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Thank you, and God bless you all.

NOTE: The President spoke at 7 p.m. in the Alterowitz Gymnasium. In his remarks, he referred to Ronald Sexton, chancellor, Montana State University, Billings. A tape was not available for verification of the content of these remarks.

Remarks in a Roundtable Discussion With Farmers and Agricultural Leaders in Broadview, Montana

June 1, 1995

The President. Thank you very much. I want to mostly just listen to you, but I thought that it might be helpful for me to talk for a minute or two about the kinds of decisions that are coming before our country in the next year, on the farm bill and other things.

I want to thank Senator Baucus, and I want to thank Congressman Williams for always making sure that the White House and the President know about the concerns and the interests of the people of this State. They have never been bashful about doing that, and they've done a pretty good job of it. And I thank them for that.

I have been concerned about the interest and welfare of agriculture and rural America generally for a long time and a long time before I became President. A lot of you know that the State where I lived, Arkansas, where I was Governor for 12 years, is a big agricultural State. And it's a different kind of agriculture, by and large. I had Les take me out in the field and explain how you bring in the wheat crop, when you do it, and how you decide what land to lay out. But my State is principally rice, soybeans, and then wheat, and chicken and also a lot of—there's a big hog-growing operation and a sizable cattle operation there.

And I've been through a lot of things with farmer friends of mine. I was Governor all during the 1980's when we lost a lot of our farmers, and a lot of my friends went down. And we were struggling even to keep our rural banks alive and keep them in a position where they could finance farms. We changed all of our State laws to try to do that. So I've seen the worst times of agriculture.

I think the '90 farm bill in many ways has worked reasonably well, although I think there are some problems with it. Since I have been President, I have worked very hard on an overall economic strategy for our country which kept in mind the important role of agriculture. We have fought like crazy to have more trade and fairer trade for American agriculture.

We were able to get the GATT world trade agreement because, after years and years of fighting, we were able to persuade the Europeans to agree to reduce their agriculture subsidies so that they wouldn't be pushing us out of markets because they were subsidizing to a greater extent than we were.

We were able to begin to export some things to Japan and China and the Far East that we'd never been able to export before, principally rice, apples, and other fruit products. We negotiated, as Max said, this one-year agreement with Canada and set up this commission to try to resolve this problem that they have. And as you know, they—you understand this far better than I do—but there were some things which happened in the original trade negotiations with Canada, and there are some things that are basically endemic to the way they organize their agriculture which make it almost impossible for us to get a fair deal unless we have a specific bilateral agreement on it. So we've been working very hard on that.

A few weeks ago, I went to Ames, Iowa, to Iowa State University, and had a national rural conference and talked to farmers from all over the country about some other problems we've got, specific problems like the beef problem with Korea. And we also talked about the need to continue in this new farm bill a decent level of support for agricultural research, a decent level of effort and a greater effort for the development of alternative products out of the farming now done in America.

We had farmers from the Middle West bring some very impressive things that they had made from their sort of side businesses in agriculture, including windshield wiper fluid. And they even gave me some golf tees, which I used. They're biodegradable, and that's important because I break one every time I swing a club. [*Laughter*]

I think it's very important that, as we look ahead, that we deal with not only the question of how much we're going to spend on agricultural supports, but what these programs are going to look like. Are we going to have, for example, a greater effort to help young farmers get into farming, when the average age of farmers keeps going up and up and up? Are we—if we want to get the prices up and have a long-term responsible program for the environment, shouldn't we preserve the conservation reserve program, or something awful much like it, no matter what we do to the rest of the farm supports?

And then there's this larger question of what the overall role of agriculture is to America. Yes, we do spend a substantial amount of money on farm supports. But as all of you know, we spend dramatically less than we did 10 years ago. The supports were cut a lot in '85; they were cut a lot in '90 and '93. And then again in this '96 budget, we proposed some modest cuts, mostly to tighten up the income eligibility.

But my belief is that since agriculture is producing this year over $50 billion worth of farm exports, the largest dollar value of exports in our history, we're going to have more than a $20 billion trade surplus in agriculture. And to give you some idea of the figures, roughly, we'll have a trade deficit maybe of something over $100 billion. And 60 percent of it is in automobiles from Japan and auto parts, and the rest of it's in oil. And otherwise we're pretty much in balance, thanks almost entirely to the massive surplus we enjoy in agriculture and in the sale of airplanes and airplane parts. And otherwise, we're more or less in balance.

So to me this is a very big thing. And I know—I imagine people in Montana are pretty much like people in Arkansas; everybody wants to see the budget brought into balance. Everybody knows that things got haywire in the last 12 years. You need to know that the budgets that Max and Pat voted for would have the Federal Government in balance today. We would have a balanced budget today but for the interest we have to pay on the debt run up between 1981 and the day I became President.

So we turned this deficit thing around. We need to keep bringing it down, but we need to look at the agricultural issue in light of how you live here and the importance to the United States of this massive economic strength we have in American agriculture, which means every person in the country has benefited by what you do, by having the cheapest, best food in the world, and also by having an enormous economic weapon in a global economy.

So that's kind of the perspective I'm looking for. We're going to have to make some changes in the farm program, but I want to get your feedback on your lives, your work, your experiences, and what you think we should be thinking about as we—number one, we're coming up to the end of the one-year deal on the Canadian agreement, as Max said, but we're also going to have to rewrite the farm bill. We do it every 5 years, and this year it coincides with this effort that is being made to balance the budget.

So we need to really think this through. And that's why I wanted to be here. And I'm not going to say any more. I want to listen to you now.

Senator Max Baucus. Thank you very much, Mr. President. Anybody who wants to—Diana or Steve?

Export Enhancement Program

[*At this point, Steve Heiken asked about congressional appropriations for the Export Enhancement Program.*]

The President. Well, I like that program. I've used it quite a lot, the Export Enhancement Program. And if they refuse to appropriate any money for it, then I will try to offset the impact of that by two things. One is trying to get our Trade Ambassador, Mr. Kantor, to go back and do even more than he's already done. I think he's the best trade person we've had in many, many years, but there may be some things he can do. And secondly, there may be some other ways that we can help other countries to finance agricultural purchases through other instruments of other financial institutions.

I think it would be a mistake to do away with the EEP completely, given the way the world works now. You know as much or more about it than I do, but I think we ought to maintain the program.

Regulatory Reform

[*Citing his own farm as an example, Les Auer asked if farmers could be better stewards of the land without excessive Government regulation.*]

The President. In general, I think the answer to that is yes. I think the trick is, from my point of view, is how to get the best environmental results and have some standard that will also deal with the people that might abuse their privileges, and how to do it with fewer regulations. And I think there are ways to do it.

Let me just say, for example, in the Agriculture Department, Secretary Glickman is in the process of cutting the regulations of the Ag Department. And the target is to save the farming population of our country and others regulated by the Ag Department 2.5 million hours a year and $4 billion a year by reductions. The EPA is cutting their paperwork burden by 25 percent in one year.

And basically what we're trying to do is to go to a system in which we can go to people and say, ''Look, here are the general standards in the law and the things that are necessary to preserve the land, water, and air over the next generation. But this rule book is not necessary if you can meet the standards however you please, if you can find some other way to do it.'' We're now doing that through the EPA. We're going to have 50 experimental projects where we just go to people and say, ''Can you meet the standards, and if you do, you can get rid of the rule book.'' And so that way we'll have the benefit of a common standard and a common commitment to environmental protection without having the cost and burdens of excessive regulation.

I think that the regulatory system in America has basically built up over the last 35 years under Democrats and Republicans alike. And partly it has come about because of the abuses that are there. But believe it or not, sometimes even the people who are being regulated wanted us to be more specific and more detailed because they thought that would protect them in other ways.

The problem is there's no way to write rules and regulations that cover every commonsense occurrence that will happen in the life of a farmer or a businessperson. You just can't do it. We were talking about it last night at dinner.

So anyway, we're trying to move to a different regulatory system which would keep our commitment, our common commitment, to a clean environment or to a safe workplace, but would give the people who have previously been overregulated far more freedom in deciding how to meet those objectives. And I think that's the right way to compromise this out.

Ethanol

[*Mary Schuler asked about efforts to increase ethanol use, in view of the court ruling against the 30 percent mandate.*]

The President. Well, as you know, I'm a strong supporter of that program. We prevailed by one vote because the Vice President had to go over to the Senate and vote for it. Remember that? One of Al Gore's best lines is, every time he votes we win. [*Laughter*] But we won that day. And then they took us to court, and we lost.

We're looking at the case now, reviewing it, to see whether or not we think we've got any chance at all to prevail on appeal. And if we think we've got any chance at all, we're going to appeal the thing. But we're reading it now and trying to reach a judgment about that.

And I would be interested in knowing from you whether there are some other things we can do to increase the use of ethanol, because I think that's good environmental policy as well as good farm policy. And again, it adds to the value of the farm dollar in America. And to whatever extent we can add to the value of the farm dollar in America, we are thereby less vulnerable to the vagaries of the global economy, to what happens in the weather or the politics or the finances of some other country. We'll be a lot better off.

So if you have any specific ideas or you or any of your organizations want to give me any more ideas about what else I can do to promote ethanol use, I will, because I'm strongly in favor of it. I think it's good economics. It's good environmental policy. And it helps us to become more independent.

Mary Schuler. There is legislation, isn't there, that the Government vehicles are to use ethanol? Is that being——

The President. Yes, that's a possibility. One of the things we're trying to do is to see to what extent the Government can be a leader in all these areas, because we're trying to get the Government to—we could use more ethanol; we could use more natural gas in vehicles. There are lots of things we can do that would strengthen our energy independence, and that's one option.

I don't know that the volumes will be enough to make a significant difference in your price in Montana, but it's something we could begin to do. The Government has the capacity to create certain markets, and at least to demonstrate to others that they work. So that's something maybe we ought to look at. We might be able to do that without legislation. I'll look at it.

Extension Program

[*Kelly Raths, a 4-H representative, expressed support for full funding of the agricultural extension program.*]

The President. When I was at Montana State yesterday, I said if every kid in America were in 4–H, we'd have about half of the problems we've got. I believe that.

Kelly Raths. That's right.

The President. Let me explain how this budget works. The Senate and the House pass a budget resolution, and basically, what they do is to make certain commitments on deficit reduction in general terms and in categories. The actual budgeting, then, passes over—as soon as the Senate and the House resolve their disagreements because their budgets are different, principally, in the volume of the tax cuts and who gets them and when they would come and all that—when they resolve that, then the appropriations committees go to work, so that while these budget resolutions may not have suggested any cuts in any particular programs, or may have suggested drastic cuts in other programs, the appropriations committees may differ entirely, and the only thing they'll have to do is to meet a certain level of cut for all the things that are within each subcommittee of the appropriations committee.

So it's not clear which programs will be cut and which programs will be exempted from this resolution. Those are just suggestions from the committee, but these budget committees set the outline. Then the appropriations committee have to really make the budget decisions.

But essentially, I agree with you. The programs are good. I think they're of modest cost, and they benefit huge numbers of people, and they're the kind of—if you will, the kind of preventive character-building programs that I've tried to support in the crime bill, and I'm having a harder time getting protected there.

Conservation Reserve Program

[*Bud Daniels expressed support for the conservation reserve program as an environmentally beneficial alternative to unnecessary increases in production of grain or livestock.*]

The President. Cattle prices don't need to go in that direction.

Bud Daniels. No, they don't.

The President. Well, the honest answer to your question is—first of all, let me point out, just going back to what Les said—the conservation reserve is a classic example of the kind of environmentalism we ought to be practicing in this country. Instead of beating somebody over the head with a stick and giving them a rule book nine inches thick, here is an incentive to basically restore wildlife and biodiversity. And it's been, I think, a resounding success.

Now, it's like everything else. People can show you where there's been something or other they don't like about it, but it's basically worked. It's done what is was intended to do, in my opinion.

The answer to your question, whether it will survive or not, depends upon, in large measure, upon you and the other people in agriculture throughout the country, and on the decisions that we all have to make once we decide how much overall agriculture has to be cut.

The thing that I don't like about the way that this budget process is unfolding is, if you decide—it's kind of backward—if you decide, well, you're going to have to balance the budget in 7 years instead of 9 or 10 or some other time, and you decide that you're

going to have to set aside a certain amount of money for a tax cut, then you wind up being very arbitrary in how much you're going to cut various things.

And what we really ought to say is, go back to what Max said—I believe most farmers in America would gladly give up all of their Government subsidies—we might still want a conservation reserve for environmental reasons—but would gladly give up all of their Government subsidies if all of our competitors would. So this is, as I keep hammering this issue, this is a question of our standing in the global economy. We worked like crazy to pass the GATT so we could reduce some of our subsidies but so that competitors of ours that subsidize more would have to reduce more.

So the simple answer to your question is—let's just say—I proposed, because of the GATT, another $1.5 billion in reductions in agricultural subsidies. They propose, I think, $8 billion or $9 billion. I think that's an excessive number over a 7-year period. But let's say that the $8 billion number passes, or it's a $5-billion number, whatever it finally is, then you've got to—then you, the agricultural community, have to figure out what is the most sensible way to allocate that cut. And if you want to keep the conservation reserve, then you've got to give up more of something else. And if you want to modify it, then you maybe make it less costly, and you do something else.

These are decisions we're all going to have to make together. I guess that's the one thing that I want to impress upon you today, is that—I have a Secretary of Agriculture from Kansas who served for 18 years in the Congress; I care about this issue and whatever level of funding we wind up with; we need to make the best decisions.

If the farm supports are cut, are they going to still be the way they are now? Are we going to give farmers more flexibility within the support framework to decide what they plan? Is that a good or a bad idea? These are things that we need input from the agriculture community on.

But this is not a done deal yet. No one knows what the final number is going to be and what the final form is going to be. And I think you ought to be able to shape it, looking at what has worked fundamentally in the 1990 farm bill and what the continuing problems are.

Livestock Industry

[*Gary Ruff asked if the Justice Department could investigate possible antitrust violations in the cattle market.*]

The President. I mean, do you think that the market may be so concentrated that it violates the antitrust laws?

Gary Ruff. I do.

The President. Well, I think that ought to be explored. If you think there's a credible case for that, we'll look into it.

Mr. Ruff. Well, the Packers and Stockyards Commission is doing some looking into it, but I really feel that the Justice Department——

The President. But the Antitrust Division needs to look into it as well.

Family Farms

[*Keith Schott described his situation as a young family farmer and asked about expectations for his future.*]

The President. Well, before this last round of discussion on agriculture, I really believed that we had bottomed out in the shrinking of the farm sector. That's what I believe. And I believe that because even though productivity will doubtless continue to improve in agriculture, we have been moving to a system where we could fairly compete around the world so that I thought that we would be able to essentially continue the structure of family farming that we now have.

And it's dramatically lower, obviously, than it was a generation ago. And that was inevitable because of the increasing productivity of agriculture. It's true everywhere. There are not nearly as many people in farming anywhere as there used to be. But I really thought we had pretty much bottomed out.

And I think, as you know, there are basically two purposes for all these farm programs, if you really look at it. One is to allow us to be competitive with people around the world. The other is to try to deal with the fact that farming has become more and more capital-intensive. And if you want family farmers to farm, you have to have some sys-

tem which rides them through the tough times. Otherwise, the economics will turn all the farms over to big corporations who can finance their own tough times.

I mean, if you basically think about it, that's—in a lot of our States where large corporate farms exist, they don't need the support programs because the good years overweigh the bad years, and they don't have to worry about the bank loans.

Now, one of the things that we have ignored in this whole system is that the barriers to entry have gotten higher and higher. So most of the young farmers that are in farming today are people that got their farms from their parents because the barriers to entry are so high.

And what I was hoping would happen is that, even though we might have to cut the support program some more, that we would have no backing off of agricultural research, no backing off of the development of alternative agricultural endeavors in this country like the ethanol program, and that we might be able to develop some sort of first-time farmer financing system that would help to lower the barriers to entry. Because I think we are in a position now just—if you project—if you look at world population growth, if you look at the fact that we are pretty much now committed to sustaining our own capacity to produce food in an environmentally responsible way, it is now—I think that it is more likely than not that for the next generation, anyway, we could keep the present structure of family farms, that you wouldn't have to see the continuing collapse if we could work the economics out on the barriers to entry.

Now, if you have an excessive reduction in the farm support programs, one of two things or both will happen. You will either give up market share overseas, or you will create such difficulties from year to year for family farmers that there will be an increase in concentration in ownership.

So again, I would say to you that the big picture looks better for you and for people like you coming forward, because I think that we are going to be able to maintain the present level of production and the present level of acreage for quite a long while now because of how we're positioned in the global economy and what's happened with population growth in other parts of the world.

But I am very concerned that—again, I am all for cutting the deficit—the Republicans are now using 7-year numbers, the Congress is. Under those 7-year numbers, the budgets that we passed cut the deficit a trillion dollars over 7 years. I'm all for that. But I think we have to say, why are we doing that? Because we want to take the burden of debt off our children, because we want to get interest rates down, because we want to be freer of the flows of foreign money. In other words, we want to raise incomes and strengthen the economy. That means that the deficit reduction has to be pursued in the context of raising the incomes of the American people, growing the middle class, shrinking the under class, pursuing these goals in a consistent way. That's what I believe.

So you know what I'd do. What I'd do is have a more moderate agricultural cut. And what I would try to do is to preserve the things that support family farms, diversify farm income, diversify production of different products in America, and try to get some way to ease the barrier of entry to first-time farmers. That's what I would do if I could design this program for the next 5 years all by myself.

Senator Baucus. Mr. President, I think we have time for one more question before we go have dinner here pretty quickly.

The President. Yes, all those folks are starving to death and getting nothing out of it.

Vocational Education

[*Jason Noyes, second vice president for the Montana Future Farmers of America, asked about funding for vocational and agricultural education.*]

The President. I have tried to do two things on the vocational education issue, generally. One is, along with all the other education programs, to argue that we ought to look at our situation in America as having both a budget deficit and an educational deficit. If you look at—there's a bigger difference in the incomes of people by virtue of how much education they have in this country than ever before, the biggest difference ever

since we've been keeping these statistics. And it's because more and more people's incomes, not just farmers but other people's incomes—are now set in a global economy, which means that you have to address the education deficit as well as the budget deficit. And that means that there has to be an appropriate level of investment for things that we want to produce.

If you look at vocational training, generally, one of the things that I'm proudest of that our administration has done is that we have worked very hard to help every State that wanted to participate set up a system of moving young people from high schools who don't go to 4-year institutions—may go to community colleges or vocational schools but don't go to 4-year institutions—into an educational program that would also be a vocational program where they would be working and learning at the same time.

And I believe very strongly that we have to abolish what I think is an artificial distinction between academic education and vocational education. For a long time, people kind of put down vocational education. But if you look at it, there's now a lot of evidence that a lot of people learn better when they're doing, plus which a lot of these vocational programs, including agriculture, now require higher levels of knowledge of computers, for example, than a lot of traditional academic courses do.

So I think we have an idea battle we have to fight, which is to raise the status of vocational education generally and abolish, just erase, the line between what's vocational and academic; and secondly, to keep our levels of investment in all kinds of education that we need for the future high enough to raise incomes.

The biggest problem in America today, economic problem, is that more than half the people are working harder than they were 15 years ago for the same or lower incomes, not just farmers, wage-earning, hourly wage-earning Americans. That is the biggest problem we've got.

The American dream requires a growing middle class and a shrinking under class, and requires a system—and I think the principal role of Government today in the economy should be to help people help themselves. And if you've got people who are out there working hard, and they're productive, or they're prepared to be, that's what I think we ought to be doing.

The Government—we don't have the money or the independence from other countries to do what we did in the Great Depression, just to try to create jobs for everybody and do those kind of things. We don't have the money or the position in the world economy. But we do have the capacity to help our people help themselves. And I think we ought to be doing more of it, not less of it. And I think you can do that. If you look at what a small percentage of the Federal budget this is, it is wrong to say that you cannot do that and drastically reduce this deficit, move it into balance.

[*Senator Baucus thanked the President and suggested continuing the discussion over lunch.*]

The President. I just want to say this one more time. This farm bill is not written. And there's two issues. One is, how much we're going to cut spending. We're all going to cut spending, I'm telling you. And we'll probably wind up cutting it a little more than you want, but I hope we're going to cut it substantially less than they want right now. But the issue is not only how much are we going to spend but how are we going to spend it.

And Montana is a place where the family farm is alive and well. I think that's an important value in America. So I would just implore you, through all your organizations, to look at this and give us some guidance about how it ought to be spent—how should the support programs be structured, how should we maintain the Conservation Reserve, should there be an entry-level program for new farmers? These are things that are terribly important. It's not just the amount of money; it is how we spend it.

And as I—I'm having a different argument up there in Washington now, but the more you cut, the more important it is how you spend what's left. It's more important now how we spend what's left. So I want to ask everybody here to be active in how this thing is structured, because we've got an opportunity, I believe, to preserve the structure of our agriculture we've got in America today

and see it grow economically if we don't blow it.

Thank you.

NOTE: The President spoke at 12:25 p.m. at the Leslie Auer farm.

Remarks at a Town Meeting in Billings

June 1, 1995

Gus Koernig. Anything you'd like to say, Mr. President, or you just want to jump in?

The President. I think we ought to jump in. I had a wonderful stay in Montana. I had a great opportunity to speak to a large number of Montanans at Montana State University last night. I've had a great day today, as you know. And these folks have brought their questions; I think we should begin.

Gun Control Legislation

Mr. Koernig. Okay. I'm told I get to start. So, as you're probably aware, sport hunting is very popular in Montana. More than 60 percent of the men in this State, more than 30 percent of the women purchase game hunting licenses every year. There is a lot of concern here on the parts of people that legislation such as the Brady law and the assault weapons ban are a sign of more things to come, and there is a lot of concern and more than a little fear and uneasiness about this. What can you say to these folks here in our audience to address that?

The President. Well, first of all, let me tell you where I'm coming from on this. For 12 years, before I became President, I was the Governor of Arkansas, a State where more than half the people have a hunting or a fishing license or both. I would never knowingly do anything to undermine the ability of people to hunt, to engage in recreational shooting, to do anything else that is legal with appropriate firearms.

I strongly supported the Brady bill for a clear reason: We knew it would work to keep a significant number of people from getting guns who either had past criminal records or had mental health histories that made them unfit to be gun owners. And it has, in fact, done that.

I supported the assault weapons ban for a simple reason: because the death rate from gunshot wounds in a lot of our cities where the crime rate is high has gone up. I went to emergency rooms where hospital personnel pleaded with me to do something about this problem, because the average gunshot wound victim they were seeing had more bullets in them than just a few years ago because of the widespread use of these assault weapons by gang members. I saw a lot of children who were innocently caught in crossfires in this kind of thing. All the law enforcement agencies in the country asked for help on the assault weapons ban. So I supported it. But the bill that I passed also contained a list of 650 sporting weapons that could not be in any way infringed by Federal action, that were protected. There were 19 assault weapons and their copycats that were prohibited. I still believe it was the right thing to do. I strongly believe it was the right thing to do.

Now, we can differ about that, but I just want to make two points in closing. As President, I have to make laws that fit not only my folks back home in Arkansas and the people in Montana but the whole of this country. And the great thing about this country is its diversity, its differences, and trying to harmonize those is our great challenge.

I did this because I thought it would give our law enforcement officers a better chance to stay alive and to keep other people alive. That's why I did it. I did it because it has clear protections for hunting and sporting weapons. And I think, frankly, that the NRA has done the country a disservice by trying to raise members and raise money by making extremist claims for this. I mean, they put out a letter in which they called Federal officials "jackbooted thugs," as you know, but the other part of the letter accused me of encouraging Federal officials to commit murder. And I just think that's wrong.

You know, one of the problems we've got in this country is, everybody wants simple answers to complicated questions, and so we all start screaming at each other before we listen and talk. That's one reason I'm here tonight. So I did it; I think it's the right thing to do. But I do not plan to do anything which would undermine the ability of people in