AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—Continued

The PRESIDING OFFICER (Mr. Fitzer-Gerald). The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I understand the parliamentary situation is that we are now back on the Agriculture Appropriations bill. The pending amendment is the Cochran amendment to the Daschle amendment. The PRESIDING OFFICER. The Senator is correct.

Mr. COCHRAN. The Senator from Iowa asked unanimous consent before we permitted discussion of the Collins bill that he be recognized following the vote.

I am rising to clarify the situation, and also to inquire how long the distinguished Senator from Wisconsin is planning to speak at this point. I am hopeful that there will be time for the distinguished Senator from Indiana, Mr. Lugar, who is chairman of the Committee on Agriculture, to speak for about 30 minutes. He has to chair a committee hearing in the morning beginning at 9 o'clock and won't be available tomorrow morning. I am hopeful the Senator will either let Senator Lugar proceed now or after a reasonable time for the Senator to then be recongized.

That is the purpose of my inquiry of the Senator from Iowa. I did not object when the Senator sought unanimous consent to be recognized because I thought I had talked about 15 minutes and the Senator had talked about the same period of time, or maybe a little longer. That is the purpose of my inquiry.

Mr. HARKIN. The PRESIDING OFFICER. The Senator from Iowa.

PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent that Traci Parmenter, an intern in my office, be granted floor privileges for the duration of the debate on the Agriculture appropriations bill.

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

Mr. HARKIN. Mr. President, I say to my friend from Mississippi that I don't intend to talk too much longer. I did want to engage in a colloquy with a couple of Senators who wanted to do so. I don't imagine it will take that long—a little bit of time, not that long.

Mr. COCHRAN. I thank the Senator for his clarification.

Mr. HARKIN. We will not take that long. As the Senator knows, I have tremendous respect for my chairman of the Agriculture Committee. But I wanted to wrap up our presentation with a question for my fellow Senators prior to yielding the floor. If I might, Mr. President, let me try to conclude the remarks that I had earlier.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.
their AMTA type payments are based on that very same outdated base acreage and payment yield system that is decades old and that, frankly, would also be long gone and living in—Palm Beach, Miami, or retired in southern Texas or someplace else. Our proposal is designed to provide the money to real farmers who are actually farming and trying to grow crops.

I might also add one other thing: We are facing some terrible disaster conditions around the country. I know out in the upper Midwest we have had floods and excessive moisture that have put to an end farm operations in the Dakotas, for example, and we have had terrible floods and rainstorms in parts of Iowa. We are facing a tremendous drought on the eastern seaboard among the Atlantic coastal States where we also have farmers who are dire straits.

In our package, we have over $2 billion for disaster-related assistance. The Republican package has zero dollars to help farmers survive disasters, not for those on the Eastern seaboard suffering that terrible drought or others undergoing disasters. That is another big difference because these are truly farmers in need. They need help. Our bill has that help for them; the Republican bill doesn't.

Those are the two major differences I see. I will have more to say tomorrow about the Freedom to Farm bill. Freedom to Farm had a lot of cheerleaders when it passed a few years ago, saying how great it would be. Those cheers have now gone and living in—Palm Beach, Miami, or retired in southern Texas or someplace else. Our proposal is designed to provide the money to real farmers who are actually farming and trying to grow crops.

We must change the underlying farm policy. We need to get loan rates up. We had a bipartisan group of State representatives and Senators from Iowa here last week, Republicans and Democrats. They had a proposal for us: Raise the loan rates, allow the Secretary of Agriculture to expand the loan, and provide storage payments to farmers, all of which I support. I said: You are talking to the wrong person; you ought to talk to the backers of Freedom to Farm. Don't try to convince me. I am for it.

We ought to raise the loan rates. We ought to provide for storage payments. We ought to extend the loans. I think that is what we will come back and try to do in September, the second part of our two-step process. The name Freedom to Farm reminds me of a conversation a little bit ago when it was asked, is there anything good about the bill. I said about the only thing good in the Freedom to Farm bill is the name "freedom.">

But considering where the farm economy is today, what is beyond the words in the Janis Joplin song, "Freedom is just another word for nothin' left to lose." How accurate that is when it comes to the farm crisis. For our farmers, the word "freedom" in the Freedom to Farm bill is just another word for "nothin' left to lose." Mr. WELLS. Mr. President, every time I'm home, farmers are saying to me: We appreciate some assistance so we can live to be able to farm another day, but we want to know whether we or our children or grandchildren will have any future? How are you going to deal with the price crisis? What are you going to do to change the direction that this freedom to farm bill has taken?

Farmers focus on the structural issues. They want Members to write a new farm bill. They don't want a ball out every year. They want to be able to get a decent price in the marketplace. They want a fair shake. That is all they want.

I ask my colleague from Iowa also my friend from North Dakota, what should we be focusing on here in the U.S. Senate beyond this emergency assistance package to make sure that farmers can get a decent price, and that family farmers can be able to make a living and their children can farm and our rural communities can flourish?

Mr. DORGAN. I think the points that I made here are important to understand. If all we do is to pass a disaster relief package and do nothing to change the underlying farm bill, we will not have addressed problems in a way that gives family farmers hope that there is a future.

Let me ask the Senator about the underlying farm bill. The underlying farm bill, the Freedom to Farm bill, has put us in a position where payments were made to farmers early on when farm prices were very high and farmers didn't need those payments. Now, when farm prices have collapsed and farmers need a bigger payment, they are still getting the same payment or a lower payment than they were getting when prices were high.

In other words, there is a disconnect with respect to need. Freedom to Farm, was it not, was a transition payment. It was to transition them out of the farm program. That was the philosophical underpinning of the farm bill. Is it the judgment of the Senator from Iowa that while we do this—and it is urgent that we must do this, pass some disaster relief bill—that we also must accompany that with a change in the underlying farm bill, sooner rather than later, because if we do not, those farmers who are making decisions about the future will have to decide there is no hope ahead?

Freedom to Farm means there are lower price supports even when prices collapse. Isn't it true that this must be the first step in a two-step process?

Mr. HARKIN. I yield.

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Mr. HARKIN. I could not agree more. I would proffer this. If all we do is pass this emergency package, either this one or the scaled-down package of the Republicans, and we do nothing else, farmers are going to see the handwriting on the wall. If we do not change that Freedom to Farm bill, they are going to see it and they will say, I'm going to go right back where I am again next year. Farmers are going to say, I'm going to get out. They will be leaving in droves. It will drive farmers out.

In the State of Iowa, from April of 1998 to April of 1999, land prices in Central Iowa have gone down 11 percent already. The Governor of Iowa was at a meeting I held in Iowa this weekend. He said, what the legislature left 3 months ago, when they went out of session, they estimated the growth in revenues at 1.8 percent. It is now down to 1 percent. That is going to affect our schools and everything else in the State of Iowa. So the broader impacts on Iowa's economic health are already being felt. It is already happening.
I have had people tell me if all we are going to do is put the money out there, it will help those some with their debts, it will help them get through the next few months, help them get through the harvest, but if we do not change the Freedom to Farm bill, they are out, they are not going to be there next year.

Mr. DORGAN. May I ask one further question?

Mr. HARKIN. I yield for a question.

Mr. DORGAN. Payments, as I understand them, have gone too far in the current farm bill, the underlying farm bill; too high in the disaster programs. Perhaps both programs should be adjusted lower. My understanding of the program that has been offered earlier today, by the majority party, is with the triple-entity rule, the payment limits, is that if that is not how it is, it is about $460,000—under their disaster package. In my judgment, that is too high. In my judgment, we should craft a farm program and craft disaster programs that target help for family-size farms. That doesn't make any sense. That is not what a farm program ought to be about. We do not need that. We need to have a farm program that provides real help to family farmers when prices collapse. That is not what a farm program ought to be about. We ought to be getting a maximum of support during the limits there.

Mr. HARKIN. Senator CONRAD, the other Senator from North Dakota offered an amendment to provide the planting flexibility to farmers and still have a farm program that provides higher loan rates and storage payments and some set-asides within the confines of the farm program. If I am not mistaken, it was the Senator from North Dakota who offered the amendment to provide the flexibility to farmers to plant what they wanted, where they wanted, and yet it was defeated on a party-line vote.

So there were those who sold to the farmers the Freedom to Farm bill on the basis that they would have planting flexibility. That is not what we got. It is for the big operators. Yet we have our family farmers out there who just are trying to get by.

That is why this Freedom to Farm bill—I wish I could say just one good thing—the only good thing about Freedom to Farm was flexibility. It gave the farmer planting flexibility. That is the only good thing about Freedom to Farm. It took away the safety net and we are in the situation we are in today because we have to pass disaster bills every year now—and we should change the underlying farm bill in the same way that provides real help to family farmers so when prices collapse they have a chance to survive.

Mr. HARKIN. I respond to my friend from North Dakota. These big cash payments are an inherent part of the Freedom to Farm bill—an inherent part of it. A lot of that money goes to the big operators. Yet we have our family farmers out there who are just trying to get by.

I yield for a question.

Mr. DORGAN. If I might—

Mr. HARKIN. Again, I think we ought to be here to help people who really need some help and get it out. To me, that is going way beyond the bounds there.

I yield for a question.

Mr. DORGAN. If I might again just inquire, I had computed it under the three-entity rule, what they could achieve. If I have missed part of that and they can achieve $460,000, it simply makes the point; $300,000 is too much.

Mr. President, $460,000 is way out of bounds. We ought to be trying to get a reasonable amount of support during this price collapse to family-size farms. I come from Idaho, as you know, but I will not support giving $300,000 to anybody in farm country. We don't need that. That is not what a farm program ought to be about, in disaster help or in regular help, when prices collapse. That is not supporting a family-size farm; that is spending taxpayers' money in support of farm operations far in excess of family farms. That doesn't make any sense to me.

Again, when I inquired of the Senator from Iowa, isn't our job here to craft a decent disaster bill, first, that gets the most help possible to family-size farms and, second, to decide we must follow it quickly by saying the current farm bill doesn't work, that is obvious to everyone—obvious beyond belief. We have to pass disaster bills every year now—and we should change the underlying farm bill in the same way that provides real help to family farmers when prices collapse. That is not what a farm program ought to be about. We ought to be trying to get a reasonable amount of support during the limits there.

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you are going to get more and more farmers out to these meetings, especially those that are farming. Of course, farmers are busy during the harvest. You will not see too many of them probably in the fall. It is going to be a long, cold winter if we do not change the underlying bill. It will not be just the farmers, you will have the bankers out in. I have heard from bankers in, and you are going to have people from small towns and communities, the school boards and everybody else saying: Look, what is happening? Our towns are drying up.

I say to my friend from Minnesota, I hope we will not force farmers to go to meetings and plead with us to recognize the dire straights they are in. We know it. We know what it is like out there. We have all the data. We have the statistics. We know what the prices are. Pick up the newspaper and read what the prices are. Look at what futures prices are, I had a chart earlier today. Today’s soybeans. Cash price of soybeans is down about half, about 45 percent in the last 2 years. You do not really need much more than that to understand what the problem is. I say to my friend from Minnesota.

Mr. President, I ask unanimous consent to print in the RECORD an outline of the $10.793 billion that is in the first-degree amendment, which is pending at the desk, outlining the different line items and where that money goes so people can look at it tonight.

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

Democratic position: Emergency relief for agriculture—Continued  
(in billions of dollars)

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<tr>
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<tr>
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Mr. HARKIN. I thank the indulgence of my friend from Indiana. I know my friend wanted to engage in a little colloquy. I am sorry for holding him up. I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the distinguished Senator from Indiana, Mr. LUGAR, be recognized for such time as he may consume.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Indiana.

Mr. LUGAR. Mr. President, I want to discuss the amendments which have been offered by my colleagues, the distinguished ranking member, Senator HARKIN of Iowa, and the distinguished chairman of the Agriculture Subcommittee on Appropriations, Senator COCHRAN. But I want to do so in the context in which Senators may be thoughtful about what type of action is appropriate, given not only the problems of agriculture but likewise the general problems that we have in this country that we are trying to address. I note, for example, that the President of the United States, in his speech to the Nation on agriculture on Saturday, indicated that there are a number of things at stake here. I quote the President:

I am committed to working with Congress to provide the resources to help our farmers and ranchers by dealing with today’s crisis and by fixing the farm bill for the future. But we must do so in a way that maintains the fiscal discipline that has created our prosperity that now makes it possible for us to save Social Security, strengthen and modernize Medicare with a prescription drug benefit and to pay off our national debt guaranteeing our long-term financial prosperity. Those things are good for America’s farming and ranching families, too, and they’re good for all Americans.

I quote the President because the administration has been asked a number of times for an opinion on what type of emergency spending, if any, is appropriate at this point, on August 2, for a harvest that, by and large, is not yet in and with conditions that must, of necessity, be unknown. The administration has been reticent to address this situation with any figure, in large part that, for that matter, many people in this Senate have been arguing over how the surplus we believe will come after September 30 should be spent or the surplus for future years. There have been a number of strong competing ideas which include the rescue of Medicare and Social Security reform, tax reduction, prescription drugs for those in Medicare who do not have that, and the various other things the President has cited.

I make this point because usually on this floor we are into that kind of debate about our future and about how to use our resources. But from time to time, we have a debate on agriculture, and everything else is suspended. It is as if the money we are talking about today, the $10.8 billion, for example, that Senator HARKIN addressed, does not pertain to any of the above—tax reduction, Medicare, Social Security, the surplus, and what have you. It is deemed emergency spending, outside the budget, outside the budget caps, outside of our general consideration.

If we are to do emergency spending of that amount or any amount, there must be some requirements to show the criteria for what is required. That is what I want to review with the Senate this evening.

I suggest the Department of Agriculture, in its most recent summary of where agriculture stands, points out that with low commodity prices in 1999, the year we are in, net farm income will be $43.8 billion. They point out that will fall below the revised estimate of $44.1 billion for 1998, last year. That means the estimate for this year is $300 million, or less than a 1 percent change, from the net income in 1998.

I make that point because, as I have listened to the debate, Senators appear to be describing a loss that is substantially greater than that, but USDA in estimates made just last week, plugging in the low prices and plugging in also sometimes low inputs—that is, for feed costs and various other things agriculture people will need—have come to a conclusion the net change is only the difference between $44.1 billion and $43.8 billion.

Beyond that, the average net income of the last 5 years has been $46.7 billion, which means this year’s figure, if
It comes out this way, is $2.9 billion less than the 5-year average. The average for the 5-year period covering 1997 through 1994 was $7.7 billion. The year’s result is 1.9 less than the 8-year average, or approximately 4 percent. I am not making a claim it is higher; I am saying it is going to be lower. It is going to be lower by $300 million as opposed to last year and at least $2 billion to $3 billion less than the 5-year and 8-year averages.

As I have been listening to the debate and Senators have described this as a depression, a circumstance, Senators must take a look at the parameters of what is the actual set of facts. Let me point out historically the high water mark for agricultural income in the last 10 years was $54.9 billion in 1996. That followed the low year in 1995 of $37.2 billion. Low of 37, high of 54.9. Average: 45, 46 for the 5-year/10-year situations. This year: 43.8, close to 44 billion. That is the range. This is net income, not net loss. Agriculture had a substantial net income never below $37 billion and never higher than $54.9 billion in this 10-year period of time.

We are taking a look at a situation that shows loss, but we ought to quantify that loss. These are the official USDA projections as of last week. Senators will recall that 1998’s net farm income of $44 billion included $12.2 billion of direct Federal Government payments. About $9 billion was provided by the farm bill and the remaining $35 billion was made available by the October 1998 emergency appropriations bill. But this year, already, before this legislation comes to the floor, Federal payments are projected to be 16.6 billion.

Let me point out how this can be true. The safety net provided by the current farm bill—that safety net—provides for an annual transition payment, a so-called AMTA payment, of $5.1 billion. That is provided for by the farm bill, and to be paid to all farmers according to formulas at the times that are prescribed. But loan deficiency payments for corn, wheat, soybean, and other crops eligible for marketing loans are estimated at $6.6 billion. This is a safety net provided by the current farm loan program.

It has been suggested a number of times that the current farm bill, in its emphasis upon market economics, has no safety net. But I am pointing out $5.1 billion in AMTA payments and another $0.6 billion in so-called loan deficiency payments, still another $4.8 billion to be paid out in conservation and crop loss disaster payments, with $2 billion of that authorized by the 1998 October emergency appropriations bill. It is important to note that most of the farm debate has focused on low prices, and charts have been given to the Senate indicating how prices have tended downward over the years. But, nevertheless, the more important figure would be price times yield; that is, the income coming from those products. If, in fact, the price is low but the yield is high, the product of the two may still be a reasonable return for that acre in that year. There is an even more important fact that I suspect that many Senators have not thought through clearly. An article that I saw on the front page of USA Today talked about a farm meeting the distinguished occupant of the Chair attended in Illinois. That particular article mentioned low prices and pointed out the depression and the fall of those prices. But if the price of corn—as has been sometimes suggested—has been quoted at elevators at $1.75 or $1.70 per bushel, the good news is that a farmer will receive, at least if he is a farmer in the central part of Indiana, $1.95. That is price guaranteed through the loan deficiency payment in that part of the state.

How does this work? Let’s say the farmer brings the corn in and the market price is low. If he delivers the corn to the local county loan rate. That is very important. Loan deficiency payments for corn, wheat, and soybeans. That is true for soybeans at Beach Grove, IN. The soybean loan rate will be $5.40. In some parts of the country it may be $5.26. I am advised, but it is not $4 or $5.50 or $6.60 or $3.75 or various figures that have been quoted.

This is a tough concept to try to get across because even after you make the point again and again, people talk about a $3.75 market price for soybeans. What I am saying is that every bushel of soybeans the farmer brings into the elevator, he is going to get $5.26. In addition, the Government loan deficiency payment will provide him with a payment equal to the difference between his market price and the local county loan rate. That is very different.

This is not a question about how low the prices are going to go. If they go lower, the loan deficiency payment is higher. That is why the Federal Government will be paying out at least $6.6 billion to make up the difference. It was the same for wheat. In many parts of the Midwest the harvest has already come in. But the government guarantees at least $2.58 for wheat at many elevators around the country. I make that point because that is the safety net of the current farm bill. It is a pretty strong safety net. It will provide a very substantial amount of income as the harvests occur, as the grain comes in, as the loan rates are established. It will amount to $6.6 billion that has not yet been received but will be received by farmers. Hopefully, that will take the debate away from a comparison of how low the prices are going to go to the concrete figure of what the loan deficiency payment will be—specifically, as I say, again, in most parts of the country, at least $1.89 for every bushel of corn, and for every bushel of wheat, and $5.26 for every bushel of soybeans. At many elevators it will be a higher figure than that, including the one in Indianapolis that I cited. Farmers receive that even if the quoted market price is much lower.

Let me mention some other statistics the USDA has pointed out that may give you some idea about the parameters of our discussion.

In the same report last week of USDA giving estimates on net income, USDA also went into the question of farm assets and farm debt and farm equity. If you had heard the entirety of the debate today—or maybe for some time—on this issue, the Chair might logically believe that land values in this country are going down if they pertain to agriculture; that the net worth of farmers collectively in this country is going way down. That, in fact, is not the case.

The Agriculture Department points out that farm equity, which was $325 billion in 1996, rose to $357 billion in 1997. It is estimated to go up to $365 billion this year. That is an increase of approximately $8 billion more, or a 1 percent increase in net worth. The farm real estate figures are $302 billion for this year as opposed to $794 billion last year, and $783 billion the year before, and $746 billion the year before that.

It does not mean every acre of land in every county all over America is going up. As a matter of fact, the Federal Reserve Board statistics for my home State of Indiana indicate an estimate that the first quarter of 1999, real estate values in agriculture may have gone down by 2 percent. As a matter of fact, that was true of a number of States. But in a fair number of States, obviously, the estimate is that agricultural land is going up. The aggregate, the total, for America is the land values are higher. Furthermore, the net worth is higher because farm debt will decrease from $172 billion to $171 billion.

Once again, listening to the debate you would say, how can that be? If we are in a depression circumstance, how can you be arguing that real estate on farms is going up, that debt is coming down? Because that is what is occurring. You can give any number of statistics about prices falling, but the fact is that net income is going to fall by $300 million. And that will still be within $2 to $3 billion of a range for the last 5 or 10 years of time.

Let me try to bring clarity to the argument in still another way.

The distinguished Senator from Iowa, Mr. HARKIN, has mentioned, in a fact sheet that he released and he gave some of these figures again today, that there will be a 29-percent drop in agricultural income, but Senator HARKIN...
correctly says this is a drop in principal field crops, not all of agriculture, but principally field crops. I have noted that situation on my own farm. The distinguished Senator from Iowa, Mr. GRASSLEY, is on the floor. He has a family farm and could cite statistics from his farm if he were inclined to do so.

On my farm, Lugar farm in Marion County, IN, our net income in 1998 was 18 percent less than in 1997. That was true principally because our major income sources were soybeans and corn. My guess is that our net income in 1999 may have a similar reduction, although I hope not so great as the 18-percent that was suffered the earlier year.

Obviously, it makes a very great deal of difference, when you come to the net income situation or the difficulty of a farmer, whether or not the farmer has. Our situation is one in which we do not have debt. We are able to finance our operating loans, our operating expenses, without loans and out of retained capital. So that gives you a big headstart. For those farmers who have extended themselves to buy the adjacent farm or have never quite paid off the family mortgage and who must borrow each year to put a crop in the field, the interest costs are very substantial. Those are reflected still in the overall aggregate statistics of net farm income in this country.

As you take a look at ag statistics, the fourth that do the best as opposed to the fourth that do not do as well, very frequently the same amount of land is involved, same weather was involved. The question of debt intrudes and makes a big difference in the bottom line figure; likewise, the sophistication of the marketing plan. Even in the midst as we were talking about last week, I was able to compute the sale of 1,000 bushels of corn to an elevator in Indianapolis at a figure higher than the loan rate, the government’s guaranteed minimum price. That prospect was available to each farmer in America, I suspect that day. We sold that corn for $1.97 for fall delivery. That is not a high price, but that is $1.97 for fall delivery. That is not a high price, but that is the farmer’s estimate was available to each farmer in

My guess is that Senators understand that farm income is down and they would like to make farmers whole at somewhere around an average level, which would appear to mean a payment of $2 or $3 billion. Neither of the proposals before us is of that nature.

I have pointed out in colloquies with the press during the past week that there is before the Agriculture Committee now a risk management bill that would, in fact, provide about $2 billion a year for each of the next 3 years. It would presumably pay us the interest costs that would pretty well fill the gap, if that was the intent of the Senate to do that.

I conclude that Senators finally will take a look at this entire situation and reach some overall judgments. Let me offer at least some reasons why some payments might be justified.

First of all, farmers or the rest of America could not have anticipated the Asian crisis that hit about 2 years ago. The last year, 1998, probably took away 40 percent of the demand of Asian countries for American agricultural products. That probably took away 10 percent of our entire market last year, which means that demand fell overnight by 10 percent, whereas supplies for the last 3 years have not only been ample but around the world the weather has been mighty good and the amount of supply abundant, really throughout that period of time. So a 40 percent hit in terms of the Asian export demand hit very hard. It hit suddenly. Within a 90-day period of time we realized that difficulty.

Let me also mention, in addition to that, the problem of genetically modified organisms in European debate, which means that Europeans are rejecting corn and soybeans that come with the roundup ready genetic changes.

As we all know in America agriculture, in order to get rid of the weeds in the field, it is a much simpler procedure to assert strengthening of the soybean and corn plants, if a gene is changed in the corn or soybeans plants that rejects the herbicides that kills all the weeds but leaves the corn and the soybeans standing. We believe that not only is corn and soybeans from such situations safe, but as a matter of fact, our yields have increased. The health of the plants has increased, and we felt all over the world people might want to benefit from these breakthroughs. Not so in Europe, and a debate rages as to whether there is something fundamentally wrong with our genetically modified seeds to the point we are finding it very difficult to export a single bushel of corn or beans to the European market. That debate is going to go on for awhile, and it has not been helpful.

We are on the threshold of a World Trade Organization meeting in Seattle that comes up in October. We must make this track authority, the President must be able to negotiate on behalf of the administration with other countries, knowing this body will vote up or down on the treaty without amendment, because amendments by all of us attempting to influence the treaty to benefit our particular States or crops or so forth could be matched by amendments all over the world and the treaty negotiations collapse.

We don’t have fast track authority. We have tried in this body several times to obtain that. The House of Representatives had similar difficulties. It will require enormous leadership by the President and by many of us, but we cannot make a new treaty that does not have fast track authority, that increases our exports in the way that all Senators want, without doing the basic steps. Fast track authority is one of them, as well as a determined will that agriculture will not be left off the menu, that a 10 percent is an integral part of what our Nation must do at the WTO meetings.

I make this point because we talk, often glibly, about the need for exports. Of course, we have a need for exports. But they will not happen in the quantities that we need to have happen without lowering tariff and nontariff barriers, and the Seattle meeting is where that does or does not get done. If we don’t have fast-track authority, it will not occur during this administration. That is a long time.

So for all these reasons, farmers have taken a direct hit, largely because of worldwide demand and in the case of many fields in the State of Illinois, or in my State of Indiana, or the State of Iowa, as much as a third to a half of all our acreage literally results in yields that must be exported, or we have it coming up around our ears. We know
that and yet, as a Nation, we have not moved aggressively to make the difference that we see it occurring.

So for all these reasons, the Senate might come to a conclusion that some compensation is required for farmers in order to keep their cash flow going. I made the point earlier that, as a matter of fact, loans will be reduced this year. But cash flow will be reduced also. And for those farmers who have the need for operating loans, who are genuinely in danger because of debt situations, the situation could be dire and family farms could be lost.

In the event that we are to make payments, the so-called AMTA payments, put money into the hands of farmers quickly, directly, and certainly—we had a pretty good demonstration of that last year. The Senate, in particular, is not going to cut the session as the large appropriation compromise came together, appropriated as part of a package about $6 billion for American agriculture. It came as a surprise to many, but the form it came in a surprise that was even more difficult. About $3 billion of it came in AMTA payments. Those were made immediately. They were received by farmers in the first week of November, after passage late in October of the appropriation bill.

I make that point because if we are serious about money actually arriving in the hands of farmers, then we must be serious about the distribution method. The AMTA method gets the money to farmers, then we must be serious about money actually arriving in the hands of farmers, but the fundamental law of the land.

I am prepared for that debate, but I simply say that before Senators get engaged in the debate, it is well to gauge at least the benefits that come from the current farm bill. There are, to date, $16.6 billion this year, which is just $100 million short of an all-time record of farm payments. That is a substantial safety net. I make the point that the farm bill recognizes that point and, in fact, provides fairly amply when that occurs. But it also provides freedom to farm, and that is very important to most farmers in this country—the ability to determine how to use their land, how many acres of corn, or beans, or cotton, or rice, or whatever the farmer wants to plant, or not to plant at all. The AMTA payment comes to a farmer who does not plant a legume because this is a transition from the date of supply control to a day in which we move into market economics and the farm area more completely. The thing the world dictates presently is that market economics is the important way to go. Our obligations to our country testify to that in almost every other debate.

I hope we will continue to testify in behalf of that when it comes to American agriculture.

I thank the Chair for this indulgence; likewise for other Senators.

I am hopeful that before action is taken on either of the two amendments, there will be testimony by the Secretary and then very thorough consideration by each Senator. What is it that our obligations should be to American agriculture both to encourage and enhance it and, likewise, that our obligation is to all the taxpayers of the country and the other major objectives that lie before our country.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the Senator from Indiana. He has definitely elevated the level of discussion on the issue before the Senate by his remarks. He has given this debate unusual insight based on his experience and his knowledge of the subject and his personal experience as one who is engaged in production agriculture in the State of Indiana.

I think the Senate has benefited from his remarks. I, for one, want to congratulate him and thank him for remaining on the floor this evening and for giving the Senate the benefit of his observations on this issue.

Tomorrow, as he points out, there will be a hearing in the Agriculture
Committee which could also be very helpful to our further understanding of the situation. The Economic Research Service and other agencies of the Department of Agriculture could make available to us information that would be very helpful and constructive as we try to decide what is best in this situation for our farmers around the country.

I don’t want to overdue this or guilt the lily too brightly. But I personally respect the Senator so much—and he knows that—and consider him a great friend. I again express my personal appreciation for his being here tonight and for his leadership in the agriculture area specifically.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Mississippi, who is my friend and whose leadership I appreciate much.

Let me inquire of the distinguished Senator from Mississippi if he knows of further debate. If not, I make an inquiry because I have been asked to substitute for the leader in making motions.

Mr. COCHRAN. Mr. President, I know of no other Senator who seeks recognition on this. I think it would be appropriate to go to final wrap-up.

Mr. LUGAR. I thank the Senator.

MORNING BUSINESS

Mr. LUGAR. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

TAXPAYER REFORM ACT OF 1999

Mrs. LINCOLN. Mr. President, I wish to express my support for the Bingaman amendment to recommit S. 1429 to the Senate Finance Committee which would have enabled us to clarify that the debt reduction is a top priority for this government in spending any budget surplus.

As we say in my home state of Arkansas, the best time to fix the roof is when the sun is still shining.

Now is the time for us to take steps to reduce our enormous federal debt. I believe we have an unprecedented opportunity before us. We’ve been making tough decisions—living within our means, so to speak.

We have a surplus that’s bigger than we thought it would be and a chance to save Social Security for future generations, protect for Medicare and help older people afford prescription drugs. So, now we have a shot at reducing our nation’s debt, which in turn will lower interest rates and put more money back in the pockets of more Americans.

Using a major portion of any surplus accumulated in these times of prosperity to improve the financial integrity of the federal government. Reducing the national debt is a smart long-term strategy for the U.S. economy and it must be our priority in this bill.

Reducing our national debt will provide a tax cut for millions of Americans because it will restrain interest rates, saving them money on variable-rate mortgages, new mortgages, auto loans, credit card payments, etc. Each percentage point decrease in interest rates would save American families hundreds of dollars every year.

By reducing the national debt we will protect future generations from increasing tax burdens. Currently, more than 25 percent of individual income taxes go to paying interest on our national debt. Every dollar of lower debt saves more than one dollar for future generations, a savings that can be used for tax cuts, or for covering the baby boomers retirement without tax increases.

Reducing the national debt will also make it easier for the government to deal with the future costs of Social Security and Medicare and repay the Social Security trust fund when the Social Security system faces annual shortfalls.

In addition, reducing the national debt will reduce our reliance on foreign investors. More than $1.2 trillion of the national debt—roughly one third of the publicly held debt—is held by foreign investors. In 1986, the U.S. government paid $91 billion in interest payments to foreign investors. It was not the American way to live beyond one’s means. Our parents taught us to work hard so that we can pay our bills, clothe our children and save for the future.

Accumulating debt and simply letting it grow and grow is not—and should not be—an option for most families around this country. It should no longer be the practice of this government.

Federal Reserve Board Chairman Alan Greenspan has repeatedly advised Congress that the most important action we could take to maintain a strong and growing economy is to pay down the national debt. I, for one, believe he is on the right track.

Clarifying our intent to prioritize debt reduction is the right thing to do.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, July 29, 1999, the federal debt stood at $5,640,577,276,840.14 (Five trillion, six hundred forty billion, five hundred seventy-seven million, two hundred seventy-six thousand, eight hundred forty dollars and fourteen cents) during the past 25 years.

Five years ago, July 29, 1994, the Federal debt stood at $4,636,362,000,000 (Four trillion, six hundred thirty-six billion, three hundred sixty-two million).

Twenty-five years ago, July 29, 1974, the Federal debt stood at $476,135,000,000 (Four hundred seventy-six billion, one hundred thirty-five million) which reflects a debt increase of more than $5 trillion—$5,164,422,276,840.14 (Five trillion, one hundred sixty-four billion, four hundred twenty-two million, two hundred seventy-six thousand, eight hundred forty dollars and fourteen cents) during the past 25 years.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, July 30, 1999, the Federal debt stood at $5,638,665,711,931.60 (Five trillion, six hundred thirty-eight billion, six hundred thirty-five million, seven hundred eleven thousand, nine hundred thirty-one dollars and sixty cents).

One year ago, July 30, 1998, the Federal debt stood at $5,544,483,000,000 (Five trillion, five hundred forty-three billion, four hundred eighty-three million).

Fifteen years ago, July 30, 1984, the Federal debt stood at $1,535,192,000,000 (One trillion, five hundred thirty-five billion, one hundred ninety-two million).

Twenty-five years ago, July 30, 1974, the Federal debt stood at $475,337,000,000 (Four hundred seventy-five billion, three hundred thirty-seven million) which reflects a debt increase of more than $5 trillion—$5,163,318,711,931.60 (Five trillion, one hundred sixty-three billion, three hundred eighteen million, seven hundred eleven thousand, nine hundred thirty-one dollars and sixty cents) during the past 25 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of this secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate the following messages:

REPORT ON THE UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND—MESSAGE FROM THE PRESIDENT—PM 54

The PRESIDING OFFICER laid before the Senate the following message

CONGRESSIONAL RECORD—SENATE 19015