

Like most people throughout the Pacific islands and Asia, the citizens of Hawaii were angered by the six underground nuclear explosions at Mururoa and Fangataufa atolls conducted by France. The threat to the environment and public health posed by the numerous blasts over the years is real and ongoing. This week, an article in the Washington Post documented French acknowledgement that radioactive materials have leaked into the sea surrounding the atolls. These reports confirm claims made by international organizations that French nuclear testing has weakened the coral atolls and vented radioactive materials into the Pacific. Regrettably, France has not allowed independent inquiry and verification at the test sites.

The global outcry against the resumption of French nuclear testing has given renewed vigor to the drive for an international moratorium on nuclear testing and the completion of a comprehensive test ban treaty. International protests extended well beyond the nations of the Pacific; the French action drew criticism in the United States and objections from most members of the European Union. The Senate and the Congress joined the international chorus of concern following President Chirac's announcement last summer that France would end its testing moratorium. Last session, the Congress adopted a sense of the Senate resolution I authored calling on France and China to abide by the international moratorium on nuclear test explosions and refrain from conducting underground nuclear tests in advance of a comprehensive test ban treaty.

Mr. President, the definitive end to nuclear testing by France is welcome news. It comes after six unnecessary and ill-advised nuclear explosions. However, France's rejoining the global moratorium, pledge to sign the Treaty of Rarotonga, and commitment to pursue a zero-option test ban treaty presents an opportunity to conclude a permanent nuclear test ban treaty and advance nuclear nonproliferation. The challenge we face is to reach agreement among the nations participating in the United Nations Conference on Disarmament. In his State of the Union message, President Clinton called for the signing of a truly comprehensive nuclear test ban treaty this year. This ambitious timetable underlines the President's strong leadership in the effort to halt the nuclear arms race, advance nuclear disarmament, and ensure peace and security for all people.

President Chirac's intention to play an active role in concluding an international nuclear testing ban should add momentum to efforts now underway in Geneva, Switzerland aimed at resolving remaining disagreements over the text of the treaty. We should encourage all positive contributions toward nuclear disarmament, even those that come from recent converts to the cause.

Mr. President, the state visit and address to Congress by the President of the Republic of France has prompted denunciations and calls for action by many citizens and elected officials. This understandable reaction reflects the anger, pain, and offense felt by the people of the Pacific islands over the arrogance and insensitivity with which their objections have been dismissed. This singular opportunity offers President Chirac a forum to embark on a new course to advance nuclear nonproliferation. I encourage President Chirac to pursue reconciliation with the Pacific island peoples and nations. France should not delay its pledge to sign the protocols of the Treaty of Rarotonga, which declare and establish the South Pacific as a nuclear-free zone. I also call on President Chirac to permit independent inspection and evaluation of the test sites and the lagoon and sea surrounding the atolls for environmental damage and radiation leakage.

The political and environmental damage wrought by the recently concluded tests cannot be undone. However, the end of the final series of underground nuclear testing by France offers an opportunity and challenge for our countries to cooperate on the successful conclusion and approval of a comprehensive test ban treaty this year. It is with this spirit of hope that I greet the state visit by the President of the Republic of France.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

Mr. CRAIG. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of calendar No. 330, S. 1541, the farm bill.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

CLOTURE MOTION

Mr. CRAIG. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 1541, the farm bill:

Bob Dole, Strom Thurmond, Dirk Kempthorne, James M. Jeffords, John H. Chafee, Thad Cochran, Ted Stevens, Trent Lott, Richard G. Lugar, Craig Thomas, Don Nickles, Bob Bennett, Alan K. Simpson, John Warner, Larry Pressler, Dan Coats, Larry E. Craig.

Mr. CRAIG. Mr. President, for now nearly 10 months, the U.S. Senate and the Senate Agriculture Committee have been working diligently to craft a new farm bill for our country. We all know that on September 30 of this immediate past year, the old farm bill expired. We also recognize that under the necessary budget changes and spending procedures and priorities that we were establishing, a large portion of the farm bill appeared and was a part of the Balanced Budget Act that we sent to the President, and the President vetoed it.

That has placed American agriculture, in my opinion, in a very precarious situation. While they have worked with us through the year of 1995 in numerous hearings that the Senate Agriculture Committee, on which I serve, participated in, we began to hear a very clear message from American agriculture that current policy was not serving it as well as it should, that there was a great desire on the part of production agriculture to progressively move to the market and produce to market trends and market ideas instead of to the perpetuation of farm programs.

Now, recognizing that, we also saw the clear importance that that transition American agriculture was talking about come in a way that all could live with. None of us wanted to shock the market. None of us, more importantly, wanted to create any kind of economic catastrophe in agriculture across this country. As a result, the Senate, in a very bipartisan way, worked diligently.

We also have the mandate of the Senate Budget Committee to meet the criteria of the budget. That was to find additional savings for the year and then to spread those savings out over the 7-year period of the Balanced Budget Act to arrive at some 40 billion-plus dollars' worth of savings. All of that was accomplished. Of course, all of that was for naught when the President decided to veto that most important piece of legislation.

Recognizing that that did not happen and that clearly American agriculture now has been asking us on a very regular basis over the last month, "What are you going to do?" it became important here in the Senate and in the House—the House acting yesterday—to mark up their version of the farm bill, and the Senate in the past week attempting to bring procedure forward,

and on Friday last introducing S. 1541, the bill that I have just called up, to address the question being asked us. Most important, to craft critical policy that is time certain, that works in the marketplace of agriculture, that says to the farmer, "Here is something you can now plan as you sit down with your banker and your financial advisers to plan for the coming year," so that we are timely. That is why we have the debate today and, hopefully, votes tomorrow on this and possibly other critical pieces of legislation.

I believe that the Balanced Budget Act represented probably the most far-reaching, positive reform for U.S. farm policy in a generation, certainly in the time I have served in the U.S. Senate and in the U.S. House of Representatives. While we work to change and cooperate with agriculture and move into the marketplace, clearly, the product of effort that we presented in the last several months is as much or more reform than I think we have seen in farm policy here in the U.S. Congress in the last 60 years.

The amendments allow farmers to sign a 7-year income support contract with the Federal Government. That contract takes the place of the old market-distorted target pricing system. As a result of that and the flexibility that we have offered in this program, clearly the farmers today who wish to stay in the program have by far the greater opportunity to look to the matter, as they should, in deciding what they will plant and not have to worry about the loss of their base in that kind of flexibility and also have the income support program that we have talked about, at a minimal level, but an important level, so that we do not create the type of downturns that we have seen.

A declining series of payments through the year 2002 would provide the kind of genuine flexibility and smooth transition, as I have just explained, toward the marketplace and allow agriculture then to be responsive to the market moving into the next century. No longer will Government tell the farmer which crops to plant. In other words, no longer will farmers have to farm the Government program to stay in the program or to realize some benefit from it. No longer will that occur. It leaves the farmer free to decide what is the most productive effort for his or her land.

I think this is the way it ought to be. Of course, the marketplace, then, largely becomes the determinant of value and that, of course is the way any business and industry really ought to operate.

The balanced budget amendments that we have brought into S. 1541 have been endorsed by the American Farm Bureau Federation.

Mr. President, I have a letter here from the President of the National Farm Bureau, Dean Kleckner. This letter was sent to me just the day before yesterday with a full endorsement of S.

1541. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JANUARY 29, 1996.

Hon. LARRY CRAIG,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR CRAIG: Congress must pass farm program legislation quickly. Failure to reach agreement on multi-year farm legislation is delaying planting decisions for farmers. Widespread planting will begin soon in the south. Yet farmers still do not know the farm program rules. Lending institutions are withholding production loans based wholly on the uncertainty being created in Washington, D.C. Our competitors in world markets are surely amused at this policy disarray.

Farmers and consumers in the greatest agricultural nation in the world need a workable farm program. We urge you to act now, in the bipartisan spirit that has been the norm in the Senate Agriculture Committee, and approve workable policy for all titles of the farm bill including those previously scheduled for later consideration.

The American Farm Bureau Federation Board of Directors unanimously voiced its support for the Freedom to Farm Act, S. 1544 either as freestanding legislation or if added to another legislative vehicle. The Board voiced strong opposition to a short-term extension of existing programs or reverting to the Act of 1949.

A short-term extension of existing farm programs straps agriculture to a steadily declining budget baseline, provides no help to farmers in repaying advance deficiency payments and allows significantly less planting flexibility than is needed in today's world market. Reverting to the Act of 1949 is acknowledged by policy experts to be counterproductive. Under the Act of 1949, the federal budget exposure would be enormous, domestic production would be reduced at a time when world stocks are very low and foreign competitors would expand exports at our expense.

The Freedom to Farm Act, S. 1544, embodies the core components of farm policy previously included in the vetoed Budget Reconciliation Act. The combination of market transition payments and marketing loans contained in S. 1544 forms a compromise which significantly restructures the income support mechanism for farmers to maximize the available federal support for agriculture and provides significant planting flexibility to meet world competition.

Throughout the discussions leading up to the adoption of the conference report on Budget Reconciliation, including farm programs, the Farm Bureau identified several policy areas which we believed were key to crafting effective and equitable farm programs for producers of all commodities. Those key concepts include:

Adequate protections for producers of non-program commodities.

Maintenance of existing landlord/tenant relationships.

Adequate spending levels for MPP and EEP.

Maintenance of current payment limits rules.

Dropping the requirement for crop insurance to participate in commodity programs.

Maintenance of the CRP program.

We believe that S. 1544 embodies many of these concepts and we urge you to protect them during subsequent floor action and through conference.

Significant contributions to balancing the federal budget are achieved as a result of changes made to the commodity programs

including those for sugar and peanuts. The sugar and peanut programs have contributed to both stability within those production sectors and an abundant supply of quality products for consumers. The changes to these titles in S. 1544 ensure workable programs for both producers and consumers and they deserve your support.

The American Farm Bureau Federation supports the inclusion in S. 1544 of the compromise dairy proposal. Our members supported purely administrative changes to marketing orders. However, we will actively participate in the rulemaking process to ensure that the final changes in market orders will be equitable to all regions and all producers. We support the Livestock Environmental Assistance Program (LEAP) but encourage a modification of the eligibility of dairy herds to expand potential participation beyond smaller producers.

Due to low price levels for rice in recent years rice producers are disadvantaged in the early years of market transition contracts. We urge the committee to take steps to adjust rice payments and rectify this situation.

Consideration of the credit, trade conservation, research and other titles of the farm bill were postponed and until after the commodity titles and budget provisions were completed. We can no longer afford to wait for consideration and debate of those titles. We urge you to include those titles in the final package sent to the House. Much of the preliminary work on these titles is complete. Failure to act now will almost guarantee they are not reauthorized in 1996.

The American Farm Bureau Federation supports the expedited consideration of S. 1544 with the addition of the dairy, research, credit, conservation and trade titles.

We look forward to working with you in a bipartisan effort to pass multi-year farm legislation.

DEAN KLECKNER,
President.

Mr. CRAIG. There is no question this very vital farm organization, representing more people in production agriculture today than any other farm organization, recognizes the importance of this legislation and, most important, the importance of what it does; that it again moves the farmer toward the marketplace as all of us are concerned happens.

Mr. President, I ask unanimous consent that a letter from Bill Northey, the president of the National Corn Growers Association, be printed in the RECORD along with a letter from Robert Petersen, coalition coordinator for the Coalition for a Competitive Food and Agricultural System.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL CORN GROWERS ASSOCIATION,
Washington, DC, January 30, 1996.

Hon. LARRY E. CRAIG,
U.S. Senate,
Washington, DC.

DEAR SENATOR CRAIG: The National Corn Growers Association (NCGA) urges you to vote for cloture on S. 1541, the Agricultural Market Transition Act. It is important that farm legislation receive the consideration it deserves, and, that a logical, responsible conclusion follow. With planting fast approaching, the nation's farmers must know what to expect from federal farm policy. Timing is critical.

S. 1541 is the clear choice for the nation's farmers. Throughout the entire farm bill debate, the NCGA supported key provisions

contained in this legislation. Farmers have long suggested a simpler farm policy. The Agricultural Market Transition Act allows farmers to make the production decisions that will offer the best opportunity for profitability. Guaranteed, fixed payments provide certainty and aid in long-range planning. Finally, farmers can and will make the transition to greater market reliance and less dependence on federal programs.

Some opponents of this legislation favor a simple extension of current law. A continuation of farm policy passed six years ago will discourage corn producers from participating in the farm program that will in turn jeopardize conservation compliance. Real reform is necessary to maintain agriculture as one of the strongest sectors of the nation's economy.

The NCGA strongly urges you to vote to invoke cloture later this week. Further, your support of the Agricultural Market Transition Act is needed to ensure that agriculture continues to thrive into the next century. Thank you for your attention to our concerns.

Sincerely,

BILL NORTHEY,
President.

COALITION FOR A COMPETITIVE
FOOD AGRICULTURAL SYSTEM,
Washington, DC, January 30, 1996.

Hon. LARRY E. CRAIG,
*U.S. Senate,
Washington, DC.*

DEAR SENATOR CRAIG: As the Senate prepares to take up the farm bill, the Coalition for a Competitive Food and Agricultural System urges you to support S. 1541, the Agricultural Market Transition Act, as introduced, to reform U.S. agricultural policies.

U.S. agriculture needs to have a new farm program in place quickly. Major provisions of the 1990 farm bill expired on December 31, 1995. As a result, the only farm program authorities now available to the Secretary of Agriculture for many crops are the 1938 and 1949 Agricultural Adjustment Acts. There is broad agreement that those authorities are no longer workable. And, resuscitating the 1990 farm bill provisions is not acceptable to most of U.S. agriculture.

The Coalition, on behalf of its 127 member companies and associations, believes S. 1541, as introduced, represents the best policy alternative for agriculture. The bill would: (1) reform and modernize farm programs; (2) provide a more certain income safety net for farmers through direct payments; (3) eliminate annual acreage reduction programs; and (4) provide broad planting flexibility for farmers. These proposals enjoy broad and growing support in the agricultural community.

Enclosed is a list of key points. Also enclosed is a Coalition Backgrounder.

Respectfully,

ROBERT R. PETERSEN,
Coalition Coordinator.

Mr. CRAIG. Mr. President, S. 1541 brings savings to the program. All of us want to accomplish that. It was the farmer that stood forth as soon as anyone else to say that a balanced budget is critical to our country and that a balanced budget is critical to the vitality of American agriculture; that American agriculture stands a lot better chance of surviving in an economy that is vibrant, in an economy where the consumers have access to and opportunity to purchase, with greater purchasing power that we believe the balanced budget would ultimately bring.

Export subsidies would be curtailed, and of course peanut and sugar programs have gone through major reform. While those programs still have their critics here on the floor of the Senate, all of us can stand forward—those of us who work to produce these reforms—and demonstrate that clearly all of the commodity interests of our country have been sensitive to the kind of reform that moves us to the marketplace.

I do not think the argument today that the consumer is paying the bill fits anymore. What does fit is the sensitivity to a fair playing field, especially in those industries that have to compete and must compete in worldwide economies.

I do not think anyone in this country wants to see the destruction of a vibrant industry, or opening the borders in a way that allows dumping from Third World countries, as we have seen in the past, especially if the production in the Third World country is well below the marketplace and if it is subsidized by the sponsoring governments. That is what we can avoid, and that is what we have avoided here while complying with GATT, while in recognition of NAFTA. Markets must be balanced and they must be fair.

I have never yet heard of a farmer or rancher in my State who would not say, "Give me a level playing field and I will compete with the best in the world because I am the best in the world but I cannot compete against open subsidies or in a situation that allows those subsidized crops to be dumped in my domestic market." That is, of course, what we try to accomplish here in the type of balance and the kind of reform that we have brought to these programs.

Conservation programs remain a critical part of any good farm bill. American agriculture has led the way in water quality, in saving our soil, and recognizing the vital interests of that industry by a sound environment and responding to that environment. Conservation programs will be a critical part of the bill. While we will continue to work this summer to finalize greater portions of the conservation title that meet the kind of critical environmental needs that is important out there in farmland America, what we are doing here is a major step in the right direction. I think it offers the opportunity to forestall any intrusive kind of regulation that could occur because it demonstrates that American agriculture was not only responsive to its own needs but sensitive to the criticisms of others where they were appropriately placed.

Mr. President, S. 1541 is identical to the original balanced budget amendment with two exceptions: First, there is an increase in the size of dairy operations that could qualify for livestock environmental assistance; and another portion that is critical to my State and critical to a good many others, as we create flexibility in program crop areas

that allow farmers to move toward the market, we do not want that farmer who is currently receiving Government support to be openly competing against a farmer who does not or has never received that. In simple terms, Mr. President, that simply would not be fair. Everybody in agriculture understands that.

As a result of that, in the area of fruits and vegetables, they would qualify for current law, meaning that farmers who farm to the program and are in it with the flexibility and get the benefit of the 7-year payment program would not be allowed to use their flex acres in those productions.

My State of Idaho raises potatoes. It is critical to the State and, I like to think, important to the Nation. But it is a very sensitive matter as it relates to availability and supply. A rush to plant potatoes in a relatively strong market could ultimately destroy that market or cause tremendous dislocation by some projection of unusual increases in planting. We are recognizing the need for transition. Potato farmers are not saying they should not compete, but why should they or any fruit or vegetable farmer compete against somebody who is receiving direct Government program benefits, as they would through the transition period? The answer, we think, and the fair answer is, they should not. That is why those areas have been left as current law provides.

Mr. President, that is a brief summary of what we are attempting to accomplish in S. 1541. I certainly hope other colleagues would come to the floor to debate this issue today. We think it is important that we resolve it through this month, hopefully by early next month, or no later than the 1st of March we could go to conference between the House and the Senate, work out our differences, and in late winter or early spring let American agriculture know what farm policy is going to look like for the next good number of years. That keeps us in cycle with the normal planting cycles of our country and something we need to be responsive to.

I understand there will be other legislation proposed later on in the afternoon. Senator LEAHY is working on a proposed offering that will take a serious look at because all of us recognize that farm legislation, when it is good legislation, has always demonstrated the bipartisan approach that every good farm bill has ever been crafted on. Certainly this side wants to work with the other side in dealing with that issue, in solving the problems that we currently have.

More important than that, though, is the timely message. I hope today and tomorrow we can debate this issue and vote on these issues. Clearly, that will send a signal—the House having brought a bill out of their committee yesterday, and hoping to be able to move on that within the next few weeks—that comes a long way toward

resolving the problems we want to resolve.

With the flexibility and, I think, the simplicity, the certainty we are offering, the opportunity for transition in the markets and hopefully the profitability that I think can be produced by this type of program with farmers, we not only offer them up a good piece of work that I think we in the Senate can be proud of, but we say to American agriculture: We will partner with you, but we expect you to farm to the market and to be sensitive to market trends and to farm to the world consuming public. We will help you get there in the best ways Government can facilitate, and that is really all that any industry in this country should be able to ask for. It is a partnership that has long existed, and it is one that I think brings a kind of ability to American agriculture that they expect.

Mr. President, I have no further comments at this time. We have the legislation now before us, and with recognition that no one is here on the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, my colleague from Idaho, Senator CRAIG, was on the floor visiting about the farm bill. I wanted to discuss just briefly where we are and where we are headed on that issue. That is a very important issue to a lot of farm States. Tomorrow we will, I understand, be voting on a series of alternatives dealing with farm legislation.

It is long past the time when Congress should have passed a farm bill. Last year was the year in which Congress was required to enact a 5-year farm program. The Congress did in fact put a 5-year farm program in the reconciliation bill, but, of course, everyone knew that the President was going to veto that bill. The budget reconciliation bill had a whole series of other things in it, and the farm program was actually a very small part of it.

The result of the President's veto of the reconciliation bill was that we are left without a farm program. Farmers are thinking about going into the field in the spring—some down South will be going into their fields in a matter of weeks—and there is no farm program. In North Dakota, they are not preparing to go into the field today, I guarantee you. It is a little too cold out there. But they are talking to their bankers and their farm equipment dealers. They are getting ready for the spring's work, and there is no farm program. They want to know what will the farm program be.

It is a waste of time to be pointing fingers about who is at fault as to why we are so late and what has happened.

What is most important, at this point, is for us to try to understand how can we construct a farm program that works for the benefit of family farmers and how can we do it soon.

My hope is that by the end of the day tomorrow we will have passed from the Senate a proposal that we can put into conference with the House. Then we could in the next week get a conference committee and have a farm program passed and signed into law. We owe that to family farmers in this country.

My understanding is that Senator DOLE, the majority leader, will offer the freedom to farm bill. That bill has some provisions that I support. It does some things I cannot support. I have proposed an alternative that we will likely offer tomorrow called the Farm Security Act.

I think common to both proposals would be the notion that the Government ought not to be telling the farmers how to plant, nor telling them when to plant, nor telling them where to plant. That is the straitjacket that we have in the current farm law. That, in my judgment, ought to be changed. We do not need the Government hip deep in planting decisions. Let farmers determine what they plant on base acres. The freedom to farm bill would do that. The Farm Security Act would do that. It seems to me that is a common objective that we could agree on.

Most of us believe that we ought to forgive advance deficiency payments for farmers who suffered a crop loss last year. These farmers are now threatened with having to repay those amounts. If they did not have a crop, there is no money with which to pay. We should forgive that. The freedom to farm proposal would provide some relief for farmers on that score. So would the Farm Security Act.

There are sufficient common elements, it seems to me, so that we should be able to reach agreement at the end of the day tomorrow on something that we could put into conference.

The one major difference I would have with the freedom to farm bill is that it presupposes, with some up front attractive transitional payments, that we would then get rid of the farm program. In exchange for giving transitional payments to farmers now, it would repeal permanent farm law, the 1949 act. The purpose of all that is to provide some payment up front. You take the payment in exchange for getting out of the business of providing any kind of price supports at all in the future.

I understand the short-term attractiveness of that. Yet, we know farm prices are going to go down. Grain prices go up, and they go down. The problem is they never go up on the upside grid aggressively. Every time grain prices start to go up—and they are up some now—what happens is the grain trade starts floating rumors about embargoes, or somebody else starts doing something saying this is

going to hurt consumers. They try to dampen prices. The farmers then never get the uplifting side of higher prices for any length of time. They should, but they do not because the larger economic interests are always in there trying to mess with grain prices. And they do it in a way that tends to collapse prices that family farmers need to make a living.

Grain prices are up some points now. They are stronger, and they are higher. But they will go down, and they will collapse, because we have these cycles of ups and downs of grain prices. When these prices collapse, family farmers will not make it unless there is a safety net with some kind of loan rate or deficiency payment.

Unless there is some safety net, these family farmers will get washed away, and they will be bankrupt. They do not have big enough financial strength to sustain a number of years of low prices, and these family farmers will be washed away.

The freedom to farm bill would take away the safety net. It would give you some attractive payments up front. But, there will no longer be a farm program down the road. I can understand why that is attractive to some. However, it seems to me this is not a good trade. We ought to have a farm program in the long term. We ought to provide a basic safety net for family-size farmers.

Tomorrow some of us will offer a Farm Security Act which provides some attractiveness on the front end as well. We would provide that we would not only forgive the advanced deficiency payments of last year for those who suffered a crop loss, but also that we would provide what would normally be a 50-percent advance deficiency payment this spring. This would not have to be repaid. This would be done in order to help family farms recapitalize their farms. Its a repayment of sorts for some difficult situations, acknowledging that Congress did not do its job and did not provide a farm bill when it should have done it last year.

I do not mind providing some up-front attractive features. I am just as happy to do that in the Farm Security Act as they might be in the Freedom to Farm bill. But I will not do it under the condition that it is in exchange for pulling the rug out from under farmers later. I am not willing to say to farmers that when prices collapse you will not have a safety net. That is not a good trade.

I think we have to decide in the Senate and in the Congress whether we care a rip whether there are family farmers in this country? Do we care at all? Some people may say it does not matter. Some say let corporations farm from California to Maine. And they will.

Food prices will be higher when the large corporate interests capture most of the enterprises in family farming and they become part of large agrifactories. We will certainly have

much higher food prices. But it will mean more than that, more than food price economics.

Go to a small town. I come from a small town of 300 people. Go to a small town and look around that town. We need to understand what is it that feeds the economic life of that small community. All across this country the blood vessels of our small towns are those yard lights out on the family farms. If you turn off those yard lights and turn those family farms into corporate agrifactories, all of those small towns die quickly.

The question before us is both social and economic. Is there an interest in maintaining a network of family farms in this country's future? I think the answer is yes. If the answer is yes, then we ought to put together something with price supports that make sense for family farmers.

When prices drop and stay down, we ought to put something together to put some payment in place which we will provide in the same basic level of a safety net in the long term.

If we fail to provide some long-term safety net it means that we do not care whether our young farmers get started. It means we do not care whether there is renewal on family farms, and we do not care whether there are family farms and small towns in the future.

I hope we can find a way by tomorrow evening to reach agreement on a bipartisan basis to pass a farm bill out of this Senate and put it into conference. We need a farm bill that provides some attractive features on the front end and one that provides much greater flexibility of planting for farmers, forgiveness of advance deficiency payments, and certainly the retention in the long term of a network of price supports for family farms.

If we can do that, we will have done something significant. There is no reason, if we work together, that we cannot have finished a farm bill by the end of next week, one which the President could sign and one which will provide family farmers some certainty about their future.

MERCHANDISE TRADE DEFICIT

Mr. DORGAN. Mr. President, none of my colleagues is here. We are not in business with votes today. We are in business today for the purpose of introduction of legislation, and we will have votes tomorrow. I would like to turn to one additional topic.

I am going to bring to the floor of the Senate some information about our merchandise trade deficit in the next couple of days. It is interesting to me that we have an enormous amount of debate in this country about the budget deficit. It is appropriate because our budget deficit is a serious problem for this country. We are spending money which we do not have. We are borrowing it. When we do that, we run into trouble if we keep doing it. We need to have a budget that is in balance. We

need to do it the right way with the right priorities. No one disputes that.

Yet, the interesting thing is that there is a conspiracy of silence it seems to me. Its almost a complete conspiracy of silence about another deficit that is even larger than the budget deficit in this country. That is this country's trade deficit. Our merchandise trade deficit in America last year was higher than the Federal budget deficit. I will bet hardly anybody knows that.

We had over a \$60 billion trade deficit with Japan, over a \$30 billion deficit with China, and nearly a \$40 billion deficit with Canada and Mexico combined.

What does all of that mean? It means fewer American jobs, lower American wages, less American growth, and less opportunity for the people who live in this country.

I am not suggesting we ought to construct a trade strategy that says, "Let us put walls around our country and keep out the exports from other countries in order to reduce our trade deficit." That is not the point I am making.

The point I am making is that China says to us, "We are going to ship you all of our goods, all of our trinkets. We will ship you all of our manufactured products, all of our textiles. And, we are going to do it in sufficient quantities so that we will run up a \$30 billion trade surplus with you." That is real trouble because what that means is we have transferred jobs that used to be good-paying manufacturing jobs in the United States to China. They are now lower paid manufacturing jobs in China. It is also true with Mexico. It is true with Japan.

Did you know that every single day there are two to three permits approved down on the Mexican-United States border from the maquiladora plants, the plants by which companies transfer their production from America to just outside of our country. They move just across that invisible line, the international border, so that they do not have to comply with the pollution laws of America, so they can pay lower wages for someone living outside of our country, and then manufacture goods there and ship them back to us here?

Do you know Hershey kisses used to be American? Not any longer. They are now made in Mexico. Hanes underwear closed six plants in America. Guess where most of that underwear is going to come from in the future?

Moving jobs from America to other countries means less opportunity here. It means slower economic growth. It means trouble for American workers and for American young people who want to go to school to learn and to get a good job. Nobody seems to care much about it. Trade deficits, that does not matter. Nobody talks about that.

NAFTA is a good example of what I am concerned about. When NAFTA was proposed to the U.S. Congress, there was one major study called the Hufbauer-Schott study. One of the fel-

lows was Gary Hufbauer, an economist. He predicted an enormous number of new jobs in America if we would pass NAFTA, the trade agreement with Mexico and Canada.

Well, I did not support NAFTA for a lot of reasons. I felt that we would have a wholesale loss of American jobs. The year before the United States-Mexican trade agreement was approved by the Congress, we had a \$2 billion trade surplus with Mexico. Two years later, we now have in this last year nearly an \$18 billion trade deficit with Mexico. We went from a \$2 billion surplus to an \$18 billion deficit.

Mr. Hufbauer in that study had predicted I think 130,000 new American jobs if we would pass NAFTA. He now says maybe he ought to be in a different business. He says, "I am not much of an estimator." He now says he thinks we lost 220,000 American jobs as a result of NAFTA.

That is just one example of a trade circumstance that has gone awry. I suppose in theory it does not matter much. I have never found a journalist who has lost a job because of imports or exports. So, you are not going to read a lot in the Washington Post about our merchandise trade deficit.

In fact, when we debated NAFTA in the Congress, I counted the column inches devoted, pro and con, to the trade agreement in the Washington Post, New York Times, Wall Street Journal, and Los Angeles Times, four major papers. Do you know what these citadels of free speech and free expression gave? It was a 6 to 1 ratio, 6 column inches for NAFTA on their editorial and op-ed pages, and 1 column inch against. They gave a 6-to-1 advantage for those who were proposing this trade agreement versus those who were opposed to it. That is what we faced in dealing with this topic.

What I wish to do is to call this deficit to the attention of the Congress and the American people. We need to understand the trade deficit, especially the merchandise trade deficit.

You do not in this country move America ahead by measuring our progress by what we consume. You measure it by what we produce. Economic progress is what we produce. And yet every single month you will hear on the news the economy is rolling along because we consumed more of this or we bought more cars or bought more of that, or that retail sales were up.

That is not a barometer of economic progress. The barometer of progress is what has happened to production in this country. Are we producing more or less? And the second barometer, equally as important as it relates to production, is what has happened to wages.

It has hurt over 60 percent of American families. When they sit down for dinner tonight at their dinner table—actually, in my hometown they sit down for supper; we still call it supper, but out East they call it dinner. But, when they sit down at the dinner table