The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, all that we have and are is the result of Your goodness. We dedicate this day to counting our blessings and naming them one by one all through the hours of this day. We praise You for the gift of life. You have given us intellect to know You, emotions to praise You, and determination to do Your will. You have blessed us with loved ones, families, and friends. And what a privilege it is to live in this free land of opportunity. Today, help us recount the privileges that we have as citizens and leaders of this Nation.

Father, we also want to praise You for the courage and the strength You provide to face the challenges You give us as individuals and as a Senate. Thank You for problems that define the next steps of what You want us to do. You have shown us that problems are only the flip side of undiscovered answer. Our problems give us an opportunity to discover Your power.

With everything within us, we praise, thank, and glorify You, our God, Savior, Lord, Provider, and Friend. Amen.

PLEDGE OF ALLEGIANCE

The Honorable GEORGE VOINOVICH, a Senator from the State of Ohio, led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Nebraska, Mr. HAGEL, is recognized.

SCHEDULE

Mr. HAGEL. Mr. President, on behalf of the leader I wish to announce that today the Senate will be in a period of morning business until 10:30 a.m. Following morning business, the Senate will resume consideration of the pending disaster relief amendment to the Agriculture Appropriations Act. It is hoped that the Senate will be able to dispose of those amendments today at a reasonable hour. As a reminder, the Senate will recess today from 12:30 to 2:15 so that the weekly party conferences can meet. As a further reminder, a cloture motion on the dairy compact amendment was filed on Monday. Therefore, under the provisions of rule XXII, that cloture vote will take place 1 hour after the Senate convenes tomorrow, unless an agreement is made by the two leaders.

Prior to the August recess, it is the intention of the leader to complete action on the Agriculture appropriations bill, the Interior appropriations bill, and it is also hoped that the conference report to the tax reconciliation bill will be available for consideration.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to exceed beyond the hour of 10:30 a.m. Senators are permitted to speak therein for up to 5 minutes each.

Under the previous order, the Senator from Nebraska or his designee is recognized to speak for up to 30 minutes.

Mr. HAGEL. Mr. President, I yield such time as I may require.

AGRICULTURE APPROPRIATIONS

Mr. HAGEL. Mr. President, over the weekend in Nebraska, I met with a number of agricultural producers about the current prices in American agriculture. Over the last 3 weeks, my staff and I have spoken to over 100 agricultural producers in the State of Nebraska—hog producers, cattle producers, grain producers; and then the second rim, the outer rim representing the agricultural community—bankers, implement dealers, automobile dealers. All had a consistent theme as to what we must do to direct our attention and our effort to dealing with this crisis in America.

As we begin debate today on the fiscal year 2000 Agriculture appropriations bill and on the emergency appropriation for agriculture, we should keep in mind some important dynamics about American agriculture. Leaders of both parties in the Senate committed last week to including in the fiscal year 2000 Agriculture appropriations bill an emergency funding measure to provide the short-term assistance needed for our agricultural producers, and that assistance should include increasing the market transition payments—I am confident we will see legislation to do that—lifting the caps on loan deficiency payments, and additional funding for crop insurance. I know that part of Freedom to Farm in 1996 was the commitment to America's agricultural producers to, in fact, reform crop insurance. We are on our way in that area, but we have not yet arrived at that reform.

Crop insurance is a very key dynamic to the future of American agriculture. The emergency appropriations bill should include relief for livestock producers, and I am confident we will see that in both of the bills that will be presented today, plus other emergency measures.

As we address this immediate crisis, we must continue to work on the long-term priorities. The perspective is clear. We have an immediate problem, and we will address that immediate problem. But let us not lose sight of the long-term priorities for American agriculture.

To do that, we must focus on the demand side of the equation. When I talk about the demand side of the equation, I am talking about trade. I am talking about trade policies that encourage market development and the opening of new markets for our producers. We must continue to work for trade and sanctions reform—another critical component of the 1996 farm bill. I regret to say that Congress and the President have not done a very good job in the area of trade and sanctions reform. We are working on it, but we are a long way from being where we should be.

For example, it is estimated that current unilateral sanctions cost the U.S. economy more than $20 billion each year. Who do we penalize? Who do we hurt? We hurt ourselves. We must stop using agricultural policy as a foreign policy weapon. Instead, we must extend a strong message to our customers and competitors around the world that U.S. agricultural producers are consistent and reliable suppliers of quality and plentiful agricultural products.

We need fast track authority for the President in order to reach trade agreements that will open more markets to our agricultural goods and allow our producers to compete on a level playing field.

Today we stand in a situation that is unprecedented in the last 25 years. This President of the United States has been without fast track negotiating authority since 1994. Obviously, there has
been a lack of focus on priority on this issue. Every day the President does not have the authority to negotiate trade treaties, even though the European Union is doing it; the South American trade organization Mercosur is doing it; others are doing it. We are not. Do we not understand that we will pay a very significant price, a high price, for being moved out of those markets because we have not placed trade as a high priority? Fast track authority is certainly a very clear example.

We must work to break down protectionist barriers in the next round of the World Trade Organization negotiations being held this fall in Seattle and strongly oppose the European Union’s delay on lifting the ban on hormone-enhanced beef.

We must also work with China to encourage its entrance into the WTO. Do we really not understand that it is surely in the best interests of America, stability in the world, and new markets for all American products to have China in the World Trade Organization, not cutting corners but complying with all the necessary criteria to be a member of the WTO? It is in our best interests to continue to bring China into responsible organizations where China has more responsibility and accountability and opens a market of 1.3 billion people. We need more focus in that effort.

The President must make trade a top priority. He must make trade a top priority and then lead. It is not good enough to say our trade ambassador will negotiate. The President sets the agenda; the President sets the priority.

We must fulfill our commitment to American agriculture for tax and regulatory reform. Our national tax policy should encourage long-term investment in production agriculture that helps our current producers stay in business.

We must reduce Government regulations and cut taxes. There are a number of things we can do, that we promised we would do in 1996:

- Eliminate the estate tax. Our family farmers should not have to sell the family farm to pay taxes in order to keep the farm going. That cuts right to the core for our future and for the next generation of farmers.
- Provide capital gains tax relief on the sale of the farmland by our producers, expanding on the exclusion given to homeowners in 1997. Eventuall, the Chair of the Federal Reserve Board, Alan Greenspan, affirmed his view on that before the Senate Banking Committee;
- Create tax-deferred farm and ranch risk management accounts to help ease fluctuations in income, thereby giving our producers another management tool.
- Ensure that farmers and ranchers receive the full benefits of the permanent income-averaging provisions and not lose them because of the alternative minimum tax.
- Obviously, we must eliminate the marriage penalty and provide 100 percent deductibility for health insurance premiums.
- These are real; these connect; they are relevant. They will help American agriculture; they will help our country.
- We must ease the regulatory burdens on our agricultural producers. The USDA, the EPA, and other regulatory agencies hit farmers with dozens of different and informal rules. To provide the land, they tie up their time, they tie up their capital, and reduce their efficiency and reduce their profits. To what end? What is the cost-benefit ratio?
- Let’s take a real-life example. Two of our biggest competitors, Brazil and Argentina, have been gaining in their share of the world’s commodity trade, especially in corn and wheat. The Brazilians and the Argentines are able to make a profit on these crops at prices lower than production costs in the United States.
- Why? There are many reasons we can measure. I will state a couple. The Brazilians and Argentines pay much lower taxes than our American agricultural producers pay. Second, they have fewer Government regulations to contend with. Their Government does not place added burdens on them, not only as producers but as marketers. Their Government actually helps. Their Government doesn’t hurt and doesn’t get in the way. We need to do the same thing.
- In 1996, we got the Federal Government out of the farmers’ fields. Now we need to get the Federal Government off the farmers’ backs.
- In the short term, we must swiftly conclude action on an agricultural appropriations bill that will provide emergency relief to our commodity and our livestock producers. Over the long term, it is good public policy, domestically and internationally, to provide for abundant and inexpensive food. We can support that policy by adopting prudent Government policies, Government policies such as trade policies that encourage market development, policies which create international financial stability.
- Here is a very clear example of how the globe connects, how all 6 billion people in the world connect. Stability is the base from which we work to help develop emerging democracies, market economies, opening new opportunities and new markets. All of our policies are connected—national defense, foreign policy, trade policy—and "ground" all of our other policies with an anchor of stability so that the people of the world will have the hope that the United States will be a center of stability and a better life. It gives all people of the world an opportunity to build bridges to each other.

We need tax policies which encourage long-term investments in production agriculture to help sustain our current producers. These are the most important ways we can help our farmers and our consumers, our taxpayers, and our international trade partners.

In the short term, we need to share the risks—yes, share the risks—that from time to time will adversely impact farming, such as has been the case for the last 2 years. We cannot sustain a long-term policy of providing abundant and inexpensive food without occasionally producing more than the market will absorb in the short term. We cannot control the weather or international markets. We need to factor in those realities of farming and not act shocked every time this happens.

Most agricultural producers I have spoken to, not just in the last month but in the last 4 years, 5 years, 10 years, do not believe that the United States should retreat to the 1980 set-aside, higher price support policies which they believe only produced and deepened problems of the 1980s and certainly would extend and deepen the current crisis, I agree.

To support production agriculture and sustain the producer base which has contributed so much to our economic stability and prosperity, we need to provide short-term support to our agricultural producers now.

Congress needs to pass a realistic and a responsible emergency agriculture bill. The Congress must act this week.

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

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

THE REGULATORY OPENNESS AND FAIRNESS ACT

Mr. HAGEL. Mr. President, last week, 20 of my colleagues of both parties joined me in introducing the Regulatory Openness and Fairness Act, a bill to amend the Food Quality Protection Act to ensure that the EPA used sound science in its evaluation of pesticide uses. This legislation is particularly relevant given yesterday’s announcement by the EPA that they will ban two important pesticides.

Let me begin by saying that a safe food supply is, of course, in everyone’s