

**History of the U.S. Department of Agriculture
1993-2000**

**Principal Speeches of Dan Glickman, Secretary
of Agriculture**

**REMARKS OF
U.S. SECRETARY OF AGRICULTURE
DAN GLICKMAN**

Selected Speeches 1995-2000

1. 1995
2. 1996
3. 1997
4. 1998
5. 1999
6. 2000

UNITED STATES DEPARTMENT OF AGRICULTURE
SECRETARY OF AGRICULTURE DAN GLICKMAN
COMMODITY CLUB

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Washington, D.C.

[TRANSCRIPT PREPARED FROM A TAPE RECORDING.]

I thank you for inviting me.

This whole farm bill debate, and me being the Secretary of Agriculture, requires a great deal of imagination. Some of you have heard me tell this story before, but I think it's a classic tale of what you have to do in this job:

It's about the boy who goes out and buys a ball and bat and wants to be a great baseball player. And he throws the ball up into the air in the back yard, and swings as hard as he can, and he misses. Then he picks it up again and he throws it as high as he can in the air, and he swings as hard as he can again, and he misses.

He's very frustrated--figures "This can't last forever." And he goes and throws it up in the air, and he swings as hard as he can, and he misses again. And he's frustrated. But slowly the frown turns to a smile, as he says to himself, "Wow; what a pitcher!"

So that's the way I feel lately, and that's probably the way you feel lately.

There's no question that we do not know what legislative policy will do for you or against you in the next few months, but it certainly is interesting times.

I thought I would talk about what's happening legislatively in the farm bill. And one of the things that has struck me is that we always get hung up on the specifics of the programs, because that's what we're interested in up here. We represent organizations, and so we want to know what the loan rate is going to be for wheat, or the target price for corn, or how the sugar loan is going to work, or what the marketing orders for dairy are going to look like; rather than, what are the strategic objectives for agriculture, for food production, and for rural America.

And I'm convinced that this extraordinary focus on specifics is one of the reasons that turns the American people off when we talk about the debate, because the debate is always what this program is going to look like, rather than how does it relate to what is good for the country, what's good for rural America.

And so what has happened is that the debate always gets focused--and moreso this year than ever--on either, "Are you on the side of reform, or are you the voice of the status quo?" And there's nothing in between. And that's too bad, because most of the legitimate ag. policy is in between the two things.

But for a moment I thought I would refer you to today's USA Today. I don't know if any of you have seen it. And one of the reasons I'm referring you there is because I wrote the op-ed piece today.

But in there the editor of USA Today writes an editorial entitled "Everyone Wins If Farmers Are Weaned Off Subsidies." And I thought I would read you some of the things. They said, "Everyone who eats or pays taxes is paying for Depression-era farm payments that just keep going. As the harvest system [sic] arrives, it brings rural America hard work, hay rides, square dances, and checks from Washington."

It goes on to talk about, "Congressman Robert's bill is the only plan that can pass this year, and it's a step forward. The plan would begin the transition to wean farmers from Government dependence. That's worth a try."

The only alternative," it goes on, "is to let the programs continue as they are. That's essentially what President Clinton proposes, vowing to do no harm to the nation's farmers. His position is convenient politics with an election year coming, but it's bad policy, and not just for consumers."

As I continue reading the editorial, "The status quo hurts U.S. farmers more than the free market ever would. For example," they say, "U.S. farmers lose \$50 billion a year in income and are less competitive abroad because they have to keep land out of production. Farmers work for bureaucrats, not consumers. Forty-two percent of returns from rice farmers since '85 come from Washington; so does 24 percent of recent wheat income."

"The right decision should be obvious. The Government's own agricultural economists show how obvious. Wheat subsidies place most costs on taxpayers rather than consumers. says one of the Department's analyses, and cotton subsidies help growers 'at a relatively high cost to taxpayers'.

"Who benefits? Not consumers, not taxpayers, and certainly not most farm families. Two-thirds of the benefits go to wealthy land-owners, many of them corporations, and others who never till the soil.

"The Government's farm policies are counterproductive and indefensible, but they've survived for decades, thanks to powerful, well-financed farm lobbies. The sooner they are plowed under, the better for everyone, especially farmers."

Now, this is written from a guy or a woman that I presume hasn't spent much of his or her life in agriculture. But it's a fairly effective treatise on what I call the hyperbole of the debate in farm programs.

Now, the fact of the matter is, I then respond to it not so much in a debate, where I say it's fine to make some changes, but don't shred the farmers' safety net. And I talk about some of the things that are going on.

Now the fact is, look, there is real need for reform, particularly in the area of flexibility. The fact is that the Government ought not to be telling farmers what to produce. And we, the present Administration, have proposed making the crop situation much more flexible.

This is not without some controversy in farm country. I understand this. But we are entering a period where the Government should not be micro-managing a farmer's production. We've said so before. That is probably going to be, in some form, in any farm bill that comes back.

We have proposed some means testing, under the theory that you have limited farm programs, that they should not go to the wealthiest of producers. There's limited dollars

available out there. Some way, somehow, we ought to provide a system to target those payments.

Now, the Congress has voted down one of our systems, which is people who have more than \$100,000 of off-farm income shouldn't get the payments. But there are other ways, including going to a one-attribution rule, as opposed to the three-entity rule, which we would also support.

But what I'm saying is that there are things that can be done, and we are taking, as well as the Congress, a good solid look at programs like peanuts, dairy, sugar, and tobacco. And the fact is that these are things that the American people are asking us to look at.

The status quo is not acceptable. We understand that, and we should not be defenders of the status quo when it comes to agriculture. But saying that, it doesn't mean adopting a policy which has a hyperbolic and a generic rhetorical view of farm country and agriculture which is not consistent with the facts.

A safety net, I believe, is needed in agriculture. It's one of the main reasons that we have farm programs. Before we had the current programs, look back into the later part of the 19th century and the early part of the 20th century. You would have spikes in commodity programs that would result in changes from year to year of as much as 400 and 500 percent. And you look at the history of these programs.

Now, whether that would happen today, I don't know, but I suspect that the volatility of agriculture would increase significantly.

We have generally felt that programs ought to be counter-cyclical, which means that when prices are bad the programs generally kick in to provide the safety net, and when prices are good in the marketplace the Government should not provide payments to most producers.

Now, I realize that that is not always true. It hasn't always happened, but that should be the essence of why we have that safety net. It is to protect people during bad times through effective crop insurance against disasters and through an effective floor on prices when they go down below a certain level, to provide that kind of income protection, either through a loan of some sort or through a deficiency payment.

The fact is, the Europeans are spending five, six, or seven times what we spend on farm programs--50 billion this year, versus about eight or nine for us. And most of that money is going into crop subsidies.

So maybe USA Today needs to understand that when the rest of the world is doing this very aggressive subsidization of agriculture, it would not be smart for us to just unilaterally pull out.

The fact is that, as much as I don't like trade embargoes and foreign policy disputes, there will probably always be foreign policy disputes in this world, particularly with countries that are extremely bad actors. And this country will on occasion--hopefully, as little as possible--make the judgment that we don't feel like selling to a country that supplies biological weapons to another country, or chemical weapons to another country in some form of missile canister device.

So given that, just to say that there will be a total weaning and elimination of programs misses the point that agricultural commodities are probably more likely to be subject to country actions on embargoes in trade problems than other commodities are.

And in addition to that, of course, we have the whole issue of natural disasters, which tends to affect agricultural production more than any other area.

Now, I say this because, for whatever reason, the rationale for farm programs gets lost in the debate on what the loan rate for sugar ought to be, or how high you say the target price ought to be. And that may be interesting in the Beltway, but it is very uninteresting outside in the country where taxpayers have to just cope on a daily basis to survive.

So we've done an extremely poor job of articulating why we have the kinds of programs in agriculture that we have. For example, in the area of conservation, since the Great Depression we have saved billions of tons of soil and water from being washed away or blown away forever. And you talk about banking an asset that will protect the future of America forever, we've done that, rather successfully. And whether it's programs like the old soil bank, or the CRP programs, or a variety of cost-sharing programs in agriculture, they have worked well. And they need to be improved, they need to be made more modern, and they in some cases need to be made more farmer-friendly.

But without some form of program it will be very difficult to get farmers and ranchers to participate in the kinds of conservation programs that protect the soil and water for urban America to have a stable supply of food and fiber.

In the area of exports, we have made great strides. As you know, we announced that we've had \$53 billion of exports. But that isn't just exports of corn and wheat and cotton and rice and livestock; it is value-added products. It's jobs for Americans--blue-collar jobs, white-collar jobs. Those exports are going to continue to grow.

My hope and my prediction is by the year 2000 our ag. exports will equal the budget of the Department, \$65 billion. I don't know if we can get there or not, but that's my goal, and I think it can happen.

I think the markets in the world are growing, and I think that we will capitalize them like no other country will. And this is my highest priority, to continue to aggressively expand the exports of bulk commodities and value-added commodities around the world.

But this probably just won't happen by snapping our fingers. We have export subsidy programs still in existence in countries around the world. We have state grain companies and trading companies that are competing with us. We have non-tariff trade barriers in the phytosanitary area that are keeping our products out.

My point is that this is all part of farm policy: to provide fair and sensible trade, so that we can allow the producers of food and fiber to participate in there.

That's not really mentioned in the article, but that benefits farmers, it benefits ranchers, and it benefits people in urban America.

We in agriculture are so parochial; so over-focusing on our small individual program crop, that sometimes we can't see the forest for the trees. This is a much bigger issue. This is a big chunk of America's national economy, and we should talk about it in the grander scheme, even though, obviously, that's hard to deal with when you've got a freedom to farm act or other kinds of specific legislative items on the particular agenda.

One final thing. We have a necessary link between farm and food programs in America. We provide enough food, through nutrition programs, feeding programs; and the

food stamp programs, to keep or that should keep any American from ever going hungry--ever going hungry. And that is in large extent due to the tie between farm and food programs.

So the editors of USA Today, when they decide it's time to just end it all, what they're probably doing in the process is ending the food side of the programs, as well. They may survive, but in a very small way--maybe block-granted out to the states. Some states may do it; some states won't do it.

It not only provides a good opportunity for farmers, but at the same time it is a humanitarian and moral thing to do, and it ties rural and urban America, liberals and conservatives, together, in providing that kind of access. And it's another part of farm policy that is often neglected when all we talk about is the sugar loan or the wheat deficiency payment, which is just a small part of the whole big picture of American agriculture.

So let me just end with a few points, and I'll get to questions. The cliché that former chairman Kika de la Garza and others talked about all the time is that Americans have the safest, cheapest food, the most plentiful food in the world. When you compare us with other countries, nobody is even close in terms of what they pay for food as a percentage of their income. I mean, we are so far ahead of the rest of the world, we're off the charts, and it's no accident. It is no accident.

It's largely due to productive people working the soil, but it's also due to a cooperative public-private sector partnership. And it's also due to an ethic that's out there in rural America, which the farm bills, with all their imperfections, try to foster that ethic. It's keeping a population base in the heartland. And I think that's very good for the social structure of rural America.

Number two, it's a tough world out there. Everybody wants part of this increasing market share of an economy that's growing in the world. And there are great opportunities for us.

It reminds me of the story about Tarzan. He comes home from work and he says to Jane, "Jane, I need a drink," and so Jane gives him a drink. And then he says, "Jane, I need another drink," and so she gives him another drink. And she says, "Tarzan, I've never seen you like this before. What's wrong?" And he says, "Jane, I tell you, it's a jungle out there!"

It's a jungle out there in this world. It's a tough, competitive world. And you know, we need a responsible, fiscally sensible, cooperative Government effort, not to take the place of agriculture, but to be a partner in this tough world.

As I said, people who have never been on a farm in their life are doing their best to set farm policy. Now, imagine this patronizing comment. Listen to this: "As harvest season arrives, it brings rural America hard work, hay rides, square dances, and checks from Washington." Now, that is pretty obnoxious stuff.

I'd say 98 percent of rural Americans haven't been on a hay ride in five years--right? And, you know, square dances? Give me a break! I mean, you know--more like John Travolta than square dances, and that's probably even too old. And checks from Washington? Sounding like most Americans--just rural Americans are waiting for welfare checks? That's not true at all.

And I think that that's the kind of thing, however, that we just can't complain about. We have to kind of break that ethic of thought.

We cannot be viewed as a force for the status quo. Quite honestly, I have found over the years that too many commodity groups are really forces for the status quo--no change, whatsoever. And I think what this debate is forcing people to look at is, where in their programs can there be improvements, reducing the costs to Government, becoming more market sensitive? Those are appropriate things to look at, and that is something that the American taxpayer wants as well. So the trick is not throwing the baby out with the bath water.

Two days ago, I was on a show with Lynne Cheney. You know, her husband is Dick Cheney. And we did this C-SPAN morning show--I don't know if any of you saw it--where you do the newspaper headlines. I guess nobody saw it, so it's not very popular. And she and her husband have been friends of mine for some time.

And you know, they go over the headlines on Sunday morning, and then you comment on them and everything else. And while we were doing that, a reporter calls in. They do a radio hook-up with a reporter. And he's a very seasoned, respected reporter for a national news magazine. And he talks about the cynicism of the American people and the need for somebody to capture this radical middle ground in politics. It's a cover piece of Newsweek magazine today.

And so he starts talking about how bad Government is. And I got on with him and I said, "You're just feeding into this frenzy. I mean, not everything Government does is bad. We need to improve what we do wrong, but not everything Government does is bad." And he said to me, "Well, Mr. Secretary, you were in the Congress," and he started kind of castigating me for things that the Congress hadn't done in the area of campaign finance reform and other things. And then he says, "And besides, you preside over a swamp in the Department of Agriculture."

And I thought to myself, "Which swamp is he talking about? Is it the school lunch swamp? Is it the export swamp? Is it the child nutrition swamp?" I couldn't figure out which swamp he was talking about.

But obviously, we are in the days of cynicism by some, ignorance by others; and, at the same time, with a genuine need for reform; and doing it all together to try to improve people's public attitude about the most successful industry in America: agriculture, the production of food and fiber.

So what I'm saying is that these are mighty interesting times for anybody who is interested in food policy in this country. And we've got a lot of work to do to set our course straight. We've got some very talented people in the Department working with some very talented people in this room.

We'll solve all the problems by December 31st. I promise you that. We'll get a good farm bill. But seriously, probably all the controversy is healthy for the kind of genuine debate that we need to have on the future of agriculture. Let's just hope that we make the decisions intelligently.

And I thank you all very much, and appreciate it.

I'll be glad to open it to a few questions that anybody might have out there.

PARTICIPANT: [Question Inaudible]

SECRETARY GLICKMAN: Gene, do you have any comments on that? Maybe Gene might have some comments on the attractiveness of crop insurance during periods of higher markets.

MR. MOOS: Well, all I can say is we're using projections that are made by our specialists within the Department of Agriculture, and we'd rather err on the low side than we would to err on the high side. And we have a history of adjusting those rates when circumstances warrant.

PARTICIPANT: Mr. Secretary, while we're working on the farm bill there are other issues that we're obviously interested in. One is [Inaudible] many of us use the ethanol, which is at issue. While we're trying to-- We're losing Government support in many ways, we're looking for new uses as well in ethanol [Inaudible]. And I'd just like your thoughts on what we should be doing as far as the whole ethanol issue.

SECRETARY GLICKMAN: I would say that, while I'm not aware of any formal Administration position, I'm confident that we would vigorously oppose efforts to end or significantly reduce the effects of the ethanol tax provisions, whether it's the excise tax provisions or others. And I'm confident that that is a position that will be shared by others within the Administration as well.

So, you know, look, when you're in a battle to deal with the issue of trying to reach arbitrary numbers on budgets, you try to find any dollars that you can, and look afterwards to see if they have been sensibly reached or not.

We finally have an ethanol industry and an alternative fuels industry that, you know, has some stability to it. And I would point out that ethanol last year resulted, I think, Keith, in over 500 million bushels of corn--almost 10 percent of the corn consumption of this country, or close thereto. So we would oppose vigorously the efforts to restrict that. Carl?

PARTICIPANT: Mr. Secretary, can you comment on what you see evolving up on Capitol Hill with regard to the farm bill, and what you see the role of the Agriculture Department as being?

SECRETARY GLICKMAN: Well, I think that we are, obviously, in constant daily touch with Chairman Roberts and Chairman Lugar. They're both very talented people, and working hard to try to come up with ways to reach the budget numbers.

My judgment is that this issue will be difficult to resolve until such time as Congress and the President reach agreement on larger budget numbers. And, you know, I can't tell you whether a reconciliation bill is going to be signed or vetoed, but I suspect that you'll have to work through that process.

My belief is that the budget numbers that we have proposed generally, as well as in agriculture, are more sensible than the ones that the leadership in Congress has proposed. So we'll have to work through that.

It is hard for me to believe that you will have any final farm bill decisions until such time as the reconciliation numbers are finally agreed to.

Now, I point out one other thing. In the farm issue, there's no secret that market prices are firming, particularly in wheat, corn, soybeans, and cotton. And while soybeans do not have a budget impact and other oil seeds have a very minor budget impact, the fact is that with the numbers being the way they are we're going to see those budget impacts decline.

I can't tell you how long they'll be there, but I think we're in a bullish situation. And I am hopeful that the snapshots, the base lines that are used for determination of cost-cutting needs, recognize those firming markets. Because if they don't, then we're going to have to cut, ironically, during the time when actual expenditures are going down. And at least with respect to three of the target price commodities, we project those numbers, market prices, to be over the target price level--in cotton, corn, and wheat. At least, those were the numbers we saw last week.

So you know, I was a student and participant of the congressional budget process. And being on the outside, you begin to see its impact, sometimes even greater than being on the inside. And it doesn't allow for a lot of flexibility to deal with these changing market trends.

The other thing is, I've told Congressman Roberts--and he and I, as you know, are very close friends and we worked together on his freedom to farm act--I said, "Pat, I have some problems with the part of your bill that guarantees a payment notwithstanding what the market price is." And I said, "I understand why you've done that. It's to protect the baseline, which again is a budget thing that you have to go through." And he also says it's to also buy back base.

But I said, "My point is two things. It is the market prices suddenly go down and farmers will be getting a much smaller payment than they'd get if the program were kept fairly steady. And the other thing is that if wheat's \$6 and corn is \$3.50--" and, knock on wood, maybe it'll happen; I don't know. But I said, "And if you've got those budget base lines protected," I said, "wouldn't it make more sense maybe to protect the ag. function of the budget, to shift the money into, let's say, water and sewer grants in rural America, or something that would have an infrastructure improvement as well?"

But right now the budget procedures don't allow you to do that, don't give us much flexibility in that area. And that's something we want to continue to work with them on.

I think the following; that to some extent we have presented our own Administration proposals earlier this year. We've watched the congressional action develop. We are beginning to become now more engaged in the specifics than we were before because we're near the point of writing the reconciliation act. We've suggested some ways that Congress can meet the numbers that we have come up with. We have not suggested any numbers to meet the numbers that the congressional leadership has come up with. We hope that ultimately their cuts are reduced significantly and come closer to what we have proposed.

But I doubt this game is going to be over until near the end of the year. And I also hope very seriously that we don't go into next year, in terms of writing commodity programs. That would not be very sensible, indeed.

I think I'm going to have to run, so I appreciate being here. And I probably learned more from you than you learned from me, because you were quiet and I was talking the whole time. But I thank you all for your input, and I hope that you will keep the cards and letters coming as we continue to work on this bill.

Thank you all very much.

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AGRICULTURE POLICY FOR A NEW CENTURY

Dan Glickman
Secretary of Agriculture, U.S. Department of Agriculture

I want to welcome you all to USDA's Agricultural Outlook Forum.

We'll spend the next 2 days talking about the future of agriculture for 1996 and beyond, and that's more of a challenge than usual. Right now it's difficult to project an outlook for agriculture for the next week, let alone the next century.

We're in the middle of a debate over budget and policy which will have far-reaching effects on American agriculture.

You know how debates go. It's always easier to find agreement in the abstract than in the specific. Take the preacher who was trying to give his congregation a message about sharing. He looked at one member and said, "*Now Henry, if you had 3 houses, you wouldn't mind giving up one so some poor family would have shelter, would you?*" — "*Of course I wouldn't,*" said Henry. — "*And if you had 3 Cadillacs, you wouldn't mind giving up one of them...?*" — "*Of course not.*" — "*And if you had 3 milk cows...*" — "*Now hold on,*" said Henry. "*I've got 3 milk cows!*"

There *has* been progress. The Senate has passed a bill and it's a step in the right direction. It begins to address some of the Administration's concerns about a safety net for farmers, rural development, agricultural research, global competitiveness, and the environment. I am pleased the Senate bill includes a Fund for Rural America -- funding for research and rural development. I have urged the House to take up the bill as soon as possible so we can get a final bill enacted and end the uncertainty for American farmers.

OPTIMISM AMIDST UNCERTAINTY

Despite the uncertainty of the farm bill, despite tight stocks, despite the complexities of globalization, I'm extremely optimistic about the future of American agriculture.

I'm optimistic because I know we have a fundamentally strong farm economy:

- Farm prices for many commodities are the highest in many years.

- Cash receipts for farmers are at record highs.
- Our exports continue to grow.
- Government spending on farm price and income support programs is the lowest since 1981.

I know we must temper this optimism with a reality check: Not all commodities and not all producers are benefitting. Livestock producers are having a particularly difficult time. I'm well aware that grain and soybean stocks -- both in the U.S. and throughout the world -- are tight and that demand continues to increase. And I'm aware of the bad weather in the plains states which has affected and continues to affect total crop production.

We'll spend a lot of time at this outlook conference talking about tight global grain and oilseed markets, strong prices, and prospects for 1996 crops.

But depleted stocks are only part of the story. The fact that demand is growing is good news for the United States. We're in the business of selling food and other agricultural goods, and we produce a lot more than we can use at home. And 96 percent of the world's consumers live in other countries.

Based on current prices and pre-season conditions, we believe there will be a surge in world grain production this year. A rebound in yields and more planted area is expected to raise U.S. grain production and relieve the abnormally tight stocks.

Livestock and poultry producers may be squeezed as feed costs rise but generally they are maintaining inventories. Beef, pork, and broiler output are expected to increase in 1996, and meat output most likely will continue to expand in 1997.

As the rest of the world becomes more prosperous and as population grows, demand will remain strong, particularly in Asia and Latin America. And U.S. farm prices should remain strong.

Because of higher expected prices, producers would have been looking at small deficiency payments and no set asides under a continuation of the 1990 farm bill.

As agriculture continues to move away from restrictive government programs to more market-oriented ones, what government does outside the traditional commodity programs will become increasingly important.

Investment in infrastructure -- research, conservation, rural development -- will help the transition to a more market-oriented agriculture because it will ensure that farmers have the solid foundation they need to prosper and compete in the world.

Let me amplify this point: We at USDA, in Congress, and in the media exclusively focus on commodity programs when we talk about the farm bill. The debate has become almost a fixation on the size of payments to farmers.

The farm bill *is* about commodity programs. But it's also about research, about conservation, about rural development, about trade, and about new opportunities. And they all will have a greater impact on agriculture in the future than any commodity payment.

H.L. Mencken was asked the difference between the short term and the long term. The only difference, he said, is that in the long term we're dead. So I understand that commodity programs are important in the short term. The short term matters but it's not all that matters - particularly when we are moving toward an agricultural policy for focused on the long term..

IMPORTANCE OF TRADE

There is no doubt that, in the long term, trade, not commodity programs, will define agriculture's future.

Today we are releasing our new quarterly forecast for this fiscal year's exports. We expect U.S. agricultural exports to be \$60 billion this fiscal year -- up by \$2 billion from our last forecast and another record. We are well on track to achieving the long-term agricultural projection for exports of \$66 billion the first year of the 21st century. Beyond the numbers are real economic benefits, incomes, and jobs.

I just returned from my second trade mission to Asia -- our largest and fastest-growing market. I visited both China and India -- the 2 largest countries in the world where about 40 percent of the world's people live. There are very good opportunities for us in both countries.

In China, I saw with my own eyes what I already knew to be true: China is becoming an extremely important customer for a number of U.S. commodities -- particularly wheat and corn. Recently, in 1 week, we sold 2.1 million tons of wheat to the Chinese, raising their total purchases to 4 million tons this marketing year. This year they have bought more than 2.2 million tons of our corn. Two years ago, China exported 12 million tons of corn and imported none.

My trip to China was an extremely important visit to me and to the President. Our agriculture relationship with China is important in itself, but it can also be a bridge to help resolve other current issues between our countries.

I told the Chinese that the U.S. will continue to be a predictable and reliable supplier of food products to China. But I also strongly suggested that China be a predictable and reliable customer as well, working with us to communicate in a timely fashion what their needs will be. I also stressed that we can't let bad or incomplete science be used as an unfair trade

barrier. We're still very concerned with China's 23-year ban on wheat imports from the U.S. Pacific Northwest -- a ban we believe is based on bad science.

My father always said, "Respect Thy Customer." China has bought a lot from the U.S., but the U.S. buys 4 times as much from China -- over \$30 billion more a year -- in products from electronic equipment, shoes, toys, and clothing. Our desire to see China open its markets and remove unfair or unscientific trade barriers is not an unreasonable request from China's best customer.

As important as bulk commodities are to agriculture exports, high-value, consumer-ready, and semi-processed agriculture products are the fastest growing segments of the market.

In the 1970s, nearly 80 percent of all our exports were bulk commodities. They now account for less than 50 percent of all exports. Meanwhile, consumer-ready foods went from less than 10 percent of all exports to nearly 40 percent in the same time period.

I saw this first-hand in Asia where demand growth has been concentrated in high-value products. While China is expected to be the key source of global growth in bulk trade, it is also a growing market for U.S. consumer-ready products. Obviously Japan, Korea, Indonesia and the other developing Asian markets are growing as well.

India has a relatively affluent middle class that is about the size of the entire U.S. population. India is fairly self sufficient now in production of wheat and rice, but I am hopeful we will see increased demand for U.S. exports on the value-added side.

Economies in Latin America also are expanding rapidly. And Mexico, although working to recover from the peso devaluation, remains an excellent long-term market for U.S. exports.

NEED FOR FREE TRADE

The movement toward freer trade must continue. And the scare tactics of those who want to build a wall around our country must be rejected. But in fighting for freer trade, we must understand the response of those who want the U.S. to withdraw from the world.

It taps into the very real anxieties of many Americans.

People have lost good paying jobs, families need 2 full-time incomes, workers worry that U.S. companies will take advantage of low-paid labor in other parts of the world.

But isolationist retreat inevitably leads to a lower standard of living and fewer jobs for people in this country. It reminds me of another H.L. Mencken quote that for every complicated problem there is a simple -- and a wrong -- solution.

Pat Buchanan has said his first act as President would be to cancel the GATT and NAFTA agreements. That would be a disaster for agriculture because export growth is a major factor in increasing income to our farmers and ranchers.

But the U.S. demands a fair and level playing field. That is why this Administration has been aggressively opening up foreign markets and taking steps against unfair trade practices. One example is the recent announcement of a reduction in Canadian lumber into the U.S. You will hear more details on this and other trade issues in a few minutes from our U.S. Trade Representative Mickey Kantor.

Bringing down trade barriers is only part of the battle. As traditional restrictions -- tariffs, quotas, levies -- are eliminated, there will always be efforts to replace them with hidden restrictions.

So we have to be vigilant to ensure that our trading partners live up to their obligations and that new non-tariff barriers don't take the place of old tariff barriers.

Phony barriers come in many forms. One form they take is that of sanitary or phytosanitary restrictions.

The Uruguay Round trade negotiations set new rules which require sound science as the basis for sanitary and phytosanitary trade measures. Those rules must be followed.

We have asked the World Trade Organization to intervene on the European Union's hormone ban on beef. This issue is a high personal priority for me as well as for the Administration. We are determined to end this long-standing unfair trade practice and restore access for U.S. meat exporters to this important market. The evidence is overwhelming that proper use of these hormones poses no danger to human health.

Another example is the recent effort by Russia to cut off our poultry exports -- again on the basis of unsound science. Let me say it again: using a non-tariff barrier based on unsound science is simply unacceptable to us.

American agriculture is currently twice as reliant on international markets as the U.S. economy as a whole, and by the year 2000 it will be 2.5 times as reliant.

As this trend continues, foreign economic conditions, policies, and the weather increasingly will affect the economic fortunes of American producers.

Long-term market trends are favorable to U.S. producers. But markets -- especially agricultural markets -- are volatile.

In the past, the government could moderate the effects on producers with safety nets, acreage set asides, and stock management. That moderating capacity will be much less in the future.

BEYOND COMMODITY PROGRAMS

Let me repeat: How American producers compete in an increasingly market-driven economy will depend on many factors beyond commodity programs.

Even if we simply continued current law, USDA analysts estimate government program payments would account for only 1% of total gross income of farm operators by the year 2000.

The Administration supports making agriculture more reliant on market forces. We laid that card on the table -- freeing farmers from planting restrictions -- long before the so-called "Freedom to Farm" plan was talked about.

Our policy priority today is to make sure we put enough resources into research, trade development, conservation practices, and rural infrastructure to enable rural areas to participate in the growing global markets.

That is why we need a comprehensive farm bill.

American agriculture is the most competitive in the world. We remain competitive because of our unequaled marketing system, because we have maintained the productivity of our farms by investing in conserving soil and water. We remain competitive because of the quality of our research.

It remains the role of the federal government to keep open access to world trade; to ensure research for new crops; to keep our soil sound, our water safe, our wildlife protected; to inspect food before it goes on American tables, and to make sure no American goes hungry.

A true transition program away from the farm programs of the past must protect and maintain these investments. If we do less, we risk eroding the advantage we have won over the years.

FUND FOR RURAL AMERICA

The need for research and rural development is the reason why the Fund for Rural America is critical -- to bring economic prosperity to every part of the country.

The Senate bill authorizes the Secretary of Agriculture to transfer \$300 million to this Fund over 3 years -- two-thirds of it to rural development activities and one-third to research grants.

This amount represents an important investment -- yet an investment which still falls far short of meeting essential needs in rural America today.

The water needs in rural America alone could eat up the authorized funds. It's almost the 21st century and millions of Americans don't have clean drinking water! And there are other problems in rural America besides water. There is currently a backlog close to 50,000 applicants for low-income single-family housing loans. That equals about a \$2 billion need.

CONSERVATION AND ENVIRONMENT

Research improves not only the economic quality of rural life, but environmental quality as well.

Producing food and fiber to serve our consumers here and around the world puts tremendous pressure on our natural resource base.

In my first year as Secretary, I have seen first hand that managing natural resources is a serious and controversial business. Decisions we make today on resource use will have effects on people tomorrow and for decades to come.

This is a very sobering experience. It is not like what I was used to in Congress. If we changed the 0-92 program or the Farmer-Owned Reserve Program and it didn't work -- no problem, we fixed it and then that's it: no more problems.

But when you make major changes to conservation strategy and lose soil, you can't change the legislation to get it back because it's gone.

The same with water quality -- if Congress guts swampbuster and water quality suffers for all Americans, can we ever regain the quality? And if so, at what cost?

I don't think many Americans want to test nature this way.

Under the Conservation Reserve Program, since 1986 more than 36 million acres of erodible and environmentally fragile cropland have been converted to grasses and trees. We have to continue a sound CRP program with the authority to target and enroll new -- environmentally fragile -- acreage. We have to maintain a strong Wetland Reserve Program that preserves the landowner's ability to choose the length of easements. And we have to make the conservation compliance and swampbuster programs more reasonable, effective, and flexible.

CONCLUSION

The House needs to build on the progress the Senate has made. It needs to think about the long-term needs of agriculture, not just the short-term budget battle.

We have always called this legislation a "Farm Bill." But its actual title in 1990 was "The Food, Agriculture, Conservation, and Trade Act of 1990." We should have called it the "Research, International Trade, Forests, Extension, Nutrition, Rural Development, Conservation, Energy, Food Stamps, Environment, Credit, Food Safety,—and Farm Commodity Act of 1990."

Or we could just call it the Food Bill. Or the People's Bill.

Last year, \$6 billion of USDA funds went to commodity programs. This was only 10% of USDA's \$62 billion budget.

We don't know what the future holds. Crop prices are high now and trade is booming, but conditions can change fast. We've seen it before, and we'll see it again. To think otherwise is to ignore the long-term reality for the short-term fix.

That is what worries me about Congress locking in farm payments on a fixed basis for 7 years. Farmers would get payments no matter what happens in world agriculture, no matter what the price of wheat or corn is, no matter what changes there are in weather conditions or political conditions, no matter what the volatility of crop prices.

If we go to a system of paying farmers -- even on a transition basis -- without regard to market conditions, then we must recognize that in a period of increased volatility, our research, conservation, and risk management programs must pick up the slack that farm programs have provided. The taxpayers of this country should also be assured that payment will not be made to producers who don't use their land for agricultural purposes.

The Congress that will write the next farm bill is, like the society it represents, more urban and suburban than ever. The men and women who will make agriculture policy for the rest of this century generally don't have a rural or farm orientation.

So we need to emphasize—over and over—to Congress and to the public—the connection between economically healthy farms and a safe, abundant food supply, and the Nation's overall economic health.

While I will not belabor the point here, at the same time we are finalizing a farm bill, we must continue our efforts to promote competition and discourage concentration in American agriculture, particularly in the livestock industry. This month, I established an Advisory

Committee on Concentration to consider some of the outstanding concerns and I have asked for their recommendations by June 7.

Our concerns have to be more than worrying about the "efficiency" of a market. A monopoly can be very efficient, but offer few avenues for price competition. Farmers, ranchers, producers, processors, and consumers demand that those choices be available.

Americans have one natural resource we should take full advantage of: we're an optimistic people.

I heard a story about a kid who gets a baseball and goes outside to practice hitting his new ball with his bat. He can't wait to become a player and beat Cal Ripken's record.

He throws the ball in the air, swings and misses. He does it a second time and misses again.

On his third try, he still doesn't hit the ball.

But he's not discouraged. Instead, he smiles and says, "Wow, what a pitcher!"

Thank you.

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**REMARKS PREPARED FOR SECRETARY DAN GLICKMAN
SANTA CLARA UNIVERSITY LAW SCHOOL COMMENCEMENT
SANTA CLARA, CA -- MAY 18, 1996**

(There are 260 students in the graduating class. 1,500-2,000 are expected at graduation.)

INTRODUCTION

Thank you Dean (**MACK**) Player and thank you Father Locatelli for presenting me an honorary degree. To paraphrase Jack Benny, I don't deserve this but I'm losing my hair and I don't deserve that either.

CHURCHILL JOKE

But it truly is a pleasure to be here in this beautiful place on this special day. Since it opened its law doors in 1912. Santa Clara University Law School has been supplying northern California with lawyers. And in the last 20 years or so you have begun to export graduates throughout the country. I know a lot of you have come to Washington because I attended a reception with the large alumni group there. One of your alumni, Janet Potts, is my legal counsel. And Mike Espy -- my predecessor as Secretary of Agriculture -- got his law degree here.

My good friend Leon Panetta is here today -- not because he's an alumnus of both Santa Clara's undergraduate and law schools, not because he's the Chief of Staff to the President of the United States, and I don't think he came just to hear me speak. Leon's here today as the proud parent of a graduate. Congratulations Jimmy.

Like Leon, I too have a law degree I don't actively use. We both left all that potential glory behind for a life in public service. Jimmy, think carefully before you make any decisions!

I did practice law for a few years and then was an SEC lawyer before I ran for Congress. And I think law and public service are natural companions.

I know that Santa Clara law school graduates are more likely to consider a life of public service than students at other institutions. The primary focus in this law school has been on public interest law. Even before Leon's day, the school trained lawyers to provide legal services to the poor or go into public service. That focus continues today. I know of your work with the East San Jose Community Law Center which serves the burgeoning immigrant population in Santa Clara County.

I would like to encourage you today to continue the Santa Clara tradition of public service

-- to take your job as citizens as seriously as you take your job as lawyers.

LAWYERS' REPUTATION

Identifying yourself as a lawyer will be hard enough. The word "lawyer" in America has become synonymous with words like "greed," "parasite," "egotist," "arrogant," "combat," "cutthroat," and the ever-popular, "boring."

Polls show that Americans don't respect lawyers, and that many lawyers don't respect their own profession.

This is not a new phenomenon. In his 1912 novel *The Financier*, Theodore Dreiser wrote: "Lawyers in the main were intellectual mercenaries to be bought and sold in any cause ... Life was at best a dark, inhuman, unkind unsympathetic struggle built on cruelties ... and lawyers were the most despicable representatives of the whole unsatisfactory mess."

Before Dreiser, Shakespeare attacked lawyers in *Henry VI, Part II* when he wrote: "The first thing we do, let's kill all the lawyers." You can get the T-shirt anywhere in Washington.

I looked up lawyer jokes on the Internet the other day and found 12,657 entries! There aren't even that many jokes about government workers!

Why do people hate us so much when law is truly the foundation of civilized society? No other country has a system of government where law plays such a big role. No other country has so many lawyers.

But even the Peanuts comic strip once had a character asking, "Why do so many responsible, respectable, thinking people want to be lawyers?"

Good question.

LAW SCHOOL

I asked myself that question and have to say, in all honesty, that I went to law school because I didn't know what else to do. I also suffered from what former New York Mayor Ed Koch called "Jewish Syndrome," which says that every Jewish boy will eventually become a doctor or a lawyer.

Even though I didn't know exactly what I wanted to do, I did know that law school would be an entree to doing almost anything. I chose law, too, because it's the thinking man's profession and a place where I knew I'd find a fertile intellectual environment.

I read a quote the other day from a 2nd year law student who was asked why he went into law. He answered: "Why do I want a law career? Where else could I be paid to read voraciously, speak clearly, solve problems, tackle intellectual puzzles, and change lives?"

I'm not naive. I know the financial rewards of the legal profession are attractive. But I do believe that the kind of people who make good lawyers may make good money ... but they can also make a difference.

The law used to be thought of as one of the *helping* professions. And I think it can be again. A lot of that will be up to you as the next generation of lawyers, the generation which will lead us into a new century.

You can start by heeding the advice of Elihu Root, one of this century's great lawyers and statesmen, who once said: "About half the practice of a decent lawyer consists in telling would-be clients that they are damned fools and should stop."

That's still good advice.

We have become far too litigious a society. I firmly believe we should sue less and talk more. When I was in Congress, I was the author of legislation directing government to find alternative means of dispute resolution -- methods like mediation and facilitation instead of litigation. If people would sit down together and work things out, they'd save themselves and the taxpayers money and they'd save the courts a lot of time. Cases that need to get through the courts wouldn't languish while frivolous cases clog the system.

As lawyers, you have been trained to be mediators and conciliators. Samuel Johnson said, "Lawyers know life practically." You have been trained to observe conflict and then attempt to resolve it. You have been trained to think critically and to listen before you talk. You are problem solvers not trouble makers.

I encourage you to take this training -- to use this practical approach -- both on the job and in your communities.

There was a time when lawyers were thought of as our nation's leaders. John Adams, Thomas Jefferson, and James Madison were lawyers. So were Abraham Lincoln and Franklin Roosevelt. So is Bill Clinton.

GOING FORWARD

So what happened and where do we go from here?

Sol Linowitz, an international negotiator, former ambassador and top Washington lawyer, says what has diminished the law in recent decades is "the loss of humanity in the practice itself."

I would like to ask you today to help restore humanity to the practice of the law.

You can begin by going out into your communities and finding some way to share your newly acquired skills and your inherent gifts with your community.

President Clinton has said many times that one way to build strong communities is to get more personal responsibility from all of our citizens. And our communities need strengthening.

We've come a long way in the last 4 years, but we have a long way yet to go.

The economy is strong but people feel uncertain. The world is a safer place but we still face terrorism, crime, and threats to the environment.

So we should approach the future with realistic optimism. This Administration has produced a record to build on, not sit on. We live in a dynamic new era, and our goal must be not to *resist* change but to *make* change.

You all here in the Silicon Valley know this better than most. You get up every day in the middle of most of the phenomenal technological growth in this country. High technology is such a big industry around here that Santa Clara's law school's primary emphasis, other than public interest, has become high-technology law.

We are living in a time of profound change. And those of you with high-tech skills will help us find our way through it. We have moved from the Agricultural Age to the Industrial Age to the Information Age. This is an age of tremendous opportunities, an age where technology and information dominate every form of work -- including agriculture.

But this is also a time of great challenge.

We have state-of-the-art technology, but we also have mean streets. Our machines are well oiled, but our social fabric is worn thin. So we have to not only meet the changes of the day, but reaffirm our enduring values.

And I sincerely, wholeheartedly believe our government has a role to play. Not the same role we've had in the past because the world is a different place. But we still need a government that is strong enough to give people the tools they need to make the most of their own lives, to enable them to seize opportunities when they are responsible, to give them a chance at the American dream.

So I ask you today to think about what you -- as individual citizens -- can do to extend the American dream into the 21st century.

We can all come up with laundry lists of reasons why our streets aren't safe and our families aren't strong -- and a lot of the blame is pinned on the government.

PERSONAL RESPONSIBILITY

I have said government has a role to play. Let me also say that government can't solve society's problems alone. Many of the ills we suffer are because millions of American citizens

don't take personal responsibility.

Government has to provide people a chance to escape lives of desperation, poverty, and hunger. That is our responsibility. But we must also insist that people help themselves and assume responsibility for making their own lives and the life of this country better.

Today you are all lawyers. Another word for lawyer is "counselor." I urge you to keep that meaning of the word in mind. A lawyer is not only a person who can cite statute and verse, but a person who can give advice and counsel.

Through dint of hard work and circumstance, you're the lucky ones. And we're proud of you not only because we know you'll do well in this world, but because you'll be good role models for American society. You'll succeed and your children will succeed. You'll all do great things with your lives.

But we want no less for people on welfare -- the simple ability to succeed at work and to succeed at home.

WELFARE REVOLUTION

We're making some progress in what *The New York Times* has called "a quiet revolution on welfare." We've cut red tape, we've imposed time limits and work requirements, we've worked hard to enforce child support laws.

And it's working. The welfare rolls have dropped by more than a million. The food stamp rolls are down by a million and a half. Child support collections are up 40 percent to \$11 billion a year. And the teen pregnancy rate has started to go down.

About now you're shaking your head and asking yourself, "What does all this have to do with me? I'll never be on welfare -- I just got a law degree."

True enough. But I'll tell you, no matter what laws we pass or what programs we set up, we cannot reverse decades of damage unless more Americans are willing to take some responsibility for their fellow citizens.

The sad truth is that many of our young people don't have the kind of discipline or love or guidance it takes to grow up to be responsible adults. So we, as citizens, have to support programs that will dramatically reduce teen pregnancy and increase literacy. We have to volunteer in our communities -- through our churches, synagogues and mosques. We have to set good examples in our neighborhoods and homes.

President Clinton has gotten tough on criminals. We passed a crime bill and the Brady Bill. We told repeat violent criminals, three strikes and you're out. But the best way to fight crime is to reach young people before they turn to crime in the first place.

Only if we take responsibility for our own communities can we really attack the crime problem. When I was growing up, if there was a murder in my town it was big news. It was shocking, horrifying, *out of the ordinary*. We need to strive for a society where crime is not run-of-the-mill, the everyday staple of the 11 o'clock news.

Citizens have a responsibility in this area. And citizens with law degrees will be particularly valuable. We need to make community policing work, launch community drug courts to give nonviolent offenders a chance to get off drugs before they end up in jail, work to keep schools open late so teens have someplace to go other than the streets.

We cannot solve the problem of rising crime among young people -- even with our antidrug strategy, even with our antigang strategy, even with 100,000 more police -- unless there are citizens who are willing to step into the gap in those children's lives and teach them right from wrong, to give them a good future to look forward to, to give them the character and values to walk into that future, to make it possible for them to imagine that one day they might get a law degree from a school like Santa Clara University.

LOCAL COMMUNITIES

Too many of us now live in rootless communities. In the old days when I was a student, you lived in a town where people knew when you were born, cared about how you lived, and missed you when you died.

Today people work hard, move often, and spend less time together. People don't know their neighbors and are wary of each other. The television has replaced the back fence as a place to relax and unwind.

You have just graduated from an old and proud school. SCU declares its purpose to be: "The training of lawyers who are skilled in the methods and tools of the legal profession and who are devoted to the ethical and social responsibilities of the profession." You are asked to answer not only "what is" but "what should be."

I've heard Leon say that a Jesuit education prepares you, by its very nature, to ask questions. And a law school gives you the ability to consider the answers from all sides.

As men and women of both competence and conscience, you are well poised to help your country step into the 21st century. I hope you will take the skills and the values you've learned on this campus and assume responsibility for yourselves, your families and your communities. If you do, we may once again see a legal profession that gets some respect. If you do, your life and the future of this country will be happy and rich.

Best of luck and congratulations to you all.

**REMARKS OF SECRETARY DAN GLICKMAN
1997 AGRICULTURAL OUTLOOK
WASHINGTON, D.C. -- FEBRUARY 24, 1997**

INTRODUCTION

Thank you and welcome to the 1997 World Agricultural Outlook Forum.

There's an old Turkish proverb that says, 'he who speaks the truth better have one foot in the stirrup.' I just want to say that I'm quite comfortable up here with both feet on the ground.

USDA's been holding this forum for almost 75 years now. I doubt any Secretary of Agriculture's ever forecast the end of the world. But I do know there's never been a Secretary who could say -- with the same certainty I do today -- that the outlook for American agriculture is very, very good.

I've been talking to economists ... to Members of Congress ... to our customers both here and overseas ... and to farmers in the field. Each, in their own way, has told me the same thing:

- The economists give a cautious, but enthusiastic thumbs up.
- A Republican-led Congress and a Democratic Administration continue to rally -- in a bipartisan way -- around the positive changes taking place in agriculture.
- The American people express a level of confidence in the safety and quality of their food that's rare overseas. World demand for U.S. food and fiber has never been higher.
- Veteran farmers -- the most cautious business people in America -- are buying more equipment, and making the kinds of investments that show confidence. And more and more young rural men and women are passing up the city to stay on the family land or start a farm of their own!

There's a bright future ahead for agriculture.

We live in optimistic times. Just look at the stock market -- 4,000 ... 5,000 ... 6,000 ... 7,000 -- all in the span of a few years. Agriculture's echoing this rally by breaking records of our own -- from exports, to farm incomes, to sheer volume produced.

President Clinton calls this 'the age of possibility.' I'm inclined to agree.

We've all got the flush of a year of record-high prices ... the second highest farm-income levels ever, right behind 1994 ... We would have broken that record too if grain prices hadn't squeezed cattle so hard ... \$5 corn and \$7 wheat ... Cash receipts are at an all-time high -- topping \$200 billion ... The value of farmland has gone up 6 or 7% ... Ag exports reached close to \$60 billion ... We're starting 1997 on solid ground.

With the year 2000 just around the corner, everyone's talking as if -- when those 3 zeroes click over -- a magical new world will appear. But we in agriculture have already made the leap.

For most Americans, agriculture is a constant in life. Food is safe, abundant and affordable ... almost like on the Star Trek Enterprise where a computer gives crew members whatever they want to eat, whenever they want it. But if you look closely at agriculture, you see that it's not standing still. It's evolving and adapting so quickly that most of us don't even notice.

Just consider how far we've come. America started out as a country of subsistence farmers. Today, less than 2% of us farm. Fortunately, technology and farm ingenuity have sparked a perpetual revolution in productivity. That's something 98% of Americans have the high luxury of taking for granted.

Farmers worry enough for all of us. They face every day knowing that a drought might suck their fields bone dry or a flood could replant their crop 2 counties over.

It reminds me of the joke about the stranger who stops to talk to a farmer who's out on his porch:

'How's your wheat coming?' he asks.

'Didn't plant none,' the farmer replies.

'Really? I thought this was good wheat country.'

'Afraid it wouldn't rain.'

'Well, how's your corn crop?'

'Don't have one.'

'Didn't plant any corn either?'

'Afraid of corn blight.'

'Well, what did you plant.'

'Nothing,' says the farmer. 'I decided to play it safe.'

Farming is uncertainty and risk. As we enter a new era in agriculture, there's even more risk, but there's also tremendous opportunity. The signature shift is government easing out of the marketplace. Our not-so-invisible hand is coming off the scales, and we're recognizing that when it comes to the forces of supply and demand ... perhaps the best role for government is to simply get out of the way.

Farmers are taking the lead in the day-to-day business of agriculture. They're fast becoming market-savvy entrepreneurs. With agriculture going high-tech -- changing everything from the way we water our crops to how we inspect our meat ... with food and fiber playing such a central role in the global marketplace ... this is a natural division of labor. As one Iowa corn farmer put it, it's farming 'how our grandparents knew we should.'

And it frees USDA to govern as we should -- by focusing more on the big questions of agriculture's future: How do we feed a growing world without destroying the land base? How do we help all farmers -- big and small, in every field -- better manage risk? How can we expand

global opportunities?

It's a different, less interventionist role for government, but it's also a more important one.

ENVIRONMENTAL CHALLENGE

Can we feed a growing world without destroying the environment? The honest answer is maybe. It depends a lot on the choices we make today.

There's a consumer choice: Will the world accept biotechnology? It's in some ways an odd question since in many cases, the world already has: I don't think there's a diabetic out there who'd object to insulin. Biotechnology goes all the way back to the 1800s with Gregor Mendel cross-pollinating his pea garden. Then, he was an eccentric green thumb. Today, he's the father of genetics.

It's an important question -- will people accept biotechnology? It's our best shot at feeding a hungry world and leaving a sustainable environment. It gives us cost-effective ways to produce crops with more nutrition, that require less water, that can endure harsh weather, that can fend off pests without using pesticides. Where it is safe, and it has proven safe, we shouldn't turn our backs on it.

That's not to say that people shouldn't make their own choices. Throughout history, people have been suspicious of technological progress ... sometimes rightly so. But I think we can do a better job of demystifying biotechnology, and making sure folks know that we are keeping a vigilant eye on these products. If we say they're safe, it's because our scientists have proven they're safe.

Another choice will be how we use our natural resources. The dustbowl days of the dirty '30s served as a somber warning that we can push Mother Nature beyond her limits -- bankrupting our farmers and leaving a barren earth. We have to protect the land that feeds us. Our #1 tool to do that is the new Conservation Reserve Program. It's our farm bill for the future. Where the old CRP allowed government to manipulate supply and demand, the new one is a true conservation program.

It will prevent soil erosion, protect wildlife habitat and improve our air and water quality. It won't take healthy land out of production. It's bound to a strong set of environmental criteria which USDA staff will use -- out in the field -- to rank bids against one another. Only the most environmentally sensitive land will be accepted.

I know there's concern about the amount of acreage eligible for the CRP. I'd just say: There's a lot of students eligible for Harvard, too. By law, we can enroll less than 15% of eligible land. We'll take what gives us the biggest environmental bang for the taxpayer buck, and leave supply and demand to the markets.

RISK CHALLENGE

Farmers are happy to see government get out of the markets. But they're also wary of the risks.

I'm sure our Wall Street contingent today could empathize.

Especially now at the outset, there's going to be pressure on government to step back into markets. For example, because of recent wide price swings in dairy, some in the industry wanted me to change the floor prices. Most didn't, and I didn't. We took other steps instead. We accelerated purchases for domestic feeding programs, like we earlier did with beef. We stimulated exports and asked questions about the National Cheese Exchange. Where are we today? Dairy prices are up. Milk prices are up. They still have a ways to go, but the worst is hopefully behind us.

As a general rule, government should not micromanage markets, but we should spread a safety net. Our farmers perform the most essential work around. Protecting them from risk is in the national interest. That's why this Administration promised farmers a safety net for the future. We deliver in our '98 budget:

- We make revenue insurance available nationwide, so farmers can buy protection from weak markets as well as powerful storms.
- We reform farm credit by ending the one-strike-you're-out policy which disenfranchised a whole class of good farmers who went under in the '80s.
- And we allow commodity loan extensions and managed haying and grazing on conservation reserve land when markets get tough.

None of these are budget busters, but they get the job done.

Another simple way government can help is as an information broker. This is, after all, the Information Age. Knowledge is power, and farmers are hungry for it. They have to be shrewd in business, like never before.

50 years ago, farmers were fairly autonomous. They used their own labor, made their own fertilizer, ate their own crops. What they sold, they sold largely on the cash market. Today, like everyone else, they have consultants ... people tell them when to apply pesticide ... people scout their fields for insects ... farm managers ... marketing analysts ... bankers.

Farms with a production or marketing contract make up 40% of what's produced in this country. These contracts can help reduce risk, but there's a lot of them out there. Farmers need straightforward information. Otherwise, we get situations like the hedge-to-arrive fiasco where many producers felt they didn't understand what they'd gotten into. Who could tell? Many of these contracts weren't even on paper.

Information is also a great equalizer. As I travel around the countryside, the issue I hear most about is livestock concentration. Sunlight's been our solution. We dramatically expanded market reporting data to help smaller producers get a fair shake.

We're also helping family farmers by proposing estate tax relief, so the farm can pass from generation to generation as an opportunity instead of a financial headache.

These are modest but meaningful reforms. But they're not all we're doing. This Administration's most far-reaching risk management effort stretches all the way around the world. After all, what better way to reduce the risks of the marketplace than expanding the size of the marketplace?

TRADE CHALLENGE

This Administration has opened up more doors around the world than any in history. That's why, last year, we hit nearly \$60 billion in ag exports. You may read about airplanes and computers, but the fact is, when people around the world buy American, more than anything else, they buy American agriculture. We are once again #1, and we plan on staying that way.

Our export sales will slip a bit this year -- to about \$56.5 billion. That's up \$1 billion from our December projections, mainly because of recent heavy shipments of oilseeds and cotton to China, the EU and Mexico. It's still \$3.5 billion below last year's record levels, but that's more the result of grain prices coming back down to earth than anything else. Our sheer volume of exports is still strong. Bulk commodities will be a crowded field. Those numbers will slip slightly. But exports of our high-value products will continue their record climb, and that's a strong signal of what lies ahead.

There's a world of opportunity out there. Some days I feel like I should be the Ambassador of Agriculture. I've been to China ... to the Philippines for the Asia-Pacific economic summit ... to Europe several times. In the coming months, I'll go to Latin America and back to the Pacific Rim. I've just returned from South Africa with Vice President Gore.

That was an amazing visit. It's good to see freer markets and freer people making progress together. Our relationship with South Africa is one of 4 that Vice President Gore has set up with emerging democracies -- along with Russia, the Ukraine and Egypt.

Egypt's a very promising market. It's our biggest in the Middle East. From 1994 to 1996, they've gone from buying \$613 million to \$1.5 billion in U.S. agricultural goods -- mostly grains -- much of that feed grains for their poultry industry. As a result, their poultry business is booming, incomes are on the way up, and we've got better customers.

These commissions cut through reams of red tape. I was in a meeting between Vice President Gore and Victor Chernomyrdin that was breakthrough after breakthrough after breakthrough. I like Chernomyrdin. He's from the Ukraine like my family. In fact, he looks a lot like my grandfather. I found that charming ... until others noted how much he looked like me. We had similar success in South Africa, and it worked both ways. Their national flower is the protea. It's huge. It's beautiful, and it looks like it could eat you. We recently allowed their import into the U.S. The South Africans very much want to see our doors stay open.

Subtlety isn't too big over there. We got off the plane. We were greeted with protea. We went for a tour of the countryside. They pointed out the wild protea. We visited a farm ... that grew protea. The centerpiece at our reception ... the vases in our hotel rooms ... the decorations at the press room ... you get the picture.

At least they were beautiful. I, on the other hand, talked about karnal bunt every time they gave me a flower. But it paid off. I returned home with an agreement that South Africa will buy \$34 million in wheat from the quarantine areas that has twice tested negative. This is a major break in the logjam of our perfectly saleable wheat. More will follow.

Of course, not all of our trade negotiations are an exercise in diplomatic decorum.

Our relationship with the European Union is particularly tenuous. We had diametrically opposite reactions to last year's tight grain markets. They clamped down with export controls. We said, 'no embargo.' Later, when stocks eased, they went forward with export subsidies. We held our fire. We still are, but we can't hold out unilaterally forever.

In our '98 budget, I've asked for full funding of our Export Enhancement Program -- an increase of \$400 million. That's my big stick, and I'm prepared to use it if that's necessary to protect our producers from unfair competition.

This Administration won't hesitate to go to the mat for the rights of our producers. It's important for team USA, but it's equally important to the integrity of the World Trade Organization. It's still young and impressionable. We need to shape it around the principles of fairness.

The big test ahead is the EU ban on U.S. beef cattle raised using hormones. Study after scientific study has shown this beef to be perfectly safe. Under the Uruguay Round, that means our producers have a right to compete in European markets. We've been denied access for 8 years. So we've taken the EU to the WTO on this, and I expect a decision in the coming months. We have a solid case, and we're optimistic that those markets will soon be fair game.

Phony science trade barriers are one of the biggest threats to fair trade. As traditional barriers fall away, every government -- including our own -- is facing pressure to 'be creative.' We can't give in. As one cattleman colorfully put it, 'mixing trade with politics is the easiest way to get your butt kicked.'

Sound science must be our referee. That's why we lifted the ban on Mexican avocados. Our scientists had concerns about the spread of pests. We worked through them and developed a satisfactory system. Now that we've shown our commitment to resolving disputes with science, we're seeing it reciprocated. Just last week, Mexico accepted our sweet cherries into their markets. That's a \$7 million decision for our producers. Fairness won't guarantee that we win every argument. But it ensures a level playing field, and that's all America needs to succeed.

It reminds me of the old joke about the chickens out scratching in the yard. A football that's accidentally kicked over the fence plunks down ... the rooster struts over, inspects it, turns to the hens, and says, 'I don't mean to criticize, but look what they're puttin' out next door!'

America's got the football, and we're running with it. We're setting the world standard -- on principle, on productivity, on quality, on safety. We're the most competitive nation in the world. So we should *see* the world for what it is -- 96% of our potential customer base.

That means pushing forward on freer trade -- extending NAFTA into South America, expanding the WTO and pressing for further reductions in trade barriers in the 1999 GATT negotiations. The major farm groups have largely rallied behind expanding freer trade. They should be commended for doing so. It's forward thinking, but it doesn't win popularity contests. This, for me, is one of the fundamental mysteries of our time.

You won't find a stronger case out there for freer markets than U.S. agriculture. Expanding trade has driven our record growth, and it's the only way we can sustain it. Domestic demand is relatively flat. It's world demand that's going through the roof -- especially in Asia and Latin America where populations and incomes are skyrocketing. Open doors are wide open opportunities ... as long as agriculture stays in the mix of trade negotiations.

In a few minutes, you'll hear from a friend. The Japanese call her the 'dragon lady of America.' In my book, that's the best introduction a U.S. Trade Representative could ask for. Charlene Barshefsky will fight for American agriculture.

And we need a fighter ... particularly on China. I know she's going to talk about that. I'll just say that the latest signals on the agricultural front are not good. For the past 2 years, the Chinese government's been fixated on self sufficiency and has intensified its role in basic ag commodity markets. This certainly doesn't help their case for joining the WTO.

Part of the whole point of freer markets is the guarantee that countries who can't grow enough food can buy enough food. That's why the United States was so adamant against a grain embargo. We're serious about being that reliable supplier. If China's successful in boosting its grain production, there might be a dampening of world demand in the short run. But it's hard to believe -- given their population demands -- that we won't soon see a return to imports.

CONCLUSION

So for a government that's getting out of the day-to-day business of agriculture, I'm certainly finding myself very busy these days.

A wise man once said there are 3 basic questions in life. Where have we been? Where are we now? And how the heck did we get here? He sounds like a farmer. We don't have a whole lot of faith in crystal balls, but it's hard not to have faith in all the positive changes taking place.

Gandhi once said, 'The difference between what we do and what we are capable of doing would suffice to solve most of the world's problems.' I think we, in agriculture, are just beginning to comprehend all that we are capable of achieving.

If we face the challenges and the risks ahead together, then agriculture's future will surely surpass even its own stunning history.

Thank you.

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REMARKS OF SECRETARY DAN GLICKMAN
COUNCIL ON FOREIGN RELATIONS
NEW YORK, NY -- APRIL 2, 1997

INTRODUCTION

Good evening. Thank you all for inviting me here tonight. I *like* being first. I am told that I am the first Secretary of Agriculture to be asked before this prestigious audience, at least in modern history. I am honored. I certainly hope I'm not the last.

There is no *question* that China takes food very seriously. As the world speculates on how long China can go on feeding itself, they have grown to consider their agricultural strength to be virtually *synonymous* with their nation's strength. We in America should not value our own food any less than the Chinese do.

For one, agriculture is a central force in our economy. Last year, U.S. ag exports hit nearly \$60 billion making agriculture, for the second year in a row, *the leading* positive contributor to the U.S. trade balance -- more than airplanes, more than pharmaceuticals, more than any other sector of the U.S. economy.

To put this in perspective, take the most *visible* symbol of the U.S. trade deficit -- the American-driven Japanese car. Agriculture's trade surplus more than covers every Honda, Toyota, you name it, that was imported last year -- with \$7 billion to spare for Mercedes and BMWs.

Agricultural exports support nearly 1 *million* U.S. jobs, most of them in the cities and suburbs, most of them paying above-average salaries. At the same time, the average American spends only about 11% of his or her income on food, while the average Chinese spends 56%. Just imagine how different our lives would be in America if over half of our disposable income were tied up in food.

We in America are truly blessed -- demographically, climatically -- with the earth's most vast and productive agricultural landscape. We can grow almost anything in abundance here. As a result, our people have never known famine, but pockets do know hunger. We are a rare exception around the world.

AN HISTORIC OPPORTUNITY

The generosity of our land is a godsend for our farmers and our people. But being the world's food powerhouse carries with it some *heavy* responsibilities. So does being the world's leading *democracy*. Throughout our history, we have carried the 2 banners in the same hand.

Especially since World War II, we have used food as a powerful force for democracy around the world. 50 years ago this June, our great former Secretary of State, George Marshall, stood on the Harvard campus and told America that 'whether we like it or not, we find ourselves, our nation, in a world position of *vast* responsibility. We can act for our own good by acting for the world's

good.' With those words, the United States began its historic effort to rebuild Europe.

Central to the Marshall plan was the reestablishment of trade between farmers and cities. This, Marshall called, 'the basis of modern civilization.' He's right. Since the beginning of time, farm trade has forged ties between different peoples. Where food flowed freely, strong, peaceful relations flourished. Marshall knew this. He and other visionaries -- like Harry Truman, George Kennan, Dean Acheson and Averell Harriman -- made it America's mission and the free world's mission to abandon isolationism and move together toward a new era of openness and peace.

Soon after the Marshall Plan began feeding Europe and rebuilding its economies, we started GATT. It is no coincidence that it, too, was born in 1947. Then, as Europe stabilized and the Cold War escalated, America reached out to the world -- again, holding food. As countries struggled with their destiny, America's Food for Peace Program was there for them. It was a powerful symbol of democracy's vision for the world -- a free, benevolent *community* of nations.

We won the Cold War on the strength of this *vision*. It has succeeded beyond our wildest dreams. Russia is now a *recipient* of Food for Peace assistance, a strong, democratic ally and a growing market for U.S. goods. From South Africa to South America, we see freer markets and freer people marching hand in hand. We *can* see the same in China.

U.S./CHINA OVERVIEW

That's why President Clinton chose a policy of engagement. There's *no question* that our nations have *serious* differences, none more so than on human rights, and the pace of China's democratization. But the *real* question is: How do we *constructively* address those differences?

The *wrong* answer is to walk away. China and the U.S. have a complicated history. But even during the heart of the Cold War, we worked together on many occasions -- in our own interests and in the interest of the world. Today, we have an historic opportunity to do so again.

As trade relations replace military relations as our primary means of dealing with each other, few questions are more pivotal than how the world's largest market engages the new global economy. Fundamentally, China must agree to free and fair market reforms. They are fast becoming our biggest trade deficit nation. While the infamous Japanese trade gap is closing, China's is still on the rise.

Last year, Americans purchased more than *4 times* as many Chinese goods as they bought American, and we have far fewer people doing the buying. Americans bought mostly manufactured goods -- toys, games, shoes and clothes. The Chinese bought primarily from the aircraft and telecommunications industries, with about 1/6 of their purchases in agriculture.

President Clinton has made it clear that this is not a sustainable trading relationship. We have got to close the trade gap. All America needs to do that is a level playing field -- for agriculture, as well as CDS and stereos.

Trade negotiators always tell us that agriculture is much more difficult -- more cultural and more time consuming. Food issues are the hardest differences to resolve in trade negotiations for an understandable reason. They cut to the heart of deeply held beliefs about how a nation feeds its people. China, for example, is absolutely, in my judgement, fixated on self sufficiency. There is this mentality there -- held over from the Cold War -- that they have got to be able to do it *all* themselves. I believe that makes less and less sense today. Ultimately, it will hold back their economy.

Look at your own circumstances. You, too, need to feed yourself every day. How do you do it? Most likely, you go to work, you earn a paycheck and you go to the grocery store. I'll go even further out on a limb and bet that you do *significantly* better for yourself buying food through the marketplace with your earnings than if you spent half your time digging up your backyards.

Clearly, it's a little more complicated on a national scale, but it's equally outdated. The Cold War's over. If we are to truly replace a fear of mutually assured destruction with the promise of mutually assured peace and prosperity, then we have got to free agricultural trade.

Amid all the high-profile trade issues we are grappling with right now -- freer food trade will leave the most lasting, positive imprint on the world. It will leave a more cooperative, more prosperous and less hungry world. As 2 of the world's most powerful nations, China and America have an obligation to lead.

I have a broader perspective on this than you might think. I've been to China twice. The *second* time, as Secretary of Agriculture. The first, for the House Intelligence Committee which I chaired back in my Congressional days. So I speak today as someone who has closely watched China for decades.

I can tell you that personal relationships are absolutely essential to getting things done there. We have seen that in every breakthrough we've made -- from eliminating trade barriers to our apples to defusing the highly volatile issue of North Korea's nuclear capacity.

In every layer, ours is an extraordinarily *complicated* relationship. It would be a mistake to try and simplify it, even worse would be to glamorize its potential. Many folks, when you talk to them about China, you can *see* the dollar signs light up in their eyes ... the world's largest market ... the fastest-growing economy ... a raging debate over just how long they can feed themselves.

As Washington columnist Mark Shields puts it: Many American businessmen are affected by the 'Q-tip theory' of economics. It goes like this: There are 1.3 billion Chinese ... each with 2 ears. That's *2.6 billion Q-tips*. I've heard the same analogy for eggs, chickens, just about everything we sell. But it's based on the Pollyannish assumption of unlimited access and sales in the Chinese market.

Nevermind that we've counted our chickens once before with Russia. In the 1970s, we dreamed

of an immense, never-ending market for American wheat. We had all these fancy charts and graphs that showed Russian demand would lead to a permanent *bonanza* for our farmers ... Never happened. That is not to say that there aren't great opportunities. I talked about counting chickens ... Russia is now our biggest chicken *market*. They buy a little over a third of our poultry exports. That is nearly \$1 billion a year ... nearly 30% of America's total exports to Russia.

But the Chinese market, much more so than the Russian market which is still in a lot of turmoil, is risk as well as opportunity. *Yes*, they are the world's largest market. But we cannot afford to ignore that they are also one of our most *capable* competitors, especially in the high-value consumer goods arena where the most explosive growth in trade is occurring.

We cannot forget that China is a net agricultural *exporter* ... with *steady, record* increases in grain production ... with plentiful grain stocks, and ample ability to further increase yields. We now also believe that China's agricultural landbase has been about 40 to 50% underreported. This doesn't change our long-term forecast that food demands will eventually exceed China's food production. But I wouldn't hold my breath for a permanent shift to large net imports any time soon. As long as China remains single-mindedly focused on growing grain, it can put off the inevitable for some time.

CHINA & WTO MEMBERSHIP

But I think a wiser route for them would be to engage the world. A positive accession to the WTO would be a win all around. For the United States, the benefit is *obvious* -- a more level playing field in the world's largest market, and some greater consistency in a market that has been fairly erratic.

Last year, for example, China canceled purchases of 1.4 million tons of U.S. wheat, worth over \$250 million. The cancellation occurred after a half-dozen U.S. cargoes were delayed entry at Chinese ports, some for a couple of months. The objection was based on the presence of TCK, a wheat disease. We do not believe the Chinese concerns are scientifically justified. If China were in the WTO, we would have the chance to challenge them on the scientific merits. Since they are not, we've made a TCK protocol one of several *deal breakers* on China's WTO membership.

We can't have a member -- especially one with the size and economic strength of China -- who doesn't play by the same rules as everyone else. Tariffs need to go down. Domestic and export subsidies need to come down. They need to abide by sound science in making health decisions.

Also, Americans need to be able to do business in China without going through a centralized government entity. Chinese have that privilege here, and it should be a 2-way street. We are starting to see real progress on that front. China has agreed to let foreign grain traders deal directly with private importers once they are in the WTO.

We are also closely watching what happens to Hong Kong -- in terms of human rights.

democratization *and* trade. Hong Kong is an economic dynamo. They are our 8th largest agricultural market, 4th in terms of consumer-oriented products, with much of it headed into China. With a strong port and minimal government intervention, their trade economy is flourishing. We need a smooth transition that nurtures their success and shows good-faith on China's part.

BEYOND SELF-SUFFICIENCY

Finally, the biggest benefactor of a positive WTO accession is *China*. China's government needs to take a few steps back from massive intervention in the markets if it is to achieve its full economic potential. I say that from experience. Just a few years ago, many economists said the same about *U.S.* agriculture. We were not as tight-fisted as the Chinese, but 'heavy-handed' would not be an *inaccurate* description of our government's former role in farm policy.

We used commodity payments and our conservation programs to control supply and demand. All too often, this left us a day late and a dollar short in keeping up with the markets. So last year, we began phasing out these programs. We turned our conservation reserve into a solidly environmental program, and we told farmers, 'plant what you want. Follow the markets, and make your own decisions.'

The result this year? *Record* exports, *record* farm incomes, and what is shaping up to be a new era of farm prosperity *and* global food security. China could have the same opportunity, if they are willing to rely a bit more on free markets.

When grain stocks drew tight last year, the United States categorically refused to follow the Europeans to export taxes. We kept our markets open. We made a 100% commitment to remaining a reliable supplier of grains to the world. That is a permanent commitment. We need to be able to rely more on each other.

If China accepts this, they can answer the age-old debate: Can China feed itself? There are basically 2 schools of thought here: One says that technology has always kept pace with demand, and will continue to do so *ad infinitum*. The other, led by Lester Brown of the Worldwatch Institute, scoffs at that notion and predicts China will be a major drain on global food supplies.

I think the truth can be found on its usual stomping ground ... somewhere in the middle. *Can* China feed its people? *Probably, yes*, even with urbanization and sensible population growth. They are the world's fastest growing economy. If they embrace freer markets, and free producers to go where they have a comparative market advantage, their economy can grow even more. Through their agriculture and a free global marketplace, they can do an even better job of feeding their people.

I believe a closer agricultural trade relationship is fairly inevitable for our nations. As China's economy expands, a growing middle class will want more and more high-value foods. To keep that population happy, China will have to come to rely on a variety of U.S. food products, like

meat and poultry, to satisfy their people.

Unfortunately, being a net importer of food is still perceived in many countries, including China, as a sign of weakness, despite all the persuasive arguments, many coming from Harvard, that if anyone has the upper hand, it's the *importer* — *especially* when it comes to grains which are 9 times out of 10 a *buyers'* market.

So I am not nearly as concerned with China's ability to acquire food, as I am with fundamental questions of world hunger in general: How do we feed a growing world without destroying a fixed and fragile landbase? Should we control populations? If so, how? Will the world accept new technologies for increasing yields? How do we feed *everyone*, not just those who can *afford* it?

When I led the U.S. delegation to the World Food Summit last year, I offered some solutions:

- In the most dire of circumstances, there is and should continue to be direct food assistance.
- There are new technologies, including biotechnology, which can dramatically increase yields in a *sustainable* way. Without it, we will have no choice but to rip up fragile land, and use more pesticides, just to feed *current* populations ... let alone a future world that is expected to add the population equivalent of a new China every *decade*.
- And, there is *trade* -- allowing food to flow freely across borders. *We cannot feed a world of isolationist nations*. Unfortunately, that is a point we will have to seriously debate.

Heading into the 1999 round of WTO agricultural negotiations, which I believe are pivotal, we see member nations dividing into 2 camps: One is led by the European Union and Japan, the other by the United States.

The United States wants to push forward with further reductions in barriers to agricultural trade. The EU and Japan, still smarting from the bread lines of post-war recovery, want to put on the brakes. They say, 'food is different.' *I agree*. But it takes me to the polar opposite conclusion. Food is the most important trade we do. It should not be inhibited. We should *rely* on each other.

That is the whole point of this 50-year endeavor ... building a world where boats willingly moor together in an international extension of President Kennedy's 'rising tide' -- lifting the *world* economically, democratically, and *peacefully*. Whether we use weapons or trade barriers, we should not fight over food.

CONCLUSION

Ultimately, all this comes down to China. It is China's choice. But it's also in China's *interest*.

As a leading *exporter* of agricultural products, China will benefit from a rules-based trading system. China is already having problems getting their products into other markets, such as Japan and the European Union. China would clearly benefit from WTO membership.

To join, China needs to make the tough choices: Will they cling to a disappearing world or become a responsible member of a new one? Will freer markets make them a freer society? Will they seek *real*, long-term food security for their people?

Like our nation after World War II, China faces an historic choice: Will it recognize a unique moment in history and act for the world's good and its own? To paraphrase a modern Chinese leader who was asked about the French revolution, 'It's too soon to tell.'

We come from different worlds as to how these decisions are made. If China chooses to lead, ours will be a strange alliance: One nation steeped in a culture that spans millenia, the other a young, idealistic country that is always looking ahead. How we reach across our differences and forge a common destiny will say a lot about the prospects for our world in the 21st century.

Thank you.

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**REMARKS OF SECRETARY DAN GLICKMAN
PROFESSIONAL AGRICULTURAL WORKERS CONFERENCE
TUSKEGEE UNIVERSITY -- DECEMBER 8, 1997**

Thank you, Dr. Payton. Thank you for inviting me here today, and thank you for the work you, Dr. Hill and everyone here do for agriculture, education, rural America and our nation.

On my way over, I took a quick detour past the new Center for Excellence. I hear good things about the work going on there, especially on food safety. From the ag sciences, to rural business development, to minority outreach, to the Carver experiment station. USDA has a strong partnership with Tuskegee. You've even given us some of our leaders. With me today is Art Campbell, USDA's Deputy Undersecretary for Rural Development. Where's Art? He's doing a great job, and I have no doubt that's got something to do with the fact that he got his architecture degree here -- Class of '66 ... That must be '96. Sorry about that typo, Art ... Anyway, I want to strengthen USDA's ties here and throughout the 1890s community. And, I want to thank all the folks who work with our 1890s Task Force to help us build a strong partnership for the future.

I understand that I missed quite a performance last night. I regret that I couldn't make your Christmas concert, but it reminds me of a lighter moment at President Clinton's recent town hall meeting. He was in Ohio leading a conversation on race like the one I'll lead here later today. In the President's group were 2 preachers -- one from a predominantly black church, one from a white church. They became friends through joint congregation activities and said they'd learned a lot from one another. In fact, the white preacher claimed that his church was currently teaching the other how to sing. That brought a few chuckles. Then the other preacher said, 'don't laugh, we need that help. We've never been too good at country music.'

I like to sing myself, but my staff advises me not to in public. That's one of the sacrifices I make in this job, I guess. Nevertheless, I'm honored to be able to speak to you today. Tuskegee is a national treasure, rich in America's history and progress. Whether we're talking about agriculture's future, rural challenges, the plight of small and socially disadvantaged farmers or the task of building one America -- the fault lines of some of the most critical debates of our time run straight through this campus -- as they have for more than 116 years.

America's progress can be tracked alongside the rise of this university which first opened its doors on the grounds of an abandoned plantation ... starting out with \$2,000 in state funds and a priceless vision. That vision is captured at the heart of this campus in the image of your founding father, Booker T. Washington, lifting the 'veil of ignorance' from a downtrodden slave¹ ... lifting a people and our nation in the process.

I have come here today to talk about our future -- not just agriculture's or rural America's, but our nation's and its people. Over the past year, I have come to understand just how tightly all

¹Image of the statue at the center of the Tuskegee campus.

these threads are intertwined. I'd like to talk today about what -- without question -- has been one of the more educational years of my life. And, I come here today to talk about the future in the most honest and productive way we can, and that is in the context of the past.

President Clinton recognized that truth when he said, 'Without remembering (the past), we cannot make amends and we cannot go forward.' He said those words not in reference to slavery -- although the truth certainly applies. President Clinton said those words in apology for the terrible wrongs² perpetrated on people here in Macon County by their government decades ago.

We at USDA today are also facing up to the burden of history. It is a history that I regret is known all too well here at Tuskegee and throughout the 1890s community. I am not here to make excuses for this past. I am here to make the same promise to all of you that I have made to President Clinton: Civil rights will be my legacy at USDA. We will have a new day.

It has been almost a year since the release of what I believe will prove an historic document -- USDA's civil rights report. I have here with me its author, Mr. Pearlie Reed. He's now my top lieutenant on civil rights matters. I asked Pearlie to put together a team, travel the country and talk to people -- farmers, USDA employees, rural Americans. I joined him at many of these listening sessions. Then, I asked Pearlie for a report not on the problems, but concrete solutions. Pearlie delivered not one idea, not 10, but 92 -- almost all of which are now in place.

When President Clinton began his One America initiative, he was greeted with a virtual brick wall of cynicism. A lot of folks appeared to have given up on the task of turning the promise of America -- the dream -- into reality. To them, I say we certainly can make that transformation. Look at how far we've come at the Department of Agriculture in just one year.

-- It is now a condition of employment at USDA that every employee treat every customer and co-worker fairly and equitably, with dignity and respect. I've made it clear to USDA managers that their performance on civil rights is as important as their performance on any farm program.

-- We have a new no-nonsense policy for USDA foreclosures: When a discrimination complaint is filed, that foreclosure stops immediately until an independent review determines the merits of the case. This is 1997. I will not tolerate a single person losing their land to discrimination.

-- Thanks to an aggressive Farm Service Agency recruiting effort, state committees today are 10% more diverse than they were just one year ago. This means they can better serve all the people of their state. Look at the new leadership at USDA's headquarters, and you can see a difference there as well. I want the same progress with our county committees. Where there is no diversity, I want the power to appoint someone from the community. That change will require legislation, and I'm working with Congress to get it.

²Reference to the President's apology for the Tuskegee experiments.

-- I am also working with Congress to see that the 1890s universities finally get some guaranteed state matching funds. We cannot have equality of opportunity if we have separate and unequal funding. I've talked with your university presidents and our 1890s Task Force about this. I am 100% committed to enhancing your funding formula. It is the morally right thing to do.

-- There is so much potential to build our partnership and better help the communities that we all serve. Today, I'd like to announce \$1.6 million in USDA rural business development grants to Tuskegee and 14 other 1890s schools. The money will fund outreach and technical assistance to help low-income rural communities diversify beyond a totally agricultural base and grow stable, successful economies. University folks will help with grant applications and business plans, and together build BISNet -- a web page that can be accessed through the schools and will provide community leaders with information on how to turn economic dreams into reality.

-- We can't talk about equity and access without considering economics. A National Commission on Small Farms will soon report to me on the rural, economic and civil rights challenges that make it *hard* for small-scale farmers of any color to stay on the land. I won't let our small farm heritage slip quietly through our fingers. I want creative credit, outreach and marketing solutions to help smaller operations *grow* and prosper in the global economy.

These are just a few examples of what's been done. And, we're not through yet. Next week, I'll walk into the White House with Congresswoman Eva Clayton, of North Carolina, and 2 dozen minority and limited-resource farmers -- Black, White, Hispanic, Native American. We'll sit down with President Clinton and Vice President Gore and talk about the economic and civil rights factors that have proven such lethal challenges to many minority-owned and limited-resource farms. Being from the rural South, the President understands and is committed to addressing these issues.

One place to start is righting a wrong of the '96 farm bill. It defies reason to declare every farmer who had a debt write-down many years ago ineligible for government farm loans. For-profit commercial banks aren't even that tough. Farming is uncertain. Good people lose their shirts. Our credit policies must include some redemption. We can do it in a way that's fair to farmers and to taxpayers, but it will require legislation. When I get it, I will move quickly to fix this.

I want to thank all the people at Tuskegee's Small Farmer Outreach Training and Technical Assistance Project. They've gotten more than \$3 million in loans out to folks here in Alabama. And, they've gone the extra mile or 10 or 20 to do it -- visiting people in their homes, churches, community centers. They're connecting USDA programs with people who have been underserved in the past. I thank them for helping USDA break out of the old mold.

When it comes to lending, I'm proud of the Clinton Administration's record to date. Since 1993, we've increased farm ownership and operating loans to women and minorities by 74% -- an increase of more than \$34 million. That's a strong record, but it's certainly one we can build on.

We all know that reaching underserved communities takes more than money it takes people who are committed to bridging that gap. One of those people is Sam Thornton who is also here with me today. Sam's been an adviser to me on civil rights. Now, he will be the director of USDA's *new* Office of Outreach. I know he'll do a good job, too. You see, Sam doesn't worry too much about me. If something goes wrong with civil rights, his grandma's on the phone. I'm told he'd take me upset with him any day over her.

The Office of Outreach is a major deliverable of our civil rights report. Time and time again, we heard: 'No one tells us about your programs.' 'I don't know how to apply.' 'Can someone help me?' ... Sam is your man. He and his staff will get the information out. They can also help -- whether it's giving tips on applications or connecting people with the right person in the right agency. From forestry to nutrition to conservation to rural development to farm loans, these folks are here to bird-dog the bureaucracy and improve USDA's record in underserved communities. To that end, I'd like to announce a new hotline. Take out a pen, if you want. The number is 1-800-880-4103. It rings the outreach office, and the folks who answer are there to help.

Our next big task will be to find someone to try and fill Lloyd Wright's shoes. Lloyd's been with USDA for close to 40 years. He's a Virginia State alum. He heads our Office of Civil Rights. Now he's retiring on us. We'll search far and wide for a strong successor.

Lloyd's position is critical to one of the most difficult challenges we face at USDA -- wading through a decades-old backlog of hundreds of unresolved civil rights complaints. I saved this for last because I wanted to talk about it in the context of the broader civil rights revolution that is clearly underway at USDA. We are laying the groundwork for a positive future. But I know that we cannot fully achieve that future without dealing with our past.

Back in the '80s, the folks who ran USDA disbanded the civil rights investigation team. Some cases piled up and gathered dust for years. I won't venture to guess why that team was disbanded. I don't know. But I will say that I've wracked my brain for an acceptable explanation and come up empty. This problem didn't start on my watch, but I promise you: it will end on my watch. Justice may have been delayed, but it will not be denied.

That said, I don't want to be Pollyannish about this. I want to be up-front: I will live up to my promise, but it's going to take time. This is a monumental task involving hundreds of cases. There is no simple, immediate solution. Justice -- for people who've lodged complaints and for taxpayers -- requires that each case receive individual care and attention. Given the number of cases we have in the backlog, this will not get done overnight ... at least not responsibly.

We are committing massive amounts of resources to moving as quickly as we can. I'm involved on a daily basis now. We've hired a full-time, permanent investigation team. We've contracted with a number of private firms to help us do these old investigations that were never done. So far this year, we've resolved 131 program discrimination complaints -- through everything from settlements to program fixes to dismissals where there were findings of no discrimination.

I don't like to talk too much about numbers when we're dealing with people's lives and livelihoods, but there is one statistic that I do want to briefly discuss, and that's the number of cases filed this year. That number is about 450. Understandably, this causes some folks to say, 'Dan Glickman, you say you're changing things, but look at all these new complaints. How can you be serious?' I want to explain what that number really means.

We've actually had 60 new complaints -- meaning incidents that allegedly happened this year. They involve minority farmers, women, farmers with disabilities, older farmers. Without question, it's 60 too many. But it's a dramatic drop from years past, and I credit our civil rights effort. What about the other 390 cases? These are people who feel they were treated inappropriately 2, 10, 20 years ago. They kept quiet. They felt they had nothing to gain from speaking up. Now, they see a new USDA, and are finally filing their complaints.

One year into our civil rights effort, it's clear that we still have a ways to go, but it's equally apparent that it is already a different world at USDA. That makes a lot of our folks happy. It gives them a sense of pride in their work as public servants. Other folks are a little uncomfortable. Neither response is unique to USDA or to agriculture. They are the same reactions of Americans across the country as we grapple with our ever-increasing diversity.

Many Americans truly believe it can be a source of great strength. Just look at the new global economy where countries have to compete in Africa, Latin America, and the Pacific Rim. No country is more ready for this new world than ours. From Bosnia to Rwanda, we've seen the consequences of mindless divisions. It's up to us to use our heads to forge a new path ... following the wisdom of Dr. King who said, 'we must learn to live together as brothers or we will perish as fools.' This is the work of one America. We must seek ways in our own lives to heal America's old wounds and help build a more United States.

By lifting up the black farmer and rural America, Tuskegee has long lived this mission. My goal is to have USDA emerge in the dawn of the next century as the federal civil rights leader. Some are skeptical that can happen. Agriculture, after all, has deep roots in the darkest chapter of U.S. history. Our nation fought a civil war over the right Southern plantation owners claimed to enslave men, women and children. Some say that dooms agriculture to being a perpetual straggler on civil rights. I say it makes us ground zero. Dramatic progress on civil rights in agriculture and rural America could be the catalyst for a just and lasting change in the content of our national character.

We shouldn't forget that out of the old South, out of agriculture, out of this university, also came George Washington Carver. His portrait hangs in my office. Born a slave, he died the South's savior -- having spread the gospel of crop rotation and alternative crops. His work saved big and small farmers, black and white. While his genius was sought worldwide, he made time for any farmer who knocked on his door. Thomas Edison and Henry Ford offered to make him rich. But Carver chose to stay here. His epitaph explains it best: 'He could have added fortune to fame, but caring for neither, he found happiness and honor in being helpful to the world.'

As this conference pursues the theme of 'equity and access,' I hope we recognize the connection between that quest in agriculture and our nation's happiness and honor. I want to thank the people of this great university -- past and present -- for your many contributions to our nation. But as prestigious a history as you have here at Tuskegee, it is my hope that your greatest chapters have yet to be written. Thank you for inviting me here, and thank you all for the work you do every day on behalf of American agriculture, our nation and the world.

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**REMARKS OF SECRETARY DAN GLICKMAN
OXFORD FARMING CONFERENCE
OXFORD, ENGLAND -- JANUARY 8, 1998**

INTRODUCTION

Good afternoon. Thank you Chairman [Norman] Coward for that introduction and for the invitation to join you here today. With me is Terry Medley, the Director of the U.S. Animal and Plant Health Inspection Service; Dick Barnes, our agricultural counselor here in the UK; and Paul Drazek, my special assistant for trade. Also, on this trip is Peter Scher, U.S. ambassador at large for agriculture. He will join me when I meet later on with Commissioner Fischler.

You know, before I became Secretary of Agriculture, I spent 18 years in the U.S. House of Representatives working on the Agriculture Committee and representing the people of the great wheat and cattle state of Kansas. I got my first tractor ride the first time I ran for office, and I've spent plenty of time on the farm with farmers ever since. But more than 20 years later, I still get a kick out of being asked to come talk to farmers about agriculture. It sort of reminds me of a joke about dairy cows: two dairy cows are grazing along the side of the road. A milk truck drives by. On the side of it is a sign with capital letters and exclamation points: 'Pasteurized! Homogenized! Vitamin-enriched! Good for you!' The one dairy cow turns to the other dairy cow and says, 'kind of makes you feel inadequate, doesn't it?' That's sort of how I feel up here right now.

On my last trip to the UK, I was able to visit Bax Farm in Kent and sit down with Oliver Doubleday, the owner there, and other farmers in the area. I want to thank them again for their hospitality. This time, I have the pleasure of visiting Oxford University. I'm glad to be here, particularly for this prestigious conference and at such a timely moment both in U.S./European agricultural trade relations and given current events around the world.

I've been asked to talk about how American agriculture is faring almost two years into our dramatic shift toward a more market-oriented U.S. farm policy. I hope this discussion can provide some useful insight as Europe makes decisions about the future of its own Common Agricultural Policy. Your decision, like ours in 1996, is critical to the evolution of world trade. The United States and EU countries are great agricultural and trading nations. Our actions will set the tone for world trade and global relations in a new millennium. We must lead by example.

U.S. FARM BILL: STATUS REPORT

Almost two years into America's new farm policy, it is being met with rave reviews throughout most of agriculture and the balanced-budget minded ranks of government. Of course, recent market events are causing us to keep a close eye on the economic situation on the farm to ensure that our safety net is adequate. But in general, a freer-market approach is seen by farmers and policy makers as a win-win scenario: government eliminates costly programs that micro-manage supply and demand and instead pay initially generous but gradually declining market transition payments aimed at easing farmers into a freer agricultural marketplace by the year 2002.

Of course, we have been fortunate these past two years that prices and exports have been strong.

One can easily imagine that fixed payments -- that are not linked to what crop is produced or what price is received -- alongside strong markets make for a popular program out in the countryside. But recent events indicate that world agriculture markets may not stay quite so strong this year. We're keeping a close eye on where this puts farmers without the old programs. President Clinton is committed to a sturdy safety net, so long as it does not interfere with the markets. The United States will not go back to the days of government micro-managing agricultural production. We have made the commitment to freer markets, and we will hold firm.

Because government no longer has a hand on supply and demand, farmers have every incentive to be market-savvy entrepreneurs -- good business people as well as good farmers. In exchange for phasing down traditional government price supports, American farmers are free to plant as they see fit, rather than as the government tells them to. This, as one Iowa corn farmer put it, is 'farming like our grandfathers knew we should' -- entrepreneurial farming for world demand.

It's a smart time to make this change. In the coming century, we expect to see tremendous population growth and little expansion of available acreage for farming. World food demand will be strong. Our challenge will be to unleash the full potential of the global marketplace, and see the world economy remain solid and incomes continue to rise worldwide -- building strong markets for our farmers, and a more peaceful and prosperous world for all our people.

I have to give President Clinton a lot of credit for where we are in the United States today. He pursued an economic policy -- from a balanced federal budget to more open trade -- that at first put his presidency at great risk. When he started down this path, he received tremendous criticism. Now, he is recognized as one of America's great economic leaders, the architect of a U.S. economy that's the strongest we've seen since World War II -- an economy with the lowest unemployment and inflation since the 1970s and the highest job creation.

AGENDA 2000

If I can assume that my invitation here begs the question: What is my advice to Europeans in reforming the CAP given the United States' experience with our own reforms -- my answer would be simple: Look ahead, be principled and be bold. There is an old saying: one cannot cross a chasm in two small leaps. Now is a critical time for nations to make a giant leap toward greater market orientation and a more open, free and fair global marketplace.

I expect that the UK will take advantage of its Presidency of the European Union to push forward on reforms to the Common Agricultural Policy. I've also seen the reports detailing the price tag involved in staying the course of costly government farm programs at a time when there is such a strong desire to see the EU expand eastward. The United States' own fiscal pressures to achieve a balanced budget provided our backdrop for abandoning the old, inefficient way of doing things.

On a more philosophical level, the United States also recognized that our commitment in the World Trade Organization to more free and fair global agricultural trade meant that we could no longer justify government programs that amounted to massive interventions in the marketplace.

I applaud Agenda 2000's focus on economic efficiency and global competitiveness. The more

market orientation it brings to Europe, the better it will serve Europe and the global trading environment. But I would caution against small, timid steps. True market orientation requires us to boldly move toward the elimination of agricultural price supports, production and export subsidies and all farm income supports linked to production. For the global economy to reach its full potential, governments need to get out of the business of manipulating the marketplace, and give farmers the freedom to respond directly to world food demand.

That is not to say that government should not help farmers in crisis. Clearly, the risks inherent in agriculture -- whether it's a powerful El Nino or a weak market -- should not be borne solely by those who produce our food. The United States model simply says that instead of manhandling markets to help farmers, the focus should be on giving farmers the tools they need to manage risk and look out for their own long-term interests. For example, our government and private sector now offer revenue insurance. Much like our farmers can buy protection against a catastrophic weather event, more and more can now buy insurance against catastrophic prices, as well.

Nevertheless, the real key to strong future farm incomes -- in America and around the world -- is not expensive government programs but helping farmers and ranchers take full advantage of a world of opportunity. Future farm incomes will be inextricably linked to the integrity, size and strength of the global economy.

SHARED STAKE IN THE WORLD'S ECONOMY

As we step into a new century, we are crossing into a world in which economic relations are replacing military relations as the primary means by which countries deal with one another. The more we grow our economies in tandem, the more peaceful and universally prosperous our world will be, and the stronger customers we will have. Nowhere is this more true than in agriculture.

As much as any farm policy; as much as any agricultural trade dispute no matter how high the stakes; as much as any on-farm issue -- the overall strength of the global economy is of equal if not greater importance to the world agricultural economy. When economic times are good, countries open their borders. When times get rough, the drawbridge comes back up. Fortunately, we're not seeing that right now, which is a very good sign.

If we look back to the world economic slump of the early '80s, we see a deepening recession as country after country abandoned the international ship and dumped their products on global markets -- hedging their national interests against the world's -- not recognizing that those interests are now one and the same.

Actually, the model for not closing borders was Mexico. Their peso crisis came after they agreed to the North American Free Trade Agreement, so Mexico could not simply prop up trade barriers. Instead, it kept its markets open, restructured its economy and recovered at a stunning pace.

As the world financial leadership steps in to help steady faltering economies in Asia, help again has come with demands that countries modernize their financial systems to shore up their long-term economic stability. Help also came out of recognition that we all stood to lose should these

countries bottom out financially. Their economic health is closely linked to our own -- thus the anxiety over the 'Asian contagion' as repercussions are felt in Russia, Latin America and elsewhere. By helping keep these economies on-track, we are steadying the international boat and ensuring stability for our own countries as well. This is an important message to make sure all the people of our countries understand. We have a stake in the world.

I remain of the mind that what is happening in Asia will be short-lived as long as the international community maintains its resolve and effected countries make serious steps to modernize their economies and adapt to a new world. But there is a critical lesson to be learned here: we must be smart about our trade relations.

The whole point of the World Trade Organization was to put behind us politicized trade battles that disrupt economic growth and international relations; to put behind us tit-for-tat trade spats that had nothing to do with the quality and safety of our products; and to put in front of us a new world in which a community of nations rises together, economically and peacefully.

By staying the course toward freer trade, Asian nations today are acting as a positive example of countries facing a pivotal moment and acting responsibly for their own country and the world.

EU/US AG TRADE RELATIONS

Unfortunately, our own trading relationship -- that of the United States and the European Union - is not so uplifting an example of what may lie ahead. I will meet with Mr. Fischler later on. We have a habit of speaking frankly to one another. But it's my hope that we can tone down the rhetoric and see that cooler heads prevail on a number of critical trade matters. We must find a way to work out our differences more quickly, fairly and amicably. Otherwise, the increasing politicization of our agricultural trade relationship risks major damage to our shared long-term trade agenda and to our agriculture.

From the U.S. perspective, the issue of food safety is a prime example. After the BSE outbreak here, along with several high-profile E. coli outbreaks in both our countries, food safety is emerging as a major worldwide priority -- with significant public health and economic implications.

Quite naturally, consumers want assurances that their food is safe. I consider it one of the most important roles of government to provide people with that peace of mind. That is why the United States is moving forward with a revolutionary, science-based approach to food safety that -- in the case of meat and poultry -- requires every plant to engage in regular, thorough safety practices aimed not just at catching contamination, but preventing it in the first place.

Recognizing that our people deserve one high standard of safety, we also require our trading partners to adopt equivalently high standards. And, we moved quickly to certify their equivalency, so trade would not be disrupted.

Unfortunately, we do not always feel that our good faith efforts are reciprocated on this side of the Atlantic. A classic example is the pending EU ban on specified risk materials -- tallow that is

used in U.S. pharmaceutical, cosmetic and agricultural products. The ban is based on the assumption that the United States may have BSE which may get into tallow which may harm a person. Each of these assumptions is vigorously disputed by the scientific facts -- including those of the European Commission's own scientists. Yet the ban may still go into effect.

I was heartened recently to see British consumers recognize that things are getting out of hand. When the government banned bone-in beef -- which is largely imported -- there was a rush to butcher shops to stock up before the ban went into effect. Consumers were on the news saying, 'they've gone too far.'

These kinds of actions leave a strong perception in the United States that here in the European Union legitimate public food safety concerns are being manipulated for political purposes. As traditional trade barriers begin to disappear, we owe it to consumers to see that food safety does not become the new trade battleground. We owe it to agriculture, as well. Take meat and poultry. The amount of trade we do between the United States and the European Union pales in comparison to the amount we export to the world. What happens if we publicly defame one another's food without the science to back up our claims? One country might get a temporary edge over the other, but we both lose in world markets as the world turns elsewhere for its food. Without question, legitimate public health concerns deserve our utmost attention, but exploitation of consumer food safety concerns deserve an equal measure of disdain.

There are high points in our relationship as well. I am pleased to note that we are achieving a more science-based resolution of our differences on the biotechnology front. I'd like to see the approval process move more quickly, but the conclusions reached so far by the European Union have been positive and based on sound science. I hope that sound science also governs EU labeling decisions. Mandatory labeling implies a potential health or environmental risk. In the absence of that scientifically proven risk, labels only serve to mislead consumers.

I know that some here in Europe differ with me on this issue. I welcome a constructive, public debate. I just hope that we can frame it around educating consumers on the scientific facts both about biotechnology and how we are to achieve what must be a sustainable future for world agriculture. I believe that given all the information, people around the world can come to a responsible decision about the future of our world. The fact is, biotechnology is our greatest hope for dramatically increasing agricultural production in an environmentally sustainable way. It can help us produce more crops from the same land base, crops with more nutrition, crops that require less water and pesticides. As long as science proves these products safe -- which it has time and time again -- we cannot in good conscience turn our backs on them.

GLOBAL CHALLENGES AHEAD

Going into the 1999 WTO talks, the United States will push to see all the countries of the world take greater strides toward realizing the full potential of a free and fair world trading system. We want to see every country play by the same set of rules. That is why the United States has been so insistent that China demonstrate its willingness to abide by WTO rules before it joins our trading bloc. If one country does not honor the rules, other countries will retaliate, and the whole system breaks down. If we are committed to a new world of global economic health and stability, then

our actions today must shape that world.

From recent events in Asia, to the decision Europe will soon make on its domestic farm policies, to the choices we will all make in the 1999 trade talks, these are critical times for agriculture and our world. History will look back from the vantage point of time and judge the wisdom of our decisions. We must look forward with a shared vision and be smart about our choices. I believe that the tenor of U.S.-European relations will be a crucial barometer of how close the promise of the new global economy will come to its reality in the next century. As world leaders, our nations should make the commitment to strong, good faith relations. It is the commitment to a stronger, more peaceful and prosperous world.

Thank you.

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**REMARKS OF SECRETARY DAN GLICKMAN
HARVARD UNIVERSITY'S KENNEDY SCHOOL OF GOVERNMENT
'FROM CONGRESS TO THE CABINET: MAKING PUBLIC POLICY WORK'
CAMBRIDGE, MASSACHUSETTS -- FEBRUARY 11, 1998**

INTRODUCTION

Thank you, Dean [*Joseph*] Nye, for the opportunity to be here. It's good to see a colleague from my days in the House of Representatives -- Mickey Edwards. You know, USDA was created in the same year as the Emancipation Proclamation. Our founding father, Abraham Lincoln, called us the 'the people's department.' So it's a bit ironic that when folks today think of USDA, usually the first thing that comes to mind is corn and cows -- production agriculture, which is key, although not always thought of as glamorous.

You have no idea how glamorous this job really is. Recently, I was at the wedding of Vice President Gore's daughter. As I was leaving, a reporter came up and asked, 'lot of politicians here; you talk politics?' I said, 'no, it was a beautiful family wedding' and started to walk away. Then, he yells after me, 'wait, wait, wait ... who are you.'

It's different in the international arena. Agriculture is an important contributor to U.S. exports, one of the few sectors that has a positive trade balance. We're a huge player in the global economy, so I get some attention on the world stage, although I'm not sure that's always good. In 1996, I lead the U.S. delegation to the World Food Summit in Rome. I gave a big speech on food security -- talking about how biotechnology can help us produce more food without destroying the environment. I thought I did a good job ... until protesters started pelting me with soybeans, which wouldn't have been all that bad if they then hadn't held a press conference ... in the nude. They had things written on their bodies like 'the naked truth' and 'no gene bean,' at least that's what my staff who looked tell me.

But somewhere between the extremes of anonymity and overexposure lies the bulk of what I do. Beyond production agriculture, I manage America's national forests -- Smokey Bear and everyone else at the U.S. Forest Service works for me. This is the largest part of USDA. I put the USDA-inspection seal on the meat and poultry you buy at the grocery store, and generally we are referred to as the food safety agency. I run the food stamp, school lunch and Women, Infants and Children nutrition programs.

But today, I'd like to take this opportunity, speaking at America's most prestigious school of government, to give you my perspectives on America's system of governance, as I've seen it in action both as a member of Congress for 18 years, and now as your Secretary of Agriculture.

CONGRESS V. CABINET OVERVIEW

The first seat I ran for was on the school board in Wichita, Kansas. I went on to unseat a 16-year member of Congress, the ranking Republican on the House Appropriations Committee. Eighteen years later, in the Republican sweep of 1994, I got my own walking papers. But I think it was

more of a surprise when I won than when I finally lost. I was the first Democrat to hold that seat in 40 years. Over time the district grew more conservative. But as long as Reagan and Bush were in the White House, folks seemed fine with me in Congress. There was balance.

Then along came a Democratic president; the budget vote in 1993; I supported the assault weapons ban and a woman's right to choose -- all of which ticked off a vocal, active minority in my district. I guess if I'd been more parochial about these matters I could have held on, but I voted my conscience, and paid the price ... with no regrets.

In Congress, you're one of 435, so the pressure is really on to stand out -- which you can do eventually through seniority or quickly through flamboyance. When I first came in, just like everyone else, I wanted to make a point that I was different, so the first issue I took up was eliminating elevator operators on automatic elevators in the Capitol. Why were we paying hundreds of thousands of dollars for these people? Couldn't we push our own buttons? I fought and fought, and my colleagues got angrier and angrier. After all, these were their elevator operators, and they'd been pushing buttons since the beginning of time. Then, it was holy war. Now, it seems, well ... absurd. Needless to say, if you go to the Capitol today, those elevator operators are still pushing those buttons, and I suspect they'll be around for quite awhile longer.

Of course, you stand for election every two years in the House, so as soon as you arrive, there is instant pressure to hone in on the economic and political interests of your district. That's what landed me on the House Agriculture Committee, where I lived wheat and cattle policy for years.

I also became chairman of the House intelligence committee which gave me a glimpse of world-oriented politics. I'll never forget the night then-CIA Director Jim Woolsey tracked me down in a Chinese restaurant to tell me that the CIA had arrested the biggest spy of modern times -- Aldrich Ames. It was pouring rain. We were standing in the vestibule of this tiny restaurant, stopping our conversation each time someone walked in. There was no partisanship at that moment, only concern for the country.

In Congress, I enjoyed having time to come in on a Saturday morning, sit in the middle of a huge pile of mail, open it up and get a sense of what folks really cared about. It was a good way to stay grounded ... although I don't think my staff much appreciated the mess on Monday morning.

President Clinton selected me as his Secretary of Agriculture, probably as much for my ties to Congress -- Republicans and Democrats -- as for my knowledge of agriculture. But a few eyebrows went up when I cast my last vote ... against the GATT agreement. I was joining a pro-trade administration. But at that moment, I was still the congressman for the 4th district. I had promised the folks back home that I would vote 'no' -- largely because the vote took place during a lame-duck session of Congress -- and I kept my promise.

It's a different view from the Cabinet. Your perspective is national, but you're working within the confines of legislation and a budget that are decided by Congress. So there is parochialism.

but of a different sort. President Clinton's views obviously have a lot to do with my decisions. I also have to contend with powerful members of Congress, who control the purse strings of my budget. It's an interesting contrast from the Hill where you're one of many and can pretty much say and do as you please. In the Cabinet, there's less personal freedom, but certainly more power.

So we have members of Congress moored to the interests of their districts, and a Cabinet focused on the good of the whole. It's perfectly reasonable to ask: how does anything get done? I'd answer: much as our founding fathers intended. Alexis de Tocqueville once asked Alexander Hamilton: What is so great about America? 'Here, sir,' Hamilton answered, 'the people govern.' I would add: when they choose to. Somewhere between the cynics' view of a special-interest-driven Gomorrah and the optimists' democratic utopia lies the reality of American governance today. I'd like to briefly discuss four policy debates that illuminate both its pitfalls and potential.

FOOD SAFETY

Food safety is a great example. Throughout history, with few exceptions, the public interest in safer food was subsumed by certain interests, some in agribusiness, which tend to hold great sway over the congressional committees that make our food safety laws. For nearly a century, these interests at times have resisted major reforms despite our growing understanding of what causes food-borne illness.

Take our meat and poultry inspections. Ever since Upton Sinclair wrote The Jungle, inspectors have stood on production lines -- looking for contamination as carcass after carcass whizzed by. Problem is, we've known for years that the most dangerous threats in our food are invisible to the naked eye.

Last month, we started new inspections that test for these hidden pathogens. What made this breakthrough possible? An Administration that's focused unprecedented attention on food safety, and also -- in terms of breaking the logjam in Congress -- pure people power. Where did it come from? 1993: thousands are sickened and four children die eating fast-food hamburgers contaminated with a virulent strand of E. coli. Suddenly, a sobering statistic -- as many as 9,000 Americans die every year from food-borne illness -- has a human face ... a young, vulnerable face. A tidal wave of public interest tips the political scales -- uniting industry (and I really have to give them credit today for stepping up to the plate), consumers, government and public health officials behind a food safety revolution.

Next year, President Clinton has proposed that America spend \$100 million more on food safety than it ever has in the past. We're doing cutting-edge research: we're expanding a high-tech early warning system to quickly control outbreaks; we have a consumer education campaign; and you know those new inspections? Industry now uses them in its advertising because safe food sells.

Food safety is one area where people want strong government. It's the same with airplane safety, bank solvency and national security; people look to government to protect them in ways they cannot protect themselves, and cannot rely exclusively on the private sector to do it either.

So since the 1993 tragedy, an active, engaged public has been very much in the driver's seat on food safety policy. But not always. If you're like most Americans, you're probably shocked to learn that USDA cannot order a recall of unsafe food. The Consumer Product Safety Commission can recall unsafe toys and cars, and even fine the makers for negligence. But USDA can't take these actions. I'll let you draw your own conclusions why. I'll just say that it's not the average person on the street saying, 'don't let government protect you from unsafe food.'

DAIRY

Of course, part of the genius of the American political system is the protections it gives to minority interests. Depending on a minority's commitment, majority does not always rule.

Take dairy policy. This is the penultimate stereotype of a byzantine, incomprehensible-to-the-average-person federal program. Sparing you the details, I'll just explain that for decades, government has set milk prices around the country based not on some highly sophisticated economic model, but how far you live from a town called Eau Claire in Wisconsin. Years ago, this region produced most of America's milk. The thinking went: if we increase prices by distance, the market will make sure that consumers in non-dairy-producing areas have a regular supply of milk. We succeeded. Dairy production today is much more regionally diverse, but we're left with a rather peculiar system.

A reasonable person might say, 'let's take a fresh look at dairy production, and adapt the program to modern circumstances.' I say this is what a reasonable person might say because, of course, it's what I proposed. But reason has little to do with reality. Why? Because if you're a dairy farmer, there's only one way you want prices to go. And, dairy folks and their elected representatives are among the few who actually understand let alone care about dairy policy.

Only problem is, dairy farmers in different parts of the country can't agree on what they want. This has given rise to two feuding sects in Congress -- both extremely powerful, but nearly perfectly balanced in their opposition. The result is paralysis which forced the issue into my lap. I employed a basic maxim: when faced with a lose-lose political situation, just make damn sure you do the right thing ... right by America's agricultural policy which is moving toward freer markets; right by dairy farmers whom America has a stake in seeing stay in business, and right by consumers who need a reliable, affordable supply of milk.

Coming at this from a national perspective, I had to take all three of these factors into consideration. I asked my staff for maps that showed exactly where and what is being produced and at what cost. And, I updated the formula to reflect today's realities and better ensure consumers a fair market price. I also proposed transition assistance for farmers as we phase in the new system.

Already the debate is devolving back into regional politics. I understand the pressure behind that. It was relatively easy for me to reach straightforward, national conclusions. This would have been nearly impossible to do in Congress. Ironically, the ultimate solution may be dairy compacts

-- states banding together and voluntarily raising prices on consumers to support the industry, as they have here in New England.

FORESTRY

So when consumers are quiet, small, dedicated interests usually prevail. But when people participate actively in the democratic process, they tend to get their way. There are few more compelling examples of this than forestry policy which pits two powerful interests against each other: the timber industry with allies who are extraordinarily well-placed in Congress versus the environmental movement which wields a different, but even more intense, sort of power.

For decades, it was the local sawmill versus the nation's pristine jewels with the timber folks usually winning out since they had the support of the previous two Administrations. Then, President Clinton came in and introduced a third option: sustainable economy, sustainable environment. We helped timber communities diversify their economic base to include tourism and recreation, which today earn far more from the forests than chopping down trees. There are still big confrontations, but I think we're moving toward a common-sense consensus.

And, just in case there are any cynics out there, I should point out that this debate shows that elections matter. Who makes national decisions matters. This Administration has cut timber sales on public lands to one third of what they were in 1992. The timber folks aren't thrilled; neither are the environmentalists, which tells me we're close to the mark. Americans enjoy a strong economy, and our great, open, natural places. We don't have to sacrifice either one.

TRADE

When we look ahead and speculate on what great tests our democratic system may face in the years ahead, trade poses one of the more fascinating dilemmas because it has the potential to pit not just various interests against one another but the very natures of Congress and the Cabinet themselves.

For most of this century, our international relations were framed largely around war: World War I, World War II, and the Cold War defined whole generations of Americans' world views. Faced with an outside enemy, it was fairly easy to forge consensus. Parochial and national interests were one and the same. This is no longer the case in a world increasingly defined by trade.

It would be easy for me to stand here at Harvard and talk about the importance of expanding trade -- to our economy, to global stability and to America's place in a new world. But let's look at this from a Congressional perspective. With few exceptions, it all comes down to how their people fare -- grain farmers in the plains states, dairy producers in the upper Midwest and Northeast, avocado growers in California, orange growers in Florida -- do they face more competition or more opportunity? That calculation will always dominate the equation.

On a macroeconomic level, the free traders generally win this debate. It's a simple fact of life: if you don't grow, you die. Here in the U.S., we have stable incomes and population growth. Our

biggest economic opportunities lie in developing markets. Without increases in our sales abroad, this strong U.S. economy will sputter. You know this. It's Economics 101 ... which is precisely our problem. We have had trouble convincing people of the merits of the global economy because we talk in academic terms and have failed to sell people on the connection between their job, their quality of life, their future and the world.

It is the ultimate irony that America is a spectacular success in the global economy, yet we have difficulty convincing our own people of its importance. Part of the problem is that the hurt is far more easily exploited than the help. A lost job, or lost production, is felt more intensely than the gain of several thousand jobs where it is not clear what created those jobs. Man bites dog, rather than dog bites man. One of the great challenges facing future democratic leaders will be selling people on far more sophisticated, high-stakes decisions. Sitting on a national perch in the Cabinet, it's easy to see the world of opportunity that's out there for America. But until the American people can also see what it is we're looking at, we will have a hard time in Congress. We also must address the hurt that occurs in the process and fight for fair trade.

HOW TO SUCCEED IN POLITICS

I guess I could go on about all that I've learned in more than two decades in Washington, but what strikes me most is that what you think you need most to learn, you already know:

One, believe in the golden rule. Treat others with respect, fairness, decency and honesty. Otherwise, you cannot have an intellectual debate; you will get killed on the little things. Today, we don't just debate our adversaries in politics, we try to kill them. It's a take-no-prisoners policy which is extremely unhealthy.

Two, keep the lines of communication open. Never surprise people. Folks don't like to be caught off-guard. They take it personally, it effects their dignity, and they react strongly.

Three, don't try to please everybody. You will fail. The things that are rooted in principle are the things that endure in politics.

And, four, never underestimate the importance of humor. Yes, we deal with serious matters. But there used to be a time (and it's not totally gone) when folks would fight the battles with intensity, then go have drinks together. Who knows? Your enemies may be your allies tomorrow. Too many people in Washington these days take themselves far too seriously. No matter who we are, it's useful to remember that the world will move ahead notwithstanding our absence.

CONCLUSION

I consider myself one of the luckiest guys alive for having had the opportunity to serve in two branches of our government. I know a lot of folks look at Washington these days and are jaded and glum about the state of our democracy. I don't count myself among them.

My time in Washington has given me a deep respect for the wisdom of our founding fathers. I

think sometimes when we look at the often chaotic, messy business of democracy, we tend to overlook a central point: Our founding fathers didn't want a government that ran smoothly. If they had, they wouldn't have created three branches. They wanted hoops and hurdles, weights and counterweights. They are the very guardians of our freedom and our democracy.

And, I would have to say that one branch is 'super-equal,' and that's the Congress, as Article I of the Constitution so proclaims. The Congress is closest to the people, and most capable of changing with the times -- even though its volatile and parochial natures often have to give way to the national stability of the executive.

Yes, we need campaign finance reform. But our system works. After two decades of participating in it and appreciating it -- warts and all -- I can say that with utter confidence. Will it ever achieve perfection? Of course, not. We have always sought only 'a more perfect union' -- one that accepts our human limitations, but strives for the best in our nature, striking a chord that rings true across cultures and across time.

Twenty seven centuries ago, a Chinese philosopher noted, 'Of the best rulers, the people only know that they exist, the next best they love and praise ... but of the best, when their task is accomplished, and their work done, the people all remark, 'we have done it ourselves.'

That is a lesson each and every one of us must never forget. Thank you.

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**REMARKS OF SECRETARY DAN GLICKMAN
1998 AGRICULTURAL OUTLOOK
WASHINGTON, D.C. -- FEBRUARY 23, 1998**

INTRODUCTION

Last year was an agriculture secretary's dream -- record farm incomes, record exports, strong prices, generous farm payments. This year things are generally good, but there are a few bumps in the road. Mother Nature hit us below the belt with El Nino, and faltering Asian economies have tripped up racing U.S. farm exports a bit. But U.S. agriculture remains on top of the world.

I know that it's traditional for me to stand here and rattle off a laundry list of priorities that together purportedly cause rainbows to vault from rural town to rural town. But that's not really government's role in the new American agriculture. Our farmers and ranchers are phenomenally competitive. Our job is to help keep them on a successful course.

Clearly, national economic trends of the past five years are a great reason for agriculture's success -- the President's economic plan has given us a strong economy with low interest rates and high employment. All of this helps farmers.

I'd like to talk briefly about just two issues today -- trade and research. My comments have little bearing on the price of corn tomorrow, or poultry next week, or milk next month. But they have everything to do with the future strength and competitiveness of American agriculture -- small farmer, agribusiness executive, soybean grower, cattleman, and everybody else involved.

Trade and research may seem quite different, but they are united in their importance to agriculture, and the degree of difficulty of conveying that importance to the general public.

TRADE

Most of us who are heavily involved with the economics of agriculture have a fairly easy time doing the math on trade: U.S. farmers and ranchers produce far more than our people could ever consume. Without world markets, the U.S. farm economy goes in the tank. And, as we phase down commodity payments, and they are no longer tied to the amount of production, we need to pick up the difference in foreign sales. The more aggressive we are in expanding our exports, the more we grow our farm economy here at home.

That's the straightforward macroeconomic argument, and it's a grand success story. U.S. agriculture is one of the few sectors of our economy with a huge trade surplus. Yet, we tend to hear more from the minority who are pinched by trade, than the majority who benefit in less tangible ways -- say stronger prices, when it's not so clear how much of that is due to exports.

Now, we're getting a bit of a lesson in the link between exports and farm incomes. I have a revised export forecast: We now expect the United States to sell \$56 billion in food and fiber this year -- 2% off our numbers for last year -- \$2.5 billion off of our record high in 1996. The bulk of

that dip, obviously, is due to the economic situation in Asia, with some impact from a strong corn and soybean crop in Argentina.

There are lessons here: we shouldn't put all of our eggs in one basket. We need to compete in markets around the world. But more broadly than that: we cannot hide from the global economy. What happens halfway around the world has consequences here at home.

We have a huge stake in global economic stability. That's why support for the International Monetary Fund is so important. Their job is to stamp out serious national and regional fiscal crises to prevent a global contagion. And, by and large, they do a good job.

The main reason we haven't lost more exports to Asia is because USDA extended \$2.1 billion in export credit guarantees. These guarantees, which depend on credit-worthiness, would not have been possible if the IMF had not stepped forward to help stabilize these economies and pushed countries toward serious financial reforms, greater market transparency, freer markets, and an end to cronyism. Without these IMF actions, another \$2 billion in agricultural exports would have been at great risk in the short-term and far larger amounts in the long-term. Our team, lead by Gus Schumacher and Lon Hatamiya has done an outstanding job aggressively using our authorities under GSM, and I want to make clear that we will continue to do so.

I want to thank Senator Lugar for his leadership in Congress on this issue. And, I should add that supporting the IMF has no impact on President Clinton's balanced budget effort. These are loan guarantees, backed up by collateral, and U.S. taxpayers have never lost a dime we paid into the IMF in 40 years.

In the bigger picture, the United States will soon be headed into another round of World Trade Organization talks. I know there's a lot of speculation as to how we're going to approach this next round. Let me assure you that this Administration has no intention of being a shrinking violet on trade. We have another year until countries sit down and lay out their objectives. But our position is clear: We will seek substantial improvements in the trading environment for U.S. farm products. We want major cuts if not the outright removal of all barriers to U.S. farm exports -- both obvious hurdles, like tariffs, tariff rate quotas and subsidies, and the more creative barriers, like bogus regulatory red tape and phony sanitary and phytosanitary measures. We will seek greater transparency and discipline over countries that hide protectionism behind science that is not as good as it should be. We will not let new barriers replace the old ones and impede genuine progress.

Many of you also probably know that we're looking at a situation where the last series of tariff and subsidy cuts under the Uruguay Round may finish well ahead of the next round of agreements. We need to find a way to bridge that time gap, and maintain the momentum of global trade liberalization. This Administration will be looking closely at our options and talking to folks in industry, and on the Hill, to find a way to ensure that there is no pause in our progress.

This way, we can carry on general liberalization that has already been heavily negotiated, and has proven relatively painless for all countries, and focus our energies on new issues -- from State Trading Enterprises to phony science. This seems to me the way to go on this. We could move forward with what we're already doing, while we talk through new areas.

RESEARCH

Of course, trade wouldn't be nearly so critical an issue if it weren't for the phenomenal productivity of our farmers and ranchers. Throughout agriculture's history, the advances of science and technology have enabled us to stay well ahead of world food demand. With global incomes and populations growing fast, that's something it's imperative we continue.

I have a report I'd like to share with all of you, 'U.S. Agricultural Growth and Productivity: An Economywide Perspective.' It's available at the back of the room. I hope one winds up on your nightstand soon. This is the first government report to quantify the contribution of publicly funded research to the brisk pace of growth in U.S. agricultural productivity. What our team found was -- from World War II on into the 1990s -- public investment in agricultural research has been responsible for three quarters of all growth in U.S. agricultural productivity.

In addition to the increases in profitability these investments have given farmers, the report also says that consumers get a big return on their investment in the form of lower food costs. As farmers produce more, often at less expense, prices come down, and consumers spend less of their dollar on food. Less, in fact, than any other country in the world.

That's the good news. The not-so-good news is that funding for agricultural research has stagnated since the 1970s. My budget folks at USDA say that since 1985, research funding, in real terms, has declined by 15%. The potential consequences of this slow leak extend far beyond economics.

In his State of the Union, President Clinton called for the largest funding increases in history for the National Cancer Institute, the National Science Foundation and the National Institutes of Health. He made a powerful case by talking about the possibility of cures for cancer, for heart disease, for AIDS, and for other diseases. That was the biggest applause line he got -- for increased health research. Why? Because every Member of Congress understands and is aware of its benefit to the American people and the world. And, virtually every member of the American public understands it as well.

What we do in our agricultural labs is equally capable of revolutionizing life. After all, we should not forget that the explosive debate over human cloning started with a single sheep. And yet, except for people in production agriculture or the agricultural research community, the message and the context of this research remains an abstract mystery to most Americans. That is a prescription for the downsizing of agricultural research and productivity. And, it doesn't have to be that way. U.S. agricultural research has some amazing stories to tell.

In 1942, someone brought a rotten cantaloupe into a USDA researcher in Peoria, Illinois, who -- his title was -- an 'expert on the nutrition of molds.' Today, his portrait hangs alongside Thomas Edison's and the Wright Brothers' in the Inventors Hall of Fame. The name Dr. Edward Moyer may not be as familiar as Alexander Fleming, who discovered penicillin. But it was Moyer who unlocked the mystery of how to mass produce it -- giving the world a miracle cure for common infections just in time to save many allied soldiers wounded on D-Day.

In 1945, a USDA agronomist who was part of General MacArthur's occupation force in Japan spotted a hearty, short strain of wheat that he did not recognize. He brought some seeds home, took them to a USDA lab in Pullman, Washington. They did some more work, then sent their research and the seeds along to CIMMYT, the international wheat research center in Mexico. The eventual result? Norin 10, the gene that launched the green revolution, enabling countries like India and Pakistan to increase their wheat harvests by 60%. At CIMMYT today, there's a shrine to Norin 10 with this inscription on the wall: 'a single gene has saved 100 million lives.'

No hospital in the world can make that same claim.

Today, we are still racing for ways to feed more people without wrecking the environment; to produce safer and more nutritious food; to change and improve our world.

-- We are building a catalog of every gene in our food, so we have a menu that let's us select disease- and pest-resisting qualities, nutrition, and other factors -- to create new varieties that allow us to produce more food, in harsher climates, with less pesticides and more nutrition.

-- Just last week, I announced a new variety of corn that, when fed to pigs and chickens -- well, plainly put means almost 50% less phosphorus comes out the other end. This is a huge, clean-water event ... one that's good for farmers, too, because they get to spend less on dietary supplements because the phosphorus in this corn is more readily absorbed by the animals.

-- We have space satellites tracking bugs in our fields, telling us just how much pesticides we need and where, doing right by the environment and by farmers' pocketbooks, saving millions of dollars in unnecessary chemical use.

-- We're adapting Gulf War scanners that identify nerve gas in the air to help us quickly spot hidden pathogens in our food, like E. coli and salmonella.

These are priorities the public passionately cares about. Yet most folks haven't the faintest clue that these efforts have anything to do with agricultural research.

We have only ourselves to blame for that. We talk about plant stress, and people assume we're piping Muzak into greenhouses. We need to talk instead about new super-crops that can grow in arid places like subsaharan Africa, revolutionizing the world war on hunger.

Instead, when we debate research, too often it devolves into intramural scuffles, such as which university gets how much money, from an increasingly more limited pot of money. I can say this because as a former Member of Congress from Kansas, I used to fight for money for my state schools, and I can't tell you whether every dime I fought for was critical to national agricultural priorities. Privately, many university leaders share this same concern with me. We need to ask: what are our priorities? How much should we invest in each area? How do we make these investments relevant and understandable to all Americans? How do we communicate the message of what we are doing so people understand why this is important to them?

Unless we do this, the public will not understand the importance of agricultural research, and we will not get adequate funds to continue pushing the frontiers of our knowledge, keeping up the stunning, necessary pace of agriculture's growth. No one feels more strongly about this than Senator Lugar, who has made a career out of promoting agricultural research. We need to work closely with him on this issue, along with other leaders in government, at the universities, in production agriculture, in the anti-hunger, environmental and nutrition communities, as well. We must make agricultural research a top national priority. Quite frankly, we need to increase our investment in these areas. But we will only do so in the long-term if we can get that applause from the American people.

CONCLUSION

You will hear plenty of information about the challenges and opportunities we face in the year ahead. That's why I chose to take my time to give a longer perspective. We in agriculture are making critical decisions not just about the future of farming, but the future of our world. If we are smart about our choices, we can make a major contribution to a peaceful, stable, healthy and sustainable world, and by doing so, secure American agriculture's continuing success. I want to thank you for the contributions you make, and urge you to use this forum to share ideas on how we can work together to ensure the future progress and success of American agriculture and world food production.

Thank you.

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REMARKS OF SECRETARY DAN GLICKMAN
'TURNING THE TABLES ON FOOD-BORNE ILLNESS'
NATIONAL PRESS CLUB -- MARCH 18, 1998

Good afternoon. Not too long ago, I was at an event where Cokie Roberts was the emcee. When she introduced me, it was after a dinner, and she got up and said she watched me eat the *whole* time, and everything *I* ate, *she* ate, because she *knew* it would be *safe*.

That's a *risky* strategy. You could gain a few pounds. I've always said that even though I wasn't a farmer (I just represented them as a Congressman from Kansas for 18 years), my training for this job started at an early age ... sitting at my mother's table with her saying, '*eat, eat, eat.*'

I enjoy a good meal, and even as a person who works constantly on food safety issues, I can honestly say that I enjoy my meals with the confidence and peace of mind that comes with knowing that America does indeed have the safest food in the world. Yes, it's true, more and more today we eat the world's food. But we do a good job of making sure it's safe, and thanks to President Clinton, we are taking our food safety efforts to a whole new level.

You know, when I was up for this job, my confirmation hearings focused on things like wheat and cattle prices, dairy and crop insurance reform. But when I *took* this job, my mother gave me one piece of advice: 'Dan,' she said, 'just make sure the food is safe.'

Everywhere I go, food safety is what's on people's minds. Folks literally walk up to me on the street and ask, 'how do I cook a hamburger right?' You know, a research group asked folks what stories they followed most closely last year: 1) Princess Diana. 2) Iraq's chemical weapons. 3) the Hudson Beef recall.

Consumers understand how important this is; they want government to do *more*; but they also have *confidence* in their food supply, and that is *rare* around the world. When they killed all the chickens due to the bird flu epidemic in Hong Kong, consumers there cut poultry purchases in *half*. With the mad cow problem in Europe, beef sales there dropped by *40%*. What was the market impact here during last year's hamburger recall? Nearly zero.

Folks today have their qualms with government, but not when it comes to food safety. In this arena, people unanimously want a *strong* government. It may get smaller overall, it may do less, but people always will look to government to protect them in ways they cannot protect themselves: making sure the airplanes we fly in are safe, making sure our nation is secure, making sure the banks that hold our life savings are solvent, making sure the food we feed our families is safe.

You know, tomorrow is National Agriculture Day which is news to most folks. As we've moved from an agricultural to an industrial service economy where only 2 percent of our people work directly on the farm, our public perception of agriculture has come to border on science fiction. It's sort of like Star Trek where a computer magically produces whatever food you desire.

Our lives in Washington don't seem so far off from that futuristic scenario. Here in our nation's capital, it's the dead of winter. But if you step into a Safeway or Giant or Fresh Fields, you'll find a tropical paradise of fresh fruits and vegetables -- along with abundance of every kind -- meat, poultry, seafood -- whatever you want, whenever you want it.

Americans also spend less of their income on food than any other people in the world -- about 11%. In China, it's 50%. This abundance and affordability -- along with a strong U.S. economy -- affects everything from our waistlines to our health. We're a *heftier* people today. We're also *healthier*. Last week the National Cancer Institute announced the first decline in cancer rates in 60 years. One reason cited was improved diets, including more fresh fruits and vegetables.

Yet today, we also know that more than 9,000 Americans die every year from foodborne illness. Turning the tables on foodborne illness requires responding to a complex web of trends: new, more virulent, more drug-resistant pathogens that are finding their way onto new foods; changes in how we process and distribute food; we're eating more outside the home -- 40% of the American food dollar today is spent in restaurants, paying others to prepare our meals; we eat food from around the world; and, we have a growing senior population whose immune systems are more vulnerable.

We face a far more complex food safety challenge today. It is one that requires everyone -- farmer, rancher, scientist, public policy maker, processor, shipper, grocer, cook -- to do their part.

We've made progress. This time last century, more U.S. troops died in the Spanish-American War from eating contaminated food than from battle wounds. A few years later, Upton Sinclair wrote 'The Jungle,' which pushed America to enact its first meat and poultry safety laws -- really our first consumer protection laws. This book also launched the progressive movement here.

When Sinclair published his book, then-Agriculture Secretary James Wilson wrote to the Postmaster General saying it was the most scurrilous slander he'd seen, and could the Postmaster instruct his delivery folks to prevent its distribution? ... We *have* come a long way.

Like that first consumer groundswell, what President Clinton -- with the strong support of consumers and by and large the food industry -- is doing I believe will go down in history as one of the most significant consumer and public health victories of this decade.

Like Sinclair's book affected the people of his time, we had our own shocking, unifying catalyst for change. President Clinton took office the same month the Pacific Northwest E. coli outbreak began, when hundreds were sickened and four young children died. That tragedy united government, consumers, industry and the public health community behind a food safety *revolution*.

USDA now has an independent, arms-length Food Safety and Inspection Service -- the largest food safety agency in the world -- staffed with some of the best public health scientists in the

world. Their core mission is preventing foodborne disease. Just a few years ago, these folks worked in the same agency that *markets* U.S. agriculture. Now, they are totally separate.

We banned the sale of hamburger contaminated with harmful E. coli. This decision has kept *millions* of pounds of unsafe food off the market, but it was highly controversial at the time.

President Clinton has invested heavily in a state-of-the-art surveillance system that allows doctors and scientists to do in *24 hours* what just a few years ago took *two weeks*. Instead of conducting hundreds of hours of tedious lab work, doctors now can enter the DNA fingerprint of a pathogen into a national database and quickly search for vital, life-saving information. It's like the system law enforcement uses where they scan suspects' fingerprints into a computer to get their criminal records. On our system, scientists can get a similar 'rap sheet' on a pathogen -- everything from its link to an outbreak, to known sources, to the toxins it produces.

In the Pacific Northwest, before we had this rapid response, 732 people became ill before we zeroed in on the cause. Last year, we stopped the Hudson outbreak at *16* illnesses.

This Administration also put the safe-food-handling instruction stickers on the meat and poultry you buy at the grocery store, and we have education campaigns that promote basic in-kitchen safety practices -- like washing your hands, and storing foods at proper temperatures.

In fact, President Clinton's Food Safety Initiative works at every point from farm to table to secure food safety. And, he's asking for an extra \$101 million to advance inspections, fruit and vegetable safety, cutting-edge research, consumer education and national surveillance.

This year, we also started a new approach to meat and poultry inspections. For nearly a century, inspectors had to *look* for contamination, even though many dangerous threats in our food supply are *invisible*. Now, we use technology to go after these hidden dangers. There are regular tests for E. coli and salmonella, and we require plants not just to *catch* contamination, but to *close* safety gaps.

This is a *major* cultural change. Our public policy now makes it crystal clear that industry is responsible for producing safe food. In fact, they have primary responsibility. It's not just up to inspectors to catch unsafe food. It's not just up to consumers to cook their meat thoroughly, and wash their fruits and vegetables well. Industry, also, is responsible for producing safe food.

This is a profound and positive step, but it must be taken firmly. Most in the industry are eager to rise to the new safety standards. They know safe food sells. They are 100% committed, and they are the first to tell me that *some* in the industry do not meet their safety responsibilities.

The experts agree. They'll tell you it's the few folks who drag their feet on the little things that time and again wind up causing the major public health incidents. I've asked Congress for the authority to fine them for putting the public's health at risk. Right now, all USDA can do is drop what I call 'the atomic bomb' -- shut a plant down. That's an action that affects people's

livelihoods, and it is only taken in extreme cases. But I don't think our food safety efforts should solely focus on the lowest common denominator. Fines tailored to the seriousness of the offense would allow us to get folks' attention, and fix minor flaws before they become major problems.

Most folks are surprised when I tell them USDA does not have this authority, and they are *shocked* when I tell them that no one in government can *order* a recall of unsafe food ... It's true. While industry by and large acts in good faith, what concerns me is the changing nature of the food business. Take hamburger plants. The big guys can now produce upwards of a *million* pounds of product a *day*, and ship most of it virtually overnight across the country.

When we *ask* for a recall. We have no assurance that every corner store, every retail outlet, every distributor will act and act *quickly*. We don't even have mandatory notification. *Days* can go by before USDA is even *informed* that the public may be at risk. This is a *terrible* situation to be in during an outbreak when *every* day, *every* hour that goes by without action someone could get sick or worse.

This is way out of step with America's strong consumer protection laws. After all, if I sold an unsafe toy or car, other government agencies could order a recall, and fine me for putting people at risk. USDA can fine people under various statutes: sell a cat without a license, abuse a circus elephant, sell a potato that's too small -- fine, fine, fine. Yet, if you produce unsafe food -- the *only* one of these items that puts people's *lives* at stake -- there is *no* financial penalty.

I'll let you draw your own conclusions why. I'll just say that not once has a consumer come up to me and said, 'don't let government protect me from unsafe food.' There's a bill before Congress -- the Food Safety Enforcement Enhancement Act -- that would give USDA these powers -- fines, mandatory notification, and the power to order a recall if a voluntary recall fails.

We're also in a new *fiscal* environment today. The American people want government to do more on food safety -- more inspections, more research, more consumer education -- *and* the American people want a balanced budget. Given these conflicting demands, we have to find new ways to appropriately fund the most critical functions of government. How can we do this?

Well, the entire Nuclear Regulatory Commission is funded through fees for services rendered to the industry. The Food and Drug Administration has fees for safety evaluations of pharmaceuticals; there are safety fees on the railroad and airline industries. The Administration wants the *entire* Federal Aviation Administration funded through user fees. And, when chemical companies register new pesticides with the Environmental Protection Agency, they are charged for the work EPA has to do to ensure their product can safely be used on our food.

In each of these cases, safety is a company's most *valuable* asset. Industry should not look *entirely* to taxpayers to safeguard it. And, relative to these other proposals, USDA is asking for a mere pittance: less than one *penny* a pound. How much are you willing to pay for safe food?

We also need to challenge more state and local governments to adopt the food code -- which is a

uniform set of food safety guidelines for the links in our commercial food chain that are primarily overseen by state and local jurisdictions -- that is, the 1 million restaurants, grocery stores and cafeterias in this country. The food code is our top scientists best recommendations for one high standard of safety. I'd like to see it in action across the country.

We must keep challenging industry to step up to the plate. I give them a lot of credit. I see the cattlemen here today. They've invested millions of dollars in food safety research. Some in the fast-food industry have set their own standards over and above government's. If you compare today's food safety revolution to Sinclair's, the biggest difference is industry. This time around, they are providing real leadership, and taking their responsibilities seriously.

When you look back on what this Administration has done to date, you see government catching up with science -- using what science *knew* to raise the bar of food safety. When we look ahead, the next great frontier is pushing the boundaries of what science knows and can do for us.

I sat on the front row at the President's State of the Union speech. The biggest applause he got was when he announced that he would seek the largest funding increases in history for the National Science Foundation and the National Institutes of Health. He got this applause because every Member of Congress understood the importance of this work to people's lives. The same is true for food safety research and President Clinton has been generous in his funding.

Science is the next great food safety frontier, and without question, our greatest weapon in the battle for food safety is new technology. Earlier this decade, scientific advances enabled us to beat back Listeria. Now, scientists see glimmers of hope that we may be at a turning point on E. coli. Today, I have an exciting breakthrough to announce on the salmonella front -- one we hope may prove just the tip of the iceberg in a new food safety revolution.

This week, USDA received FDA approval for a new anti-salmonella *spray* that has proven up to **99.9%** effective in eliminating salmonella in poultry. Scientists know that naturally occurring organisms in adult chickens are highly successful in warding off salmonella. This means the bacteria's usual window of opportunity is when the chicks are young. This new product allows poultry producers to mist young chicks with these good organisms. The chicks then do their preening, which gets the good guys into their system and keeps the salmonella out. And, as long as the spray gets on the chicks before the salmonella, that's what's going to happen.

We tested 80,000 chicks. The presence of salmonella was reduced to *zero* with just one spray right as they hatched. I have also directed that we proceed with the next stage of our research which will focus on breeder hens to see if we can prevent salmonella from passing from a hen to her eggs. We are very optimistic about this, and it will bring us even closer to a 100% solution. We are also now seeking to apply the same principle in cattle and hogs -- which might open up a whole new world for prevention of foodborne illness.

This is a major milestone for food safety. But I do want to make clear that proper processing and safe in-kitchen preparation remain essential. I also want to give a world of credit to Donald

Corrier and David Nisbet of USDA's Agricultural Research Service lab in College Station, Texas, along with all their partners in this pioneering effort.

Our scientists stand on the verge of many more breakthroughs. They are looking into the origins of campylobacter -- which is the leading cause of food-borne illness in our nation. I should point out that preliminary data on our salmonella spray indicates that it fights campylobacter as well.

There are a number of folks converting Gulf War technology to food-safety uses. Several are working on little indicators -- sort of like home pregnancy tests -- that would go on your juice cap or other food packaging and give you a clear sign if your food has been contaminated.

We need to encourage these advances. That means more funding for food safety research, and it means a more strategic, coordinated use of these funds -- making sure that every project fits into a national food safety strategy driven by the public health experts.

I wish I could stand here today with a simple solution to the food safety challenge -- you know, some magical 5-point government plan that would make foodborne illness go away. But that's not something government alone can do. This President and this Administration have done more than any before us to improve the safety of America's food. Together with farmers and ranchers, with the food industry, with the public health community and the research community and the consumer community, I believe we are turning the tables on foodborne illness -- setting the nation on an irreversible path toward a safer food supply and a healthier American people.

Thank you.

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