

3-22-1985

Northeastern Montana's Ag Awareness Day

Max S. Baucus

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Recommended Citation

Baucus, Max S., "Northeastern Montana's Ag Awareness Day" (March 22, 1985). *Max S. Baucus Speeches*. 333.
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Senator * or Department*: **BAUCUS**

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(1) Subject*: **Agriculture**

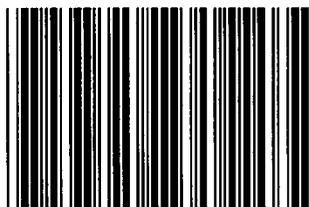
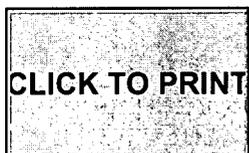
(select subject from controlled vocabulary, if your office has one)

(2) Subject* **Glasgow Civics Center**

DOCUMENT DATE*: **03/22/1985**

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* "required information"



BAUCUS

NORTHEASTERN MONTANA'S AG AWARENESS DAY
GLASGOW CIVIC CENTER
MARCH 22, 1985

Thank you very much.

I regret that I cannot be with you today to participate fully in your very timely agriculture forum.

However, I want to share with you what I believe we must do here in Washington, D.C. in the coming months to help solve the economic crisis facing our farmers and ranchers.

Some have called the current crisis a "credit crisis." But I call it an "income crisis." If our farmers and ranchers were getting a fair price for their products, they wouldn't need all this credit.

So, the main question is: how do we increase farm income?
income?

I believe there are two main ways.

First, we must increase exports.

Last year, more than half of our wheat, soybeans and rice was exported. Over one-fourth of our corn was exported.

But we need to export even more.

In 1967, the U.S. share of world agricultural trade was 23 percent. Today, our share has dropped to 16 percent.

The U.S. share has been shrinking for several reasons:

- o An overvalued dollar.
- o Declining demand world-wide;
- o And, unfair trade practices by Japan, the European Community and others that prevent sales of U.S. products.

Congress can help turn this around.

EXPORTS

First, we must include strong export provisions in the 1985 farm bill.

I am on the Senate Subcommittee on International Trade. I have asked the chairman to hold hearings this spring on ways to

promote trade in the farm bill.

Once these hearings are complete, I intend to introduce my own export title for the farm bill.

There are a number of proposals that are being considered for the export section. They would:

- o Require USDA to spend a certain amount of money each year to provide export credits to foreign countries that purchase our agricultural products;

- o Require USDA to set up an export PIK program;

- o Require the Administration to negotiate with foreign countries to eliminate their barriers to U.S. exports;

- o Require USDA to use CCC funds to help export commodities adversely affected by the unfair trade practices of foreign countries.

I'm not saying all of these ideas will become law.

What I am saying is that if we are serious about increasing

exports, we must be willing to take strong action.

Export provisions like these will send a strong signal abroad that the United States will stand by its producers. That we will intensify our fight against foreign subsidies, and our search for new export markets.

BUDGET DEFICIT

The second way to increase farmers' income is to reduce the \$200 billion federal budget deficit.

This budget deficit inflates the international value of the dollar. It makes imports cheaper and exports more expensive.

We need dramatic action this year.

As you know, I have been advocating a budget freeze.

I am pleased that the Senate Budget Committee has gone partway with me. The Committee's budget was approved just two weeks ago.

It includes something close to a freeze on most programs.

I was outraged that the President wanted to give the Pentagon a 13 percent spending increase, while proposing to cut the heart out of farm programs.

The Budget Committee rejected the President's proposal.

The fairest way to reduce the deficit is to ask everyone to shoulder a share of the burden. No exemptions, no sacred cows.

If we can bring deficits down, interest rates will fall. And farmers will see less of their income going to the bank.

CONCLUSION

The farm income crisis is one of the most serious issues confronting the nation today.

Our country's prosperity cannot be sustained without a healthy and prosperous agriculture.

Ron (Marlenee) and John (Melcher) are on the Agriculture Committee that will draft the farm bill.

I am committed to taking strong action to increase farm

exports and to reduce the federal budget deficit.

If we can succeed in these two areas, farmers and ranchers will look back to 1985 as the "turning up point" for agriculture.

SBA DISASTER LOANS

On another issue, I would like to report to you on my latest efforts to help clear up the problems that are preventing farmers from receiving SBA disaster assistance.

At my request, SBA has agreed to send disaster program officials from Sacramento to meet with farm accountants in Montana, hopefully sometime next week.

The meeting will be aimed at finding ways SBA can change its procedures, rules, or whatever else, that is preventing our farmers from getting the disaster aid they desperately need.

CLOSING

Finally, I would like to close with the words of Thomas Dewey, the 1944 Presidential opponent of Harry Truman:

"We need not be afraid of the future, for the

future will be in our own hands. We shall need courage, energy and determination, but above all, we shall need faith -- faith in ourselves, in our communities and in our country."

That faith is what keeps place like Glasgow moving forward with optimism about the future. Let's keep the faith.

Thank you.

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