSSELL

TOBACCO REMARKS

Tobacco farmers have many reasons to be more optimistic today than in recent memory. The tobacco legislation passed in Congress a few months ago marks a new day for tobacco farmers, and you owe a great deal of gratitude to your Republican Senators and Congressmen.

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The News and Observer, Raleigh, N.C., Sun., June 8, 1986

Farm-aid legislation likely in short session

By JOAN OLECK

Staff Writer

The letter-writer was the wife of a Yadkinville farmer. And she was desperate.

"Help," she wrote to a panel of state lawmakers studying the problems of farmers. "I'm asking again for financing, to make a reasonable monthly payment for 10 to 20 years at reasonable interest rates. . . .

"What farmers need is more time."

State Rep. Bobby R. Etheridge, D-Harnett, chairman of the N.C. House Special Fact-Finding Subcommittee on Agriculture, agreed. He said financially strapped farmers need time to restructure debts, which often means arranging for extended payment deadlines, staggered payment schedules or refinancing at reduced interest rates.

"With agricultural land values falling, if a financial institution forecloses, someone stands to lose a lot of money," Etheridge said in an interview last week. "It seems to me a restructuring would be more in order."

During the General Assembly's short session this summer, Etheridge said, he plans to introduce legislation designed to help debt-ridden farmers. He declined to elaborate on the legislation, except to say that it may involve the issuing of bonds.

Meanwhile, state legislators

and agricultural officials will be keeping a close eye on what other states are doing to help their farmers, trying to decide if any of the programs may be adopted in North Carolina. So far, officials said, it appears unlikely.

■ In October, Iowa imposed a limited moratorium on farm foreclosures, requiring lenders to demonstrate in court that they have made a good-faith effort to restructure a farmer's loan.

■ In January, Illinois authorized a two-part program. One part calls for the state to pay half the interest on farmers' operating loans up to \$150,000, allowing the farmer up to five years to pay the state back. The other part directs grants of up to \$2,000 to the creditors of the state's most indebted farmers.

■ Missouri lawmakers recently appropriated money to continue a program that allots the state treasurer up to \$150 million to purchase low-yielding certificates of deposit from lending institutions, which in return agree to make low-interest loans to farmers.

Eighteen states have some forms of emergency farm finance programs, most enacted in the past year, according to a report by the Council of State Policy and Planning Agencies, a Washington think-tank associated with the

National Governors Association.

But state agriculture officials termed many of the programs stop-gap measures not likely to emerge in North Carolina.

A. Frank Bordeaux Jr., chief economist for the N.C. Department of Agriculture, said that the farm economies of the Midwest and Northern Plains states "have fallen further faster. . . . That's part of the reason why the approaches there were taken in a more short-term basis — to shore up the total financial structure of agriculture."

Some of the states that have introduced the programs are largely dependent on one or two crops — corn, for instance, or wheat — whose prices have been low in recent years, Bordeaux said. Tar Heel farmers are faring better, he said, because of federal price supports for the state's biggest cash crop — tobacco — and because of the state's diversity of crops.

In addition, lenders in those states also depend almost entirely on the farm economy and its financial health, Bordeaux said, while North Carolina banks have

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more diverse investments.

"A bank in North Carolina might have some weak agricultural loans in its portfolio. But that won't threaten the whole portfolio," Bordeaux said.

The result is that North Carolina's farm crisis is less severe and that other needs — from education to mental health to highways — compete equally for state funds, he said.

Few argue, however, that North Carolina's farmers are free of financial worries.

An April survey by the N.C. Agriculture Department's Crop and Livestock Reporting Service showed that almost 20 percent of farmers face "moderate" to "extreme" financial hardships — with 7.8 percent facing debts amounting to 70 percent or more of their assets. The N.C. Agricultural Extension Service has estimated that 6,000 to 10,000 farmers will leave farming this year.

Nevertheless, officials said that several factors are working against the introduction of financial aid programs similar to the ones under way in other states.

For example, officials said that a moratorium on farm foreclo-

tures, such as the one in Iowa, likely will not be repeated in North Carolina — despite an effort by a private group, the United Farmers Organization, to bring one about. At the UFO's urging, commissioners in at least seven counties — Columbus, Brunswick, Duplin, Iredell, Robeson, Bladen and Chatham — have passed resolutions calling for a moratorium, county officials confirmed last week.

N.C. Department of Agriculture lawyers already have considered the constitutional questions moratoriums raise, including whether they would deprive lenders of due process and whether the state has the right to void contracts, officials said. In addition, lender opposition is almost certain; bankers have told Etheridge's committee that a ban on foreclosures would leave them unable to protect their investors.

John Nichols, a First Union National Bank officer and agricultural credit representative to the N.C. Bankers Association, said such a moratorium would be unfair to financial institutions. Moratorium advocates "are seeking to legislate . . . a system that takes away the rights of lenders,"

he said.

Programs like Missouri's, in which a state invests public money in low-yielding CDs in return for the bank's agreement to make low-interest farm loans, would not work under current state law, said J.D. Foust, deputy state treasurer. The law requires the treasurer to invest public funds in ways that yield the maximum possible return, he said.

Some observers also questioned whether an interest deferral program like the one in Illinois could work in North Carolina.

"In every industry there are people who fail and people who stay in," Nichols said. "I don't think any subsidy should be set up to help people who need to get out."

James Oliver, agricultural adviser to Gov. James G. Martin, said that in the future the short-term solutions other states have used might be combined with what officials call the longer-term solutions North Carolina already has undertaken.

These include property tax discounts on items like tillage equipment, farmland, livestock and equipment, and tax-free agricultural revenue bonds. The federal-

ly guaranteed bonds generate funds for financial institutions to make low-interest loans to farmers. (The bond program is in jeopardy, however, because Congress has said that such bonds may be used only to finance manufacturing facilities after December. Agriculture officials are rewriting the guidelines for North Carolina's bond program and keeping their fingers crossed, hoping they can still proceed with the program after December.)

Because the financial picture for North Carolina farmers is not as dim as that in the other big-farm states, North Carolina can afford a more leisurely pace in its effort to provide help.

said. Betty Bailey, director of the Farm Survival Project for the Rural Advancement Fund, a Pittsboro-based advocacy group for family farmers, said she saw a need for more urgency.

"We are very supportive of long-range solutions and know that things like moratoriums are emergency reactions," she said.

"But our point is that the hemorrhage going on and that

S RELEASE

THE VICE PRESIDENT
OFFICE OF THE PRESS SECRETARY

FOR RELEASE:
Saturday, May 17, 1986

CONTACT: 202/456-6772

EXCERPTS FROM REMARKS BY
VICE PRESIDENT GEORGE BUSH
DINNER FOR CONGRESSMAN BILL HENDON
ASHEVILLE, NORTH CAROLINA
SATURDAY, MAY 17, 1986

It's great to be here in the Blue Ridge. These hills are full of beauty, full of history. They're an American treasure, and they've produced some real American treasures: Thomas Wolfe, who wrote so often of these mountains, who spoke of the mountains surrounding Asheville as its protection. Billy Graham, borne and bred just miles from here, who must have been inspired by these mountains, and who has gone on to inspire millions all around the world.

I think of another Asheville product, John Parris. Years ago, John Parris was the star correspondent for the Associated Press. He could have chosen to work anywhere in the world. And he chose to come back here, to write his column for the Asheville Citizen. After spending the day here, I can see why he made that choice.

I'm here tonight to help support someone who understands the special character of this part of the world. He's a product of western North Carolina. And in Washington, we think of him as another treasure to come from these Great Smoky Mountains. I'm speaking, of course, of Congressman Bill Hendon.

I know from watching Bill's work in Congress how much he cares about these mountains. When the Cradle of Forestry burned to the ground, Bill worked hard to get the money to rebuild this landmark -- the birthplace of forestry -- which is visited by thousands every year. He's been trying to clear the way to win designation for the Horse Pasture River as a Wild and Scenic River. He's arranged for the government to purchase land for the construction of the permanent headquarters for the Blue Ridge Parkway.

I've seen from watching Bill Hendon that he knows that the special character of these mountains, and their special landmarks, should be preserved. That not only makes sense because we should take care of our environment, it makes sense because it will keep attracting tourists -- and jobs -- to the Blue Ridge.

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Bill can be a pretty forceful voice. In these last few weeks, there has been a lot of discussion about this area as one of twelve possible sites for a nuclear waste repository. I can tell you this: Bill Hendon has been one effective representative of your views. In Washington, we know how you feel -- and we know because Bill Hendon has made sure that we do.

In fact, Secretary Hodel brought those concerns back with him to Washington after his visit here this week -- he heard from Bill Hendon, too.

But, to be honest, there's another, perhaps even more important reason I'm here tonight to support Bill Hendon.

Six years ago, President Reagan and I set out on a new course to change America -- a "new beginning", we called it.

Now, I don't have to tell you what's happened since. In 1980, the pundits in Washington, D.C. -- which some say stands for Despair and Confusion -- measured our economy with a "misery" index. Today, that economy is roaring, breaking the record on every yardstick they use to measure its progress.

Back then, inflation was in double digits. Every year, your paycheck was worth less. Today, inflation has been whipped. This year, we've even had some months when the cost of living actually dropped.

Back then, interest rates were up over 21 percent. Today, they're about one-third of that. That helps businesses expand. It helps young families buy their first home. It helps all Americans reach their dreams.

Back then, we were worried about the strength of the American economy. Today, there are more men and women at work than at any time in American history.

Back then, people were worried about America's security. Our defenses had crumbled. Our stock around the world was low. Today, we are a more secure nation. Freedom is on the march around the world. America is back.

Bill Hendon helped us get started with that program of recovery for America. He voted for the tax cut which helped unleash the drive and energy of the American people. He voted to hold the line on Federal spending. He voted for a program of peace through strength.

Well, then we lost him for two years -- but the people of western North Carolina were smart enough to send him back to Congress in 1984.

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The score is now one to one for Bill and his opponent. I'm here tonight with one request: this year, let's make sure that Bill Hendon wins the best out of three. Let's win the whole series this time!

It's vitally important, not only for North Carolina, but for America. And I'll tell you why.

Ralph Waldo Emerson once said that "what we call results are beginnings."

The statistics I just recited to you may sound impressive, and they are. But they're just a beginning. They're the foundation. Now, the task before us is to build on that foundation in the years ahead. Now, the task before us is to build a better future for America.

In 1981, our first year in office the unemployment rate right here in North Carolina was 10.2 percent. Today, it's half that. But that is not enough. We can't -- and we won't -- be satisfied until every man and woman in America who wants a meaningful job in the private sector has a job.

This has been the longest economic recovery in the history of the United States of America. But that is not enough. We can't -- and we won't -- be satisfied until that recovery has extended into every sector of our economy, whether it's agriculture or textiles, high tech or low tech.

When we took office, our schools were in trouble. Test scores were going down. Discipline was disappearing. Today, SAT scores are on the rise. State after state has adopted new standards to make sure our children are learning the basics. But that is not enough. We can't -- and we won't -- be satisfied until we can be sure that the education our children get in school will help them get a job. And we can't -- and we won't -- be satisfied until we've gotten drugs out of our schools altogether.

When we took office, crime had been on the rise for 15 years. Our citizens were no longer confident that their neighborhoods were safe. Crime has gone down sharply for four years. But that is not enough. We can't -- and we won't -- be satisfied until we know that every street in America is safe to walk on without fear. And we can't -- and we won't -- be satisfied until we're confident that the laws of this land protect not only the rights of the criminal, but the rights of the victim as well.

When we took office, our defenses were in disrepair. The Soviet Union had engaged in an unprecedented military buildup while America stood by and watched. Today, America's strength has been restored. No free country has fallen to totalitarianism

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during our watch. But that is not enough. We can't -- and we won't -- be satisfied until we know we're doing all we can to advance and protect the cause of freedom everywhere, and until the world is protected from the scourge of terrorism.

A few weeks ago, we took a stand against terrorism. We struck at a state which sponsors it: Libya.

I sat with the President the day he made the difficult decision to take that stand. And it wasn't an easy one. We didn't want to use military force. We tried diplomacy first. We tried economic sanctions. We thought of the possibility that our action might increase the risk of terrorism down the road.

But I thought of something else. I thought of the day that Barbara and I stood on the cold hard earth at Andrews Air Force Base and received the body of Robert Dean Stethem. He had been pistol whipped, beaten, and shot in the head aboard TWA flight 847. His crime: he was an American.

I thought of Leon Klinghoffer. An old man, in a wheelchair, taking a final cruise with his wife who was dying of cancer. He was singled out, brutally murdered, and pushed over the side of the cruise ship Achille Lauro in his wheelchair. His crime: he was an American.

I thought of a mother and child in a Rome Airport, and of a young soldier in a Berlin nightclub. Murdered. And why was that nightclub singled out? Because it was frequented by Americans.

And so we thought: if we don't take a stand against terrorism, who will? If we don't defend the cause of freedom, who will?

And let me say this tonight: if Libya, or any other terrorist state, commits another act of murder, and we again have the evidence which clearly links to that act, we will strike again.

I raise all of these issues -- a strong economy; a return to standards, in our schools, and in our lives; safe streets; and a free and secure America -- because they're at the heart of why I'm here tonight. They're at the heart of the kind of America we're trying to build for the future.

We can't build that kind of future without people like Bill Hendon in Congress. With Tip O'Neill and his liberal friends in control of the House, we've had to fight to make the progress we've made already. Thank God we had people like Bill Hendon in here supporting us on some very key votes. That's why it's a

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priority for me, for the President, and for America to re-elect people like Bill Hendon, and to work toward building a conservative majority in the House of Representatives.

Let me say a word about another priority. Our future depends on keeping Republican control of the United States Senate. That's why I want to ask everyone in this room personally to do everything you can to make sure that North Carolina's next U.S. Senator is Jim Broyhill.

What it comes down to is that Bill Hendon, Jim Broyhill, Ronald Reagan, and you and I share a common vision for this country.

It's a vision of a government that respects its people -- that spends only what it must, and takes as little as possible away from them in taxes. It's a vision of a country with schools that teach our children how to read and write and compute -- and with standards to make sure that's the case. It's a vision of an America with streets safe enough to walk on in peace -- and with laws tough enough to put away those who would violate that peace. It's a vision of an America where the family is strong, and respect is not a dirty word.

Finally, it's a vision of a free and secure America -- one that our allies can count on, and that our adversaries respect.

We are not that far away from that kind of an America. But we need the tools to finish the job. We need Republicans like Bill Hendon in the House. We need Republicans like Jim Broyhill in the Senate. And we need your support.

Back at the beginning of the second World War, Winston Churchill, then Prime Minister of England, received a cable from President Franklin Roosevelt. It was Britain's darkest hour; the Nazis were overrunning Europe. Roosevelt's cable encouraged Churchill to fight on. In it, he quoted Longfellow's famous poem: "Sail on oh ship of state; Sail on oh union strong and great."

Churchill turned to his Parliament, and said: "How shall I respond to this cable? How shall I respond to this great American leader."

Then, his voice deep, he answered his own question: "Give us the tools," he said, "and we will do the job."

And so I say to you tonight: give us the tools, and we will do the job.

Thank you, God bless you, and God bless America.

♦ ♦ ♦ ♦

North Carolina

I. General		V. Farmers		
Population:	6.02 mil.	average age (yrs.):	51.1	
U.S. rank:	10th	percent with nonfarm occupation:	45.3	
Total land area (mil. ac.):	31.3	percent with nonfarm income:	88.5	
percent in farmland:	32.88%	percent in federal set aside programs:	2.3	
II. Farmland		VI. Tenure of farmers		
CROPLAND (mil. ac.):	5.9	FULL OWNER:	40,886.0	
percent of total:	57.3	percent of total:	56.2	
percent irrigated:	1.4	PART OWNER:	23,174.0	
percent set aside in federal farm programs:	0.5	percent of total:	31.9	
WOODLAND (mil. ac.):	3.3	TENANTS:	8,691.0	
percent of total:	32.0	percent of total:	11.9	
OTHER LAND (mil. ac.):	1.1	VII. Farm organization		
percent of total:	10.7	INDIVIDUAL/FAMILY:	64,150.0	
TOTAL (mil. ac.):	10.3	percent of total:	88.2	
PASTURELAND (mil. ac.):	1.9	PARTNERSHIP:	7,092.0	
percent in cropland:	43.3	percent of total:	9.7	
percent in woodland:	32.7	CORPORATION:	1,225.0	
percent in other land:	24.1	percent of total:	1.7	
III. Farms by size		OTHER:		
	Percent	284.0		
1 TO 99 ACRES		percent of total:	0.4	
farms:	63.8	VIII. Major commodities produced		
land in farms:	17.8	Commodity	U.S. rank	Cash receipts Mil. dol.
100 TO 499		1. Tobacco	1	1,020.0
farms:	31.0	2. Broilers	4	487.0
land in farms:	45.2	3. Hogs	7	373.0
500 TO 999		4. Soybeans	12	282.0
farms:	3.7	5. Dairy prod.	20	245.0
land in farms:	17.4	Overall	12	
1,000 TO 1,999		IX. Production of major U.S. export commodities		
farms:	1.1	Commodity	U.S. rank	Cash receipts Mil. dol.
land in farms:	10.3	1. Soybeans	12	282.0
2,000 AND UP		2. Corn	15	162.0
farms:	0.4	3. Wheat	26	53.1
land in farms:	9.2	4. Cotton	14	32.4
IV. Agricultural universities		5. Tobacco	1	1,020.0
NORTH CAROLINA STATE UNIVERSITY, RALEIGH;		Overall	9	
NORTH CAROLINA AGRICULTURAL AND TECHNICAL				
STATE UNIVERSITY, GREENSBORO				



X. Farms	
NUMBER OF FARMS:	72,751.0
percent of U.S.:	3.2
	Percent
BY SALES CLASS	
less than \$40,000:	76.1
from \$40,000 to 99,999:	11.5
from \$100,000 to 499,999:	11.3
greater than \$500,000:	1.0
XI. Farm acreage	
ACRES IN FARMS (mil. ac.):	10.3
percent of U.S.:	1.1
AVERAGE FARM SIZE (ac.): 141.0	
XII. Cash receipts from farm marketings	
	Mil. dol.
1980:	3,592.3
1981:	4,157.7
1982:	4,064.1
1983:	3,783.9
XIII. Government payments	
	Mil. dol.
1980:	13.2
1981:	15.5
1982:	16.5
1983:	67.6
XIV. Other farm income	
	Mil. dol.
1980:	442.2
1981:	466.9
1982:	461.1
1983:	453.5
XV. Farm production expenses	
	Mil. dol.
1980:	3,239.6
1981:	3,563.4
1982:	3,552.6
1983:	3,452.0
XVI. Net farm income after inventory adjustment	
	Mil. dol.
1980:	820.8
1981:	1,181.0
1982:	1,012.7
1983:	802.3

XVII. Total assets		Mil. dol.
	1980:	19,177.1
	1981:	20,329.6
	1982:	19,655.3
	1983:	19,647.7
	1984:	20,209.8
XVIII. Total debt		Mil. dol.
1980	TOTAL:	3,231.7
	real estate:	1,607.5
	nonreal estate:	1,624.2
1981	TOTAL:	3,625.9
	real estate:	1,821.8
	nonreal estate:	1,804.1
1982	TOTAL:	4,046.1
	real estate:	2,087.2
	nonreal estate:	1,958.9
1983	TOTAL:	4,180.7
	real estate:	2,218.3
	nonreal estate:	1,962.5
1984	TOTAL:	4,106.3
	real estate:	2,214.8
	nonreal estate:	1,891.5
XIX. Equity		Mil. dol.
	1980:	15,945.4
	1981:	16,703.6
	1982:	15,609.2
	1983:	15,466.9
	1984:	16,103.5
XX. Top 5 counties in agricultural sales and county seat		
1. Duplin/Kenansville		
2. Union/Monroe		
3. Sampson/Clinton		
4. Pitt/Greenville		
5. Nash/Nashville		
XXI. State statistical office		
Raleigh		
(919) 755-4394		

RANK	ITEM	1983 CASH RECEIPTS (MILLION DOLLARS)
1	Tobacco	1,020
2	Broilers	487
3	Hogs	373
4	Soybeans	282
5	Dairy Products	245
6	Turkeys	207
7	Forest Products	183
8	Eggs	171
9	Corn	162
10	Greenhouse Nursery	109
11	Cattle and Calves	107
12	Peanuts	72
13	Sweet Potatoes	58
14	Wheat	53
15	Apples	37
16	Cotton	32

* These commodities made up 95 percent of the total cash receipts from all farm commodities.

NORTH CAROLINA DEPARTMENT OF AGRICULTURE
JAMES A. GRAHAM, COMMISSIONER

how north carolina agriculture compares with other states

RANK	ITEM	PRODUCTION	EXCEEDED BY
1st	Flue-Cured Tobacco	569 (Mil. Lbs.)	None
	Total Tobacco	593 (Mil. Lbs.)	None
	Sweet Potatoes	4,940 (000 Cwt.)	None
	Turkeys Raised	30.4 (Mil. Hd.)	None
	Farm Forest Products Receipts (1983)	\$183 (Mil. \$)	None
2nd	Cucumbers for Pickles	80.2 (000 Tons)	Mich.
3rd	Peanuts	450 (Mil. Lbs.)	Ga., Ala.
	Poultry & Poultry Products Receipts (1984)	\$1,173 (Mil. \$)	Ark., Ga.
4th	Commercial Broilers	428 (Mil. Hatch)	Ark., Ga., Ala.
5th	Burley Tobacco	24 (Mil. Lbs.)	Ky., Tenn., Ohio
7th	Eggs	3,246 (Mil. Eggs)	Calif., Ind., Ga.
	Apples	360 (Mil. Lbs.)	Wash., N.Y., Mich.
	Peaches	43 (Mil. Lbs.)	Calif., S.C., Ga.
	Number of Hogs on Farms (12-1-84)	2,300 (000 Hd.)	Iowa, Ill. (Minn. & Ind. tied)
9th	Grapes	6 (000 Tons)	Calif., N.Y., Wash.
	Rye	550 (000 Bu.)	S. Dak., Minn., N. Dak.
10th	Cash Receipts from Crops (1983)	\$2,127 (Mil. \$)	Calif., Ill., Iowa
	Pecans	2,900 (000 Lbs.)	Ga., Tex., N. Mex.
	Export Shares (1983)	\$1,125 (Mil. \$)	Ill., Iowa, Calif.
11th	Strawberries	48 (000 Cwt.)	Calif., Fla., Ore.
	Greenhouse & Nursery Receipts (1983)	\$ 109 (Mil. \$)	Calif., Fla., Tex.
	Sweet Corn	288 (000 Cwt.)	Fla., N.Y., Calif.
	Number of Farms (in 1984)	79 (000)	Tex., Mo., Iowa
12th	Cash Receipts from All Commodities (1983)	\$3,851 (Mil. \$)	Calif., Iowa, Tex.
	Soybeans	47 (Mil. Bu.)	Ill., Iowa, Minn.
13th	Cotton	120 (000 Bales)	Tex., Calif., Miss.
	Corn	146 (Mil. Bu.)	Iowa, Ill., Nebr.
14th	Tomatoes	247 (000 Cwt.)	Fla., Calif., S.C.
16th	Oats	3,944 (000 Bu.)	S. Dak., Minn., Wisc.
	Barley	4,032 (000 Bu.)	N. Dak., Idaho, Wash.
	Cash Receipts from Livestock, Dairy and Poultry (1983)	\$1,656 (Mil. \$)	Tex., Iowa, Calif.
18th	Irish Potatoes	2,700 (000 Cwt.)	Idaho, Wash., Calif.
	Sorghum Grain	2,640 (000 Bu.)	Kans., Tex., Nebr.
19th	Winter Wheat	27 (Mil. Bu.)	Kans., Okla., Tex.
20th	Milk	1,649 (Mil. Lbs.)	Wisc., Calif., N.Y.
14th	Number of Cattle on Farms (1-1-85)	1,175 (000 Hd.)	Tex., Nebr., Kans.
23th	Hay	733 (000 Tons)	Wisc., Minn., S. Dak.

Note: Production based on 1984 data

4-85 12,000

Outlook and Situation Summary

United States
Department of
Agriculture

Economic
Research
Service

Washington, D.C.
20005-4788

Tobacco

6/19/86

TOBACCO PRODUCTION AND DISAPPEARANCE DOWN

U.S. tobacco disappearance is expected to decline about 3 percent this season because of lower domestic use and exports. Still, use will exceed marketings, so stocks carried over to 1986/87 (beginning July 1 for flue-cured and October 1 for burley and other kinds) will likely decline about 3 percent from last year's 3.85 billion pounds.

Supplies are expected to decline again next marketing year because of a smaller crop and smaller carryover stocks. With lower allotments and quotas, marketings will be about 15 percent below 1985's 1.47 billion pounds. Even with a smaller crop, auction prices are expected to be lower, because price supports are reduced for flue-cured and unchanged for burley. Net prices may not change much from a year ago. Domestic use could decline further because of a slowdown in cigarette sales and relatively large tobacco imports.

Exports may rise a little in 1986/87, but stagnant cigarette consumption in some major importing countries continues to inhibit shipments. Lower U.S. prices, the declining dollar, and a major drought in Brazil may boost U.S. exports in the months ahead.

March planting intentions point to about 6 percent less flue-cured acreage than last year. However, acreage will likely be lower than March intentions because a new, smaller quota was announced on April 25. Average growing conditions with the estimated acreage would produce a crop of 650-680 million pounds. In addition, about 25 to 30 million pounds of 1985-crop tobacco were unsold because of insufficient quota. With the 1986 quota, about 675 million pounds will likely be sold. So, flue-cured supplies for 1986/87 could drop about 215 million pounds or 7 percent. With a smaller quota and lower support prices, loan receipts may decline.

Burley growers indicated they would plant 8 percent less acreage in 1986. However, a smaller quota was announced on April 25, which means about 465 million pounds will likely be marketed. New production, plus 50 to 55 million pounds of 1985-crop tobacco that could not be marketed without penalty in 1985/86, is expected to exceed permitted marketings.

For the year ending June 30, Americans will likely consume 2 percent fewer cigarettes than a year earlier. Even with higher exports, production for 1985/86 will fall below the 665 billion produced last season. Production and domestic sales during the second half of calendar 1986 will likely fall from last year because of higher prices, smoking restrictions, and antismoking activities. Cigar, smoking, snuff, and chewing production are all down this season.

- more -

Approved by the World Agricultural Outlook Board

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Unmanufactured tobacco exports during July 1985-April 1986 were 5 percent below a year earlier. Export volume for the marketing year may be down from last year because of a reduction in flue-cured, which was 12 percent lower during the first 10 months of 1985/86. For the marketing year, about 440 million pounds, farm-sales weight, will likely be exported, 8 percent less than the year before. Burley exports may increase from 1984/85's 154 million pounds.

During July-1985-April 1986, U.S. unmanufactured tobacco imports, including the manufactured and unmanufactured categories (duty paid), rose 5-1/2 percent from a year earlier. U.S. manufacturers' stocks of imported cigarette tobacco on April 1 were lower than a year earlier because of reduced holdings of burley and flue-cured. Oriental stocks were 5 percent higher. Stocks of cigar leaf were a little higher.

Disappearance of flue-cured tobacco in 1985/86 may drop about 5 percent from last season's 935 million pounds because of reduced U.S. cigarette output and smaller exports. Disappearance will likely exceed 1985 marketings, so July 1 supplies could drop further because 1986 marketings are expected to fall short of use.

This season, burley use may remain near last year's 556 million pounds. Exports are expected to rise but domestic use may decline. Since use is above marketings, October 1 stocks will likely decline a little from last year's 1.46 billion pounds. Growers are expected to market less burley in 1986/87, and use will likely exceed marketings, so that large burley stocks will be pulled down a little further.

Auctions for type 32 tobacco in Maryland ran from March 18 to May 1. Prices averaged \$1.32 a pound, 8 cents less than a year earlier. Prices for all Maryland tobacco produced in the United States dropped 3 cents to \$1.29 a pound. Disappearance may fall below last season.

The use of fire-cured tobacco may rise in 1985/86 because of larger exports. The hike in use could reduce the large supply a little. Dark air-cured supplies are a little higher in 1985/86, but lower production will likely reduce them next season. Use of cigar leaf has declined, but the smaller crop projected for 1986 will push down next season's stocks.

Printed copies of the Tobacco Situation and Outlook will be available in about a week. For further information, contact Verner Grise at (202) 786-1840. The report, including summary and tables, is also accessible electronically. For details, call (301) 982-6662.

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