

*Feb. 1*

NATIONAL GRAIN TRADE COUNCIL

SUITE 1020

1030 - 15TH STREET, N. W.

WASHINGTON, D. C. 20005

(202) 842-0400

*Jayce  
also to Dave (S.)*

January 25, 1990

The Honorable Robert J. Dole  
Republican Leader  
United States Senate  
141 Senate Hart Office Building  
Washington, DC 20510

Dear Senator Dole:

We are delighted to know you will accept our invitation to address the joint meeting of the National Grain Trade Council and the North American Export Grain Association (NAEGA) on February 1. The meeting session will be from 8:00 a.m. to 12:00 noon on Thursday, February 1, in the Salon D room of the Capitol Ballroom of the J.W. Marriott Hotel in Washington, DC.

We have set-aside 30 minutes for your remarks at 8:15 a.m. on February 1. We have tentatively titled your remarks as "Congressional Outlook for 1990: a Senate Perspective." We hope you will share with us your views on the larger issues that will be facing the Senate this year. We are interested, for example, to hear about your thoughts on using the "peace dividend." We would also welcome your thoughts on issues more directly related to the grain business, such as the 1990 farm bill.

As you may know, the Council is a national trade association whose policy-making members include grain exchanges, boards of trade, and national grain marketing organizations. In addition, the Council has a number of associate members who are grain companies and related businesses, including most of the nation's leading rail carriers. NAEGA is the national association of U.S. grain and oilseeds exporting companies and cooperatives.

We expect that Council Chairman William R. Allen will be introducing you at the meeting. Mr. Allen is also president and chief executive officer of Union Equity Co-Operative Exchange headquartered in Enid, Oklahoma.

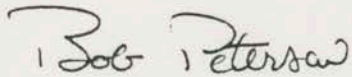
You should know that we expect to have members of the trade press in attendance at the meeting.

The Honorable Robert J. Dole  
January 25, 1990  
Page 2

Enclosed are several items to provide you with additional information about the meeting. These include a meeting program and a list of those planning to attend.

We are very pleased you will address the meeting and we look forward to your remarks.

Sincerely,

A handwritten signature in dark ink, reading "Bob Petersen". The signature is written in a cursive, flowing style.

Robert R. Petersen  
President

enclosures

## NATIONAL GRAIN TRADE COUNCIL

SUITE 1020

1030 - 15TH STREET, N. W.

WASHINGTON, D. C. 20005

(202) 842-0400

Regular Membership Meeting  
J.W. Marriott Hotel, Washington, DC

### Meeting Program

#### Wednesday, January 31, 1990

1:00 to            Executive Committee Meeting  
6:00 p.m.        Dirksen Room

6:30 to            Joint Council/NAEGA Reception with invited guests  
8:00 p.m.        Main Lounge, 13th Floor  
                    National Press Club  
                    529 14th Street, N.W.

#### Thursday, February 1, 1990

8:00 a.m.        Joint Council/NAEGA Meeting Convenes  
                    Salon D, Capitol Ballroom

                    "Welcoming Remarks," William R. Allen, Jr., chairman, National Grain Trade  
                    Council

                    "Welcoming Remarks," Karl-Hugo Schlunk, chairman, North American Export Grain  
                    Association

                    "Congressional Outlook for 1990: a Senate Perspective," Honorable Robert J. Dole,  
                    Republican Leader, United States Senate

                    "Congressional Outlook for 1990: a House Perspective," Honorable David R. Obey,  
                    chairman, House Appropriations Subcommittee on Export Financing and Related  
                    Programs

                    "The 1990 Farm Bill and the Outlook for Agriculture," Honorable Richard Crowder,  
                    under secretary for international affairs and commodity programs, U.S. Department  
                    of Agriculture

                    "What the Fed is Doing," Honorable Edward W. Kelley, Jr., member, Board of  
                    Governors of the Federal Reserve System

12:00 noon       Joint Meeting Adjourns

2:00 p.m.        White House Briefing  
                    Indian Treaty Room, Old Executive Office Building  
                    1700 Pennsylvania Avenue, N.W.

- Honorable Cooper Evans, special assistant to the President for agriculture
- Ambassador Julius L. Katz, deputy U.S. Trade Representative, Office of the  
            U.S. Trade Representative



NATIONAL GRAIN TRADE COUNCIL  
Membership Meeting  
February 1990

THOSE PLANNING TO ATTEND

<u>NAME</u>	<u>SPOUSE</u>	<u>COMPANY</u>
Adams, William J.	Sylvia	Tradigrain, Inc.
Allen, William R.	Martha	Union Equity Co-Operative Exchange
Artmann, Daniel		Chicago Board of Trade
Berquist, Donald C.	Barb	Chicago and North Western Transportation Company
Braude, Michael		Kansas City Board of Trade
Claassen, Terry L.		Peper, Martin, Jensen, Maichel & Hetlage
Cleary, Michael		The Quaker Oats Company
Cormack, William		United Grain Corporation
Cotter, Jerry		Port of Corpus Christi
Crowder, Hon. Richard		U.S. Dept. of Agriculture
English, Hon. Glenn		U.S. House of Representatives
Evans, James L.	JoAnn	Peat, Marwick, Main & Co.
Ferguson, George		Frank Bailey Grain Co.
Fiedler, Sarah		Nat'l Grain Trade Council
Gibson, Waldo		Wolcott & Lincoln, Inc.
Gramm, Hon. Wendy Lee		Commodity Futures Trading Commission
Haeg, Michael A.	Nancy	Union Pacific Railroad
Hagan, Mike		American Commercial Barge Line Company
Hallock, Charles		Rabobank Nederland
Hampton, Joe N.		Enid Board of Trade
Haug, Gregg	Natalie	Soo Line Railroad
Heller, Norman G.		Norfolk Southern Corporation
Hudgins, Hal		Alabama State Docks Dept.
Janssen, Van		Consolidated Grain & Barge
Kelley, Hon. Edward		Federal Reserve Board
Kerrey, Hon. Robert		United States Senate
Kerwin, Richard G.		Bunge Corporation
Knutdson, Arvid	Janet	Benson-Quinn Co.
Kooi, Pete		Cargill, Inc.
Laur, Ed	Marla	Attebury Elevators, Inc.
Layton, James		Stotler and Company
Lebeck, Warren		Chicago Board of Trade
Lindau, James H.	Barbara	Minneapolis Grain Exchange
Linn, Gordon	Judy	Linnco Futures, Inc.
Lyons, Dave		Louis Dreyfus Corporation
Lyman, Elias (Tay)		Atchison, Topeka, and Santa Fe Railway



North American Export Grain  
Association Incorporated

*Feb. 1*

*Joyce*

January 23, 1990

Ms. Betty Meyer  
Executive Assistant  
The Honorable Robert Dole  
United States Senate  
SH-141 Hart Senate Office Building  
Washington, D.C. 20510-1601

Dear Ms. Meyer:

We are pleased to learn that Senator Dole has agreed to address our association during its upcoming joint meeting with the National Grain Trade Council (NGTC), to be held February 1.

We take this opportunity to provide you with additional information about the North American Export Grain Association (NAEGA). The export grain community has long looked to Senator Dole's leadership in all matters pertaining to agricultural policy and trade. We value our past relationship and look forward to hearing from Senator Dole on February 1. As you know, the Senator's February 1 audience will be comprised of both our member representatives and those of the NGTC.

With warm regards in behalf of the Officers, Directors and Members of the North American Export Grain Association.

Sincerely,

*Steven A. McCoy*  
Steven A. McCoy  
President





North American Export Grain  
Association Incorporated

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1989 Membership List  
NORTH AMERICAN EXPORT GRAIN ASSOCIATION

NORTH AMERICAN EXPORT GRAIN ASSOCIATION  
1030 Fifteenth Street, N.W.  
Suite 1020  
Washington, D.C. 20005  
(202) 682-4030  
Telefax number is (202) 682-4033

ALFRED C. TOEPFER INT'L INC.  
52 Duane Street  
New York, NY 10007

ALLIANCE GRAIN, INC.  
4300 Haddonfield Road  
Suite 312  
Pennsauken, New Jersey 08109

ALABAMA STATE DOCKS  
9101 W. 110th Street  
Suite 200  
Overland Park, KS 66210

THE ANDERSONS  
P.O. Box 119  
Maumee, Ohio 43537

ARCHER DANIELS MIDLAND GRAIN CO.  
P. O. Box 1470  
Decatur, Illinois 62525

BUNGE CORPORATION  
One Chase Manhattan Plaza  
New York, New York 10005

CARGILL, INC.  
P. O. Box 9300  
Minneapolis, Minnesota 55440

C. ITOH & CO. (AMERICA) INC.  
335 Madison Avenue  
New York, NY 10017

CENTRAL STATES ENTERPRISES  
803 South Calhoun St.  
Suite 400, P.O. Box 13339  
Ft. Wayne, Indiana 46868-3339

CENTRAL SOYA COMPANY, INC.  
P. O. Box 1400  
Ft. Wayne, Indiana 46801-1400

CONTINENTAL GRAIN, INC.  
277 Park Avenue  
New York, New York 10172

ELDERS GRAIN, INC.  
9200 Indian Creek Parkway  
Overland Park, Kansas 66210

FERRUZZI USA, INC.  
1100 Poydras St.  
Suite 2730 , Energy Centre  
P.O. Box 53227  
New Orleans, La 70163

GARNAC GRAIN COMPANY  
P. O. Box 419059  
Kansas City, Missouri 64141-6059

INTERSTATE GRAIN CORP.  
1800 West Loop South  
Suite 1550  
Houston, Texas 77027-3299

NAEGA List  
Page Two

ITALGRANI USA, INC.  
7900 Van Buren  
St. Louis, Missouri 63111

MARUBENI AMERICA CORPORATION  
500 Northwest Plaza  
Suite 800  
St. Anne, Missouri 63074

MITSUI GRAIN CORP.  
10 South Wacker Street  
Suite 1965  
Chicago, Illinois 60606

CONAGRA GRAIN COMPANIES  
730 Second Avenue South  
Minneapolis, Minnesota 55402  
M9C5L2

THE PILLSBURY COMPANY  
Pillsbury Center  
Minneapolis, Minnesota 55402

RICHCO GRAIN LTD  
100 First Stamford Place  
Stamford, Connecticut 06902

TIDEWATER GRAIN COMPANY  
P. O. Box 958  
Cincinnati, Ohio 45201-0958

UNION EQUITY COOP. EXCHANGE  
2300 North 10th  
P. O. Box 3408  
Enid, Oklahoma 73701

SPANTRADE INC.  
11111 Nall St., Suite 102  
Leawood, KS 66211

J. ARON & COMPANY  
85 Broad Street  
New York, NY 10004

WOODHOUSE CORPORATION  
1606 Clinton Drive  
Galena Park, TX 77547

LOUIS DREYFUS CORPORATION  
555 13th Street, N.W.  
3rd Floor, East Tower  
Washington, D.C. 20004

MITSUBISHI INTERNATIONAL CORP.  
Foods A Division  
520 Madison Avenue  
New York, New York 10022

PASTERNAK BAUM & CO., INC.  
777 W. Putman Ave.  
Greenwich, Connecticut 06830

MAPLE LEAF MILLS. LTD.  
290 North Queen Street, # 210  
Etobicoke, Ontario CANADA

JAMES RICHARDSON & SONS, LTD.  
Richardson Building  
Winnipeg. Manitoba  
CANADA R3B 0Y1

SGS CONTROL SERVICES, INC.  
42 Broadway  
New York, New York 10004

TRADIGRAIN, INC.  
889 Ridgelake Blvd.  
Suite 215  
Memphis, TN 38119

ZEN-NOH UNICO AMERICAN CORP.  
245 Park Ave.  
25th Floor  
New York, New York 10167

PORT OF CORPUS CHRISTI  
P.O. Box 1541  
Corpus Christi, TX 78403

TOYOMENKA (AMERICA) INC.  
1000 Corporate Grove Drive  
Buffalo Grove, Ill. 60089-4507



February 1

Speak

NATIONAL GRAIN TRADE COUNCIL  
SUITE 1020  
1030 - 15TH STREET, N. W.  
WASHINGTON, D. C. 20005  
(202) 842-0400

*(also to Dave S.)*

November 9, 1989

*J.W. Marriott  
Salon D  
Capitol Ballrm*

The Honorable Robert Dole  
Republican Leader  
United States Senate  
141 Senate Hart Office Building  
Washington, DC 20510

Dear Senator Dole:

The National Grain Trade Council and the North American Export Grain Association (NAEGA) are writing to invite you to address our joint meeting February 1 at the J.W. Marriott Hotel in Washington, DC.

You have many friends within our industry and we would very much enjoy your comments on national issues that will be before the new session of Congress as well as your thoughts on farm policy, the GATT negotiations, and the 1990 farm bill.

Our meeting session on February 1 will be held from 8:00 a.m. to noon and we would be pleased to set-aside 60 minutes for your remarks at whatever time during the session that would best accommodate your schedule. We expect about 70 grain industry leaders to be in attendance at the meeting.

As you may know, the Council is a national trade association whose policy-making members include grain exchanges, boards of trade, and national grain marketing organizations. In addition, the Council has a number of associate members who are grain companies and related businesses, including most of the nation's leading rail carriers. NAEGA is the national association of U.S. grain and oilseeds exporting companies and cooperatives.

We look forward to your response and hope it will be possible for you to accept our invitation.

Sincerely,

*Robert Petersen*  
Robert R. Petersen  
President  
National Grain Trade Council

*Steven McCoy*  
Steven A. McCoy  
President  
North American Export Grain Association

*re: broad overall view of*

12-11-89 letter + copy  
*Don't know*



FEBRUARY 1, 1990

TALKING POINTS  
NATIONAL GRAIN TRADE COUNCIL

AGRICULTURAL TRADE

GATT

- O IN MANY RESPECTS, FUNDAMENTAL REFORM OF AGRICULTURAL TRADE IS CRITICAL TO THE SUCCESS OF THE ADMINISTRATION'S TRADE POLICY. WITHOUT AN AGREEMENT THAT SUBSTANTIALLY INCREASES MARKET ACCESS AND LEVELS THE PLAYING FIELD FOR U.S. AGRICULTURAL PRODUCTS, THE CURRENT MULTILATERAL TRADE NEGOTIATIONS IN THE GATT URUGUAY ROUND WILL CERTAINLY FAIL.
- O LAST DECEMBER WHEN I VISITED ARGENTINA DURING A TRIP TO LATIN AMERICA, THEIR MINISTER OF AGRICULTURE WENT OUT OF HIS WAY TO COME TO OUR HOTEL AND URGE US TO HANG TOUGH IN THESE NEGOTIATIONS -- FOR EVERYONE'S SAKE.
- O IN OCTOBER, THE U.S. TABLED A COMPREHENSIVE PROPOSAL FOR AGRICULTURAL TRADE REFORM BEFORE THE GATT. ALL EXPORT SUBSIDIES, THE MOST UNFAIR TRADE PRACTICE, WOULD BE PHASED OUT OVER FIVE YEARS; ALL NON-TARIFF BARRIERS TO MARKET ACCESS WOULD BE CONVERTED TO TARIFFS AND SUBSTANTIALLY REDUCED OVER TEN YEARS AND INTERNAL SUPPORT MEASURES WHICH DISTORT TRADE, SUCH AS ADMINISTERED PRICES, WOULD ALSO BE PHASED OUT.

- O AS EXPECTED, THE MAJOR OPPOSITION TO THIS INITIATIVE COMES FROM THE EUROPEAN COMMUNITY. LAST YEAR, THE E.C. SPENT \$9 BILLION ON AGRICULTURAL EXPORT SUBSIDIES TO OUR \$1 BILLION.
- O DESPITE THIS DISPARITY, OUR TRADE NEGOTIATORS ARE EXPRESSING CAUTIOUS OPTIMISM OVER THE PROGRESS OF THE GATT NEGOTIATIONS. WHILE THE U.S. AND THE E.C. ARE STILL FAR APART, AMBASSADOR HILLS SAW "POSITIVE INDICATIONS" AND "SIGNS OF FLEXIBILITY" IN THE E.C. COUNTER-PROPOSAL LAST DECEMBER. AND AS SHE TELLS ME, SHE STILL HAS 10 MONTHS LEFT!
- O MOREOVER, CONGRESS IS WATCHING THIS SITUATION CLOSELY. IN THE 1988 TRADE ACT, WE REQUIRED THE PRESIDENT TO CERTIFY THAT PROGRESS WAS BEING MADE IN THESE NEGOTIATIONS BY FEBRUARY 15, 1990, OR EITHER ENACT A MARKETING LOAN PROGRAM FOR GRAIN OR EXTEND EEP UNTIL 1992. THIS PROVISION WAS INTENDED BOTH TO STRENGTHEN THE HAND OF OUR NEGOTIATORS AND TO SEND A SIGNAL TO THE ADMINISTRATION OF OUR OWN PRIORITY.
- O WHILE I EXPECT THAT THIS CERTIFICATION WILL BE MADE, I AM ALSO CONFIDENT THAT ITS SIGNIFICANCE WILL NOT BE LOST AT THE GATT NEGOTIATING TABLE.



OTHER SUCCESSES

- O OUTSIDE OF THE GATT, USTR HAS SUCCESSFULLY EXTENDED THE LONG-TERM GRAIN AGREEMENT WITH THE SOVIET UNION FOR TWO YEARS AND IT IS MAKING PROGRESS ON A NEW AGREEMENT. MOREOVER, IT HAS INSISTED THREAT THE E.C. COMPLY WITH ITS COMMITMENT FOR PURCHASES OF FEEDGRAINS THROUGH 1990.
  
- O SO, AS WORLD TENSIONS EASE AND ECONOMIC COMPETITION REPLACES POLITICAL STRUGGLE IN INTERNATIONAL RELATIONS, I BELIEVE WE CAN TAKE COMFORT THAT OUR PRESIDENT AND HIS NEGOTIATORS WILL DEFEND AMERICAN INTERESTS AS FIERCELY AS ANY ARMY.

JANUARY 31, 1990

TO: SENATOR DOLE

FROM: DAVE SPEARS

SUBJECT: February 1, 1990 - Address to Joint Meeting of  
National Grain Trade Council and North American Export Grain  
Assn.

As you know you are scheduled to address the joint meeting at 8:15 a.m. on Thursday Morning at the J.W. Marriott Hotel. As per the attached meeeting program you are scheduled to talk about "Congressional Outlook for 1990: a Senate Perspective". Cong. David Obey will give the House perspective immediately following your comments.

Council Chairman William R, Allen will introduce you at the meeting. Bill is president and chief executive officer of Union Equity Co-operative Exchange in Enid, Oklahoma. Bill was present at the Soviet delegation visit to the elevator at Hutchinson, Kansas. Union Equity also presented you a copy of the picture of the Hutchinson elevator which is hanging on the wall back by my desk.

Attached to this memo are a number of talking points you may want to use. Carolyn is also putting together talking points regarding GATT. The group is primarily interested in hearing general comments regarding current developments with the budget, Eastern Europe, GATT, and the Farm Bill.

I plan to meet you at the meeting.



## NATIONAL GRAIN TRADE COUNCIL

SUITE 1020

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WASHINGTON, D. C. 20005

(202) 842-0400

Regular Membership Meeting  
J.W. Marriott Hotel, Washington, DC

### Meeting Program

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6:00 p.m.        Dirksen Room

6:30 to            Joint Council/NAEGA Reception with invited guests  
8:00 p.m.        Main Lounge, 13th Floor  
                    National Press Club  
                    529 14th Street, N.W.

#### Thursday, February 1, 1990

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                    Salon D, Capitol Ballroom

                    "Welcoming Remarks," William R. Allen, Jr., chairman, National Grain Trade Council

                    "Welcoming Remarks," Karl-Hugo Schlunk, chairman, North American Export Grain Association

✓                "Congressional Outlook for 1990: a Senate Perspective," Honorable Robert J. Dole, Republican Leader, United States Senate

                    "Congressional Outlook for 1990: a House Perspective," Honorable David R. Obey, chairman, House Appropriations Subcommittee on Export Financing and Related Programs

✓                "The 1990 Farm Bill and the Outlook for Agriculture," Honorable Richard Crowder, under secretary for international affairs and commodity programs, U.S. Department of Agriculture

                    "What the Fed is Doing," Honorable Edward W. Kelley, Jr., member, Board of Governors of the Federal Reserve System

12:00 noon       Joint Meeting Adjourns

2:00 p.m.        White House Briefing  
                    Indian Treaty Room, Old Executive Office Building  
                    1700 Pennsylvania Avenue, N.W.

- Honorable Cooper Evans, special assistant to the President for agriculture
- Ambassador Julius L. Katz, deputy U.S. Trade Representative, Office of the U.S. Trade Representative

NATIONAL GRAIN TRADE COUNCIL  
AND  
NORTH AMERICAN EXPORT GRAIN ASSOCIATION (NAEGA)  
JOINT MEETING  
FEBRUARY 1, 1990

TALKING POINTS

BUDGET/PEACE DIVIDEND

THE PRESIDENT'S BUDGET WAS UNVEILED ON JANUARY 29TH. ALREADY, SOME OF OUR LIBERAL FRIENDS ARE DEMANDING THE PRESIDENT CASH-IN THE SO-CALLED PEACE DIVIDEND -- THAT'S THE EXPECTED WINDFALL FROM MASSIVE CUTS IN THE DEFENSE BUDGET THANKS TO THE FREEDOM EPIDEMIC AROUND THE WORLD.

IN OTHER WORDS, NOW THAT THE WALL IS DOWN AND GORBACHEV IS PINNED DOWN ON ALL FRONTS, UNCLE SAM DOESN'T NEED MUCH DEFENSE ANY MORE.

I DON'T BUY IT. NO QUESTION, THERE WILL BE NEW PRIORITIES AND NEW OPPORTUNITIES ALL ACROSS THE BUDGET, BUT FOR SOME MEMBERS OF CONGRESS, ALL THE "PEACE DIVIDEND" MEANS IS AN EXCUSE TO START SPENDING TAXPAYER DOLLARS ON COSTLY, NEW, BIG GOVERNMENT PROGRAMS. THAT'S NOT A DIVIDEND, THAT'S A DISASTER.

FEDERAL DEFICIT

THE TRUTH IS, WE CAN'T AFFORD TO WASTE ANOTHER PENNY. CONGRESS WILL BE STRUGGLING ONCE MORE TO MEET THE GRAMM/RUDMAN DEFICIT REDUCTION TARGETS. THIS PAST YEAR, CONGRESS CUT THE DEFICIT ABOUT \$15 BILLION AND WILL BE FACED WITH CUTTING AN ADDITIONAL \$36 BILLION THIS YEAR.

SO THE DEFICIT IS STILL ISSUE NUMBER ONE. IT HASN'T GONE AWAY; NOR HAS THE URGENCY TO DEAL WITH IT BEEN DIMINISHED BY EXTREMELY MODEST CONGRESSIONAL ACTION DURING THE PAST FEW YEARS.

AND WE'LL NEVER GET THE JOB DONE USING SMOKE AND MIRRORS AND OTHER BOOKKEEPING GIMMICKS.

THAT'S WHY THE BUDGET PROCESS WILL PLAY A MAJOR ROLE IN THE WRITING OF THE 1990 FARM BILL. IT WILL CONTINUE TO DICTATE THE DIRECTION OF FARM POLICY.



### BUDGET/USDA

AGRICULTURE IS NOT EXEMPT FROM THE SCRUTINY. PRESIDENT BUSH PROPOSED A \$48.7 BILLION AGRICULTURE BUDGET. THE BUDGET TRIMS FARM SUBSIDIES BY \$1.5 BILLION AND SHIFTS FUNDS TO FOOD SAFETY AND ENVIRONMENTAL EFFORTS. FEDERAL CROP INSURANCE ELIMINATED BEGINNING WITH 1991 CROPS. DESIGNED TO PUT PRESSURE ON CONGRESS TO ADDRESS THE ISSUE OF CROP INSURANCE VERSUS ANNUAL AD HOC DISASTER PROGRAMS.

### EXPORT ENHANCEMENT PROGRAM/BUDGET

I WOULD LIKE TO ADDRESS THE EXPORT ENHANCEMENT PROGRAM FOR A FEW MINUTES. NO DOUBT ABOUT IT, "EEP" HAS BEEN ONE OF THE REAL SUCCESS STORIES OF THE 1985 FARM BILL. WITHOUT IT, THE U.S. WOULD STILL BE A FRUSTRATED AND DISADVANTAGED COMPETITOR IN THE WORLD MARKETPLACE.

"EEP" CONVINCED THE COMPETITION WE WERE SERIOUS ABOUT COMPETING IN THE MARKETPLACE. SINCE THE ENACTMENT OF "EEP", AG EXPORTS HAVE REBOUNDED DRAMATICALLY, AND IT HAS GIVEN US NEW LEVERAGE AT THE GATT NEGOTIATIONS.

SINCE THE ENACTMENT OF "EEP" IN 1985 WE HAVE SPENT \$2.7 BILLION AND AT THE SAME TIME SOLD \$9.8 BILLION OF FARM PRODUCTS.

IN THE PRESIDENT'S BUDGET "EEP" WOULD BE INCREASED \$334 MILLION FROM THE CONGRESSIONALLY MANDATED CAP OF \$566 MILLION TO \$900 MILLION FOR THE NEW 1991 CROP YEAR. \* NOTE THAT THIS WOULD BE POST-URUGUAY.

THIS IS GOOD NEWS FOR U.S. AGRICULTURE. IT POINTS OUT THAT THE ADMINISTRATION IS STRONGLY BEHIND THE PROGRAM. AT THE SAME TIME IT SERVES UP NOTICE TO THE E.E.C. IN THE GATT NEGOTIATIONS. IT SHOULD PROVIDE A GOOD LEVERAGING TOOL IN THE NEGOTIATIONS TO GET OTHER COUNTRIES ON A LEVEL PLAYING FIELD.

### FARM BILL - 1985 BILL: GOOD BUILDING BLOCK FOR 1990

ACTUALLY, THE FORMULATION OF THE NEW FARM BILL HAS ALREADY BEGUN. THERE HAVE BEEN SOME HEARINGS IN WASHINGTON, D.C. AND SOME IN OTHER PARTS OF THE COUNTRY. ADDITIONAL HEARINGS WILL BEGIN SOON.

BUT AS WE BEGIN WORK ON THE 1990 BILL, WE CAN TAKE GREAT ENCOURAGEMENT FROM THE GOOD WORK WE DID ON THE '85 BILL. MOST FARMERS WILL TELL YOU STRAIGHT OUT - THE '85 FARM BILL WAS A LIFE SAVER. I BELIEVE THE 1985 FARM BILL HAS PROVEN TO BE ONE OF THE

MOST SUCCESSFUL IN THE HISTORY OF FARM PROGRAMS, AND I AM PLEASED TO HAVE PLAYED A MAJOR ROLE IN ITS FORMATION AND ENACTMENT.

#### '85 BILL HELPS TURN IT AROUND

THE GOOD NEWS IS, THE '85 FARM BILL HELPED TURN THE CORNER FOR AMERICAN AGRICULTURE BY INSTITUTING FLEXIBLE LOAN RATES THAT MADE US MORE COMPETITIVE WHILE PROTECTING FARMERS' INCOME. POLICIES SUCH AS THE MARKETING LOAN PROGRAMS FOR COTTON AND RICE, PLUS THE EXPORT ENHANCEMENT PROGRAM FOR WHEAT AND OTHER AG PRODUCTS, HELPED US RECOVER MARKET SHARE, REDUCE SURPLUS STOCK LEVELS AND INCREASE BOTH THE VOLUME AND VALUE OF AGRICULTURAL EXPORTS.

FOR EXAMPLE, SINCE 1985, EXPORTS FOR THE FOUR MAJOR AGRICULTURAL COMMODITIES HAVE INCREASED BY THE FOLLOWING PERCENTAGES:

CORN:	76%
WHEAT:	40%
RICE:	35%
COTTON:	22%

#### DEFICIT THREAT TO RURAL AMERICA AND ALL AMERICA

IF WE DON'T DEAL WITH THE DEFICIT, RURAL AMERICA COULD BE RIGHT BACK IN THE SOUP AGAIN -- FOR FARMERS, ABOUT THE ONLY THING WORSE THAN A DROUGHT IS HIGHER INTEREST RATES.

LAST YEAR, CONGRESS RAISED THE CEILING FOR THE FEDERAL DEBT -- TO A STAGGERING \$3.12 TRILLION DOLLARS! AND THAT MEANS AMERICAN TAXPAYERS WILL BE SHELLING OUT ABOUT \$160 BILLION THIS YEAR JUST TO PAY THE INTEREST ON THE DEBT. NOW, MY GENERATION MAY ESCAPE, BUT I DOUBT THE NEXT ONE WILL DODGE THE BIG CREDIT CARD BILL WHEN IT COMES DUE.

EVERYTIME WE SPEND MORE OF YOUR MONEY, WE ARE JUST CHARGING IT TO THE NEXT GENERATION. AND WE NEED THE NEXT GENERATION TO SUCCEED, TO PROSPER -- ESPECIALLY IN RURAL AMERICA.

BUT MAKE NO MISTAKE, IT ISN'T JUST RURAL AMERICA THREATENED BY THE DEFICIT. EVERY SECTOR OF OUR COUNTRY WILL LOSE IF CONGRESS FAILS TO DO THE RIGHT THING.

AND WE PROBABLY WILL FAIL UNTIL THE AMERICAN PEOPLE NOT ONLY DEMAND ACTION, BUT DEMONSTRATE A LITTLE WILLINGNESS TO GIVE UP A LITTLE.



#### SHORT-TERM EXPORT CREDIT GUARANTEE PROGRAM (GSM-102)

THE PROGRAM HAS NEARLY ALL OF ITS ALLOCATION OF \$5 BILLION ANNOUNCED FOR FY1990. THERE REMAINS AN EXTREME DEMAND FOR FURTHER GUARANTEES. TRADITIONAL USERS OF THE GSM-102 PROGRAM, INCLUDING EGYPT, MEXICO AND IRAQ HAVE FURTHER SHORT-TERM CREDIT NEEDS THAT ARE NOT MET BY USDA'S SELF-IMPOSED CEILING OF \$5 BILLION. DEMAND FOR THE PROGRAM WILL LIKELY COME FROM EASTERN EUROPE WITH THE SWEEPING ECONOMIC AND POLITICAL CHANGES THAT ARE OCCURRING THERE. THE SOVIET UNION WILL BECOME ELIGIBLE FOR THE PROGRAM IF JACKSON-VANIK IS WAIVED.

THEREFORE, I ALONG WITH OTHER SENATORS HAVE ENCOURAGED SECRETARY YUETTER TO INCREASE THE FY1990 COMMITMENT BY \$2 BILLION TO A TOTAL OF \$7 BILLION.

#### FOOD FOR FREEDOM - (FLOAT IDEA)

**QUESTION:** IS IT TIME TO DEVELOP A FOOD AID STRATEGY FOR EASTERN EUROPE AND THE SOVIET UNION? IN THE PAST WE HAVE LOOKED AT EACH COUNTRY ON AN INDIVIDUAL BASIS

DO WE NEED AN OVERALL STRATEGY AND PROGRAM? ONE STRATEGY MIGHT BE TO PROVIDE FOOD ASSISTANCE TIED TO A PROGRAM THAT WOULD ALLOW THE COUNTRIES TO EVOLVE INTO A REGULAR COMMERCIAL CUSTOMER.

THERE IS A NEED FOR AN OVERALL STRATEGY.

#### US - SOVIET TRADE

- SUPPORT THE CURRENT LTA NEGOTIATIONS ON GRAIN.
- ALSO IN FAVOR OF SEPARATE VALUE ADDED AGREEMENT.  
EXAMPLES: FLOUR, POULTRY, SOYBEAN OIL

**\*\*KEY** - SHOULD NOT BE LINKED TO GRAIN AGREEMENT.

OVERALL COMPETITIVE SITUATION

FOUR LEGS OF THE STOOL CONCEPT:

- 1) GATT - STRIVE TO ACHIEVE LEVEL PLAYING FIELD
- 2) COMPETITIVE LOAN RATES
- 3) AGGRESSIVE EXPORT PROGRAM - E.E.P. FOR EXAMPLE  
REGAINS LOST MARKET SHARE
- 4) ADEQUATE PRODUCTION - DON'T ARTIFICIALLY SHORT THE MARKET  
WITH PROGRAMS LIKE CRP AND ANNUAL FARM PROGRAMS.

NEED A BALANCE OF ALL FOUR IN ORDER FOR THE STOOL NOT TO TOPPLE.