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ONE INITIATIVE CLEARLY IN NEED OF NEW DIRECTION IS THE ADMINISTRATION'S EXPORT ENHANCEMENT PROGRAM. I HAVE TO BELIEVE THERE ARE ADDITIONAL WAYS TO LEVERAGE EXPORT SALES FOR BONUS COMMODITIES THAT ARE NOT BEING USED. THE FARM BILL REQUIREMENT TO USE \$2 BILLION IN CCC STOCKS OVER THE NEXT THREE YEARS SHOULD GIVE USDA SOME INCENTIVE TO MODIFY CURRENT PROGRAM PROVISIONS.

#### NEW TRADE LEGISLATION

IN ADDITION, CONGRESS WILL BE CONSIDERING MAJOR TRADE LEGISLATION THIS SESSION THAT COULD HAVE A BIG IMPACT ON AGRICULTURE FOR YEARS TO COME. A BIPARTISAN BILL I INTRODUCED IN NOVEMBER WOULD REQUIRE THE ADMINISTRATION TO TAKE A HARD LINE AGAINST FOREIGN IMPORTS UNLESS OUR TRADING PARTNERS EASE UNFAIR RESTRICTIONS ON OUR EXPORTS. I DO NOT CONSIDER THIS "QUID PRO QUO" IN ANY WAY A THREAT TO U.S. FARM SALES ABROAD, AND IT'S N T PROTECTIONISM. ON THE CONTRARY, IT RECOGNIZES THE SIMPLE FACT THAT, IF WE DON'T INSIST ON FAIR ACCESS FOR INDUSTRIAL AND HIGH-TECH PRODUCTS, OUR EXPORTS OF FARM GOODS WILL BE EQUALLY VULNERABLE.

THE ADMINISTRATION WANTS THE NEW TRADE BILL TO INCLUDE AUTHORITY FOR A NEW ROUND OF MULTILATERAL TRADE NEGOTIATIONS UNDER THE GATT. WHETHER THE TALKS WILL BENEFIT U.S. AGRICULTURE IS OPEN TO QUESTION, SINCE THERE IS NO ASSURANCE THAT THE USE OF EXPORT SUBSIDIES BY OUR COMPETITORS WILL BE MEANINGFULLY ADDRESSED. I ASK FARM BUREAU TO MONITOR PREPARATIONS FOR THE NEW ROUND TO ENSURE U.S. FARMERS WILL HAVE MORE TO GAIN THAN TO LOSE.

#### THE NEED FOR STRONG LEADERSHIP

IT IS CLEAR THAT IT WILL TAKE STRONG FARM LEADERSHIP AND AN AGGRESSIVE ADMINISTRATION TO FULLY RESTORE U.S. COMPETITIVENESS IN THE EXPORT ARENA. WE MUST BE WILLING TO RESPOND TO THE USE OF SUBSIDIES BY OUR COMPETITORS, AND TO INSIST ON MORE OPEN ACCESS FOR OUR PRODUCTS IN OVERSEAS MARKETS.

NONETHELESS, IT WILL ALSO REQUIRE PATIENCE ON OUR PART TO GIVE THESE RENEWED EFFORTS ENOUGH TIME TO SHOW RESULTS. OUR FOREIGN COMPETITORS AREN'T GOING TO SURRENDER MARKETS WITHOUT A FIGHT. MANY OF OUR OVERSEAS CUSTOMERS DON'T HAVE THE BUYING POWER THEY HAD TEN YEARS AGO, AND OUR PROBLEMS WITH THE BUDGET DEFICIT AND THE DOMESTIC FARM ECONOMY ARE STILL WITH US.

#### FARM CREDIT SHAKEOUT

MEANWHILE, THE SHAKEOUT OF THE PAST FEW YEARS WILL CONTINUE IN THE AREA OF FARM CREDIT. THE FARM CREDIT BILL REQUIRES THE FARM CREDIT SYSTEM TO FULLY COMMIT ITS RESOURCES BEFORE THE U.S. TREASURY PUTS ANY MONEY INTO THE SYSTEM. IN THE EVENT SUCH ASSISTANCE IS NECESSARY, WE MAY HAVE TO CONSIDER WHETHER OTHER RURAL LENDERS, INCLUDING COMMERCIAL BANKS, SHOULD BE ASSISTED.



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THE U.S. GOVERNMENT CANNOT AFFORD TO BAIL OUT EVERY AGRICULTURAL LENDER ANY MORE THAN IT CAN STEP IN AND SAVE EVERY FARMER OR RANCHER WHO IS IN DISTRESS. THE GOAL SHOULD BE TO ENSURE THE VIABILITY OF A STRONG FARM CREDIT SYSTEM AS THE PRIMARY LENDER TO U.S. AGRICULTURE.

IF CONGRESS IS TO CONSIDER LEGISLATION DEALING WITH COMMERCIAL BANKS AND FARM CREDIT THIS YEAR (PARTICULARLY IF A LIQUIDITY CRUNCH DEVELOPS BEFORE SPRING PLANTING), WE SHOULD NOT OPEN UP THE TREASURY TO BANKS JUST LOOKING FOR WAYS TO CUT BACK THEIR FARM LOAN PORTFOLIOS. AS WITH THE FARM CREDIT SYSTEM, LENDERS NEED TO SHARE IN ANY PROGRAM TO KEEP CREDIT FLOWING TO FARMERS AND RANCHERS.

### THE DEFICIT AND RURAL AMERICA

BUT WHATEVER WE DO ON FARM CREDIT, EXPORT PROMOTION, AND THE 1986 FARM PROGRAM PALES BY COMPARISON WITH THE NUMBER ONE PROBLEM FOR RURAL AMERICA: THE FEDERAL DEFICIT. LET THERE BE NO MISTAKE: WHATEVER WE DO TO REDUCE THE DEFICIT WILL HAVE A FAR GREATER POSITIVE IMPACT ON AMERICAN AGRICULTURE THAN ANY SINGLE ITEM IN THE FARM PROGRAM. OPENING A MAJOR NEW EXPORT INITIATIVE WILL HAVE ONLY MEAGER RESULTS IF AMERICAN PRODUCERS ARE PRICED OUT OF THEIR TRADITIONAL MARKETS. THAT'S WHAT'S BEEN HAPPENING. AND IT'S HAPPENING IN LARGE PART BECAUSE OF THE HIGH DOLLAR AND HIGH INTEREST RATES THAT RESULT FROM OUR UNBRIDLED DEFICIT SPENDING.

JUST LOOK AT THE FACTS. WE ARE GOING TO BE HARD PUT JUST TO MEET THE GRAMM-RUDMAN GOAL OF BALANCING THE BUDGET BY 1991. BUT EVEN IF WE DO MEET THOSE GOALS--AND I BELIEVE WE WILL, WITH THE SUPPORT OF CONCERNED CITIZENS LIKE YOURSELVES--WE WILL STILL ADD OVER \$500 BILLION TO THE NATIONAL DEBT BY 1991. SOME OF YOU MAY RECALL THAT WE JUST RAISED THE NATIONAL DEBT CEILING TO OVER \$2 TRILLION. WE HAD TO DO IT: WE HAD ALREADY SPENT THE MONEY, AND WE HAVE TO PAY OUR BILLS. BUT THE POINT IS THAT EVEN UNDER GRAMM-RUDMAN, WE ARE TALKING ABOUT A 25% INCREASE IN THE NATIONAL DEBT BY THE END OF THE DECADE.

### THE COST OF FARM PROGRAMS

NOW, NO ONE CAN CLAIM THAT WE ARE SKIMPING ON FEDERAL FARM PROGRAMS. COMMODITY PROGRAMS NOW ADD UP TO ABOUT \$18 BILLION A YEAR. COMPARED WITH THE \$5 BILLION WE WERE SPENDING ANNUALLY BEFORE 1981, THAT IS A 350% INCREASE IN JUST FIVE YEARS. WE HAVE AN OBLIGATION TO SUPPORT THE AMERICAN FARMER IN THIS CRITICAL TIME--AND THIS SENATOR FEELS THAT OBLIGATION VERY, VERY DEEPLY. BUT THE RECORD SHOWS THAT WE CAN'T SPEND THE FARMER INTO PROSPERITY. WE CAN ONLY PREVENT A BAD SITUATION FROM GETTING WORSE.