



WORLD PERSPECTIVES, INC.

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February 15, 1989

The Honorable Robert Dole
United States Senator
Washington, D.C. 20510

Dear Senator Dole:

World Perspectives, Inc. will be hosting our third annual seminar, "Inside U.S. Agricultural Policy," on March 6-8, 1989 at the Sheraton Carlton Hotel here in Washington, D.C.

I would like to take this opportunity to invite you to deliver a breakfast address to our meeting on Monday, March 6 at 7:30 a.m. at the Sheraton Carlton. We would be delighted to have any of your staff members join us for the breakfast as well.

Your insights into agricultural policy priorities on the Senate agenda—from both the domestic and international perspectives—would be of great benefit to our participants. Those attending our seminar come from both the private and public sector—from the U.S. and overseas—and represent a broad range of agribusiness and trade interests. Enclosed is a brochure outlining the basic program and a partial listing of attendees.

World Perspectives, Inc. is an information, analysis and consulting service that specializes in agricultural, trade and economic issues. We provide daily, weekly and monthly reports, as well as a broad range of consulting services to many leading agribusiness and financial companies and a number of major foreign governments.

Other special guest speakers on this year's program include House Majority Leader, Thomas S. Foley and former Secretary of Agriculture, Richard E. Lyng. Representatives Dan Glickman and Pat Roberts will be joining us for a special panel discussion entitled "Prospects for New Ag Legislation and Policy Change."

We would of course be delighted to offer you your normal honorarium for this presentation, and will be contacting your office later this week to answer any questions you might have and to check on your availability.

I sincerely hope that you can join us for the breakfast and thank you for your consideration of this invitation.

Yours sincerely,

Carol Brookins

Carol Brookins
President

CB:ac

Joyce

Speak
Senator, any interest in doing??
yes
no

March 6
Mon.
breakfast.

at Sheraton Carlton
[Handwritten scribbles]

[Handwritten notes and scribbles]
at 8:15
9:30
but not

MARCH 3, 1989

TO: SENATOR DOLE
FROM: MARK SCANLAN
SUBJECT: WORLD PERSPECTIVES COMMENTS

Attached is a schedule of the World Perspectives breakfast and possible talking points. Below is a description of the event and a summary of some current ag issues which contains more information than included in the talking points.

There will be about 60 attendees. Most of these people are interested in international ag trade. They will probably be interested in the upcoming Senate agenda, policy priorities for ag and trade, the next farm bill and the GATT round. They will probably ask you opinion on EEP. They would invite you to talk about any other issue which you may be interested in.

They have asked you to talk for about 20-25 minutes followed by 10-20 minutes of questions.



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PRELIMINARY PARTICIPANT LIST

**WORLD PERSPECTIVES' SEMINARS
"INSIDE U.S. AGRICULTURAL POLICY"**

**MARCH 6-8, 1989
WASHINGTON, D.C.**

**Don Hilger
Cargill, Inc.**

**Dave Lyons
Louis Dreyfus Corporation**

**Lou Thomann
Louis Dreyfus Corporation**

**John Orzechowski
Louis Dreyfus Corporation**

**Patrick O'Brien
U.S. Department of Agriculture**

**Jack Wyard
Garnac Grain Company, Inc.**

**Richard William Allen, III
Bunge Corporation**

**Takashi Eto
C. Itoh & Company**

**Nancy Walter
Michigan Department of Agriculture**

**Roy Azuma
Marubeni America Corporation**

**Hiroshi Yamanishi
Marubeni Corporation**

**W. Piechno
Polfoods Corporation**

**A. Cieslakiewicz
Rolimpex - Warsaw**

**Alfred C. Michon
Union Pacific Railroad**

**Brian Hayward
United Grain Growers Ltd.**

**John Robinson
Farmer**

**Larry Shonkwiler
Advance Trading, Inc.**

**Richard Downey
Canadian Wheat Board**

**Kathleen McLoughlin
Corn Products**

**Tapan Chakrabarty
Corn Products**

Al McMaster
Zen Noh Unico America Corporation

Hisato Ishida
Mitsui Grain Corporation

Alan Caldwell
RJR/Nabisco

Anne Bostick
Nabisco Brands, Inc.

Marc Edward Thompson
O'Connor & Company

William Francis O'Connor
O'Connor & Company

Peter Geary
Australian Wheat Board

Dennis Wise
Australian Wheat Board

Clinton Condon
Australian Wheat Board

Jeffrey E. Hell
U.S. General Accounting Office

Nile D. Ramsbottom
Purina Mills, Inc.

Erich Gill
The Pillsbury Company

Phillip de Kemp
Agriculture Canada

Lisa Ledwith
Embassy of Japan

John McNab
Embassy of Canada

Peter Fawcett
Embassy of Canada

Al Conway
Bartlett & Company

Randy Marten
Campbell Taggart

Gene Vickers
Mitsui Grain Corporation

Arie ter Veen
Nidera Handelscompagnie B.V.

Karl Ehlers
Central Intelligence Agency

Marilyn Sieber
Central Intelligence Agency

Jaap van der Veen
Embassy of the Netherlands

Mr. Clesering
Dutch Ministry of Agriculture

Harley Donnell
Central Soya, Inc.

Ben Berte
Richco Ltd.

Kohji Nagasaka
C. Itoh & Company

February 1, 1989

SUMMARY AND COMMENTS ON AG ISSUES

GATT -- Last week Yeutter indicated he would ask Congress to remove the \$770 million cap on the Export Enhancement Program (EEP). He said this was because the EEC was backpedaling on their agreement to reduce subsidies in the short-term. The EEC has never agreed to the U.S. position of eliminating all trade distorting subsidies in the long-term.

When the Uruguay round was initiated under the Reagan administration, the goal for agriculture was to achieve meaningful and substantive reforms in the EEC export program and to reduce trade tensions by ensuring a level playing field. We should not risk making any short-term agreements or finishing the Uruguay round within the next two years without concessions from the EEC for a restructuring of their export programs.

FARM BILL -- Yeutter has suggested that Congress either extend the 1985 farm bill for a year past its 1990 expiration date, with few, if any policy changes, so we can use GATT as a blue-print for the next farm bill or write a full-scale farm bill next year with the expectation it will likely have to be modified in a very major way. Thus, he suggests Congress may have to substantially revise its farm programs after the conclusion of the Gatt round in December of 1990 if we do not extend the current bill.

It appears the sentiment on the Capitol Hill is moving towards writing a new 4-5 year farm bill. Congress can always go back and make changes after GATT is completed if necessary. We should not allow the EEC to dictate the kind of GATT agreement we come up with, for example, a freeze of current programs and some reductions over two years, without any commitment to long-term policy reforms. Congress should write the next farm bill in terms of what is best for U.S. agriculture. If we maintain an aggressive, export oriented policy, this may give the administration more flexibility for GATT negotiations. Given the absence of meaningful long-term reforms to the EEC export programs, Congress should consider pushing ahead with plans for a multi-year farm bill to be completed early next year in time for winter wheat farmers to make plans. Further, farmers like to have an idea of what our programs will be two or three years down the road, rather than going from year to year.

EEP -- Some may question how effective EEP will be given our lower wheat carryover levels. USDA apparently feels we have adequate stocks to run the program. In addition, we should still look at the long-term goal of protecting our export markets. Further, EEP is used for oil exports, and the U.S. now has high soybean oil stocks due to subsidized EEC exports of rapeseed and sunoil.

FLEXIBILITY -- Everyone seems to be talking about the need for more flexibility and Yeutter said he endorses the concept but wants to look at specific proposals and also wonders how much it will cost, given that the next farm bill will be written under tight budget parameters. In the drought bill Congress allowed producers to indicate intentions at sign-up for planting 10-25% of their permitted acres to soybeans or sunflowers to help increase acres of these crops and allow farmers to respond to market signals. The drought bill required USDA to allow only enough soybean acres to be planted to keep the 1989 crop soybean price above \$5.49. This turned out to be 80% of acres farmers signed up for. This provision reflects the different attitudes between the Southern soybean farmers and the Midwestern soybean farmers, between the need to prevent too many acres from coming into production, thus driving down prices and the need to bring more acres into production to maintain export market share, which is difficult to regain once its lost.

Pat Roberts and Charly Stenholm have also pushed allowing producers to substitute 20% of their acreage between program bases as a starting point (the farm bill allows USDA 10% substitution discretion which basically has been unused). For example, they could increase their wheat base 20% and decrease their corn base 20%. This would work for farmers who have two bases, but it does not address the concern of the oilseed industry and nonprogram crops.

Congress has also allowed producers to plant more oat acreage.

Another idea discussed is to allow producers total flexibility by removing restrictions that tie specific crops to specific bases. For example, a farmer could have one base on his farm and plant whatever he wants. This would allow him to respond to market signals and would not force him to plant a specific crop, which may be in surplus, just to qualify for government payments. This may also be costly. This is similar to what use to be called "normal crop acreage" which existed during the Carter administration.

EEC HORMONE BAN -- The U.S. seems to backing away from its earlier "hard-line" position on the hormone ban. After the EEC indicated they would follow through with their intentions to ban U.S. meat due to U.S. refusal to certify it was produced without hormones, the U.S. retaliated by imposing \$100 million in sanctions, which was the equivalent of the lost meat sales. The U.S. has said there is no scientific evidence to support the EEC claim that hormones pose a health risk.

Recently the U.S. & EEC declared a 75 day cooling off period to find ways, including certification, to move beef consistent with EC law and U.S. production methods. This leaves many in the U.S. industry uneasy since the EC demand implies there is something wrong with U.S. beef. In addition, it will be almost impossible to police the use of hormones since there is no difference in hormone tests from carcasses of implanted animals and those never implanted with hormones. Apparently, the \$100 million in U.S. sanctions will not be dismantled until a permanent solution is found.

GROUNDWATER -- There is growing interest in groundwater concerns. It seems possible that Congress may want to act before they have all the facts in hand. We may want to look at passing a groundwater research bill, although the issue may have moved beyond that. We should avoid being too restrictive, such as setting specific levels for every chemical in every state. We should collect more data with the help of local and state officials. We need to determine the causes, the extent of the problems and the possible remedies.

ECARP fits in well with this approach because it gives producers with groundwater problems a chance to retire environmentally sensitive land for 10 years. In the meantime they may be able to come up with ways to solve their problems.

If too many restrictions are put on chemicals, it could raise the cost of production and decrease our international competitiveness.

SUSTAINABLE AGRICULTURE -- There appears to be more attention being paid to this issue and Fowler introduced a bill last year and will reintroduce it this year with modifications. While everyone is in favor of sustainable agriculture, we can't forget that it takes certain nutrients from the soil to produce plants. Manure is low in certain nutrients and that is why many farmers are forced to use inorganic fertilizers. Manure also causes some environmental runoff problems.

So farmers will have to be more environmentally conscious in the years ahead: offensive-minded rather than defensive-minded.

WORLD PERSPECTIVES SEMINAR
MONDAY, MARCH 6, 1989

0 IT'S A PLEASURE TO BE HERE. IT'S GOOD TO SEE SO
MANY FAMILIAR FACES.

THE 1985 FARM BILL AND BEYOND

0 THE GOOD NEWS FOR RURAL AMERICA IS THAT,
WITH MINOR EXCEPTIONS, THE 1985 FARM BILL IS
WORKING! FOUR YEARS AGO THERE WERE PLENTY
OF CRITICS, BUT EVEN THE CYNICS ARE ADMITTING
TODAY THAT THE BILL HAS NOT ONLY WORKED, IT
HAS HELPED SAVE RURAL AMERICA.

0 THE 1985 BILL HAD THREE BASIC OBJECTIVES: 1)
MAINTAIN FARM INCOME; 2) RESTORE MARKET
SHARE; AND 3) CONTROL FARM PROGRAM
OUTLAYS.

0 I THINK MOST OF US WOULD AGREE THAT ITS
PASSING THE TEST: NET CASH INCOME HAS RISEN
EVERY YEAR AND WAS A RECORD IN 1987,
ALTHOUGH IT WAS DOWN SLIGHTLY IN 1988 DUE TO
THE DROUGHT. EXPORT MARKET SHARE IS
APPROACHING HISTORIC LEVELS AND EXPORT
VALUE AND VOLUME ARE UP ABOUT 30%.

0 THE THREE YEAR COSTS FROM FY 87-89 ARE ABOUT
ON TARGET WITH THE ORIGINAL COST EXPECTATION
OF SLIGHTLY OVER \$50 BILLION. THE FISCAL YEAR
1986 COSTS WERE A RECORD \$25.8 BILLION, BUT
SOME OF THAT REFLECTED COMMITMENTS MADE IN
THE 1985 CROP YEAR, WHICH WAS STILL PART OF
THE 1981 FARM BILL. CCC OUTLAYS FOR FY 1990
ARE PROJECTED TO BE ABOUT \$11.6 BILLION.

0 SO THE VIEW ON CAPITOL HILL -- AND ACROSS
RURAL AMERICA -- SEEMS TO BE TO CONTINUE WITH
OUR CURRENT MARKET ORIENTED APPROACH
ALLOWING FARMERS TO MAKE THEIR OWN
PRODUCTION AND MARKETING DECISIONS.

EXTENSION / REAUTHORIZATION

0 SOME HAVE SUGGESTED THE POSSIBILITY OF
EXTENDING THE CURRENT FARM BILL FOR ONE
YEAR AS PART OF THE BUDGET RECONCILIATION
PACKAGE THAT COULD BE ADOPTED LATER THIS

YEAR. CONGRESS COULD THEN WRITE A NEW FOUR YEAR FARM BILL IN 1991. THIS WOULD PLACE THE NEXT FARM BILL INTO A NON-ELECTION YEAR (NINE OF NINETEEN MEMBERS OF THE SENATE AGRICULTURE COMMITTEE ARE UP IN 1990) AND IT WOULD ALSO PUT US INTO THE THIRD YEAR OF THE BUSH ADMINISTRATION.

0 SECRETARY YEUTTER WILL WANT US TO KEEP HIS
OPTIONS OPEN FOR NEGOTIATIONS UNDER THE
GATT. BUT I DON'T THINK THIS PRECLUDES US
FROM WRITING A NEW FARM BILL NEXT YEAR THAT
IS SIMILAR TO THE 1985 BILL WITH A FEW
MODIFICATIONS INCLUDING GREATER PLANTING
FLEXIBILITY.

0 IF WE DO DECIDE TO ALLOW THE CURRENT FARM
BILL TO RUN ITS COURSE THROUGH 1990 AND
WRITE A NEW BILL, POSSIBLY A 4-5 YEAR BILL, I WILL
PUSH TO HAVE IT COMPLETED BY JUNE OF 1990 TO
HELP WINTER WHEAT FARMERS WITH THEIR
PLANTING INTENTIONS.

0 CONGRESS ALWAYS HAS THE LEEWAY TO GO BACK
AND MAKE POLICY REVISIONS IF NEEDED. THE
BOTTOM LINE IS THAT MOST FARMERS WOULD LIKE
TO KNOW WHAT POLICIES WILL BE OVER THE NEXT
FEW YEARS.

1989 CROP / DROUGHT

0 ALL OF THIS SO-CALLED CONVENTIONAL WISDOM
ASSUMES A NORMAL CROP YEAR. IF THE DROUGHT
REPEATS THIS YEAR -- THEN ALL BETS ARE OFF.
MEMBERS WOULD LIKELY WAIT UNTIL JULY WHEN
THE WHEAT IS IN AND THE CORN CROP IS BEING
MADE AND THE OUTLOOK FOR SOYBEANS IS
CLEARER BEFORE WE WOULD REALLY KNOW WHAT
IS GOING ON.

PLANTING FLEXIBILITY

- 0 I'M SURE YOU'LL HEAR SEVERAL OF THE SPEAKERS
SUGGEST A FEW AREAS OF POSSIBLE EMPHASIS
FOR THE NEXT FARM BILL INCLUDING THE NEED
FOR GREATER FLEXIBILITY IN FARM PROGRAMS.
- 0 MANY FARMERS FEEL THE CURRENT POLICY OF
CROP-SPECIFIC BASES NOW LOCKS THEM INTO
GROWING A CROP TO QUALIFY FOR GOVERNMENT
PAYMENTS. THEY WOULD LIKE MORE LEEWAY TO
SWITCH BETWEEN CROPS WHILE PROTECTING
BASES.

GROUNDWATER

0 SINCE WE'RE HEARING THAT GROUNDWATER AND
OTHER ENVIRONMENTAL ISSUES WILL RECEIVE
MORE ATTENTION, IT WILL BE IMPORTANT FOR
AGRICULTURE TO REFLECT A PRODUCER-ORIENTED
APPROACH IN SOLVING THESE CONCERNS.

0 OUR FIRST STEP MAY NEED TO BE TO PASS A
GROUNDWATER RESEARCH BILL BEFORE WE MAKE
TOO MANY FUNDAMENTAL DECISIONS. WE NEED TO
KNOW THE EXTENT OF THE PROBLEM, THE CAUSES
AND POSSIBLE REMEDIES. STATE AND LOCAL
OFFICIALS COULD BE A HELP IN DETERMINING
THESE ITEMS.

ECARP

0 LAST YEAR I INTRODUCED THE ENVIRONMENTAL
CONSERVATION ACREAGE RESERVE PROGRAM --
OR ECARP -- WHICH SETS UP A LONG-TERM
RESERVE SIMILAR TO THE CRP BUT TARGETED TO
ENVIRONMENTAL CONCERNS -- GROUNDWATER,
SOIL DRAINAGE, SILTATION AND OTHER RESOURCE
MANAGEMENT PROBLEMS STEMMING FROM
AGRICULTURAL MANAGEMENT PRACTICES.

0 WITH MARKET PRICES HIGHER NOW DUE TO THE
DROUGHT, IT WILL BE MORE DIFFICULT TO ATTRACT
LAND INTO THE CONSERVATION RESERVE WHICH
NOW HAS 28 MILLION ACRES ENROLLED.
THEREFORE, SETTING UP A SIMILAR RESERVE TO
TARGET ENVIRONMENTAL NEEDS, WHILE LIMITING
THE OVERALL ACREAGE ENROLLED IN BOTH
RESERVES TO REFLECT THE CURRENT MARKET
CONDITIONS SEEMS TO MAKE SENSE.

0 OUR OBJECTIVE IS TO GIVE FARMERS MORE
FLEXIBILITY FOR HANDLING ENVIRONMENTALLY
SENSITIVE ACRES AND MORE TIME TO ADDRESS
RELATED PROBLEMS. FEATURES WOULD INCLUDE
ALLOWING ADVANCE RENTAL PAYMENTS, ALLOWING
SET-ASIDE ACRES TO BE ENROLLED ON A
LONG-TERM BASIS, AND ALLOWING THE SECRETARY
TO MAKE BONUS PAYMENTS WHEN FARMERS
AGREE TO REDUCE THEIR BASES.

0 USDA HAS BEGUN TO FOCUS ON BROADENING THE
CRP CRITERIA BY ALLOWING FILTER STRIPS, ACRES
SUSCEPTIBLE TO SCOUR EROSION AND SOME
WETLANDS INTO THE RESERVE. THEY MAY NEED A
LEGISLATIVE MANDATE TO HAVE ENOUGH
AUTHORITY TO ADDRESS OTHER POTENTIAL
CONCERNS ADEQUATELY.

EXPORT ENHANCEMENT PROGRAM (EEP)

- 0 SECRETARY YEUTTER HAS INDICATED HIS SUPPORT
FOR CONTINUING TO USE THE EXPORT
ENHANCEMENT PROGRAM TO KEEP THE PRESSURE
ON THE EUROPEANS TO MAKE TRADE REFORMS.
- 0 LAST WEEK HE INDICATED A WILLINGNESS TO
REMOVE THE CURRENT \$770 MILLION SPENDING
CAP ON EEP IN HOPES OF PUTTING MORE
PRESSURE ON THE EEC PRIOR TO THE NEXT ROUND
OF GATT NEGOTIATIONS SCHEDULED FOR APRIL.

1 THE CARRYOVER LEVEL FOR WHEAT WILL ONLY BE ABOUT 540 MILLION BUSHELS, THE LOWEST SINCE THE EARLY 70'S, BUT THE BONUS LEVEL HAS ALSO DROPPED, FROM A HIGH OF ABOUT \$45 A TON A FEW YEARS AGO TO ABOUT \$20 CURRENTLY FOR THE SOVIETS AND CHINESE. ITS EVEN LOWER -- ABOUT \$3 PER TON -- TO THE PHILIPPINES.

0 I UNDERSTAND THE U.S. SOYBEAN OIL STOCKS ARE QUITE HIGH DUE TO SUBSIDIZED EEC OIL EXPORTS AND CONTINUED PRESSURE IS NEEDED.

0 THE EEP HAS PROVEN A KEY FACTOR IN RESTORING
U.S. COMPETITIVENESS AND SHOULD BE
CONTINUED IN 1989.

BUDGET

0 BUT AS I'VE SAID ON NUMEROUS OCCASIONS, THE
FEDERAL BUDGET DEFICIT SHOULD BE A TOP
PRIORITY. THE BUDGET COMMITTEES HAVE BEGUN
HEARINGS -- BUDGET DIRECTOR DARMAN AND
FEDERAL RESERVE BOARD CHAIRMAN ALAN
GREENSPAN HAVE BOTH TESTIFIED.

0 NEED TO REDUCE THE DEFICIT BY \$25 - \$30 BILLION
TO REACH THE GRAMM-RUDMAN-HOLLINGS TARGET
OF \$100 BILLION FOR FISCAL YEAR 1990. IF
CONGRESS DECIDES TO DEVISE A TWO-YEAR
BUDGET AGREEMENT, AS THEY DID IN 1987, WE
WOULD HAVE TO REDUCE THE DEFICIT TO \$64
BILLION BY FISCAL YEAR 1991.

- 0 IF THE NEW ADMINISTRATION AND CONGRESS DO NOT AGREE ON A DEFICIT REDUCTION PLAN, THE GRAMM-RUDMAN-HOLLINGS LAW WOULD TRIGGER AUTOMATIC ACROSS-THE-BOARD CUTS OF ABOUT 8.4 PERCENT STARTING IN OCTOBER OF 1989.
- 0 FOR AGRICULTURE, THAT ALTERNATIVE MAY BE THE BETTER OPTION. FOR WHEAT, IT WOULD TAKE ABOUT A NICKLE OFF THE PROJECTED 60 CENT DEFICIENCY PAYMENT AND FOR CORN ABOUT 7.5 CENTS OFF THE PROJECTED 90 CENT DEFICIENCY PAYMENT FOR THE 1990 CROP.

- 0 THE BUSH ADMINISTRATION HAS SIGNALLED ITS
READINESS TO LET THE SEQUESTER GO INTO
EFFECT IF A BUDGET AGREEMENT CAN'T BE
REACHED WITH CONGRESS.
- 0 GIVEN OUR NEED TO REDUCE THE BUDGET DEFICIT,
OUR TASK WILL BE TO PURSUE THOSE OPTIONS
THAT PROTECT FARM INCOME OVER BOTH THE
SHORT-TERM AND LONG-TERM.

RURAL DEVELOPMENT

0 WE WILL TAKE A CLOSE LOOK AT RURAL DEVELOPMENT ISSUES THIS YEAR. BUT WITH THE DEFICIT TOWERING ABOVE US, WE WON'T HAVE A LOT OF MONEY TO SPEND -- OUR EFFORTS WILL HAVE TO BE CAREFULLY TARGETED. WE NEED TO FOCUS ON HOW TO ATTRACT SMALL BUSINESSES TO RURAL AREAS, HOW TO ENSURE THAT RURAL AREAS RECEIVE A "FAIR-SHARE" OF LIMITED FEDERAL DOLLARS AND HOW TO COORDINATE EFFORTS WITH STATES, LOCAL UNITS OF GOVERNMENT AND THE PRIVATE SECTOR.

RURAL HOSPITAL BILL

0 I TRIED TO PUT THE SPOTLIGHT ON RURAL AMERICA
ON THE OPENING LEGISLATIVE DAY OF THE 101ST
CONGRESS BY INTRODUCING A BILL TO HELP RURAL
HOSPITALS.

0 SINCE 1983, 188 RURAL HOSPITALS HAVE CLOSED
DOWN -- 46 CLOSED IN 1988 ALONE. THAT'S WHY
TEN OF MY COLLEAGUES HAVE ALREADY JOINED ME
IN SPONSORSHIP OF S. 10 -- THE RURAL HOSPITAL
EQUITY ACT. IT WILL HELP MANY RURAL HOSPITALS

GET MUCH-NEEDED ADDITIONAL MEDICARE
FUNDING SO THEY CAN PROVIDE QUALITY HEALTH
CARE TO OUR RURAL COMMUNITIES.

0 I ALSO JOINED WITH SENATOR BENTSEN AND 36
COLLEAGUES IN INTRODUCING S. 306 TO ENSURE A
MORE PERMANENT SOLUTION FOR RURAL
HOSPITALS.

0 THE BOTTOM LINE FOR RURAL AMERICA IS -- WE
NEED TO FIND WAYS TO DIVERSIFY THE ECONOMIES
OF FARM COMMUNITIES AND IMPROVE EDUCATION

AND VOCATIONAL TRAINING OPPORTUNITIES FOR FARMERS AND OTHER RURAL CITIZENS. WE MUST KEEP BASIC SERVICES IN RURAL AMERICA TO ATTRACT NEW BUSINESSES AND CREATE NEW JOBS AND ENHANCE THE STANDARD OF LIVING FOR THE 25 PERCENT OF OUR CITIZENS WHO LIVE IN RURAL AREAS.

CONCLUSION

0 PRESIDENT BUSH HAS BEGUN HIS ADMINISTRATION WITH A RENEWED SENSE OF COMMITMENT TO

BIPARTISANSHIP. THIS HOLDS TRUE FOR OUR
NEGOTIATIONS ON THE BUDGET AS WELL AS ON
ISSUES LIKE HEALTH CARE, RURAL DEVELOPMENT
AND FARM POLICY.

WE ALL HAVE A STAKE AT MAKING SURE RURAL
AMERICA HAS THE OPPORTUNITY TO BE PROSPEROUS IN
THE YEARS AHEAD.