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## Ag Secretary Says Subsidies Need Limits

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**WASHINGTON** - Anticipating a fight in Congress over President Bush's proposed farm cuts, new Agriculture Secretary Mike Johanns said Thursday that large operations are reaping too big a share of government subsidies.

"There's a point at which there should be a limit," said Johanns, a former farm-state governor. "The realization was there that very large sums of money were going to a very few, and that very controversy is what the president is zeroing in on."

In his budget request to Congress this week, Bush proposed saving \$5.7 billion over the next decade with cuts that include reducing the annual ceiling on payments to farmers from \$360,000 to \$250,000.

Bush also wants to eliminate what the administration describes as loopholes included in the 2002 farm law that allow some growers to claim several times the limit. In addition, he called for a 5 percent across-the-board cut in all farm payments.

The average person sees such proposals and says, "That makes sense to me," said Johanns, who resigned last month as Nebraska's governor to join Bush's Cabinet.

Agriculture Department figures indicate 8 percent of producers collect 78 percent of the subsidies. Johanns, who grew up on a dairy farm in Iowa, said agriculture shouldn't be excluded from the broad swath of domestic government programs that Bush wants to cut.

"This is across the system," he said. "I don't see how anybody can say, 'Well, go get the other guy, get their program, but leave my program alone.' And I don't see how any department could say that. We have to be a part of this. This is a national agenda we're talking about."

Bush's proposal already faces high hurdles in Congress, even among Republicans. The cuts he is seeking would have the greatest impact on cotton and rice producers in Southern states. Mississippi Sen. Thad Cochran of

Mississippi chairs the Senate Appropriations Committee and Sen. Saxby Chambliss of Georgia heads the Agriculture Committee.

Compounding the problem are new Commerce Committee figures Thursday showing that the country, once viewed as the world's breadbasket, is dining increasingly on food from abroad.

The nation imported \$5.8 billion more in food than it exported last year, a sevenfold increase from the year earlier when the deficit was \$805 million, the Commerce Department said. The United States turned from net food exporter to importer in 2002 when a \$70 million deficit appeared.

The agriculture trade picture looks better if exports of cotton, skins and hides are factored in, Johanns said, remarking that his department's figures show a \$7 billion surplus when they're included.

Regardless, he said, "These statistics tell me that we need to do everything we can to redouble our efforts in negotiating trade agreements."

As Nebraska's governor, Johanns led eight trade missions to foreign countries. He said he views putting agriculture at the front and center of trade negotiations a big part of his new job.

"I intend to personally participate in meetings involving agricultural trade," he said. "When I say personally, that doesn't mean I get briefed on it and dispatch an undersecretary. If there is an opportunity for me to make a difference at the table, I intend to be physically present."

Trade agreements will be harder to reach if farmers resist Bush's proposed subsidy cuts, said Gary Hufbauer, a trade specialist at the Institute for International Economics.

Johanns "has to try to put together a coalition of congressmen and senators who are more oriented toward free trade," Hufbauer said. "He'll never get total support. But if it looks like he cannot deliver in terms of a vote in Congress on liberalization, you can almost kiss goodbye to trade talks."

## **ON THE NET**

Agriculture Department: <http://www.usda.gov>

Commerce Department: <http://www.commerce.gov>