This farmer was losing twice. First, he would make no profit on the cattle he would raise. Second, he could no longer afford to keep his herd. It was time to completely liquidate the herd. As the farmer unloaded his animals at the market, there were tears in his eyes.

It was too late for this farmer, and if we do not act quickly to get an emergency assistance package passed, it will be too late for many, many more family farmers throughout the land.

During our visit to West Virginia, Secretary Glickman declared all fifty-five West Virginia counties a federally designated disaster area. West Virginia is not alone, and my provision will help. If it is accepted, if it is adopted, will help cattle farmers in Virginia, Maryland, Pennsylvania, and any other region that receives a natural disaster declaration for excessive heat and drought.

During this visit with the Secretary, more than twenty farmers and their wives, gathered inside a barn on Mr. Terry Dunn’s property in Jefferson County to share their personal stories about how the drought is impacting them and what kind of help they need. The overwhelming consensus was that programs that were designed to work at a time when our agriculture markets were strong, are not going to be enough to keep a new generation on the family farm.

In spite of all types of adversity, family farmers have had the ingenuity to keep their farms working for generations. Surely they can be trusted to wisely use direct federal payments, and with this same time-tested ingenuity, keep their farms running. Farmers in West Virginia have wisely diversified their crops. In ordinary years, many farmers grow enough different kinds of crops to be able to feed their animals, their families, and still take produce to market for a good portion of the summer. But, the extraordinary times of this drought require that we act now to help West Virginia’s farmers and other farmers in the non “farm states” who are currently experiencing difficulties as the result of extreme weather conditions.

According to government statistics, West Virginia is experiencing some of the most severe water shortages in the nation. Crop losses in one county alone, Jefferson County, were estimated two weeks ago to be almost $8.7 million and they are above that now. In the Potomac Headwaters region of the state, conditions are much worse. Total damages in the state for crop losses are more than $100 million. This figure does not even include the value of grazing pasture lost and winter feed eaten during the summer, or losses incurred by selling livestock early, due to extreme weather conditions.

Almost fifty percent of West Virginia’s cropland is pasture, forty-six percent is harvested, and the remaining four percent is idle. The hay and corn that usually feed the cattle herds are gone. The ponds are shallow and foul, the springs are dried up, and the wells are dry.

Although West Virginia farmers are willing to work day and night to keep up with the backbreaking work of farming, no amount of work will re-stock the dwindling stores of grain that are now being used to keep animals alive at the height of the summer growing season, when pastureland should be more than enough to satiate an animal’s hunger. No amount of sweat can restore vigor to stunted crops that have gone too long without a soaking downpour of rain reaching the deepest roots. There is little that these farmers can do to fill their wells or farm ponds with water.

I traveled to see the damage that the drought in West Virginia is causing for farmers. I heard the stories they told. I saw for myself the impact this drought is having, and I saw on those tired, drawn faces the impact this drought is having on the bodies, the minds, and the souls of men and women who earn their bread by the sweat of their brow, in accordance with the edict that was issued by the Creator Himself when He drove Adam and Eve from the Garden of Eden.

We visited a corn field on Terry Dunn’s farm. The reddish soil was dust at my feet. The corn stalks that should have grown beyond my head by this time of the season were barely knee high.

I wanted to see what kind of ears these stunted stalks were producing. The ear of corn that I reached down and selected snapped too easily from the stalk. This not yet shucked ear of corn was barely bigger than two rolls of quarters. I saw the conditions of the cattle and pastureland in West Virginia. I saw the dry, cracked fields; I saw the stunted corn stalks; and I heard the stories of farmers. It all amounts to a heart-breaking picture.

I urge my colleagues to help all cattle farmers in areas declared as Federal disaster areas as a result of excessive heat or drought, and to support my provision in their behalf. My amendment will ensure direct relief to the cattle farmers in the Northeast affected by this natural disaster. It will serve to bolster other important aid for fruit and crop losses.

The sweltering temperatures have taken their toll on farmers in the Mid-Atlantic region. Let us not turn the further heat on the small family farmer in his or her hour of need.

My amendment is a part of the Daschle-Harkin bill. I thank all Senators for listening.

I yield the floor.
have a Republican proposal and a Democrat proposal and we are talking past each other. I am hoping sometime before the forum goes over today and we have a final document to vote on, that we are able to get together in a Republican and Democrat way and have a bipartisan solution, at least for the essential aspects of the debate today, which is to have an infusion of income into agriculture considering that we have the lowest prices we have had in a quarter century.

I think there are two stumbling blocks to this. I think on the Democrat side the stumbling block to bipartisanship cooperation is a belief among some of those Members that some of the money should find its way to the farmers through changes in the LDP programs as opposed to the transition payments. On our side, the stumbling block seems to be that we are locked into no more than $7 billion to be spent on the agricultural program.

So I hope somewhere along the line we can get a compromise on this side and a compromise on that side of those two points of contention. Hopefully, we on this side could see the ability to go some over $7 billion—and that the Democrats would see an opportunity to use the most efficient way of getting all the money into the farmer's pocket through the AMTA payments.

The reason for doing it that way is because we do have a crisis. The best way to respond to that crisis is through that mechanism because within 10 days after the President signs the bill, the help that we seek to give farmers can be out there, as opposed to a convoluted way of doing it through the LDP payment.

I do not know why we could not get a compromise with 10,000 acres and 350 as a corn, soybean, or livestock farmer in Wyoming or 2,000 or 3,000 acres as a wheat farmer in Kansas or 350 as a corn, soybean, or livestock operation in my State of Iowa, still is one job or maybe two jobs being created with all that capital investment.

Let me tell you, it takes a tremendous amount of capital—both machinery as well as land—to create one job in agriculture compared to a factory, and many times more than for a service job. So those are the family farmers I am talking about whom I want to protect.

Earlier in this debate there was some hinting about the problems of the farmers being related directly to the situation with the 1996 farm bill. I am not going to ever say that a farm bill is perfectly written and should never be looked at, but I think when you have a 7-year program, to make a judgment after 3½ years that it ought to be changed, then what was the point in having a 7-year program in the first place?

It was that we wanted to bring some certainty for the family farmer without politics meddling in their business. A 7-year program was better than a 4- or 5- or 6-year program. So we wanted to bring some certainty to agriculture. Obviously, a 7-year program does that more than a shorter program. So a family farm manager would not have to always be wondering, as he was making decisions for the long term: Well, is Washington going to mess this up for me as so many times decisions made by bureaucrats in Washington have the ability to do?

So I am saying some people here are hinting at the 1996 farm bill being that way. Others of us are saying that the trade situation is the problem because farmers have to sell about a third of their product in export if they are going to have a financially profitable situation.

I want to quote from Wallaces Farmer, January 1998, in which there were tremendous prospects, even just 18 months before, the Southeast Asia financial crisis was fully known, for opportunities for exports to Southeast Asia. That situation for the farmer was made worse, or exacerbated, by the problems in Latin America. So I want to quote, then, a short statement by a person by the name of John Otte: "World financial worries rock grains."

"Expanding world demand, particularly in Asia, is the cornerstone of the case for continued strength in corn, wheat and soybean prices," points out Darrel Good, University of Illinois economist.

Quoting further from the article:

Asian customers bought 57% of our 1995–96 corn exports, 66% of our 1996–97 corn exports and almost 50% of our wheat exports in both years. They [meaning Asian markets] are important markets. No wonder Asian currency and stock market problems bring grain market jitters.

"Signs of stability in Asian financial markets today, because he things almost always work out very much better than the clearest doomsayers predict, August 3, 1999.
So for my colleagues, particularly those on the other side of the aisle who wash away concerned and want to talk about the disastrous situation we are in right now, I do not want to find fault with their bringing to the attention of our colleagues the seriousness of that problem. But they should not leave the impression that there is no hope because this is America. We have gone through tough times before. All you have to do is remember 1985 and 1986 in agriculture and the 1930s in agriculture. Yet the American family farm that was threatened then is still in existence today. Today that is 500 acres nationwide—was a smaller operation, but remember, it was still run by the family farmer, the family making the management decisions, the family controlling the capital, and the family doing the labor.

Please remember that, even the most cleverest of doomsayers here today: Don’t give up on America. Don’t give up on our agriculture. Don’t give up on the family farmer. We are in a partnership during the period of time of this farm bill. We have to meet our obligations, and that is what this debate is about. But this debate ought to be about hope for the family farmer as well.

I rise in support of our family farmers. Agriculture producers are in desperate need of immediate assistance. We need to find the best options available in these trying times. The Democrat proposal attempts to address the problems confronting our family farmers but, I think, falls short of our most important goal, which is providing assistance as quickly as possible.

I realize this disaster affects farmers all across the Nation, but at this moment I am most concerned about my friends and neighbors back home. I am concerned that the Democrat alternative to the LDP payments, will delay the efficiency of delivering the payment, unlike the transition payment which is more efficient.

The Democratic alternative offers provisions that would have a long-term effect upon agriculture. I don’t want anyone to misunderstand me on that point. There are many things we can do to improve the agricultural economy, but the task before us today is to develop and pass a short-term relief package that we can get out to those in need as quickly as possible.

According to the Farm Service Agency’s estimate, the transition payments provided to corn growers this year will pay out at a rate of $36 cents per bushel. The supplemental transition payment Republicans are offering will equal an additional 36-cent increase on every bushel of corn produced this year. That is 76 cents in assistance for Iowa family farmers, before you figure in any income through the loan deficiency payment.

As a Senator from my State of Iowa, I believe it is also particularly important to include language providing relief for soybean growers who are not eligible for the transition payments. That is why our proposal also contains $757 million in direct payments to soybean and other oilseed producers. I am proud to say that Iowa is No. 1 in the Nation in the production of soybeans, but our growers have been hard hit by devastatingly low prices. Prices for soybeans are the lowest they have been in nearly a quarter of a century, down from the $7-a-bushel range just a couple of years ago to less than $4 today, which is way, way below the cost of production. That is why I and other Senators representing soybean-producing States wanted to make sure that soybean growers were not left out of any relief.

Finally, the Democrat proposal falls short in another very important area. I think it undermines our U.S. negotiating objectives in the new multilateral trade negotiations that the United States has launched for the year. It will sharply weaken, and perhaps destroy, our country’s efforts to limit the enormously expensive European Union production subsidies that make it impossible for our farmers to sell to the 540 million European consumers.

I will say a brief word on that point. First, the United States just presented four papers to the World Trade Organization in Geneva outlining U.S. objectives for the new agriculture negotiations starting this fall. The first of these papers deals with domestic support. It states that the United States negotiating objective with regard to domestic support is a negotiation that results in “substantial reductions in trade-distorting support and stronger rules that ensure all production-related support is subject to discipline.”

Production-related payments are by definition trade distortions. They are exactly the kind of payments that we want the European Union to get rid of. I don’t know how we can enter into tough negotiations with Europeans, with their production payments our No. 1 negotiating target, while we boost our production-related payments at the same time, which is what is done with the money under the Democrat proposal. This would undermine our negotiators and give the Europeans plenty of reason to hang tough and to not give an inch.

My second point is closely related to the first. We will measure success at the new world trade talks based on how well we do at creating an open global trading system. The European Union’s common agricultural policy nearly torpedoed world trade negotiations as recently as the later 1990s. We said it was reforming its common agriculture policy, but farm handouts this year in the European Union will reach $47 billion, nearly half of the entire European Union budget. Moreover, the largely production-based European Union subsidies still help those who need help the least. Today, a significant portion of the European Union’s richest farmers receive 80 percent of the common agriculture policy handout.

World farming is sliding deeper into recession with prices of some commodities at historic lows. Now is not the time to give up on pressing the European Union hard to truly reform this vastly wasteful subsidy program in their continent. But that is exactly what we would end up doing if we go down the same road of tying part of these payments to production, as the Democrat alternative would do.

There are many enemies of agriculture market reform in the European Union who are just looking for any criticism at historic lows. Now is not the time to give up on pressing the European Union hard to truly reform this vastly wasteful subsidy program in their continent. But that is exactly what we would end up doing if we go down the same road of tying part of these payments to production, as the Democrat alternative would do.

We should not hand the European Union an excuse to back away from real reform that opens the European Union’s huge agricultural markets to American farmers.

The proposal that we pass today should be the fastest and most efficient option available to help our family farmers. The most important thing we can do today is to work towards providing emergency revenue relief to our farmers as quickly as possible.

It is for that reason I urge my colleagues to vote for our Republican alternative, to provide ample and immediate relief for hard-hit farmers, assuming we are not able to work out some sort of bipartisan agreement between now and that final vote.

I only ask, in closing, for people on the other side of the aisle who are criticizing the 1996 farm bill to remember that what we call the 1996 farm bill relates mostly to agricultural programs and totally to the subject of agriculture. We need to look beyond that basic legislation and realize there were a lot of things promised in connection with that farm bill through public policy that we have not given the American farmer, which makes it difficult to say we have fully given the American farmer—the family farmer—the tools he or she needs to manage their operation in the way they should.

Yes, we have given them the flexibility to plant what they want to plant without waiting for some Washington bureaucrat to do that. We have given them the certainty of a certain transition payment every year, from 1996 through the year 2002. We have told them, with the 7-year farm program, that they have 7 years where we are
going to have some certainty, political certainty, in Washington of what our policies are. But we also promised them income averaging.

We have not made the maximum use of the Export Enhancement Program so that we have a level playing field for our farmers. We have not given the President fast track trading authority so that in the negotiations that have been reached around the world among other countries we could have been at the table, and haven't been at the table, and that there is no President of the United States looking out for U.S. interests in those negotiations; and for the sake of the American farmer, we should be at some of those tables—at least those tables where agriculture is being talked about.

We have not given the farmer the regularity of income that has been promised. And from the standpoint of taxes, we haven't given the farmer the opportunity, through the farmers savings account, to level out the peaks and valleys of his income by being able to retain 20 percent of his income in tax in a low-income year, so that he is not paying high taxes one year and no taxes another year. We haven't given him the ability to do income averaging without running into the alternative minimum tax. We haven't reduced the capital gains tax enough. And we still have the death tax, the estate tax, which makes a lot of family farmers who want to keep the farm in the family sometimes have to sell the farm to pay the inheritance tax, instead of keeping the family farm and passing it down from one generation to another. Sometimes, if they can't afford to do that, they either make their operation so inefficient that they close down business or else they have a terrific tax burden on the farm.

So here we have an opportunity to—in the spirit of the 1996 farm bill, when we told the farmers of America we were going to have a smooth transition over the next 7 years, we said to them we are going to set aside $43 billion for each of those next 7 years—not for each, but cumulative for those 7 years. This year, it is $5.6 billion. Well, we look back now, and in 1996 we did not anticipate the dramatic drop-off in exports because we could not have predicted the Southeast Asian financial crisis and the contagion that caught on in Latin America. So we are going back now, unapologetically, on keeping a promise to the family farmers that we are going to keep this smooth transition work of them, and that is what the amount of money we are talking about here on the floor is all about.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota.

Mr. DORGAN. Mr. President, I have waited some while to be able to speak on these disaster bills and on this general issue. I am very pleased to have the opportunity for my colleague from New York who asked if I would yield for a minute for a question. I am happy to do that.

Mr. SCHUMER. First, I thank the Senator from North Dakota and Senators HARKIN and DASCHLE for the farm aid amendment, and for their hard work. This measure will help farmers across the country, including the farmers of New York State, who were hard hit by drought and last year's storms.

We are in the midst of the worst drought since the Dust Bowl in my State. There is not a penny of relief for farmers with drought assistance. This drought is affecting farmers throughout the Eastern United States. When I meet with farmers in New York who tell me they are facing unprecedented losses, they are now pointing to letting fields go idle to conserve water, or other fields. We can't do anything about the rain, but the Democratic amendment would increase section 32 funding to give farmers some relief from the devastation on the farm and would double the funds for the disaster relief fund—something that would help New York's apple and onion farmers who faced tens of millions in losses last year.

In urging my colleagues to support the Democratic amendment, I simply ask the Senator from North Dakota, am I correct in assuming that the Democratic amendment does have this kind of drought relief, which is not in the other bill?

Mr. DORGAN. The Senator from New York is correct. That is one of the distinctions between these two pieces of legislation. As the drought spreads across the eastern seaboard and other parts of the country and begins to devastate producers there, there needs to be some additional help for these farms. We have two pieces of legislation proposed today, one of which has no disaster relief at all, even in the face of this increasingly difficult drought.

So the Senator from New York, speaking on behalf of producers who are hard-hit in New York, is certainly accurate to say that the amendment we have offered provides drought relief and the alternative does not.

Mr. SCHUMER. I thank the Senator for his patience.

Mr. DORGAN. Mr. President, this is not about Republicans and Democrats. I start by saying to my colleague from Iowa that I hope, whatever comes from all of this debate, at the end of the time we can, as Republicans and Democrats, find a way to provide appropriate relief to people who are hurting. There is not a Republican or Democratic way to go broke on the farm family. The destruction of hopes and dreams on the farm is something that is tragic and something to which we need to respond.

This is not of the family farmers' making. They didn't cause prices to collapse or the Asian economies to have difficulty, and they didn't cause a wet cycle or crop disease. It is not their fault. We must help; we should respond. But it is appropriate, I think, for there to be differences in the way we respond. There is a philosophical difference in the way we respond. Also, there has been a difference in the aggressiveness and interest in responding. I know that if this kind of economic trouble were occurring on Wall Street or in the area of corporate profits, we would have a legislative ambulance, with its sirens, going full speed in trying to find a solution. It has not been quite so easy because it is family farmers.

Darrel Sudzback is an auctioneer from Minot, ND. Blake Nicholson, an Associated Press writer, wrote a piece the other day. He said:

Darrel Sudzback likens farm sales to funerals. He said, "If you don't know the deceased, you are not likely to go. But more often than not these days, auctioneers must help a friend or a neighbor sell off a lifetime of hard work. Marvin Hoffman says, "It just hurts me to do this. When they hurt, I hurt." With many families [Mr. Nicholson wrote] sliding deeper into an economic nightmare, the number of farm sales in North Dakota continues to rise. It used to be," one auctioneer said, "that a farm auction was kind of like a social event, a joyful event when somebody was retiring." Julian Hagen said that he conducted auction sales for 43 years, but he said, "Now there is a different atmosphere at auction sales. If people know a man is forced out, that is not a good feeling. It is tough to deal with when you have known a family for quite a few years, and now they have to give up a career or property they have had in the family for generations. I try to stay as upbeat as I can. Bankers in north-central North Dakota say that area has been hit by 5 years of severe drought and diseased many farmers have been forced off the land.

People need to think of this problem in terms of not only lost income, but assume you are on a farm and you have a tractor; you have some land; you have a family; you have hopes and dreams. You put a crop in the ground and see that this is what has happened to your income—to your price.

Then on top of that, add not only collapsed prices, but add the worst crop disease in this century—the worst in a century in North Dakota. On top of that, add a wet spring so that 3.2 million acres of land could not be planted. It was left idle. Add all of those things together, and you have a catastrophe for families out there struggling to make a living.

Will Rogers was always trying to be funny. He used to talk about the differences between Republicans and Democrats. He said on April 6, 1930, "Even the Lord couldn't stand to wait for the Republicans forever."

He was talking about the farm program.
There is a difference, it seems to me. There is a difference between Republicans and Democrats in how we construct a solution to the disaster and the crisis, and how we feel the underlying farm bill should be changed. Will Rogers also said, "If farmers could harvest the political promises made to them, they would be sitting pretty.

I want to talk a bit about those political promises—the political promises given farmers early on to say that we want to get rid of the farm program as we know it in this country, get rid of the safety net as we know it, and create something called "transition payments" under the Freedom to Farm bill.

I mentioned yesterday that the title was interesting to me. Sometimes titles can change the whole thought of a proposal. Early on when people began to sell insurance in this country, they called it death insurance. You know, death insurance didn't sell too well. So they decided that they had better rename it. So they renamed it life insurance, and it started selling. It was a better name. It is a product that most Americans need and use.

It is interesting. What is in a name. The name for the farm bill a few years ago was Freedom to Farm. We passed a Freedom to Farm bill. The wheat price slump on this chart may be unconnected, or maybe not to Freedom to Farm.

Here are the wheat prices before—Freedom to Farm—and wheat prices since. Chance? Happenstance? Maybe. Maybe not. Maybe we face a circumstance in this country where the underlying farm bill was never aligned to work and allowed for collapsed prices. Maybe that is the fact.

I want to begin with a bit of history. About 40 years ago, a biologist by the name of Rachel Carson wrote a book that in many ways changed our country. It was called "The Silent Spring." The book documented how the products of America's industrial production were seeping into our country's food chain. The modern environmental movement was also from Rachel Carson's book, "The Silent Spring."

Today we face another "silent spring" in this country. Like the first, it is of a human making. But it is not about birds, and it is not about fish. It involves our country's independent family farmers and producers. It involves our social habitat—the farm communities of which family farmers are the base.

We know that family farmers are hurting. In fact, many would consider it an extraordinary year if they had any opportunity at all to meet their cost of production. I know of cases that break my heart—people who have fought for decades, and now are losing everything they have. What is worse is that some opinion leaders are starting to throw in the towel. They say, well, maybe family farming is a relic of the past. Maybe it is not of value to our country anymore. Maybe it is time to do something else.

I don't buy that at all. I think one thing we can say about the future is that people will be eating. The world's population is growing rapidly. Every month in this world we add another New York City in population. Every single month, another New York City in population is added to our globe. We know there is no more farmland being created on this Earth. It doesn't take a genius to put those two together.

Mr. SARBANES. Will the Senator yield?

Mr. DORGAN. I am happy to yield.

Mr. SARBANES. I want to underscore the point the distinguished Senator from North Dakota is making.

Yesterday, I had the opportunity to go with Secretary Glickman and Governor Glendening to visit one of the farms that has been affected by the drought in our State. It is devastating to see. Of course, it is a compound of two things—commodity prices which the Senator is demonstrating with his charts—this is not only wheat but the same thing applies to other basic commodities as well—and the drought, which is crippling certain parts of the country.

We talked to this farmer who has been farming ever since he was a young boy. His father was a farmer. His grandfather was a farmer. He doesn't know whether he will be in farming next year because of what has hit him—the combination of the low commodity prices and the drought which is now desperately affecting our country.

He is not alone. Farmers across Maryland, and indeed farmers throughout the United States, are finding themselves facing similar circumstances. Nearly one fourth of Maryland's corn crop is in poor to very poor condition. Likewise, 55 percent of pastures and hay fields are in poor or very poor condition. Milk production has decreased because of the high temperatures. And because pastures and field crops are in such bad shape, cattle and dairy farmers are now faced with a dilemma, whether or not to sell their livestock or begin feeding them hay which should be utilized for the winter.

Maryland has suffered extensive drought damage for three consecutive years. However the drought this year is probably between 70 and 80 percent.

Yesterday, the United States Geological Survey reported that we may be in the midst of what could become the worst drought of the 20th century. Rainfall throughout Maryland is currently between 70 and 80 percent below normal. Throughout Maryland, counties are reporting losses as high as 100 percent for certain crops. Most alarmingly, there is no end in sight.

But the crisis affecting agriculture is about more than the drought. The dramatic drop in commodity prices, since the passage of the Farm Security Act, has had its affect on farmers throughout the country and the State of Maryland. The poultry industry, which is Maryland's largest agricultural producer, has witnessed a 45 percent decrease in income, for farmers is bleak and many are losing their businesses.

Mr. President, Maryland depends on agriculture. Agriculture is Maryland's largest industry contributing more than $11 billion annually to our economy. More than 350,000 Marylanders—some 14 percent of our State's workforce—are employed in all aspects of agriculture from farm production of wholesaling and retailing. Forty percent of Maryland's income is dependent on agriculture—more than 2 million acres. So when our family farmers and the farm economy start hurting—everyone suffers.

Our farmers are in trouble and they deserve our assistance. This measure provides that assistance in the form of direct payments and low interest loans. It gives nearly $11 billion in emergency assistance to farmers and ranchers who have been affected by natural disaster and economic crisis. $6 billion of that amount will deliver income assistance to farmers hit hard by the economic disaster. And more than $2.6 billion will be used to address natural disasters such as the drought. Within the disaster funds, nearly $300 million in section 32 and disaster reserve funds has been included to specifically address the Mid-Atlantic drought.

Mr. President, the need for this amendment is real. Until we are able to reform the Freedom to Farm Act or to provide some other mechanism, the farm economy will continue to suffer and no economic growth will be possible. We must be committed to the preservation of the farm industry throughout the State of Maryland and the United States.

In my judgment, it is imperative that we pass this legislation.

I very much appreciate the Senator from North Dakota yielding. I want to underscore the crisis nature of the situation to which he is referring.

I want to acknowledge the consistent and effective leadership which he has exercised on many of these issues. He and others of us expressed concerns and questions at the time the 1996 act was passed. Much of that now seems to have come around to hit us—compounded, of course, by these serious weather circumstances which exist not in all parts of the country but in certain parts of the country.

I thank the Senator for yielding.

Mr. DORGAN. I thank the Senator from Maryland. He is talking about a drought which is devastating part of our country even as collapsed prices have been devastating wheat farmers and the grain farmers in my part of the country.
I want to respond to some things that were said earlier today that somehow we are not as efficient as we need to be as family farmers. We are facing a plague of deliberate public policies—yes, established here in Washington—that undermine their economic interest. They face trade agreements designed for the convenience of food processors rather than food producers. They face a “see-no-evil”—or “don’t ask and don’t tell”—agreement that has left family farmers selling into controlled markets that dictate the terms to them. On top of that, they face a 1996 farm bill that fundamentally doesn’t and can’t work.

There is a larger issue than dollars and cents; namely, the kind of country we are going to be.

It is not fashionable to raise all of these issues. We are supposed to keep our mouths shut and cash in on the stock market which has done quite well. But the Founding Fathers didn’t create this country primarily to be an engine of stock market riches or rising gross domestic product. They created this country to promote a way of life based on freedom and democracy and independent producers in contrast to the aristocracy they left behind in Europe.

The concept of independence and freedom was rooted in the land, and they could not conceive of these things being separate.

Wendell Berry, a farmer, testified recently in Washington at a hearing that I chaired. He said:

Thomas Jefferson thought the small landowners were the most precious part of state, and he thought government should give priority to their survival. But increasing, even since World War II our government’s manifest policy has been to get rid of them. This country is paying a price for this. That price doesn’t show up on the supermarket shelves but rather our Nation’s spirit and our character.

Independent family-based agriculture produces more than wheat, beef, and pork. It produces a society and a culture, our main streets, our equipment dealers, our schools, our churches, and our hospitals. It is the “culture” in agriculture. Take away family-based producers and all that is left are calories. That is a radical change in our country. I am not talking about rural sentiment or nostalgia. It is something we know from experience. Rural communities work. They have so many ties with their land—tend over this country say they want, including stable families, low crime rates, neighborliness, a volunteer spirit.

In my hometown of Regent, ND, they still leave the keys in the car when they park on Main Street. They don’t do that here. Many Americans have plenty of food on their tables, but what they feel is a growing dearth of the qualities that they want most are the qualities that farm communities represent. It would be insane, in my judgment, to stand by and let these communities wither on the vine by neglecting the economic base that sustains them.

Yes, the Nation’s financial establishment is enthused about that prospect. It can’t wait to turn hog barns into agrifactories and more. However, that will not advance this country’s interests. We can’t stop bad weather and we can’t stop unruly markets, but we can change Federal policies that turn adversity into quicksand for family farmers.

I listened to a ringing defense of the current farm program. I listened to one of my colleagues who was an economist, and I mentioned before I used to teach economics, but was able to overcome that and go on to think clearly.

There is an interesting debate among economists about all of these issues. First, is there a crisis? Listening to part of the debate this morning one would think there is nothing wrong on the family farm. Is there a crisis? Would anyone in this country be feeling there is a crisis if this is what happened to their income? If any sector of the American economy had this happen to their income, would you consider it a crisis? The answer is, of course.

I had a farmer come to a meeting who farmed the lands that his granddad farmed, his dad farmed, and he farmed. He stood up and said: For 23 years, it farmed this land. His chin began to quiver and his eyes began to water. He could hardly speak. He said: I’m going to have to leave this farm.

Anyone could tell he loved what he did. He was going to lose the farm that his granddad, dad, and he had farmed for those many decades. Is that a crisis? I think so.

In my State, add to the fact that incomes have collapsed because of price collapses, 3.2 million acres were not planted because of wet conditions in the spring—3.2 million acres. A young boy wrote some while ago and said: My dad could feed 180 people and he can’t feed his family.

Is that a crisis? Of course.

We have mentioned collapsed prices and a wet spring and the worst crop disease in the century in our part of the country. This notion of a farm bill that says the free market shall determine what happens in agriculture, by cutting the tether and turning it all loose, finds you scratching your head and wondering, how did this work out the way we thought? Because the market isn’t free. It never has been free and never will be free.

That bill that says we will transition farmers out of any help, over 7 years that bill transitions farmers into a marketplace that is fixed. Does anybody know what kind of tariff we have putting beef into Japan at this moment? I guess it costs $30 or $35 a pound to buy T-bone steak in Tokyo. Does anybody know what tariff exists on beef going into Japan? Very close to 50 percent. That is a failed free market by any definition anywhere. That is after we reached an agreement with them 10 years ago.

How about China? They consume half the world’s pork. Are we delivering a lot of hogs into China? No, we have a $50 billion to $60 billion trade deficit with China and we are not exporting enough hogs into China.

What about wheat in Canada? No, I drove to the border of Canada with a truck and couldn’t get the wheat into Canada. I stopped at the border, and all the way to the border, semitruckload after semitruckload after semitruckload was coming into this country, hauling Canadian grain into our country and undercutting our farmer’s prices. We sit at the border trying to go north, you can’t. The border coming south is flooded of millions of wheat acres, unfairly subsidized, sold to us by a Canadian wheat board. It is a state monopoly and would be illegal in this country, with it’s secret prices. Our trade officials downtown wouldn’t lift a finger—never have and never will—to deal with the unfair trade practices.

I mention Japan, China, and Canada. I could list other countries for an hour, but I won’t. Then we say to the family farmers, operate in a free marketplace. That is what we have created, a marketplace that is fundamentally corrupt with respect to fairness to our family farmers.

My colleague this morning, Senator Conrad, talked about the Europeans subsidizing exports to the tune of ten times. Is that fair competition? I don’t think so.

Over and over and over, if it is not just unfair competition in selling, selling into our marketplace with products that ought not be allowed, produced with growth hormones or produced with chemicals that we wouldn’t allow to be used in this country on animals or grains—that happens every day in every way.

We produce canola in this country and we are prevented from using a chemical on the canola that we would purchase from Canada because that chemical can’t be allowed into the country. However, the Canadians can
use that chemical on their canola, plant the canola, harvest it, and ship it into Belfield, ND, to put it at a crushing plant, crush it, and put it into our food chain.

My farmers say: Why is that the case? What is going on here?

What is going on here is family farmers have had a tough time in every single way, set up for failure.

I heard this morning what was being proposed here was socialism. I heard what was being proposed here was being proposed by a bunch of leftists. I heard what was being proposed here was being proposed by people who don't believe in the principles of economics. I sat here and thought, that is novel; an interesting, pithy new political debate calling people socialists or leftists. Or maybe it isn't so new. Maybe it is just a tired, rheumatoid, calcified debate by people who can't think of anything else to say.

Deciding to stand up and help family farmers in a time of crisis and trouble is socialist? Are you kidding me? It is everything that is right about the instincts of this country.

When part of this country is in trouble, the rest of the country moves to help. I wasn't there, but in the old wagon train days when we populated the western part of this country with wagon trains, one of the first lessons learned was don't move ahead by leaving some people behind. The same is true with this country and its economy. Don't move ahead by leaving some behind. When family farmers are in trouble, we have a responsibility to help, not crow about socialism and leftists. What a bunch of nonsense.

The fact is, the same kind of debate includes this: We are no longer the most efficient in farming. I heard that this morning.

I picked up on one thing the Senator said—that under the Republican's proposal the payments would go out regardless of whether they are planting anything or not. That is the AMTA, which goes out to farmers, based on the crops they bring in from the fields.

Mr. HARKIN. If the Senator will yield?

Mr. DORGAN. I will be happy to yield.

I am curious. Does the Senator have this same faulty concept of moving somebody behind. That is an indelible lesson. The purpose of a transition payment, by its very name, is to transition family farmers out of a farm program. It said: Whatever your little boat is, let it float on whatever marketplace exists out there. The problem is, they declare it a free market when in fact it is a market that is totally stacked against family farmers. So family farmers cannot make it in this kind of system.

As my colleague from New York mentioned, the majority party bill doesn't even respond to any part of the disaster. Senator Durbin, who was the lead disaster provisions at all. Of course, we have a substantial part of this country now facing a serious drought, so it is a very serious problem. We have very different ways in which we provide income support to family farmers. The majority party follows the Freedom to Farm bill, which of course is a total flop, total failure. It gives payments to people who are not producing. It says: You are not producing; you are not in trouble; you don't have any crop; here's some money. What kind of logic is that? It doesn't make any sense.

We propose a mechanism by which we provide help to people who are producing and are losing money as a result of that production. It allows help to shore up that family farm. Our position is simple. When prices hit a valley, we want a bridge across that valley so family farmers can get across that valley. We want to build a bridge, and other people want to blow up the bridge. But if we don't take the first step to provide some crisis and disaster relief and then follow it very quickly in September and October, as I discussed with my colleague from Iowa and others, with a change in the underlying farm bill, we will not have done much for farmers.

Farmers say to me: We very much appreciate some disaster help, but it will not provide the hope that is necessary for me to plant a crop and believe that I can make it. We need a change in the farm bill. We need a safety net that we think has a chance to work for us in the future.

Mr. HARKIN. If the Senator will yield?

Mr. DORGAN. I will be happy to yield.

Mr. HARKIN. First, I thank the Senator from North Dakota for his statement, which is exemplary in its clarity. The arguments the Senator has made, the point he made, this should crystallize clearly what this debate is all about, what is happening, what we are all talking about.

I picked up on one thing the Senator said—that under the Republican's proposal the payments would go out regardless of whether someone was producing anything or not; it could actually go out to absentee landlords, people who are not on the farm, hadn't even planted anything.

As the Senator knows, the AMTA payments that are in their bill go out without regard to whether they are planting anything or not. It is based upon outdated, outmoded provisions of base acreages and proven yields. It goes back as far as 20 years.

I wonder if it occurred to the Senator from North Dakota—I heard a couple of Republicans this morning talk about the failed policies of the past. Yet they are basing their payments on a policy that goes back 20 years, base acreages and proven yields, which any farmer will tell you is no basis at all for what is going on in the farm today.

I am curious. Does the Senator have any idea why they would want to make payments based on something that is not happening anymore? Is it not even based on production, not helping the family farmer. I am still a little confused as to why they would suggest that kind of payment mechanism or what we are suggesting, which goes out to farmers based on the crops they bring in from the fields.

Mr. DORGAN. The payment mechanism is called an AMTA payment or a transition payment. This would actually enhance the transition payment. The purpose of a transition payment, by its very name, is to transition family farmers out of a farm program. It said: Whatever your little boat is, let it float on whatever marketplace exists out there. The problem is, they declare it a free market when in fact it is a market that is totally stacked against family farmers. So family farmers cannot make it in this kind of system.

This farm bill that provides transition payments is a faulty concept. Yet even for disaster relief, they cling to this same faulty concept of moving some income out largely because, I think, they are worried, if they do not cling to that, somehow they will be seen as retreating from the farm bill. I would say: Retreat as fast as you can from a farm bill that has put us in this position on wheat prices.

Mr. HARKIN. You may think it is totally unfair to say wheat prices have anything to do with the farm bill. I don't know. Maybe this is pure coincidence. Maybe it is just some sort of a cruel irony that we passed a new farm bill and all these prices collapsed. But it was hearing this morning discussions from people who were standing up to say things are really good on the family farm. I did not look closely at their shoes to see whether they had been on a family farm recently. They looked as if they were wearing pretty good pants and shirts and so on. It occurred to me, if things are so good on the family farm, why are we seeing all these farm auctions and all this misery and all the pain and worry with family farmers losing their lifetime of investment? Why? Because prices have collapsed. Things are not good on the family farm. The current farm bill doesn't reflect that.

People stand here—I guess I can listen to them—they stand here for hours and tell us how wonderful things are and how much income the current farm bill is spreading in rural America. I would say, however much income that is, it does not make up for the radical, total collapse of the grain markets.

What has happened is, we have a payment system that says, under Freedom
to Farm, when prices are high, you get a payment that you do not need, and when prices are low, you don’t get a payment that is sufficient to give you the help you need.

Mr. HARKIN. If the Senator will yield further, the Senator has stated it absolutely correctly. I was interested in the chart there of wheat prices. I ask the Senator if he would put it back up there again, on wheat prices. It just about mirrors corn and soybeans, all the major production crops in the Southwest.

I have an article from the Wichita Eagle, from 1996, I believe. It is an article written by the distinguished Senator from Kansas. I think he was a House Member at the time, Senator Roberts. So this article says:

Good Bill for Farm Reality, by Pat Roberts.

The first sentence says:

“Freedom to Farm legislation now before Congress is a new agricultural policy for a new century.

“My Freedom to Farm . . .” That is by Pat Roberts, now Senator Roberts, I want to read to the Senator from North Dakota this paragraph in there.

He says:

Finally, Freedom to Farm enhances the farmer’s total economic situation. In fact, the bill results in the highest net farm income ever the next seven years of any proposal before Congress.

He says:

The AMTA payment cushions the Nation’s agriculture economy from collapse during the 7-year transition process.

I have to ask my friend from South Dakota, are your farmers receiving the highest net farm income that they have received ever in any farm program? Are they receiving the highest net farm income? And are your farmers being cushioned by the Freedom to Farm bill?

Mr. DORGAN. I say to the Senator from Iowa, the answer to that question is, clearly, farm income is collapsing. It is collapsing with grain prices, with commodity prices generally, and family farmers are put in terrible trouble as a result of it. Many of them are facing extinction.

I have here a report from the Economic Policy Institute that describes the almost complete failure of the current farm bill and current strategy. It is written by Robert Scott. It is about an eight-page report. I ask unanimous consent to have that printed in the Record following my remarks.

The PRESIDING OFFICER (Ms. Collins). Without objection, it is so ordered.

(See Exhibit 1.)

Mr. DORGAN. Let me make one final point, and then I will relinquish the floor. I know my colleagues wish to speak.

This is a map of the United States. This map shows in red the counties of our country that have lost more than 10 percent of their population. It shows where people are moving out, not coming in. We have cities growing in various parts of America, but in the center of our country, in the farm belt of our country, we are being depopulated. People are leaving. My home county, which is about the size of the State of Rhode Island, was 5,000 people when I left, in population. It is now 3,000. The neighboring county, which is about the same size, the size of the State of Rhode Island, had 920 people last year. The fact is, people are moving out. Why? Because family farmers cannot make a living.

We have had other farm policies that have not worked. I mean we have had Democratic and Republican failures. Both parties have failed in many ways in farm policy.

It is just the circumstance today where we have farm prices, in constant dollars, that are at Depression level; and we have a farm program that, like it or not, was offered by the majority party that does not work at all in the context of what our needs are to try to save family farmers.

We will have two votes today: One on a disaster package or a price relief package that offers more help, and one that offers less; one that offers some help for disaster relief, and one that does not.

A whole series of differences exist between these proposals. My hope is that at the end of this day the Senate will have agreed to the proposal that Senators Daschle, Harkin, Conrad, myself, and others have helped draft and that we will be able to send a message of hope to family farmers, to say, we know what is happening, we know what needs to be done. The U.S. government should: reduce the value of the dollar in order to boost farm prices; shift subsidies away from large farms and corporate farmers to small independent family farmers; increase expenditures for research, development, and infrastructure; and support new uses for farm products.

FREEDOM TO FAIL: THE OMNIBUS 1996 FARM BILL

For more than a half-century after the Great Depression, government policies helped create a highly successful U.S. agricultural sector by reducing risks to family farmers. Crop insurance and disaster programs reduced production risk, a variety of price and income support programs, plus set-aside programs that paid farmers to remove excess land from production, reduced price risks. But the Omnibus 1996 Farm Bill eliminated price and income supports and replaced them with annual income payments, to be phased out, on a fixed-declining schedule, over seven years (Chite and Jickling 1999, 2). The 1996 farm bill also eliminated the set-aside program, thus giving farmers, in effect, much of one of their freedoms to freely plant what they wanted, when they wanted. . . . With prices rising and global demand soaring, lawmakers and farmers were happy to exchange the bureaucratic red tape for the Invisible Hand! (Carey 1999).

The rapid growth in U.S. agricultural exports—themselves more than doubled between 1985 and 1996—encouraged many farmers to buy into the deregulation strategy. But rising exports have not translated into rising incomes. Due to globalization and relentless declines in the real prices of basic farm products, the structure of American agriculture has been transformed, and, as a result, real U.S. farm income has been declining for many years despite the long-run trend of rising exports.

In the two decades from 1978 to 1997, real grain prices were slashed in half. Then, in 1998, prices fell an additional 10–20%, pushing many family farmers to the brink of bankruptcy. In this environment, only the largest and most capital-intensive farms are able to survive and prosper.

Growing concentration throughout the food chain

There are about 2 million farms in the U.S., but three-quarters of those generate minimal or negative net incomes (USDA 1996). Since farms with less than $50,000 in gross revenues tend to be primarily part-
Corporate influence is growing throughout the U.S. food supply system. While the share of farms owned by individuals and families (operating as sole proprietors) was roughly constant between 1978 and 1992, at about 85% of all farms, the output share of such farms declined during this period from about 62% to 54% (USDA 1996). Corporations absorbed most of this production loss by sole proprietors between 1978 and 1992. Moreover, an increasing number of family farmers are raising crops under contract for big purchasers. Corporate control is becoming much more concentrated both upstream and downstream from farmers. On the input side, considerable consolidation is taking place among firms that supply farmers with seeds and chemical inputs. A small number of companies are assuming control of the seed production business, including Monsanto, Dupont, and Novartis (Melcher and Carey 1999, 32).

The story is similar on the distributional side. Grain distribution, for example, which has been tightly controlled by a handful of companies since the 19th century, is becoming even more concentrated. Recently, Cargill has proposed to purchase Continental’s grain storage unit, which would result in a single firm that would control more than one-third of U.S. grain exports (Melcher and Carey 1999, 32).

INTERNATIONAL TRADE: THE Siren’S SONG

The growth in agricultural exports, especially in the first half of 1990s, suggested to small farmers that sales to foreign markets were the key to solving their problems. However, export markets have proven to be more volatile than domestic ones, and globalization has increased the vulnerability of farmers to sudden price swings.

<table>
<thead>
<tr>
<th>Size class (annual sales)</th>
<th>$1,000,000 or more</th>
<th>$500,000–999,999</th>
<th>$500,000–249,999</th>
<th>$100,000–249,999</th>
<th>$50,000–99,999</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>14,980</td>
<td>30,876</td>
<td>70,982</td>
<td>224,803</td>
<td>212,531</td>
<td>554,192</td>
</tr>
<tr>
<td>1997</td>
<td>19,767</td>
<td>47,562</td>
<td>128,312</td>
<td>292,758</td>
<td>231,404</td>
<td>594,255</td>
</tr>
</tbody>
</table>


Unreliable export markets

The U.S. agricultural trade balance with the rest of the world increased by almost $11 billion between 1990 and 1996 (Table 2), then declined by $31.2 billion between 1996 and 1998. This drop in the volume of exports, which was equal to a 6% decline in farm revenues, was compounded by a sharp decline in domestic commodity prices (discussed below). These two factors combined in 1997 and 1998 to severely depress farm incomes. Closer examination of regional trends in U.S. farm trade shows that only a limited number of markets were open to U.S. farm products. The U.S. agricultural trade balance with Europe declined sharply between 1990 and 1998, as shown in Table 2. During that time, exports to Europe fell by about $2 billion while U.S. imports increased by $3 billion (U.S. Department of Commerce 1999; USDA 1999b).

U.S. trade problems with Europe result from continued high subsidies to European farms and European resistance to certain U.S. farm products, such as hormone-treated beef. The Uruguay Round trade agreements were designed, in part, to reduce agricultural subsidies, but European farm spending actually increased from $46.0 billion in 1995 (the year before the agreements went into effect) to $55 billion in 1997.2 During the same period, U.S. government payments to farmers were $7 billion, less than 13% of the European level.3

Under NAFTA and the earlier U.S.-Canada Free Trade Agreement (which went into effect in 1989), the volume of farm trade has significantly increased throughout the region. NAFTA, however, has been a small but significant decline in the U.S. farm trade surplus with Mexico and Canada. This fact contradicts the U.S. Trade Representative’s statement that “NAFTA has been a tremendous success for American agriculture” (Huenemann 1999).

NAFTA has also resulted in a massive shift in the structure of trade and production within North America. U.S. exports of corn and other feed grains (such as sorghum) have increased, but U.S. imports of fruits, vegetables, wheat, barley, and cattle have all increased much more. For example, U.S. grain exports to Canada (primarily corn and other feed grains) increased by 427% between 1990 and 1998, but at the same time the U.S. imports of wheat from Canada increased by 249%, from $79 million in 1990 to $278 million in 1998. Similarly, U.S. corn exports to Mexico increased by 47% during that period, while cattle and calf imports from Mexico soared by 1,280%.

Since the trade balance with Europe and North America was relatively flat from 1990 to 1996, what was the source of strongly growing demand for U.S. farm products in the 1990s? Answer: the trade balance with Asia increased by $8 billion (Table 2). Unfortunately for U.S. farmers, though, the demand that pulled in U.S. farm exports to Asia was driven by the same inflationary bubble that ultimately caused the world financial crisis. An unprecedented inflow of short-term capital into Asia stimulated a huge increase in consumption. When this capital flowed out even more quickly in the wake of the Thai financial crisis in July 1997, the U.S. agricultural trade balance with Asia collapsed back to its 1990 level.5

Thus, the boom in U.S. agriculture in the early 1990s, which convinced farmers that trade liberalization was the solution to their problems, was built on the false foundation of a speculative bubble. Increased trade has certainly increased the volatility of farm incomes, but it has yet to improve their average level. Globalization has also stalled the deck against farm families, since they tend to be under-capitalized and more vulnerable to financial cycles in comparison to large and diversified corporate farms.

Globalization and future farm prices

The U.S. Department of Agriculture has fueled expectations that global demand for U.S. agricultural products will increase in the future. Its most recent baseline forecasts predict that commodity prices, net farm income, and U.S. exports will all recover rapidly in 2000 and climb steadily thereafter.6 The USDA has also forecast that U.S. agriculture would benefit from further trade liberalization. For example, it estimated that the proposed Free Trade Agreement of the United States with Korea would increase U.S. agricultural exports by $3 billion (USDA 1999b). The USDA has also forecast that U.S. agricultural exports to Taiwan would increase by $2 billion (USDA 1999b).
These results show why farmers have been misled into believing that agricultural liberalization will increase the growth in world agricultural productivity. Previous rounds of trade negotiations have failed to generated sustained, reliable growth in demand for U.S. farm products. In addition, the diffusion of advanced agricultural technology (the "green revolution" around the globe) has had a depressing effect on prices, despite, or perhaps because of, the benefits generated for farmers and consumers throughout the developing world.

TIME FOR A NEW FARM POLICY

There is nothing wrong with expanding trade in agriculture as long as it can be conducted in ways that benefit U.S. farmers. However, unless the U.S. government is willing to address such fundamental problems as global excess crop supplies and rising currency values, then pushing for freer trade in agriculture will be counterproductive. It is time to stop artificially expanding trade without regard for the consequences.

The Omnibus 1996 Farm Bill was a complete failure. It failed to generate export-led growth, and it transferred substantial risks to farmers with no visible benefits. Given the diffusion of technology to the rest of the world, and because other countries seek to maintain their own food security, agriculture will never achieve a substantial growth industry for the U.S. For many reasons, the U.S. needs a viable farm sector, one that can deliver a high and rising standard of living for family farmers and consumers. A number of policies could help achieve these goals, including:

- Carefully managed reductions in the value of the dollar.
- The shift of agricultural subsidies away from large farms and corporate farmers to independent, family-run farms;
- An increase in expenditures for research and development, and the construction of infrastructure and distribution systems for new, high-value products that can be produced with sustainable technologies and that meet consumer demand for high-quality, niche, and specialty foods such as organic products and humanely raised livestock; and
- The enhancement of other possibilities for stimulating agricultural consumption (such as the conversion of biomass to energy) to build domestic demand for agricultural products.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. I yield to the Senator.

Mr. CRAIG. I yield to the Senator.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

AMENDMENT NO. 120, AS MODIFIED

Mr. COCHRAN. Madam President, I asked the Senator to yield so I can send a modification of my amendment to the desk. I do send the modification of my amendment to the desk.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

Beginning on page 1, line 3, strike all that follows "Sinc." to the end of the amendment and insert the following:

EMERGENCY AND MARKET LOSS ASSISTANCE—(a) MARKET LOSS ASSISTANCE.

(1) IN GENERAL.—The Secretary of Agriculture shall make payments to the eligible owner or producer of a crop for the production of the crop under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7272(f)) through fiscal year 2001, if the Federal budget is determined by the Office of Management and Budget to be in surplus for fiscal year 2000.

(2) LIMITATION ON MARKETING LOAN GAINS.

The Secretary shall use not more than $50,000,000 of funds of the Commodity Credit Corporation to provide assistance to producers of quota peanuts or additional peanuts to partially compensate the producers for continuing low commodity prices, and increasing costs of production, for the 1999 crop year.

(3) AMOUNT.—The amount of a payment made to producers on a farm of quota peanuts or additional peanuts under subparagraph (A) shall be equal to the product obtained by multiplying—

(1) the quantity of quota peanuts or additional peanuts produced or considered produced by the producer under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7272(f)) by

(2) the amount equal to 5 percent of the loan rate established for quota peanuts or additional peanuts, respectively, under section 155 of that Act.

(4) CONDITION ON PAYMENT OF SALARIES AND LOAN DEFICIENCY PAYMENTS.—Notwithstanding section 1001(b) of the Food Security Act of 1985 (7 U.S.C. 1301(b)), the total amount of the payments specified in section 1001(b) of that Act that a person shall be entitled to receive under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for 1 or more contract commodities and oilseeds during the 1999 crop year may not exceed $50,000.

(5) LIMITATION ON MARKETING LOAN GAINS.

The Secretary shall use not more than $5,544,453,000 of funds of the Commodity Credit Corporation to provide assistance to milk producers on a farm that are eligible for payments for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act (7 U.S.C. 7201(b), as added).

The amount of assistance made available to owners and producers on a farm under this subsection shall be proportionate to the amount of the contract payment received by the owners and producers for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act (7 U.S.C. 7201(b), as added).

(6) TIME FOR PAYMENT.—The assistance made available under this subsection for an eligible owner or producer shall be provided not later than 45 days after the date of enactment of this Act.
such price levels, as the Secretary determines to be effective for the purposes of cotton user marketing certificates and inserting “owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton”; and

(D) by striking paragraph (4).

Section 171(b)(1) of the Agricultural Marketing Act of 1949 (7 U.S.C. 1445k) is amended—

(A) by striking paragraph (1) and inserting the following:

“(1) ESTABLISHMENT.—

“(A) IN GENERAL.—The President shall carry out an import quota program during the period ending July 31, 2003, as provided in this subsection.

“(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1% inch cotton, delivered C.I.F. Northern Europe, for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

“(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1% inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

“(D) SEASON-END UNITED STATES STOCKS.—The purposes of this paragraph shall be determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1% inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

“(E) OILSEED PAYMENTS.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall use not less than $275,000,000 of funds of the Commodity Credit Corporation to provide payments to producers of the 1999 crop of oilseeds that are eligible to obtain a marketing assistance loan under section 131 of the Agricultural Market Transition Act (7 U.S.C. 7231).

“(2) COMPUTATION.—A payment to producers on a farm under this subsection shall be computed by multiplying—

(A) a payment rate determined by the Secretary; by

(B) the quantity of oilseeds that the producers on the farm are eligible to place under loan under section 131 of that Act.

“(3) LIMITATION.—Payments made under this subsection shall be considered to be contract payments for the purposes of section 1001(1) of the Food Security Act of 1985 (7 U.S.C. 1308(1)).

“(4) ASSISTANCE TO LIVESTOCK AND DAIRY PRODUCERS.—The Secretary shall use $325,000,000 of funds of the Commodity Credit Corporation to provide assistance to livestock and dairy producers in a manner determined by the Secretary.

“(5) TOBACCO.—The Secretary shall use $228,000,000 of funds of the Commodity Credit Corporation to make distributions to tobacco growers in accordance with the formulas established under the National Tobacco Grower Settlement Trust.

“(6) SENSE OF CONGRESS REGARDING FAST-TRACK AUTHORITY AND FUTURE WORLD TRADE ORGANIZATION NEGOTIATIONS.—It is the sense of Congress that—

“(A) the President should make a formal request for appropriate fast-track authority for future United States trade negotiations;

“(B) regarding future World Trade Organization negotiations—

(A) rules for trade in agricultural commodities should be strengthened and trade-disrupting import and export practices should be eliminated or substantially reduced;

(B) the rules of the World Trade Organization should be strengthened regarding the practices or policies of a foreign government that unreasonably restrict market access for products of new technologies, including products of biotechnology; or

(C) the President should—

(i) conduct a comprehensive evaluation of all existing export and food aid programs, including—

(ii) the export credit guarantee program established under section 251(b)(2) of the Agricultural Trade Act of 1978 (7 U.S.C. 5722); and

(iii) the export enhancement program established under section 303 of that Act (7 U.S.C. 5623);

(iv) the foreign market development cooperation program established under section 702 of that Act (7 U.S.C. 5722); and

(v) programs established under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1311 et seq.); and

(B) transmit to Congress—

(i) the results of the evaluation under subparagraph (A); and

(ii) recommendations on maximizing the effectiveness of the programs described in subparagraph (A); and

(C) the President should carry out a purchase and loan or loan guarantee for imports from countries that are not meeting their obligations under the Uruguay Round Agreement on Agriculture.

The PRESIDING OFFICER. The Senator from Idaho is recognized. Mr. CRAIG addressed the Chair.

Mr. CRAIG. Thank you, Madam President.

For the last 20 minutes, I have listened to my colleague from North Dakota with some degree of clarity discuss the issue that is true in his State and true in most areas of American agriculture. I will in no way attempt to modify or suggest any different kind of impact on the family farm, but I suggest that most family farms in Idaho today are multimillion-dollar operations, not attempts to invoke the image of a small farm, a husband and wife, struggling to stay alive. A husband and wife and family team in production agriculture today are struggling to stay alive in an industry that recognizes their investment in the hundreds of thousands, if not millions, of dollars.
There is no question that the character of American agriculture has changed. What some are still caught up in the rhetoric of the family farms and there are still some small farming units—most of those who farm small units today recognized some years ago that their life could not be made there unless they supplemented it with outside income. That, of course, has been the character of the change in production agriculture for the last good number of decades—true in Idaho, true in North Dakota, true in Mississippi, true in almost every other agricultural State in our Nation.

How do I know that? That is what the statistics show.

But in 1965 and 1966, as a young person, I was given a unique opportunity to travel through our Nation on behalf of agriculture as national officer of FFA, Future Farmers of America. I was in almost every agricultural State in this Nation speaking to young farmers and ranchers.

I happened to have had the privilege of staying in almost all of those farms and ranches. For the course of 1 year, I saw American agriculture like few are given the opportunity to see it. I must tell you, it was an exciting time because I met wonderful people, I saw a unique lifestyle that is true in many instances today, and I did see and feel the heartland of America as few get the opportunity to experience.

While I was traveling, I gave many speeches. The speech oftentimes started like this: That a family farmer or a rancher in American agriculture today produces enough for himself or herself and 30 other people. That was 1965.

Today, if I were that young FFA officer traveling the Nation, my speech would be different because I would say that that farmer or rancher produces enough for him or herself and 170 to 180 additional Americans.

Has the family unit changed? Oh, very significantly. In almost all instances, it is four or five times larger than it was in 1965 and 1966. But it is phenomenally more efficient and much more productive. Because of those efficiencies, instituted by new technology or biogenetics, we have seen great productivity. So it isn’t just a measurement of acreage produced against prices for those crops; it is a combination of the whole.

I think it is very important that we portray American agriculture today for what it is and for what it asks from us.

In 1965 and 1966, it was not just Government and politicians that suggested farm policy in this country ought to change; it was American agriculture itself that came to us in 1965 and 1966 and said: Get Government off our backs. Agriculture has changed. We don’t want to farm to a program. We want to farm to a market. We don’t want to be restricted in limited acreages. We don’t want to be restricted in limited markets. We want the ability to be flexible to move with the market.

Congress listened. Out of that listening came the Federal Agriculture Improvement and Reform Act of 1996, which is now called Freedom to Farm. The Senator from North Dakota said it is a failure. The Senator from North Dakota is wrong. It has met every objective it was intended to meet—expanded markets, expanded production, with flexibility for the individual producer. All of those goals that were a part of Freedom to Farm have been met today.

Today, before the Ag Committee, we heard about a comprehensive study that said agricultural income in the decade of the 1990s would surpass any other decade, at a time when the number of farmers has gone down and productivity has gone up dramatically.

That is all part of the good news of the story.

So it is not an abject failure, unless you did not vote for it because you did not believe in it and you really do want Government controls, and you really do want a Government plan to which farmers farm instead of the market. My guess is, that is part of what the Senator from North Dakota was talking about. That is not what I am here to talk about today.

That is where we differ substantially.

But we do not differ on the other issue. That is the issue of the current commodity price crisis in production agriculture across our Nation and across the world. That is very real today. Many of our commodities are finding their price in the marketplace at or below Depression-era prices.

That in itself is a crisis, and that is what we should respond to.

Last year, we did not cast a deaf ear on production agriculture in this country. The taxpayers of this country, recognizing the plight the American producer in agriculture was in, gave handsonomely. Billions of dollars flowed into production agriculture, and directly through to the farmer, and to the rancher in some instances. As a result of that, farm income was substantially buoyed. That will happen again this year. But it will happen in the context of Freedom to Farm.

We are not going to go in and start changing long-term farm policy until the Senator from North Dakota and the Senator from Idaho can agree that Freedom to Farm was an abject failure—when, in fact, I do not believe it was; and I think the Senator from North Dakota would be hard pressed, looking at the facts and the intent, to argue that it was either.

So we are here today not to talk about a fundamental production policy change but to talk about the current crisis. It is a crisis that is not just taking place within this country; it is a commodity crisis that is worldwide.

Let’s talk about 1996, 1997, and part of 1998. That is when we crafted a new farm bill. That is when commodity prices were higher than they had ever been around the world, and we drained all of our reserves, and we were told never again would we see low prices.

But there were some things missing from that “never again” argument. We didn’t anticipate a general downturn in world economies, especially the Asian economy, an Asian economy that had increased its overall import of agricultural foodstuffs from the United States by nearly 27 percent in the period of a 5- to 6-year span. Those imports are down by 11 percent today. Those are the facts. Is that a direct result of Freedom to Farm policy failing? I suggest that it isn’t. I don’t think the Senator from North Dakota would disagree.

Now, what has that caused? It has plummeted commodity prices in our country. We agree that there is a current farm crisis, and we agree that that crisis could extend itself for some time to come. We agree that Congress ought to respond to it so we don’t lose those production units and the families and the human side of it that is so critical across our country and to smalltown Idaho just as much as smalltown North Dakota.

The difference, at least in the current situation of the moment, is the heavy hand of politics, tragically enough. Last year we were able to agree, and we worked at crafting a bipartisan package.

This morning, while we were there in the Ag Committee holding a hearing with the Secretary, all of a sudden the committee room emptied. I wondered where they had gone. The chairman said: Well, they have gone out to hold a press conference with the Vice President. The heavy hand of Presidential politics now tragically plays at this issue. It shouldn’t have to be that way and, in the end, it won’t be that way, if we are to craft the right kind of policy to deal with a crisis that isn’t Democrat or isn’t Republican, but it is at the heartland of America’s fundamental production unit, American agriculture.

The chairman of the Ag Subcommittee of Appropriations has struggled mightily over the course of the last several weeks to try to see if we couldn’t arrive at a package that would respond. Our goal is not to add hundreds of billions of dollars to programs that don’t have any sense of immediacy or any sense of getting money directly through to the farmer. Our bill is substantially smaller in that regard than the bill offered by the minority leader of the Senate. But our bill, when it comes to money to production units, money to farmers, and money to ranchers, is there. It is real and it is the same dollar amount.

I am willing to talk farm policy, and I am willing to debate it, but not in the...
short-term and not in the immediate sense of an emergency, because it is awfully hard to argue that the emergency, which was produced by Freedom to Farm.

Let me read briefly from a report called "Record and Outlook," put together by a very responsible group called the Sparks Company out of McLean, VA. This report is called "Freedom to Farm, Record and Outlook," prepared for the Coalition for Competitive Food in the Agricultural System.

Here is their analysis. Most people say that the Sparks Company is widely recognized as reputable and is non-partisan in its analyses of those issues that it examines.

Here is what they say:

The recent slowing of the farm economy primarily reflects two major factors: Farm System.

... and the down turn in economic and financial health of one region of the world, Asia, which also is the largest market for U.S. farm and food products.

I have already mentioned the tremendous ramp up in the increase in purchases of agricultural foodstuffs in Asia and now the dramatic decline.

The study concludes that both the high record prices of 1995, 1996, and part of 1997, and the more recent readjustments, are the result of "ordinary market developments and reactions, with some unusually good weather patterns helping boost output, while the economic downturn in Asia and elsewhere has weakened the prices. As a result, the current market downturn reflects temporary, rather than fundamental market changes."

Temporary problems, but a real crisis. Permanent problems? They say not so. So if you are going to change permanent policy, you ought to be able to determine that there is first a permanent policy. That is what I think the Senator from North Dakota has failed to argue, while he and I would agree on the sense of immediacy to the current crisis.

The report goes on to talk about modest shortfalls in harvests and yields during 1993 through 1995, during the time when these markets were ramping up. Output fell below the 10-year trend and stocks plummeted. In other words, storage and surplus. Strong world economic growth then stimulated demand and record high grain and oilseed prices; world planting and harvests above trends in the United States and worldwide during 1996 through 1998: also good weather and high grain and oilseed yields, especially in the United States, rapidly resulted in record high prices. This in turn in the mid-1990s. For example, all of the very considerable above-trend wheat production has been outside the United States, while the share of increased production outside the United States has been 44 percent for corn and 35 percent for soybeans.

Lastly, they point out that the downturn in economic and financial health of key world markets, especially Asia, the latter with the passage of increased pressure on U.S. prices, although world grain and oilseed use has been well above trend during the last 3 years.

What is the point of those comments? The point is that no matter how we would have designed the policy, we were working against a world situation, both economically and climatically, and production wise that would have been very difficult to foresee. We did not foresee it, nor was it debated in 1995 and 1996, as we were crafting Freedom to Farm. We didn't recognize it in 1997. Toward the tail end of 1997, it became an indicator of problems to come. By 1998, it was very clear, and Congress responded. It is now 1999 and Congress will respond again, with a multibillion-dollar direct aid package to production agriculture.

I said before the Ag Committee today and before Secretary Glickman that I am willing to review Freedom to Farm. I don't think production agriculture is going to walk away from the freedoms and the flexibility it has. Is there a way of crafting a safety net or something that causes some adjustments over time? It is possible.

I would not suggest that it isn't. But the rest of the story of Freedom to Farm that we have not successfully matched yet, but something that Congress, Democrat and Republican, agreed with and promised production agriculture, Freedom to Farm in 1996, were two other elements.

One was a risk management practice, better known as crop insurance. We have placed that money in the budget, but we can't yet agree on a package that is bipartisan in character, that meets the regional differences within our country, certainly the regional differences between the Midwest and Idaho or the Midwest and the South or Northeast and the Southwest, a comprehensive risk management crop insurance package today, the very real drought that Washington, DC, and States east of the Alleghenies are in at this moment would have been dramatically offset if farmers had had that kind of risk management tool. But we have not done that, as the Administration has not made it flexible and diversified in a way that meets those kinds of needs of specialty crops and the uniqueness of agriculture across this country.

The point is that no matter how we have been asleep at the switch now for many years. Do they have a division down at the Department of State that goes out and aggressively markets on a daily basis American agricultural surpluses? No, they don't. We offered them and provided them at the State Department in the expansion of world trade. The Senator from North Dakota is right. We are not trading in world markets like we should. Let me tell you, Bill Clinton and company have been asleep at the switch now for many years. Do they have a division down at the Department of State that goes out and aggressively markets on a daily basis American agricultural surpluses? No, they don't. We offered them and provided them at the Department of State.

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Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Madam President, a lot of us have listened quite intently, and some of us not very intently, to the debate. Very simply, cutting to the chase, the question before us is whether to adopt an agriculture emergency assistance bill in the amount of roughly $10 billion—$10.6 billion, I think—on the one hand, essentially on this side of the aisle, or, in the alternative, a bill that is about half that much.

The main difference between the two is not only the amount, but also the approach. I judge the bill on the other side to provide drought assistance. It is emergency drought assistance. We have all watched on television in the last several days how dry so much of America is and how farmers’ crops are not growing and are not going to be harvested. In some parts of the country, it is not only drought; paradoxically, strangely, it is flooding. There is too much moisture in some parts of the country, making it impossible for farmers to grow a productive crop.

Compounding that, there is a very low price. According to the wheat producers and barley producers, livestock, hogs—you name it—the prices are just rock bottom, and they have been very low for a long time. So it is a combination of very low prices, historically low prices, for some commodities, and the weather.

The outlook is not good. The outlook for increased prices in the basic commodities we are talking about, as well as livestock, is grim. Nobody can project or foresee a solid, sound reason why prices necessarily are going to go up in the next several years.

What conditions are going to cause prices to go up? What is going to change or be different? To be truthful, there isn’t much we can see that is going to be much different. Producers are going to still produce. Other countries, particularly emerging and developing countries, are going to try to produce more agricultural products than they now are producing. On top of that, there is the phenomenon of a growing concentration of economic power in the beef packing industry, or, in the grain trade, where the middlemen, if you will—that is, the traders, the packing plants, and retailers—are making money but the producers are not. That is not going to change in the foreseeable future. At least I don’t see anything that will cause that change.

So, essentially, we ask here today because farmers are getting deeper and deeper and deeper in trouble. Their prices are continually falling. I hope my colleagues took a good look at the chart presented by my good friend, the Senator from North Dakota, Mr. DODD—the one that showed in current dollars what the price of wheat was in 1930, 1940, 1950, and 1960. The current price of wheat in today’s dollars is roughly $2 a bushel. Back in 1930, in current dollars, adjusted for inflation, it was about $7.50 a bushel. In 1940 and in 1950—I have forgotten the chart, but I think it was as high as maybe $13 or $14 a bushel.

You can see how the price generally has declined over the years for farmers, and it has declined greatly. This is not just a minor drop in price. It is a precipitous drop in price. It is steady. It is constant.

As I said, I can’t see much that is going to cause a significant difference in the chart in the Congress and in the country make the changes, which I will get to in a few minutes.

On the other hand, the prices that farmers pay for their products over the same period of time have risen dramatically—whether it is the prices the farmers pay for fertilizer, for gasoline, for tractors or combines, for fencing, or for labor costs. You name it.

All of the costs that farmers pay have continually risen to a very steep trend over the past 20 or 30 years since the Depression, and at the same time prices that farmers get for their products generally have fallen, although there was a period several years ago where prices were high—$5, $6, or $7 a bushel. A bushel was about 5, 6, 7, or 8 bushels. That was many years ago, as I recall. But generally the trend is down.

Why has this happened? It has happened for a couple of reasons: One, many more countries are producing products—wheat, barley, and so on and so forth. Second, as I mentioned, the concentration of economic power in the retail industry, in the wholesale industry, and in the packing industry, but not a concentration of power for the farmers.

On top of that, recently there is the Asian downturn where the Asian economies a couple of years ago began to deteriorate. Their purchasing power dropped dramatically. They devalued their currencies in order to try to prop themselves up. As a consequence, American exports to Asia fell dramatically—in combination with the low demand, particularly from Asia, and the higher supply, particularly in countries producing and, on top of that, the drought and too much rain in some parts of the country.

So we are here today to try to decide what the size of the emergency assistance should be.
I submit that we should not only make the direct payments to farmers but work to accommodate the drought. We should accommodate the farm disaster that has beset the farmers in addition to the economic disaster. That is just a short-term, immediate solution. We should get on it right away, and we should get it passed this week, lock, stock, and barrel—all of it passed this week to give farmers a little bit of hope.

Then, to begin to give farmers a little more hope for the future, we have to pass a modification to the so-called Freedom to Farm bill. We have to pass a new farm bill.

I remember when Freedom to Farm was debated. Most farmers I talked to in my home State of Montana were very leery and very nervous about this Freedom to Farm bill. A lot of them—I daresay a majority of them—went along with it because at that time prices were higher. As I recall, it was about one-plus a bushel. The so-called AMTA payments were a little higher. There was more money in farmers’ pockets. But farmers knew—the ones I talked to—and I talked to a whole bunch of them—that we would get on it with then, but on down the road there was going to be a real problem, and probably times were not going to be nearly as good as they were then. But we kind of swept that problem under the rug and thought we would cross that bridge when we got there.

We are there. It has happened. We are in trouble. Farmers know it. So let’s just get this thing passed. But we very quickly have to begin to address the peaks and the valleys in the prices that farmers face.

I would like to remind folks in the cities that farmers are in a much different situation from most any other business person because farmers cannot control their price. The price is determined by the vagaries of the market, the vagaries of weather, and it is international; it is an international price in most cases. They have virtually no control over their prices. They have to adjust to help maximize their return.

Moreover, farmers cannot control their costs. They have to pay what that farm implement dealer charges. They have to pay what that fertilizer costs. They just have to pay that price. They have no control over costs. Any other businessperson has a lot of control over his or her costs—either by downsizing, laying a few people off here or there, making other adjustments, or cutbacks. Big businesses can certainly make big adjustments to cut costs, and have, with major downsizing. The farmer can’t do that. The farmer has no control over costs and virtually no control over prices.

That is why we have to have some kind of legislation that evens out the peaks and valleys and gives farmers a modicum of security. We need that desperately, and, for the sake of farmers, we need to get that passed.

One final point: This is a subject for a later day. But we need a level international playing field. We do not have it today. I give a lot of credit to our USTR, to the administration, and to others who have worked to try to make it more level. They have worked hard, if the truth be known, than other administrations have. We are nowhere close to the position where we have to be.

I will mention two subjects, and then I will close. One is export subsidies. We need an end to world export subsidies for agriculture. They have to be eliminated.

Today the European Union accounts for about 86 percent of all the world’s agricultural export subsidies. We Americans account for about 1 to 2 percent.

Europeans have 60 times the agricultural export subsidies that we have. That is a very great distortion of the market. Agricultural export subsidies are paid to European farmers if they export. What is the farmer going to do in Europe? He exports. He gets a subsidy for it—and a big, healthy subsidy for it. That is to say nothing about all the internal price supports the Europeans have that are much greater than ours.

The ministerial in Seattle begins at the end of this year. As we approach the next WTO, one of our main objectives, one of our main goals should be the total elimination of agricultural export subsidies. That is going to help. That is going to help reduce the worldwide supply just a little bit. And every little bit helps. I have a lot of other ideas about what we can do as well, but that is one that is very critical.

Point No. 2: In general, on the WTO, there are a lot of things we have to do to level the playing field so that Americans are no longer suckers and taken for granted to the degree that we have been.

But to sum it all up, let’s pass this agriculture emergency aid bill immediately. Let’s pass the bill that makes sense, the one that helps farmers. And that is the one that not only puts some money back into farmers’ pockets for the short term but also addresses the drought, which the other bill does not address. It addresses the disaster areas of the country by excessive flooding and rain.

Really, what is happening is that the farmer is in intensive care. The farmer needs an oxygen mask, and the farmer needs a blood transfusion. That is what the farmer needs. We have to give the farmer the oxygen mask. We have to give the farmer the blood transfusion so that the farmer is no longer in intensive care.

That oxygen mask and that blood transfusion is this bill. It is the bill that is sponsored by the Democratic leader and the Senator from Iowa. That is the bill that is going to take care to get that patient back out of intensive care. The next step, which we have to take very soon, is to get that patient rehabilitated and get that patient some physical therapy, which is like some other procedures in the hospital so that the farmer can compete in the real world as a real person again. I hope we get to that point very quickly.

I yield the floor.

Mr. ROCKEFELLER. Madam President, I urge my colleagues, on both sides of the aisle, to vote for the Harkin-Daschle farm crisis aid amendment. This legislation is the desperately needed response for many thousands of American farmers and their families whose survival is threatened. This is precisely the situation that obligates us to use our authority to enact emergency spending, and to provide enough funding to save our farmers’ livelihoods. This is a crisis that demands the Senate’s immediate approval of emergency spending, and the Harkin-Daschle amendment is the step we must take now to respond to a genuine and severe crisis.

My plea is for the farmers I represent in West Virginia. Yesterday, the President declared all 55 counties of West Virginia a federal drought disaster area, along with over 30 counties from neighboring states. In West Virginia, the relentless drought has dried up our crops, drained our streams, and brought death to livestock and despair to thousands of farmers suffering these horrendous losses.

Yesterday, with the senior Senator of West Virginia and Secretary Glickman, I visited the farm of Terry Dunn in Charles Town, West Virginia. We witnessed the tragic effects of the drought on his farm, and sat down with farmers across the state to hear their similar stories. The drought has devastated agricultural production in West Virginia in a way that even old-time farmers have never seen.

Because of the desperate situation, Senator BYRD has once again stepped up to ensure that help will be on the way. Through his dedicated efforts, working with the sponsors of the Harkin-Daschle amendment, there are various sources of funds that will be available for West Virginia’s farmers—and, I emphasize this point, funds that will also be available to farmers in similar straits in Kentucky, Ohio, Maryland, Virginia, and Pennsylvania. There is nothing partisan or parochial about voting for this amendment and the drought assistance included. All of us, as a Congress, should join together to see the one created by the drought.

I share the feelings of my colleagues on both sides of the aisle who have risen to extol the virtues of family
farmers and rural America. I truly believe that farmers may be the hardest working people—day in, day out, morning, night—all the way through. We can decide that we owe it to our farmers to stand with them in this time of severe crisis, and adopt the Harkin-Daschle amendment that will truly address their needs. Or we can settle for the far smaller level of funding provided by the distinguished chairman of the Agriculture Appropriations Subcommittee, Senator Cochran, that won’t be nearly enough help.

For anyone who represents a drought-stricken state, there really is no choice. The Harkin-Daschle amendment is the humane and right thing to do. And for anyone who represents states and counties that have received disaster assistance after a tornado or hurricing which has struck, or following a crippling flood, this is the time to extend the same kind of immediate help to a different but very real disaster.

We have heard for some time that rural America is in crisis. I doubt that many people in this body think of West Virginia when agriculture and farming are the topic. But in fact, in West Virginia thousands of farmers and their families labor hard to grow a variety of crops and raise livestock. They are farmers who have rarely asked for help from anyone, but today they are facing the crisis of a lifetime, and they do not want to give up the life and work they love.

I am asking my colleagues to vote for the Harkin-Daschle amendment because it will help the West Virginia farmers who have been the victim of two years of historic drought conditions that have ravaged their fields, orchards, and herds. Some of these families have run the same farms since before West Virginia was admitted to the union, and now they are in danger of losing everything.

Farmers in my state and many others need the Senate to act and to provide a level of assistance that matches the magnitude of the crisis. We have the means to do that today—in the form of the Harkin-Daschle amendment. We have the authority to do that today—by voting for emergency funding in a time of real crisis. We have the obligation to respond, not along partisan lines and not only if we represent farmers in need—but because a disaster has struck that requires the entire Senate to respond.

The Democratic leader is recognized.

Mr. DASCHLE. Madam President, I commend the distinguished Senator from Montana for his powerful state-of-the-art argument and for the empathy that he again demonstrates for the people in rural America. He has been an extraordinaire for those people, as well as on so many issues relating to the farmer over the years. Again, his eloquence this afternoon clearly illustrates the degree to which he understands their problem and the degree to which he is committed to solving it.

There is a silent death in rural America today—a death that is pervasive, a death that increasingly is affecting not only farmers but people who live in rural America, whether it is on the farm or in the town. Thousands upon thousands of farmers and small businessmen and people who run the schools and run the towns are being forced to change their lives—are being forced to leave their existence in rural America. It is an inconvenience because it isn’t economically viable.

The situation we have all called attention to over the course of the last 24 months has worsened. Just in the last 12 months, more than 1,900 family farmers have left the farm in South Dakota alone.

So there can be no question, this situation is as grave as anything we will face in rural America at any time in the foreseeable future. The question is, what should we do about it? Our response is the amendment that Senator Harkin and I have offered. I will have more of an opportunity to discuss that in a moment.

Let me say, regardless of what legislation I have offered, and what legislation may have been offered on the Republican side, I think there are five factors that should be included, five factors that ought to be considered as we contemplate what kind of an approach and in the manner in which Congress must subscribe to if we are going to respond to the disastrous situation we find in rural America today.

The first is that this must be immediate. We cannot wait until September, or October, or November, at least to take the first step. I realize the legislative process is slow and cumbersome, but if we don’t start now, we will never be able to respond in time to meet the needs created by the serious circumstances we face today. First and foremost, in the manner in which Congress has to be responsive to the situation by allowing the Senate to work its will and do something this week.

Second, it has to be sufficient. The situation, as I have noted, is already worse than it was last year. Last year, we were able to pass a $6 billion emergency plan. I believe $66 billion this year is a drop in the bucket, given the circumstances we are facing in rural America today. Our bill recognizes the insufficiency of the levels of commitment we made in emergency funding last year. Our bill is sufficient. Our bill recognizes the importance and the magnitude of this problem and commits resources to it: $10.7 billion. Groups from the Farm Bureau to the Farmers Union to virtually every farm organization I know believe we cannot underestimate how serious this situation is. We recognize that, provide the resources, and provide the sufficient level of commitment that will allow Members to address this problem.

Second, it has to be fair. Our country is very diverse. I heard Senator SARBANES talk about the disastrous circumstances we are facing right now in Maryland. Maryland is different. We don’t have a drought in South Dakota, we have floods. We have low prices. We have commodities that cannot be sold because they cannot be stored. We have agricultural situations, regardless of commodity, that are the worst since the Great Depression in terms of real purchasing power. Southerners have different crop problems. We have to recognize that there are regional differences and there are differences in commodities. Our emergency response has to address them all.

We also have to recognize that we must respond to the disaster that is out there. Unfortunately, our Republican colleagues have drafted legislation that, at least in its current form, does not respond at all to the disaster. There is no disaster commitment in that legislation. For a lot of reasons—its insufficiency, its lack of fairness to commodities, its lack of appreciation of the problems within regions, the fact that it doesn’t respond to the disaster—this side is convinced that if we were to pass the Republican bill today, it would not do the job.

I congratulate my colleagues for joining in responding to the situation, but I don’t think it is broad enough. I don’t think it is sufficient enough. I certainly don’t think it is fair enough, given the circumstances we are facing today.

The final factor is simply this: As my colleague from Montana said, emergency assistance alone will not do it. We passed emergency assistance last year and here we are, back again, less than a year later, with an urgent plea on the part of all of agriculture to provide them with additional assistance. Why? Because the market isn’t working. Why is the market not working? There are a lot of reasons, but I argue first and foremost it is not working because we don’t have an agricultural policy framework for it to work.

Freedom to Farm is not working. We can debate that and on and on and on, but there are more farm organizations, there are more economic experts, there are more people from all walks of life, including the very analysts who are arguing today that we have to change the framework, that we have to reopen the Freedom to Farm bill. That is a debate for another day.
Today, this week, the debate must be: can we provide sufficient emergency assistance to bridge the gap to that day when we can achieve better prices, a better marketplace, more stability, and greater economic security? In just a moment I will move to table the Republican plan. This is in keeping with an understanding I have with the majority leader and the distinguished chair of the Appropriations Committee. It would be my hope, once it is tabled, we can have a debate on the Democratic alternative and have a vote on that at some point in the not-too-distant future, once people have had the chance to be heard. Then, hopefully, we will find some resolution.

I think it is important at the end of the day, or no later than the end of the week, for the Senate to have agreed on something. I don’t want it to contort us into simply having a Republican vote and a Democratic vote and leave it at that. It is my hope that we can work together to resolve the deficiencies in the Republican bill and listen to them as they express themselves on what it is about the Democratic bill with which they are uncomfortable. At the end of the week, we simply cannot close and leave without having acted successfully on this issue. It is too important. It sends the wrong message if we simply walk away without having accomplished anything.

I am very hopeful we can accomplish something, that as Republicans and Democrats we can come together to send the right message to farmers that we hear them, to send the right message to rural America that we understand, and that we are prepared to respond.

As I noted, we have two versions that have not yet been reconciled. Because I don’t think the Republican plan is sufficient, because I don’t think it is fair, because it doesn’t respond to all the states’ needs, because I don’t think it is sufficient, because I don’t think it is fair, because it doesn’t respond to all regions and all commodities, I believe today we can do better than that and we must find a way with which to do better than that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I thank the leader for yielding before he makes a motion. I will not take more than 5 minutes. I didn’t get a chance to make a couple of points earlier in the day.

I want to say a few words about the great work of the Senator from West Virginia. I opened the New York Times this morning and saw his picture. He was standing in a drought-stricken cornfield in West Virginia yesterday with the Secretary of Agriculture, Secretary Glickman. He called me on the phone yesterday before the Secretary had gone public with the terrible drought situation facing the farmers in West Virginia. Senator BYRD wanted to make sure that we addressed that situation, which we have in our bill, to address the severe drought situation not only in West Virginia but in the entire east coast. I also heard personally from Senator BYRD on the great problem facing our livestock farmers. So we have placed in this amendment an amount of $200 million to be added to Section 32 funds to be used for assistance to livestock producers. It is important to keep in mind that the farm crisis is. The Daschle amendment is necessary to protect our farmers and their ability to protect our national food security. We can point to many different reasons why the farm economy is now suffering. But more importantly, action is needed to deal with the immediate problem. Farmers now suffer from a failed safety net and Senator DASCHLE’s amendment will help patch the holes in that safety net and ensure that one of greater substance and success can be put in place.

Mr. DASCHLE. Mr. President, at this point I move to table the amendment offered by the distinguished Senator from Mississippi.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. COCHRAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered. The yeas and nays were ordered.

Mr. DASCHLE. Mr. President, at this point I move to table the amendment offered by the distinguished Senator from Mississippi.

Mr. COCHRAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered. The yeas and nays were ordered.

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Mr. DASCHLE. Mr. President, at this point I move to table the amendment offered by the distinguished Senator from Mississippi.

Mr. COCHRAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered. The yeas and nays were ordered.
The result was announced—yeas 47, nays 51, as follows:

[Role Call Vote No. 249 Leg.]

**AMENDMENT NO. 1500.**

The PRESIDING OFFICER. Is there a sufficient second?

Mr. LOTT. Mr. President, I ask unanimous consent that a vote occur on the motion to table that I just made at 5 p.m., with the time between now and then equally divided.

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

The motion to table that I just made at 5 o'clock vote.

The PRESIDING OFFICER. Who yields time?

Mr. DASCHLE. I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa. Mr. HARKIN, in one second, I will.

Mr. HARKIN. The PRESIDING OFFICER. Who controls time?

The PRESIDING OFFICER. The two leaders or their designees.

The Senator from Iowa is recognized on the Democrats’ time.

Mr. HARKIN. I thank the Chair.

The PRESIDING OFFICER. There is less than 15 minutes remaining before the 5 o’clock vote.

Mr. HARKIN. Mr. President, we just had a vote on a package that was proposed by the other side which would have gone out in direct payments to farmers as sort of income support for the low prices this year. The motion to table that proposal was unsuccessful. But I note that the vote was 51–47, a very close vote, to be sure. So now, under the previous arrangement, the first-degree amendment offered by Senator DASCHLE and I, and others on this side, is now the pending amendment.

I would like to explain for a couple of minutes the differences between what we have proposed and what was previously voted on. The package that was previously voted on was basically direct payments to farmers, AMTA payments, transition-type payments, which would go out.

Our package is a lot more comprehensive in that it addresses not only the income loss of farmers this year because of disastrously low prices, but our proposal also has $2.6 billion in there for disaster assistance. It covers such things as the 30-percent premium discount for crop insurance, so we can get farmers to buy more crop insurance all over America. We have money in there for 1998 disaster programs that were not fully compensated for with money from last fall’s disaster package. We have some livestock assistance programs, Section 32 funding, related to natural disasters, and flooded land programs. I might also point out that because of the disastrous drought affecting the East Coast, we have money in our proposal that would cover disaster payments to farmers up and down the Middle Atlantic because of the severe drought that is happening.

I might also point out that because of the need to get this money out rapidly to farmers, we have adequate funds in our disaster provision for staffing needs for the Farm Service Agency, so they can get these funds out in a hurry to our farmers.

I also point out that in the proposal now before us, we have an emergency conservation program for watershed and for wetlands restoration. We have some trade provisions that I think are eminently very important. They include $1.4 billion that would go for humanitarian assistance. This would be to purchase oilseed and products, and other food grains that would be sent in humanitarian assistance to starving people around the world. That was not in the previous amendment we voted on.

Mr. DORGAN. Will the Senator yield for a question?

Mr. HARKIN. In one second, I will. Also, we have some emergency economic development because the disasters that have befallen our farmers and the low grain prices have affected many of our people in the smaller communities. We have funds for those problems also.

I yield for a question.

Mr. DORGAN. Mr. President, I wonder if the Senator can emphasize disaster relief. As the Senator indicated—and I knew this—the previous initiative we voted on by the majority party, and that was the one that did not include disaster relief. We know disaster is occurring. Drought is spreading across the country. Disaster relief is necessary. Is it the case that the proposal we just voted on had no disaster relief and the proposal we will vote on at 5 o’clock, which you and I and so many others helped draft, does include disaster relief? Is that not a significant difference?

Mr. HARKIN. The Senator from North Dakota is absolutely right. There was no disaster assistance in the other bill. There is disaster assistance in ours—$2.6 billion that would cover the droughts, cover the floods, and...
cover a lot of the natural disasters that have befallen farmers all over America. That makes a big difference in these two bills. The Democratic package encompasses the bill that we now have before us.

Lastly, I would like to say that the payments that go out under our bill go out to producers and go out to actual farmers. Under the bill that we just voted on, some of the payments would go out to people who maybe didn't even plant a thing this year. They may not have even lived on a farm. This has to do with 20-year-old base acreages and program yields. So a lot of money can go out to people who aren't farming any longer. Our payments go out to actual farmers and people who are actually out there on the land.

I yield to my friend from New York. Mr. SCHUMER. I thank the Senator from Iowa.

I ask the Senator to yield for a question. I want to underscore the point about disaster relief in the Northeast. We have farmers who are hurting in my State of New York. Further south, in the middle Atlantic States, the drought is probably the worst it has been in this century. It is awful. In my State, it goes from county to county. Some have had some rain. Many have not. In other States, it is the whole State.

The fact that this proposal has money for disaster relief and the other doesn't is going to mean a great deal for the Northeast, I would presume.

Mr. HARKIN. Absolutely. In response to my friend from New York, absolutely for New York and all the States in the upper Northeast. It is not only just the price problem that you have. You have some disasters hitting you up there, and no money to help those farmers up there, included in their bill. That is why it is so important that this bill is passed and not tabled.

I hope Senators will recognize that in this bill it is not only income support, but it is also disaster payments to farmers.

Mr. President, how much time do we have left on this side?

The PRESIDING OFFICER. One minute 19 seconds.

Mr. HARKIN. I reserve that time in case our friend wants to use it.

I yield the floor.

The PRESIDING OFFICER. Who yields time? If neither side yields time, it will be equally to both sides.

The Democratic leader.

Mr. DASCHLE. Mr. President, it is my understanding that a couple of other colleagues wish to speak. I don't see them. There is only a minute left. We are not going to delay this vote.

I again compliment the distinguished Senator from New York and my other colleagues for their effort to get us to this point. I think for rural America this is one of the most important votes we are going to cast this session. Whether or not we send a clear message about the seriousness of this situation, the breadth and depth of this situation, makes a difference. The magnitude of the problem will be determined by how this vote turns out.

If I had my way, we would do a lot more. But at the very least, we must do this. There are millions of people who are going to be watching to see whether or not the Congress gets it—whether or not the Congress understands the magnitude of the problem, whether or not we can fully appreciate the fact that people are being forced off the farms and ranches today, whether or not that happens, and whether or not we understand how serious this situation is will be determined in the next 20 minutes.

I must tell you, Mr. President, this is a very critical vote. I urge my colleagues on both sides of the aisle not to table this amendment. Join with us in support. Let's send the right message to American agriculture.

I yield the time on this side on the amendment.

The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I know of no Senator who is seeking recognition on this side. The issue has been debated fully. I think we are prepared to go to vote.

I yield the time on this side on the amendment.

Ms. MIKULSKI. Mr. President, I rise today in strong support of the Democratic Emergency Relief Package for Agriculture. I am pleased to be a co-sponsor of this critical amendment.

American farms are struggling to survive. This package creates a safety net for our farmers who are facing a devastating drought.

I support this amendment for three reasons. First, it will help our farmers in Maryland who are suffering through an extreme drought. Second, it will help us maintain our agri-economy in the United States. Third, it is comprehensive because it helps farmers in all regions of the country.

My state of Maryland is suffering from the most severe drought in the State's history. Last week, Governor Glendening declared a state-wide drought emergency. This is the first time in Maryland's history that the Governor has had to take such drastic measures. Up to this point, water conservation efforts have been voluntary. Now, Marylanders will be required by law to conserve water. The United States Geological Survey officials are calling the drought of 1999 possibly the century's worst in the Mid Atlantic region. We can't stand by and let our farmers face this drought on their own.

These are hard working, tax paying Americans in a crisis. If we don't help them, we all lose.

Maryland has now been plagued by drought for the third consecutive year.

The drought has destroyed between 30 percent and 80 percent of the crops in nineteen counties in Maryland. Loss of crops is making this a very tough season for Maryland farmers. Our farmers need our help. Our farmers are losing crops and they are losing money—without help, many might have to go out of business.

I am already fighting with the rest of the Maryland delegation to designate Maryland farmland as disaster areas because of the drought. This means the Department of Agriculture will provide emergency loans to our farmers. But we need to do more. Loans do not provide any real long term assistance for our farming community. We must also provide grants for these farmers who are suffering from the drought. The Democratic package contains direct payments to help our farmers. These grants could mean the difference between saving the family farm or selling out to the highest bidder.

Mr. President, the second reason I support this package is because it supports our family farms. Agriculture is a critical component of the U.S. economy. Our country was built on agriculture. Agriculture helps maintain our robust economy. It is what fills our grocery stores with fresh, plentiful supplies of safe food for our families. It allows us to trade with other countries and build global economies and partnerships. It allows us to assist other countries whose people need food. Agriculture is the number one industry in the State of Maryland. We need to make sure U.S. agriculture is strong.

I cannot allow natural disasters to ruin this crucial sector by putting farms out of business for good. These are hard working farmers who, through no fault of their own, have been put in devastating situations. These are farmers we need. I will not stand by and allow them to go under. We must pass this farm package to save our farmers.

Finally, Mr. President, I support this package because it supports farmers in all regions of the country. The combination of low prices, lack of adequate crop insurance and natural disasters have made it a challenge to draft a package that helps everyone. Different areas of the country suffer from one or all of these contingencies. As I mentioned, Maryland suffers from all three.

This makes it especially hard for us. It also makes it especially vital that we pass this farm relief package today.

I strongly urge my colleagues to vote to help our American farmers and to save our farms.

The PRESIDING OFFICER. Is there objection to voting at this time?

Without objection, it is so ordered.

The question is on agreeing to the motion to table the amendment. On
this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative assistant called the roll.

Mr. NICKLES. I announce that the Senator from Utah (Mr. HATCH) and the Senator from New Mexico (Mr. DOMENICI), are necessarily absent.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 250 Leg.]

YEAS—54

Abraham
Allard
Ashcroft
Bennett
Bond
Brownback
Bunning
Campbell
Chafee
Collins
Coverdale
Craig
Crafo
DeWine
Enzi
Enzi
Fitzgerald
Frist
Gorton
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Just last week, the American Farm Bureau and all State farm bureaus across the Nation released an emergency appeal for $11 billion in emergency funding. I think it is a serious request. It is not a request that I take lightly. We are now considering proposals in the Congress from about $7- to $11 billion. We need to be addressed the emergency needs of farmers, but we also need to reduce our own barriers that our own farmers suffer under such as unilateral agricultural embargoes.

The USDA estimated that there has been a $1.2 billion annual decline in our economy during the mid-1990s as a result of these kinds of embargoes. The National Association of Wheat Growers estimated that sanctions have hurt U.S. wheat farmers out of 10 percent of the world's wheat market. The U.S. Wheat Commission projects that if sanctions were lifted this year, our wheat farmers could export an additional 4.1 million metric tons of wheat, a value of almost half a billion dollars, to the United States and to American farmers. American soybean farmers could capture a substantial part of the soybean market in sanctioned countries. For example, an estimated 90 percent of the demand for soybean meal in one country, 60 percent of the demand for soybeans in another. Soybean farmers' income could rise by an estimated $100- to $147 million annually, according to the American Soybean Association.

For us to raise barriers for the freedom of our farmers to market the things they produce and hold them hostage to our foreign policy objectives would require that we could get great foreign policy benefit from these objectives. And there isn't any clear benefit. One of the common threads in all the studies about agricultural sanctions was the study of our grain embargo against the Soviet Union in the late 1970s. Indeed, there were we upset about activities in the Soviet Union, so we indicated we wouldn't sell to the Soviet Union the grain we had agreed to sell to them. It was something like 17 million tons.

It turns out that by canceling our agreements, the Soviets went to the world market, according to the best studies I know of, and they saved $250 million buying grain on the world market instead of buying it from us. So our embargo not only hurt our own farmers but aided the very country to which we had directed our sanction. It seems to me we should not be strengthening our targets when we are weakening American farmers through the imposition of unilateral sanctions on food and medicine—the idea somehow that we allow things that are used to destabilize their neighbors or weaponry and the like. I believe it is important for us to say to our farmers that we are not going to make them a pawn in the hands of people for international diplomacy. The rest of America continues to go merrily forward, and they are bearing the brunt because they operate in a world marketplace where there are markets for these commodities that, in the event the foreign powers want them, they get them and replace them very easily.

It is with that in mind that this amendment has been constructed, carefully constructed, and designed to respect the need for sanctions where they are appropriate. To impose sanctions multilaterally, this does not come into play. This is designed to affect unilateral sanctions on food and medicine, and it does not prohibit them. It simply says that in order for the President to impose them, he would have to gain the consent of the Congress.

I am pleased that there is a long list of individuals who have been willing to cosponsor this amendment with me. Frankly, this amendment is a combination of provisions that were in a number of proposals in the past. I am pleased to be the cosponsor of Senator HAGEL of Nebraska and Senator KERREY of Nebraska, Senator DODD of Connecticut, Senator BROWNBACK of Kansas, Senator GRAMS of Minnesota, Senator WARNER of Virginia, Senator LEAHY of Vermont, Senator CRAIG of Idaho, Senator FITZGERALD of Illinois, Senator DORGAN, Senator SESSIONS, Senator LINCOLN of Arkansas, Senator HARKIN, Senator CONRAD, Senator INHOFE and others have been willing to cosponsor this amendment. I think it is an important amendment. I am pleased to have this opportunity to offer the amendment.

I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri (Mr. ASHCROFT), for himself, Mr. HAGEL, Mr. BAUCUS, Mr. ROBERTS, Mr. KERREY, Mr. DODD, Mr. BROWNBACK, Mr. GRAMS, Mr. WARNER, Mr. LEAHY, Mr. CRAIG, Mr. FITZGERALD, Mr. DORGAN, Mr. SESSIONS, Mrs. LINCOLN, Ms. LANDRETF, Mr. HARKIN, Mr. INHOFE, and Mr. CHAFEE, proposes an amendment numbered 1307 to amendment No. 1499.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the text of the amendment be printed in today's RECORD under "Amendment Submitted."

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

(The text of the amendment is printed in today's RECORD under "Amendment Submitted.")
while we work to improve farm legislation, we cannot continue to ask our farmers to bear the brunt of U.S. foreign policy decisions.

The amendment we are currently considering would be a positive first step in addressing sanctions reform. Under current law, agricultural and medicinal products may be included under a sanctions package without any special protections against such actions. However, if this amendment is adopted, agricultural products and medicine would be precluded from any new unilateral sanctions unless the President submits a report to Congress specifically requesting these products be sanctioned. Congress would then have to approve the request by joint resolution. Furthermore, should an agricultural sanction be imposed, it would automatically sunset after two years. Renewal would require a new request from the President and approval by the Congress.

This amendment undoubtedly sets a high standard for the imposition of unilateral economic sanctions for food and medicine. It is a standard that seeks to end the practice of using food and medicine as a foreign policy weapon at the expense of our agricultural producers.

Mr. President, the strong support we are receiving from commodity groups is a testament to the importance of this amendment to our agricultural producers. Organizations such as the American Soybean Association, the National Corn Growers Association, and the National Association of Wheat Growers—groups that represent America’s farmers—support this amendment because they understand the costs and consequences associated with unilateral economic sanctions.

Mr. President, this measure will help our agricultural producers by returning some common sense to the imposition of U.S. sanctions. I urge my colleagues to join with the cosponsors of this amendment to take the first step toward economic sanctions reform.

Mr. TORRICELLI addressed the Chair.

Mr. TORRICELLI. Mr. President, I rise in opposition to the Ashcroft amendment. As every other Member of this institution, I understand the hardship in American agriculture. I know the suffering of American families, and I know something of the problem of the policy. This amendment is based on a false premise. We are dealing with the American farmer that with all of his problems, a significant difference in his life can be made if only we can stop these sanctions.

It is a false premise. All of these countries combined, their total importation of agricultural products is 1.7 percent of agricultural imports.

So even if they bought nothing from Canada, nothing from Argentina, nothing from Australia, and nothing from Europe, altogether it would be 1.7 percent. Is that the potential of those countries that we are being told markets will open by the Ashcroft amendment? How much money is it that these people have to spend to help the American farmer? In North Korea, the total per capita annual income is $490. In Cuba, it is $150.

Mr. President, the American farmer is being told: There is a rescue here for you. Rather than deal with the substantive problems of American agriculture at home, we have an answer for you. We are going to open up importation and export to all these terrorist nations, and that will solve the problem. Really? With $150 in purchasing power in Cuba? The purchasing power of the Northerner is $490.

The fact of the matter is, to the extent there is any potential in these countries to purchase American agricultural products, the administration has already responded. There may not be much of a potential, but what there is, we have responded to.

Last week, the administration permitted the limited sale of food and agricultural commodities to these countries by licenses on a country-by-country basis. We did so for a responsible reason. If the North Koreans are going to import American agricultural products, we want to know who is importing them and who is getting them—in other words, that they are going to go to the people of North Korea and not the military of North Korea. If they are going to Cuba, we want to know the Cuban people are getting them, not the Cuban military. The same goes for Iran and Libya.

The potential of what Mr. Ashcroft is asking we have already done but in a responsible way. Indeed, potentially, with Iran, Libya, and Sudan, this could be $2 billion worth of sales to those countries—but ensuring that they go to people—not military, not terrorist, not the rest, but the people. Here is an example of the policy the administration has had since May 10 with regard to Cuba. Regulations permit the license and sale of food and commodities on a case-by-case basis if they go to non-governmental, religious organizations, private farmers, family-owned businesses. If your intention is to sell food to any of those entities, you can get a license and you can do it. To whom can’t you sell? The Communist Party, the Cuban military for re-export by the Cuban Government for Fidel Castro.

The amendment offered by the Senator from Missouri solves no problem and simply contradicts the administration’s policy of ensuring that this goes to the people we want to be the end users. The same is true in North Korea.

Today, the United States is in a humanitarian assistance program to North Korea. Over $459 million worth of food has been donated to North Korea through the World Food Program. UNICEF has done the same. But we send monitors. When the food arrives in North Korea, we monitor that it is going to the people of North Korea, not the military. We want to know the end users.

The amendment by the Senator from Missouri will be a wholesale change in American foreign policy. Sanctions that have been in place since the Kennedy administration, through Johnson, Nixon, Carter, and Reagan, will be abandoned wholesale—a radical change in American foreign policy.

What are the nations and what are the policies that would be changed? I want my colleagues to walk down memory lane with me. Before you vote to enter into a limited humanitarian food program, I want you to understand who will be getting these food exports, without licenses, which are not required to ensure the end users. I cannot be the only person in this institution who remembers Mr. Qadhafi, his refusal to bring the terrorists to justice who did so to Pan Am 103. We are now in an agreement with Libya to bring those terrorists to trial. Now, in the middle of the trial, while there is an agreement, this amendment would lift the sanctions and allow the exportation of those products.

The Sudan. Sanctions have not been in place long. In an act I am sure my colleagues recall, Mr. bin Laden’s lieutenants plotted and executed the destruction of American embassies in Kenya and Tanzania in August 1998; 224 people were murdered. The administration appropriately responded with sanctions on the prohibition of food and other products of any kind to the Sudan. The amendment of the Senator from Missouri would lift those sanctions.

North Korea. The intelligence community and the Japanese Government have put us on notice that, in a matter of weeks or months, the North Korean Government may test fire an intermediate to long-range missile capable of hitting the United States. We are in discussions with the North Koreans urging them not to do so. We have entered into a limited humanitarian food program to convince them not to engage in the design or testing of an atomic weapon. The amendment of the Senator from Missouri would negate that program, where we already sell food, knowing its end use and end sanctions.

Iran. The administration has already entered into a program where we can license the exportation of food to Iran if we know its end use. But only this year, the administration again noted that Iran supports terrorist groups responsible for the deaths of at least 12 Americans and has funded a $100 million program to undermine the Middle
East peace process, giving direct bilateral assistance to every terrorist group in the Middle East, undermining Israel and American foreign policy.

Cuba. In October 1997, the United States found that the Cuban Government had murdered four Americans and found them guilty of gross violations of human rights. Last year, 12 Cubans were indicted in Florida for a plot to do a terrorist act against American military facilities in Florida. The United States already licenses food to Cuba, where we know the end use. The amendment of the Senator from Missouri would allow the wholesale exportation of food to Cuba despite these indictments, gross human rights violations, and 30 years of American foreign policy.

I respect the concern of the Senator from Missouri for the American farmer. I understand the plight. But let's deal truthfully with the American farmer, his family, and his plight. The Cuban family who earns $150 a year, through their purchasing power, is not going to save American agriculture. If Cuba was capable of importing food today, they would do so from Argentina, Canada, or Europe. They don't because they can't, because they have no money. The same is true of North Korea. If North Korea had the money to import food, they would do so from every other nation in the world that does not have sanctions on them. They don't because they can't, because they have no money. You are making an offer no one can accept—an answer to the American farmer that has no substance. I don't believe there is a single farmer in America who either believes this argument or, even if it would be successful, even if they did have money, would want to help overthrow the history of others who are victims of this kind of terrorism.

I, too, represent an agricultural State. Farmers in the State of New Jersey—the Garden State—are also suffering. I have yet to find one American farmer—good Americans, patriotic Americans—who believes the answer to their problem is selling Qadhafi products, or the Iranians. American farmers—all of the American people—have long memories.

These people are outliers. Every one of these nations is on the terrorist list. Is our policy to put nations on the terrorist list because they kill our citizens, bomb our embassies, destroy our planes, and then to say: It is outrageous but would you like to do business? Can we profit by you? We know our citizens have been hurt. But, you know, that was yesterday; now we would like to make a buck.

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I heard the discussion on the floor of the Senate today about this amendment—talking about my good-ness, are you serious, to fix the problems of farmers with this amendment with sanctions reform? No. No, we are not.

But I think it is important we under-stand that this is connected. This is linked. Trade reform and sanctions re-form were, in fact, part of the commit-ment that this Congress made to our agricultural community in 1996.

We need to lead. We need to be cre-ative. We need to be relevant. We need to connect the challenges with the pol-icy. USDA, for example, reports that the value of agricultural exports this year will drop to $49 billion. That is a reduction from $60 billion just 3 years ago. American agriculture is already suffering from depressed prices and re-duced global markets, as we have heard very clearly today, making sanctions reform even more important. Again, let’s not blur the lines of this debate.

I noted as well the debate today on the floor regarding the Iranian piece of sanctions reform.

Let’s not forget that when America broke diplomatic relations with Iran, Iran was the largest importer of Amer-i-cans in the world. I think, as has been noted, Iran this year will import almost $23 billion worth of wheat. Are we talking about just the commercial interests and the agricultural interests of America and national security inter-ests be damned? No, we are not talking about that.

This amendment gives the President the power, when he thinks it is in our national security interests or in our national interests as he defines those through his policy, to impose unilat-eral sanctions. However, he does it with a Congress as a partner; the Congress has a say when we use unilat-eral sanctions.

This is not just about doing what is right for the American farmer and rancher, the agricultural producer. This amendment also makes good hu-manitarian and foreign policy sense. Our amendment will say to the hungry and oppressed of the world that the United States will not make their suf-fering worse by restricting access to food and medicine.

I have heard the arguments; I under-stand the arguments. I don’t believe I live in a fairyland about where the food goes, where the medicine goes. We un-derstand there always is that issue when we export food, sell food, give food to dictators, to tyrants. We under-stand realistically where some of that may be placed.

To arbitrarily shut off to the people, the oppressed masses of the world, food, medicine, and opportunities is not smart foreign policy. It is not smart foreign policy. It will make it harder for an oppressive government, the tyrants and dictators, to blame the United States for humanitarian plights of their own people. In today’s world, unilateral trade sanctions primarily isolate those who impose them.

For these reasons and many others that Members will hear in comments made yet this afternoon on the floor of the Senate, I strongly encourage my colleagues to take a hard look at what we are doing, what we are trying to do, to make some progress toward bringing a unilateral sanctions policy into a world that is relevant with the border-less challenges of our time. I believe we do protect the national interests of this country, that we sacrifice none of the national interests on behalf of American agriculture. In fact, this amendment accomplishes both.

I yield the floor.

Mr. GRAHAM. Will the Senator yield?

Mr. HAGEL. I am happy to yield to the Senator.

Mr. GRAHAM. I am struck with some of the inconsistencies within this amendment. I appreciate my col-league’s elucidation as to their signifi-cance.

Under “New Sanctions,” it states: . . .the President may not impose a unilat-eral agricultural sanction or a unilateral medical sanction against a foreign country or a foreign entity for any fiscal year, un-less—

And there are certain exceptions. In terms of “new sanctions,” we are speaking as to presidentially imposed. Under “Existing Sanctions” it says:

. . .with respect to any unilateral agricul-tural sanction or unilateral medical sanction that is in effect as of the date of enactment of this Act for any fiscal year. . . .

As my colleague knows, some of the sanctions that would be covered by this existing sanctions language are con-gressionally imposed, not presiden-tially imposed.

The question I have is, Why make the distinc-tion for new sanctions, that they must be presidentially imposed, assumingly reserving to Congress the right to impose a new sanction? Yet with old existing sanctions, the amend-ment wipes out both those that were presiden-tially as well as those which had been sanctioned by action of Con-gress, what is the rationale?

Mr. HAGEL. I will yield to Senator Ashcroft. That is in his part of the bill. Our two bills were melded to-gether.

Mr. ASHCROFT. May I respond to the question of the Senator from Flor-i-da?

The PRESIDING OFFICER (Mr. Brownback). The Senator from Mis-souri.

Mr. ASHCROFT. I thank the Senator from Florida for his question.

This bill is to harmonize the regime of potential sanctions and basically re-quires an agreement by the President and the Congress for any unilateral sanction that would be expressed by this country against exporting agricul-tural or medicinal commodities to other countries.

This results in having to come back to establish any existing sanctions, and that has been considered in the drafting of this bill. This bill is not to go into effect for 180 days after it is signed by the President, to give time for the consideration of any sanctions that exist in the measure, and if the President and Congress agree that there are additional sanctions to be levied unilaterally against any of these countries, then those can in fact be achieved.

The intention of the bill is to give the Congress and the President the ability to so agree on those issues.

Mr. GRAHAM. To continue my ques-tion, I don’t think that was quite re-sponsible to the issue I am raising.

Now, a Congress in the future, the principal argument was that we should not allow the President to unilat-erally be imposing these sanctions, and in terms of new sanctions as out-lined on page 4, you clearly restrict the application by the President of prohi-bition to those that are unilateral.

As it relates to existing sanctions, this language appears to sweep up both sanctions that were unilaterally im-posed by the President, such as the one against Sudan last year, as well as those that were imposed by action of Congress, such as the legislation that bears the name of the chairman of the Foreign Relations Committee which was adopted some time ago. That was an action which had the support of the Senate, the House of Representatives, and was signed into law by the Presi-dent of the United States.

Who else does the Senator want to have sanctioned in order to be an effec-tive and comprehensive policy of the United States of America?

Mr. ASHCROFT. Mr. President, in re-}
during which that is to happen provided for in this amendment.

Mr. GRAHAM. Continuing with the question, would the Senator from Missouri be amenable to a modification of this amendment to make the existing sanctions provision on page 5 consistent with the new sanctions standards on page 4?

Mr. ASHCROFT. Mr. President, I am willing to consider and would like to have an opportunity to discuss that. I am pleased during the course of the debate this evening to see if something can be worked out. If the Senator from Florida believes there is progress to be made in addressing that, we would be pleased to talk about those issues.

Mr. GRAHAM. If I could move to another provision, which is beginning at line 12, we have the “Countries Supporting International Terrorism” section, which reads:

This subsection shall not affect the current prohibitions on providing, to the government of any country supporting international terrorism, financial assistance, including United States foreign assistance, United States export assistance, or any United States credits or credit guarantees.

What is missing from that set of prohibitions is prohibitions against direct, unilateral commercial sales. As I gather from the Senator’s earlier presentation of this amendment, it is his intention that a nonassisted commercial sale between a U.S. entity and one of these terrorist states would be acceptable, i.e., would not be subject to continued prohibitions?

Mr. ASHCROFT. It is our intention, absent an agreement by the President of the United States and the Congress, to so embargo such sales. Such entities would be able to use their hard currency to purchase American agricultural or medicinal products. Our underlying reason for that is that when these governments invest in soybeans or corn or rice or wheat, they are not buying explosives; they are not repressing their population. As a matter of fact, if we could get them to use all of their currency to buy American farm products instead of buying the capacity to repress their own people or destabilize other parts of the world, we want them to do that. The conspicuous absence here, obviously, is we will not provide credit for them which would relieve them to spend their hard currency in these counterproductive ways.

So the philosophy of this measure is such that we think any time these people will spend money on food and medicine, they are not spending their resources on other things which are much more threatening, not only to the United States but to the community of nations at large.

Mr. GRAHAM. The concern I have is that what essentially we have, or what the Senator proposes to do—I hope we do not follow this suggestion—is to say, if you are a sufficiently rich terrorist state, you can afford to buy the products without any of the credit or other assistance that is often available in those transactions. If you are rich enough to be able to make the purchase without depending upon that, then these prohibitions that are currently in place—by action of the Congress or action of the President or, in the case of several of these, by action of both the Congress and the President—will not apply. But if you are a poor terrorist country and cannot afford to buy the food unless you have one of these subsidies, then you are prohibited. Is it that a rich terrorist state gets a preference over a poor terrorist state?

Mr. ASHCROFT. No, I do not think so. I really think what we are saying is no matter how much money you have, if you are a terrorist state we would rather have you spend that money on food and medicine than we would have you spend that money on weaponry or destabilizing your surrounding territory. That is, if you have or you do not have, we are willing and pleased to have you spend that to acquire things that will keep you from oppressing individuals.

I suppose you could argue rich terrorist states are going to be better off than poor terrorist states. I think that is something that exists independent of this particular proposal of this particular amendment. Rich nations, be they good, bad or indifferent, generally are better off than poor ones. But I think it is pretty clear that we do not have an intention of saying we are going to take a regime which is in power and we are going to sustain it by allowing it to do otherwise be its purchases of food by providing credit so they can then use their hard currency to buy arms or other things that would be repressive.

Our intention is to make sure, if the money is spent, they spend it on food and medicine to the extent we can have them do so.

Mr. GRAHAM. Is it a fair characterization of subsection 4 that commercial sales of food and medicine to a rich terrorist state are acceptable; i.e., would be exempt from the current licensing provisions but humanitarian sales, that is, sales that qualify for one of the various forms of U.S. Government assistance to a poor terrorist state, would continue to be subject to those licensing requirements?

Mr. ASHCROFT. I think one of the things we have sought to do in this legislation is to indicate we are not at war allowing it to displace what would otherwise be its purchases of food by providing credit so they can then use their hard currency to buy arms or other things that would be repressive.

Our intention is to make sure, if the money is spent, they spend it on food and medicine to the extent we can have them do so.

Mr. ASHCROFT. Let me just say, if it is permissible for me to respond, I thank the Senator from Florida for his careful questioning and the opportunity to make a response. I think this is a very constructive way to handle these situations.

I do not think there is anything that is not humanitarian about allowing nongovernmental organizations, to commercial organizations, to buy food so
people can eat. I think that is humanitarian. I do not find that to be inconsistent with the title. I do not think in order to have the character of being as assistance and humanitarian, they have to be gifts or they have to be credit guarantees. The mere fact that Americans would make possible the sale of vital medicinal supplies and vital food supplies in a world marketplace to people who are hungry and people who need medicinal care is humanitarian.

We do make it possible for certain kinds of nongovernmental organizations and commercial organizations to get credit, but we simply draw a line in extending credit to governments which have demonstrated themselves to be unwilling to observe the rules of human decency and have been perpetrators of international terrorism and peddlers of the instability that such terrorism promotes in the world community.

So it is with in mind that we want people to be able to eat, understanding that the United States is not at war with the people of the world but has very serious disagreements with terrorist governments. We want people to be able to get the right kind of medicinal help, understanding that we are not at war with people who are unhealthy and who need help medically, and understanding that when people get that kind of help, and understand that the United States is a part of it, it can be good foreign policy for the United States.

But we do not believe that addressing the needs of the Government itself, especially allowing them to take their hard currency to buy arms, by our providing them with credit guarantees for their purchase of foodstuffs, would be appropriate.

Mr. GRAHAM. Mr. President, I appreciate the answers to the questions, and I think the summary of those answers is that we have established an inconsistent policy as between actions of the Congress relative to new sanctions and to existing sanctions.

Second, we have established a policy that, if you are a rich terrorist state and have the money to buy food at straight commercial standards, you can do so; if you are a poor terrorist state that would require the access to some of these various trade assistance programs, then you cannot buy American food.

I do not believe this is an amendment that, once fully understood, the Members of the Senate will wish to be associated with.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from the great State of Florida.

Mr. MACK.

Mr. MACK. I thank the Chair.

First, I want to address a point that was made a few moments ago, an argument that went something like this: If we were to open up our markets, that action would, in essence, allow terrorists or countries to buy more food products. I just fundamentally disagree. I think in fact they are buying all of the product that they can afford to buy now. And I would make the case that if they buy the product from us at a cheaper price because of it being subsidized, we are in fact subsidizing them.

So I just fundamentally disagree with where the proponents of this amendment are going.

Mr. ASHCROFT. Will the Senator yield?

Mr. MACK. Sure.

Mr. ASHCROFT. Is it the Senator's belief that somehow all our agricultural products are subsidized; therefore, it would be cheaper than the world market price?

Mr. MACK. I say to my colleague who has raised this question that I do find it strange that at just the time when Members are coming to the floor and asking the American taxpayer to come to the aid of the American farmer, they are at the same time asking us to lift sanctions to allow them to sell products to terrorist states.

I think, in fact, there is a connection between what is happening today—that is, some $6–7 billion, depending on what this bill finally turns out to produce, $8–9 billion in aid to American farmers, just after a few months ago with the additional aid to the American farmer—that you would find it appropriate to say to the American taxpayer: Now that you have given us this aid, we would like to have permission to sell our product to terrorist countries. I just find that unsupportable.

I thank the Senator for raising the question.

Mr. ASHCROFT. That is not the question I raise. But if I may ask, the Senator's answer, then, is that he thinks what we are talking about in disaster assistance to farmers in this aid is a subsidy that would allow us to sell below world market prices, and that is why we will not do that?

Mr. MACK. It clearly is a subsidy to the American farmer. What kind of effect it will have on the world price I do not think I am qualified to say. But it seems to me it is clear that if in fact there is a subsidy being received by the American farmer, that farmer could sell the product at a lower price.

I thank the Senator for his question.

Mr. President. I oppose trade with tyrants and dictators, and I emphatically oppose subsidized trade with terrorist states. Again, make no mistake, that is exactly what this amendment does. Specifically, with my colleagues from New Jersey, and the distinguished chairman of the Foreign Relations Committee, we oppose the amendment to prevent any action by this body to limit the President of the United States' ability to impose sanctions on terrorist states.

Freedom is not free. I know my colleagues understand this simple axiom—this self-evident truth. But today we hear from our colleagues that the farmers of our Nation are undergoing a dire time. So today, they have put before us a fundamental question: Does this great Nation, the United States of America, support freedom, or do we support terror?

A few weeks ago, as I was preparing a statement on another issue, I came across a letter from His Holiness, the Dalai Lama of Tibet. In this letter the Dalai Lama says, and I quote, "America's real strength comes not from its status as a superpower but from the ideals and principles on which it was founded."

How many times have my colleagues been with me when a visiting head of state delivered to us the same message as the Dalai Lama's? I will provide one example.

Last summer, the President of Romania addressed a joint session of Congress. He began his remarks by reminding us that Romania considered the United States the country of freedom and the guardian of fundamental human rights all over the world. He went on to say:

"Throughout its history, your country has been a beacon of hope for the oppressed and the needy, a source of inspiration for the creative, the courageous and the achieving. It has always been, and may it ever remain, the land of the free and the home of the brave."

We are a nation founded on principles—the principles of freedom, liberty, and the respect for human dignity. And our commitment to these principles gives us our real strength today. It is that simple.

I began this statement by posing a question on freedom versus terror. We know, even for granted, the answer to that question—the United States opposes terror. But what about the strength or our commitment to these principles? On occasion, a short-term crisis can blind us—cause us to lose sight of our values and their importance to who we are and from where we derive our strength.

Today's debate typifies one such moment. The poster which has been shown on this floor indicates the issue before us with respect to terrorist nations and their leaders—Qadhafi, Castro, and others.

In exchange for very limited market expansion, some would take away the President's authority to restrict trade with terrorist regimes—six countries whose combined markets represent a mere 1.7 percent of global agricultural imports; yet these minor importers perpetrate or harbor those who
commit the world’s greatest acts of terror.

Some would have us open trade in agricultural products with these terrorists—in effect placing our principles up for sale. So what is the strength of our commitment to these principles? If we are to choose freedom over terror, what price should we expect to pay? There can be no doubt in anyone’s mind the value of our commitment to freedom certainly exceeds the U.S. share of 1.7 percent of the world’s agriculture market.

But for those who may actually find this less clear than I do, it gets easier. The request by those who wish to trade with terrorists gets more extreme. With this amendment to language providing subsidies of U.S. agriculture, we are in effect being asked to subsidize global or American humanitarian aid. The amendment is asking the taxpayers of the United States to subsidize American farmers, who will then sell to terrorist states.

The United States must not subsidize terrorist regimes. I find it unconscionable that we would even consider such a proposal. When two countries engage in a trade, even if just one commodity is being exported, both countries benefit from the exchange. So by opening agricultural exports to Iran, Sudan, Cuba, Iraq, Libya, and North Korea, we are offering direct support to the regimes in power. If they chose to purchase from the United States, they would be doing so because they see it as being in their best interest. Their benefit would be greater in this case because the products sold to terrorists would be subsidized by the U.S. taxpayer.

Terrorism poses a direct threat to the United States. The threat increased was considerable during the cold war when the Soviet Union and its allies often backed movements or governments that justified the use of terror. The threat is even greater today, when chemical or biological weapons, no bigger than a suitcase, can bring death and devastation to tens of thousands of people. The deaths in the World Trade Center bombing or in Pan Am 103 remind us of what terrorism can produce. The image of Cuban Air Force MiG fighters in the Florida Straits. We are moving from a era when the Soviet Union and its allies had representatives from the United Nations in our country to an era when we have representatives from the United Nations who are ensuring wheat into a bomb, can you? Well, maybe not, but it is possible for a government that supports terror to use our food exports to win popular support, and it is possible to use the money saved by purchasing subsidized American goods for yet more terror.

We can all agree that the United States must stand for freedom and against terror, and I hope the strength of our commitment to this principled stand runs deep. Today we are being asked how deeply are we committed to defend our principles. I believe we may be making a mistake. Our principles provide the real source of America’s strength. If we are serious about battling terrorism, there can be no compromise with terror and no trade with terrorist nations.

Mr. President, I yield the floor.

Mr. FITZGERALD. I thank the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. FITZGERALD. I thank the Chair.

Mr. President, I am proud to rise in support of Senator Ashcroft’s amendment, of which I am a cosponsor. Before getting into the specifics of Senator Ashcroft’s amendment, I want to lay the table a little bit by describing what I have heard in the agricultural community in my State and to talk for a moment about a farm rally that I attended last Saturday in Plainfield, IL. At that rally, which was held on the Crawford County Fairgrounds in Plainfield, IL, there were more than 500 farmers, not just from Illinois but from all over the country. There were farmers from as far away as Washington State and from Oklahoma and from the Southern and Eastern States as well.

One message I heard, talking to the farmers, not just those from Illinois but those from all across the country, was that there is a severe crisis in agriculture right now. Crop prices are at almost record low levels, if you consider the effect of inflation. The prices are low not just for corn and soybeans but also for hogs and wheat, and the list goes on.

On top of that, we are seeing a trade situation now in which the countries in the European Union, to whom we used to export large amounts of our grain and livestock products, are, with increasing frequency, raising not just tariff barriers to the importation of American agricultural goods but also nontariff barriers. Nontariff barriers, objections to the safety of our food, objections for which very few in the scientific community have said there is any basis.

Also we have seen a slump in the economy in Asia. The near depression in Asia in the last year has caused a severe drop-off in the amount they are importing from the United States and from our farmers in this country. On top of that, as was said earlier today, some parts of our country are experiencing drought, other parts floods. Farmers have complaints, as we all know, about the tax code and its consequences that are particularly felt by family farmers who can’t deduct health insurance, for example, who have a very hard time meeting the obligations of the death tax, which taxes their family farms at 55 and, in some cases, 60 percent of their value when a farmer dies.

I am very pleased that Senator Cochran and the Agriculture Appropriations Subcommittee of the Appropriations Committee are today to support that amendment that Senator Cochran’s bill will be adequate to meet the challenges we now have in the short term.

I am concerned that we not just address the short term. Mr. President, I think it is very important that we think about long-term solutions for the farm crisis in this country so that we don’t have to come back every year with ongoing crises year after year. Perhaps the best thing we can do for the long-term survival and success of our American farmers is to improve the trade climate.

Several years ago, we passed the Freedom to Farm Act. The farmers in my State of Illinois frequently say: You gave us the freedom to farm, but you didn’t give us the freedom to trade. What good is that freedom to farm, that freedom to plant all the acres we want, if we don’t have the freedom to sell our products abroad as we need?

So I think it is very important that we work on a variety of fronts in the trade area. I favor fast track trade negotiating authority for our President. I think that normal trade relations with China would help our farmers. Accession of China into the WTO would be helpful. Agriculture needs a seat at the trade table next fall in the negotiations for the Seattle round of the multilateral trade negotiations. We need to have representatives from the FAS, the FSA, and USDA right there with Charlene Barshakesky when we are negotiating trade issues next fall. We also need strong enforcement of WTO trade disputes and, of course, open access for our GMO food products in Europe.

One step toward improving the trade climate for our Nation’s farmers is the pending amendment that Senator Ashcroft and I and a number of my colleagues have cosponsored. I am rising today to support that amendment to exempt food and medicine from unilateral sanctions. Unilateral sanctions on food and agricultural products clearly hurt American agriculture
more than anyone else. The target country simply buys its food from some other country, leaving less money in our farmers pockets. When the U.S. Government decides to sanction food and agriculture, it simply tells our international competitors to produce more to meet the excess international demand. Once American agriculture loses these markets to our foreign competitors, our reputation then as a reliable supplier is tarnished, making it difficult for us to regain these markets for future sales.

Our agricultural trade surplus totaled $272 billion just 3 years ago in 1996. But this year, the U.S. Department of Agriculture projects that our ag trade surplus will have dwindled to approximately $12 billion. Reversing this downward trend in the value of our exports through our current sanctions policy reform even more timely and necessary. In fact, recent estimates calculate the cost of U.S. sanctions at $15 to $19 billion annually. These potential sales could give a significant boost to our rural economy, if only they were allowed by the Federal Government.

Free and open international markets are vital to my home State. Illinois' farm products sales generate $9 billion annually, and Illinois ranks third in this country in agricultural exports.

In fiscal year 1997 alone, Illinois agricultural exports totaled $3.7 billion and created 57,000 jobs for the State of Illinois. Needless to say, agriculture makes up a significant portion of my State's economy, and a healthy export market is important to all my constituents. For this reason, I am proud to cosponsor Senator Ashcroft's amendment.

The amendment simply exempts food and medicine from unilateral sanctions, unless the President submits a report to Congress requesting that agriculture be sanctioned and the Congress approves the request by joint resolution. With commodity prices where they are, and with the Seattle round of trade negotiations ongoing on the horizon, we must act quickly to unbridge the farm economy from the tight reins of current U.S. sanctions policy.

Mr. President, I note that Senator Ashcroft has crafted this amendment so that there are escape hatches that, in severe cases, the President, working with Congress, can, if he absolutely believes it necessary, go forward and maintain sanctions in a particular case and perhaps, in some cases, in Congress, override an override.

With that, I yield the floor.

Mr. GRAHAM addressed the Chair. The PRESIDENT OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I ask unanimous consent that Senator Alexander be granted floor privileges during the consideration of the Agriculture appropriations bill.

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

Mr. DURBIN addressed the Chair. The PRESIDING OFFICER. The Senator from Illinois, Mr. DURBIN.

Mr. DURBIN. Mr. President, I stand in support of the amendment offered by the Senator from Missouri, Mr. ASHCROFT. I have listened to the arguments of both sides to this point and have found them interesting. I certainly join Senator FITZGERALD in noting that Illinois is a great agricultural State. I have visited that State regularly over the past several months, including Monday, when I had the privilege of meeting with farmers who are, in fact, suffering from perhaps one of the worst price depressions that they have witnessed in decades. They need help. That is why the underlying merchandise appropriations bill, and the emergency bill that is part of it, is so important.

It has been portrayed during the course of this debate that addressing the question of unilateral sanctions involving food and medicine exports from the United States will be of some assistance to the farmers. I think that is possible. But I have to concede that the countries we are talking about are generally so small as to not have a major impact on the agricultural exports of the United States.

I believe the Senator from New Jersey, who opposes this amendment, mentioned that we are talking about a potential export of 1.7 percent of our entire agricultural budget. That is not the kind of infusion of purchasing in our agricultural economy that will turn it around. So I don't believe this amendment, in and of itself, is a major agricultural amendment, although clearly will have some impact on agriculture. But I do believe it stands for a proposition that is worth supporting. Let me tell you why.

First, I believe that we have learned over the course of recent history that unilateral sanctions by the United States alone can, without any measurable evidence, on our own to impose sanctions on a country, it is usually because we are unhappy with their conduct, so we will stop trade or impose some sort of embargo to show our displeasure. You can understand that because some of the actions we have responded to were horrendous and heinous. The bombings of embassies and other terrorist acts raise the anger of the American people, and through their elected representatives, we respond with sanctions. That is understandable, and it is a natural human and political reaction.

I think we would have to concede that over time those unilateral sanctions have very little impact on the targeted country. In the time I have served on Capitol Hill, over 17 years, I can only think of one instance where the imposition of sanctions had the desired result, and that, of course, was in the case of South Africa. It was not a unilateral sanction by the United States. We were involved in multilateral sanctions with other countries against the apartheid regime in South Africa, and we were successful in changing that regime.

But as you look back at the other countries we have imposed unilateral sanctions on, with the United States standing alone, you can hardly point to similar positive results. So I think we have learned a lesson well that merely imposing those sanctions alone seldom accomplishes the goals that we seek.

Inresponse to the course of this amendment by Senator ASHCROFT, as has been noted by others, he makes allowances for the United States to continue to impose unilateral sanctions under specific situations. Of course, if there is a declaration of war, and the United States, at the request of Congress, the President comes to Congress and asks that we impose sanctions for products which may in and of themselves be dangerous, such as high technology and the like, products which have been identified by the Department of Commerce as being dangerous to America's best interests.

I applaud the Senator from Missouri for making those provisions. It gives any administration the wherewithal to impose unilateral sanctions in extraordinary cases. But I understand this amendment to suggest that if we are not dealing with extraordinary cases, we should basically be willing to sell food and medicine to countries around the world.

I have found it interesting that my colleagues who oppose this amendment have come to the floor to describe these potential trading partners as tyrants, dictators, and terrorist states. One of the Senators came to the floor with a graphic presentation of some of these dictators in these countries. Not a single person on the floor this evening would make any allowance for the terrible conduct by some of these terrorist regimes. But I must remind my colleagues that the purpose of this debate that, after World War II, we were engaged in a cold war that went on for almost five decades, which involved the Soviet Union and China. During that cold war, some terrible things occurred involving those countries and the United States.

We expended trillions of dollars defending against the Soviet Union and trying to stop the expansion of communism. We decided they were our number one target, and that specific countries in the Senate and in the House were predicated on whether or not we were stopping, or in any way aiding, the growth of communism.
Despite this cold war’s intensity, which more or less monopolized foreign relations in the United States for half of this century, we found ourselves during that same period of time trading and selling food to Russia, the Soviet Union, and selling foodstuffs to China and other countries. I guess we adopted the premise that former Senator Hubert Humphrey used to say should guide us when it comes to this economy. We asked him whether he would sell food to the Communists and he said, “I will sell them anything they can’t shoot back at us.” He meant it as a practical viewpoint that, when it gets down to it, we are not the sole suppliers of food in the world. For us to cut off food supplies to any given country is no guarantee they will starve. In fact, they can turn to other resources. So let us try to say to us who should impose unilateral sanctions on a country such as Cuba, I think, have forgotten the lesson of history that, not that long ago, we were selling wheat to the Russians at a time when we were at the height of the cold war. I think that is a lesson in history to be remembered.

The second question is whether or not we should, as a policy, exempt food and medicine when it comes to any sanctions. I believe that is the gravamen of the amendment offered by the Senator from Missouri. I think he is right. I say to those who believe that by imposing unilateral sanctions involving the sale of food and medicine from the United States on these dictatorial regimes we will have some impact, please take a look at the pictures of the dictators that you presented for us to view this evening.

Now I have been watching Mr. Castro in the media for over 40 years and I don’t see him thin and emaciated or malnourished. He seems to be finding food somewhere, as do many other people in states where we have our differences. But I do suspect that when you get closer to the real people in these countries, you will find they are the ones who are disadvantaged by these sanctions on food and medicine.

Let me tell you, there was a report issued 2 years ago by the American Association for World Health, “Denial of Food and Medicine: The Impact of the U.S. Embargo on Health and Nutrition in Cuba.” It concluded that:

The U.S. embargo of Cuba has dramatically harmed the health and nutrition of large numbers of ordinary Cubans.

The report went on to say:

The declining availability of foodstuffs, medicines, and such basic medical supplies as replacement parts for 30-year-old x-ray machines in Cuba have contributed to a logic human toll. The embargo has closed so many windows that, in some instances, Cuban physicians have found it impossible to obtain life-saving machines from any source under any circumstances. Patients have died.

I quote from a letter I received from Bishop William Purcell from the Dio-

ce of Chicago who told me his experience in visiting villages.

He was especially struck by the impact of the American embargo on people’s health. We saw huge boxes of expired bill samples in a hospital. Other than those, the shelves of the pharmacy were almost bare. We talked with patients waiting for surgeons who could not be operated upon because their X ray machines from Germany had broken down. A woman was choking from asthma from lack of inhaler.

I hope you will pay particular attention to this. The bishop says:

At the AIDS center, plastic gloves had been washed and hung on a line to dry for reuse. The examples of people directly suffering from the impact of our government’s policy after all of these years was sad and embarrassing to see.

That was in the letter he sent to me. But many other religious groups in the United States have reached the same conclusion. The U.S. Catholic Conference and others have termed our policy with Cuba “morally unacceptable.”

I don’t come to the floor today to in any way apologize or defend the policies of Fidel Castro in Cuba or for shooting the plane down in 1997. That was a savage, barbaric act. No excuse can be made for that type of conduct. But when we try to focus on stopping the conduct of leaders such as Castro by imposing sanctions that embargo food and medicine, I don’t think we strike at the heart of the leadership of these countries. Instead, we strike at poor people—poor people who continue to suffer.

Many folks on this floor will remember the debate just a few weeks ago when we were shocked to learn that India and Pakistan had detonated nuclear devices. This was a dramatic change in the balance of power in the world, with two new entries in the nuclear club. Countries which we suspected were developing nuclear weapons had in fact detonated them to indicate that our fears were real.

Under existing law, we could have imposed sanctions on India and Pakistan at that time to show our displeasure. We did not. We made a conscious decision to vote in the Senate not to do that. We concluded, even at the height of the cold war, that it was not in our best interests or smart foreign policy to impose these sanctions.

So you have to ask yourself, why do we continue to cling to this concept when it comes to Cuba, that after some 40 years this is the way we are going to change the Cuban regime?

I think the way to change the regime in Cuba and many other countries has been demonstrated clearly over the Wall coming down and the end of communism in Eastern Europe. It had as much to do with the fact that we opened up these countries after years of isolation. Finally, these countries saw what the rest of the world had to have. They unlike some former Reagan lifestyle and quality of life meant in the Western part of the world, and when they compared that to the Communist regime, they started racing for democracy.

That, to me, is an indication of what would also happen in Cuba. If we start opening up trade in food and medicine and other relations with that country, I predict that we would have much more success in bringing down an objectionable regime than anything we have done over the past four decades.

We have learned the lesson from the cold war. We know you cannot bring a country to its knees by denying export of food and medicine. We should also know that the best way to end dictatorial and totalitarian regimes is to open trade, open commerce, and open channels of communication.

The amendment that has been offered by the Senator from Missouri is an attempt to address not only the agricultural crisis that faces America but, from my point of view, a much more sensible approach to a foreign policy goal which all Americans share.

Let us find ways to punish the terrorists and punish those guilty of wrongdoing. But let us not do it at the expense of innocent people, whether they are farmers in the United States or populations overseas which are the unwitting pawns in this foreign policy game.

I support this amendment. I hope my colleagues will join in that effort.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I thank the Chair.

I join with my colleague, Senator Ashcroft, and others in urging the adoption of this amendment with respect to exempting exports of food and medicine from U.S. sanctions regimes.

Mr. President this amendment is quick, simple, and straight forward—it would exempt donations and sales of food, other agricultural commodities, medicines and medical equipment from being used as an economic weapon in conjunction with the imposition of unilaterally imposed economic sanctions.

Since last year, we have heard about the serious economic crisis that confronts America’s heartland and is bankrupting American farm families. Not only do American farm families have to worry about weather and other natural disasters which threaten their livelihood. They also must worry about actions of their own government which can do irreparable harm to the farm economy by closing off markets to American farm products because we happen to dislike some foreign government official or some policy action that has been taken. Time and time again unilateral sanctions on agricultural products have cost American...
farmers important export markets. Time and time again the offending official remains in power or the offensive policy remains intact.

On July 23 of last year, President Clinton stated that “food should not be used as a tool of foreign policy except under the most compelling circumstances.” On April 28 of this year, the Clinton Administration took some long overdue steps toward bringing U.S. practice in this area into conformity with the President’s pronouncement. It announced that it would reverse existing U.S. policy of prohibiting sales of food and medicine to Iran, Sudan, and Libya—three countries currently on the terrorism list.

In announcing the change in policy, Under Secretary of State Stuart Eizenstat stated that President Clinton had introduced a policy allowing for a one-year review concluded that the sale of food and medicine “doesn’t encourage a nation’s military capability or its ability to support terrorism.”

I am gratified that the administration has finally recognized what we determined some time ago, namely that “sales of food, medicine and other human necessities do not generally enhance a nation’s military capacities or support terrorism.” On the contrary, funds spent on agricultural commodities and products are not available for other, less desirable uses. Regrettably, the Administration did not include Cuba in its announced policy changes. It seems to me terribly inconsistent to say that it is wrong to deny the children of Iran, Sudan and Libya access to food and medicine, but it is all right to deny Cuban children—living ninety miles from our shores, similar access. The administration’s rationale, including the White House, is all confused. The best I can discern from the conflicting rationale for not including Cuba in the announced policy changes was that policy toward Cuba has been established by legislation rather than executive order, and therefore should be changed through legislative action.

I disagree with that judgement. However, in order to facilitate the lifting of such restrictions on such sales to Cuba, and to prevent such sanctions from being introduced against other countries in the future, I have joined with Senators ASHCROFT, HAGEL, ROBERTS, LEAHY and others in offering the Senators ASHCROFT, HAGEL, ROBERTS,  

The Administration’s own statistics speak for themselves. Department of Commerce licensing statistics prove our point:

Between 1992 and mid-1997, the Commerce Department approved only 28 licenses for such sales, valued at less than $1 million, for the entire period. In 1998, following the introduction of procedures to “expedite license reviews” Commerce reported that, three years later, the Commerce Department had approved, however no exports occurred because of difficulties with on-site verification requirements.

Even if these three exports had occurred, the assistance being provided to Cuba would have amounted to a minuscule. To give you some perspective: prior to the passage of the 1992 Cuba Democracy Act which shut down U.S. food and medicine exports, Cuba was importing roughly $700 million of such products on an annual basis from U.S. subsidiaries.

Moreover, since Commerce Department officials do not follow up on whether proposed licenses culminate in actual sales, the high water mark for the export of U.S. medicines to Cuba over a four and one half year period doesn’t even represent roughly 1% of the exports of U.S. food and medicines that took place prior to 1992.

For these reasons we feel strongly that the U.S. licensing process coupled with on-site verification requirements, serve as de facto prohibitions on U.S. pharmaceutical companies doing business with Cuba. Do we really believe that aspirin or bandaid are possible instruments of torture that mandate the U.S. companies have in place a costly on-site verification mechanism to monitor how each bottle of aspirin is dispensed?

I cannot come up with a rationale for arguing that we are on strong moral grounds in barring access to American medicines and medical equipment. American pharmaceutical companies and medical equipment manufacturers are dominant in the international market place with respect to development and production of state of the art medicines and equipment. In some cases there are no other foreign suppliers that make comparable products—particularly in the case of the most life threatening diseases such as cancer.

How can we justify denying innocent people access to drugs that could save them or their children’s lives. How can we justify prohibiting access to vaccines that ensure the protection of the public health of an entire country or large segments thereof, simply because we disagree with the government leaders? I don’t believe we should.

Food sales to Cuba continue to be prohibited as well, despite the so called January measures promulgated by the Clinton Administration. At that time, the outright prohibition on the sale of food was modified to provide a narrow exception to that prohibition. With the change in regulations, the Commerce Department will now consider licensing, on a case-by-case basis, sales of food “to independent non-government entities in Cuba, including religious groups, private farmers and private sector enterprises such as restaurants.”

For those of my colleagues who have any knowledge about the Cuban economy or food production in Cuba, I would ask that this translates into virtually zero sales of food to Cuba. Yes, there are some private restaurants in Cuba—so called paladares—but they are run out of family homes serving at most ten to twenty people at lunch and dinner on a daily basis. These small operations are hardly in any position logistically or financially to contract with foreign exporters, navigate U.S. and Cuban customs in order to arrange for U.S. shipments to be delivered to their restaurants—shipments that are otherwise barred to the Cuban government.

Who are we kidding when we say it is possible to sell food in the current regulatory environment.

I don’t believe except in the most limited of circumstances that we should deny food and medicine to anyone. I take strong exception to argument that we are doing it for the good of the Cuban people or the Libyan people. That we are putting pressure on authorities to respect human rights in doing so.

The highly respected human rights organization, Human Rights Watch—a severe critic of the Cuban government’s human rights practices—recently concluded that the “(U.S.) embargo has not only failed to bring about human rights improvements in Cuba,” it has actually “become counterproductive” to achieving that goal.

America is not about denying medicines or food to the people in Sudan, in Libya, or in Iran, and it shouldn’t be about denying food and medicine to the Cuban people either, certainly not my America.

Let me be clear—I am not defending the Cuban government for its human rights practices or some of its other policy decisions. I believe that we should speak out strongly on such matters as respect for human rights and the treatment of political dissidents. But U.S. policy with respect to Cuba goes far beyond that—it denies eleven million innocent Cuban men, women and children access to U.S. food and medicine.
That is why I hope my colleagues will support this amendment and restrict future efforts to water down its scope.

The United States stands alone among all of the nations of the world as an advocate for respecting the human rights of all peoples throughout the globe. In my view denying access to food and medicine is a violation of international recognized human rights and weakens the ability of the United States to advocate what is otherwise a very principled position on this issue. It is time to return U.S. policy to the moral high ground.

Mr. President, I commend my colleagues from Missouri, Mr. ASHCROFT, and Senator Hagel, Senator Fitzgerald, Senator Craig, Senator Lincoln, Senator Conrad, Senator BROWNBACK, and Presiding Officer Senator WARNER, and all of the others who are cosponsors of this amendment.

It is a very solid, thoughtful, precise amendment that principally, of course, allows us to be involved as a legislative branch if unilateral sanctions are going to be imposed. That is not a radical idea. We have seen the effects of the importance and the significance of unilateral sanctions.

Certainly those who represent the farm community can speak not just theoretically about this but in practice as to the damage that can be done. It certainly is hard enough to have to face weather conditions, drought, and floods. But when you have to also face unilateral decisions that deny your community the opportunity to market in certain areas, that can make the life of a farm family even more difficult.

I happen to agree with my colleague from Illinois, Senator DURBIN, and others who have made the case that if we are truly interested in creating change, it is not in the interest of our own Nation to take actions which would deny innocent people—be they the 11 million innocent people who live 90 miles off our shore in Cuba, or in other nations—the opportunity to benefit from the sale of medicine and food supplies that can improve the quality of their life.

It is radical, in my view, to impose that kind of a sanction, particularly unilaterally. That is not my America. My America says we will do everything possible to promote those who have made the case that if we further restrict markets for our farm-citizens—in a Vietnam, in a Germany, in other nations around the globe. My America, a big America, at the end of the day, means more than a few people in these nations to get them back on their feet again.

Today, I say to you that in these countries around the globe that still, unfortunately and regretfully, use the power of their institutions to impose human rights violations, we will do everything in our power to change these governments but we will not deny these people food and we will not deny them medicines through sale.

That is what Senator ASHCROFT, Senator HAGEL, and others are trying to achieve. I think it is a noble cause and one we ought to bring Democrats and Republicans together on in common effort and in common purpose to change the policies of Fidel Castro, the leader of Sudan, or Iran, or Libya. It says that when unilateral sanctions are being imposed, we ought to have some say in all of that, and we don’t believe generally that the imposition of unilateral sanctions, except under unique circumstances which the Senator from Missouri and his cosponsors have identified in this bill, ought to deny people in these countries—the average citizen—the benefit of our success in food and medicine. I applaud them for their efforts. I am delighted to be a cosponsor of their amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAHAM. Thank you very much, Mr. President.

Mr. President, I rise in strong support for the Ashcroft food and medicine sanctions reform amendment. While I would prefer this amendment addressed all unilateral sanctions, not just food and medicine, I support the amendment as a good start to reforming our sanctions policy. As a cosponsor of the Lugar Sanctions Reform Act, I believe it is long overdue that the administration and the Congress think before we sanction.

It makes no sense to punish the people of a country with which we have a dispute. Denying food and medicine does nothing to penalize the leaders of any country. Government leaders can always obtain adequate food and medicine, but people suffer under these sanctions, whether they are multilateral or unilateral. Those two areas should never be a part of any sanction.

At the same time our farmers suffer from the lingering effects of the Asian financial crisis as well as those in other areas of the world, we either have, or are debating, sanctions that further restrict markets for our farmers and medical supply companies. And denies that food and medical supplies to some of the world’s most needy.

I need not remind any of you that we are still experiencing the aftermath of the Soviet grain embargo of the late 1970’s when the United States earned a reputation as an unreliable supplier.

Another example of how we have harmed our farmers is the Cuban embargo. For 40 years this policy was aimed at removing Fidel Castro—yet he is still there. This is a huge market for midwestern farmers, yet it is shut off to us. Because Cuba has fiscal problems, many of its people are experiencing hardship. Those who have relationships with Cuban-Americans receive financial support, but those who don’t need access to scarce food and medical supplies. This bill does not aid the government, as U.S. guarantees would be provided through NGO’s and the private sector not armies, not to terrorists. Currently, donations are permitted, as well as sales of medicine, but they are very bureaucratically difficult to obtain, and they don’t help everyone. Our farmers are in a good position to help and they should be allowed to do so.

I applaud Senators ASHCROFT and HAGEL for their work to ensure farmers and medical companies will not be held hostage to those who believe sanctions can make a difference. Any administration would have to get congressional approval for any food and medicine sanction. This is our best opportunity to help farmers and provide much-needed food supplies to the average person in these countries, and to show the world we are reliable suppliers. I urge the support of my colleagues for this long overdue amendment. I yield the floor.

The PRESIDING OFFICER (Mr. ALDRICH). The Senator from Florida.

Mr. GRAHAM. Mr. President, it is my intention to raise a point of order. Before I do so, I will provide some context.

We have entered into a unanimous consent agreement to govern the disposition of this legislation. That unanimous consent agreement states that during the consideration of the agricultural appropriations bill, when the Democratic leader or his designee offers an agricultural relief amendment, no rule XVI point of order lies against the amendment or amendments thereto relating to the same subject.

The question is, Does this amendment to the amendment offered by the Democratic leader or his designee for an agricultural relief constitute an amendment relating to the same subject? Let me anticipate what might be considered by the Parliamentarian.
The motion was rejected.

Mr. COCHRAN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. BURNS. Mr. President, I rise today as an individual who has spent his entire life involved in agriculture. I am extremely concerned about the current state of the agricultural economy. Farmers and ranchers in my state of Montana and across America cannot afford another year of zero profit. Price declines for agricultural commodities have had a devastating impact on agricultural producers in Montana and the economy of the entire state, which depends heavily on agriculture. The farmers and ranchers in Montana have suffered too much already. With continued low prices, many agricultural producers have been forced to sell their farms and ranches because they have spent their entire lives working.

They seem to have all the cards stacked against them. Agricultural producers face high numbers of imports as well as a downward trend in demand for their product. Further, the world market is not providing adequate opportunities for international trade. The European Union continues to place non-scientific trade barriers on U.S. beef as well as bans on Genetically Modified food products. Asia, usually a strong export market, continues to recover from the economic flu and many of our other trade partners have been subjected to sanctions by this administration. Additionally, the value of beef and grain imports have decreased dramatically as a percent of the world market.

Montana may not be able to survive another year of this economic plight. If market prices continue to go down as they have, I am fearful that more farmers and ranchers will be forced out of business. If a drastic measure is not passed in Congress this year, I don’t know how much longer the agricultural community can persevere.

As I said before, the impact is not limited to those working the fields or raising livestock. Look at Main Street, Rural America. The agricultural economy is so bad that other businesses are failing as well. And not just agribusiness. No longer is it just the livestock feed store or seed companies that are failing due to the economic crunch. It reaches much further. All kinds and types of businesses are feeling the depressed agricultural economy. Montana...
is ranked in the bottom five per capita income by state, in the nation. Ironically, I also read recently that Montana is a nationwide poll as the 7th most desirable place to live in America. That won't be the case much longer if we can't return more of the economic dollar to the agricultural producer. Montana is a desirable place to live because of agriculture. Without the wheat fields and grazing pastures, Montana loses its very being. Without the return of more of the economic dollar to the agricultural producer there will be no more farming or ranching and consequently no more wheat fields or pastures to graze livestock.

I have used the comparison before of the agricultural producer drowning. I believe he is. The way I see it, the farmer is drowning in a sea of debt and many others Cry, 'Send lifeboats.' I will vote to send lifeboats. The problem is, that once the producer makes it into the boat he never makes it to shore. He just keeps paddling trying to keep his head above water, and waiting for the next boat.

I want the farmer to get back to land and on his feet. We have to provide them the oars to get to shore and then keep them out of the water. I would like to see a strong agriculture assistance package passed and then a base for long-term benefits, in the form of laws on country of origin labeling, crop insurance reform and mandatory price reporting.

My Montana farmers and ranchers need help now. They need a package that provides solid short-term assistance. They need AMTA payments at 100% to bring the price of wheat per bushel to a price that will allow them to meet their cost-of-production. Additionally, they need funding for specialty crops, sugar and livestock.

I don't agree with many of the provisions included in the Democratic package. Funding for cotton and peanuts does not help my agricultural producers. Neither does $300 million for the Step 2 cotton program. These provisions bump the price tag up significantly and seem to help other areas of the country more than the Northwest. However, all agriculture is in dire straits. Montana needs funding and they need it today. Thus, I will vote to pass the package that gets that money to my producers as quickly as possible.

I believe that AMTA is the most effective way to distribute the funding that grain producers need. The Republican package contains 100% AMTA payments, which will bring the price of wheat up to $3.84. It also contains important provisions for specialty crops, lifts the LDP cap and encourages the President to be more aggressive in strengthening negotiation authority for American agriculture.

Freedom to Farm needs a boost. It is a good program, but simply cannot provide for the needs of farmers and ranchers during this kind of economic crunch. From 1995 to 1999, $50.9 billion have been distributed as direct payments. This tells us that commodity prices are not going up. Farmers and ranchers are not doing better on their net income sheets.

We need to let Freedom to Farm work. I believe it will. When more of the economic dollar is returned to the producer and when the farmer or rancher receives a price for commodities that meet the cost-of-production. For now, we must keep the agricultural producer afloat. An assistance measure which will provide them a means to stay in business at a profitable level is the only way to do that this year.

Mr. MCCAIN. Mr. President, as I travel around the country, I see the devastation caused by the ongoing drought in many sections of the country. Crops are stunted and dying, fields are dusty, streams and lakes are drying up. Many farmers are still reeling from the effects of last year's Asian economic crisis. Clearly some form of assistance is needed to prevent the demise of more of America's family farms, and I support efforts to provide needed government aid to farmers and their families.

Both pending proposals specify that aid to farmers is to be considered emergency spending, which is not counted against the budget caps. Mr. President, again, I recognize the dire circumstances that have many Americans in the agriculture industry facing economic ruin. However, already this year, the Senate has approved appropriations bills containing $7.9 billion in wasteful and unnecessary spending. Surely, among these billions of dollars, there are at least a few programs that we can cut or reprioritize, rather than desperately needed aid for America's farmers.

My colleagues should be aware that every dollar spent above the budget caps is a dollar that comes from the budget surplus. This year, the only surplus is in the Social Security accounts, so this farm aid will be paid for by further exacerbating the impending financial crisis in the Social Security Trust Funds. And every dollar that is spent on future emergencies comes from the surplus we just promised last week to return to the American people in the form of tax relief. It is the same surplus that we have to use to shore up Social Security and Medicare, and begin to pay down the national debt.

Unfortunately, though, it seems to be easier to slap on an emergency designation, rather than try to find lower priority spending cuts as offsets.

Once again, Mr. President, Congress is not using its usual opportunistic approach to any disaster or emergency—adding billions of dollars in non-emergency spending and policy proposals to the emergency farm aid proposals.

The competing amendments pending before the Senate contain provisions that provide special targeted relief to drought-stricken producers and the agricultural community. For example, in addition to the billions of dollars of assistance payments for which all farmers would be eligible:

Both proposals single out peanut producers for special direct payments to partially compensate them for low prices and increasing production costs.

The Republican proposal also provides $50 million to be used to assist fruit and vegetable producers, at the Secretary of Agriculture's discretion.

Both proposals give the Secretary of Agriculture broad authority to provide some kinds of assistance to livestock and dairy producers, the only difference being the amount of money set aside for this unspecified relief. The Democrats set aside $750 million, the Republicans $325 million.

Both proposals set up more restrictive import quotas and new price supports for cotton producers.

Both proposals provide $328 million in direct aid for tobacco farmers.

The Republican proposal also specifically targets $475 million for direct payments to olive growers, most of which is to be paid to soybean producers.

The Democrat proposal, which is about $3 billion more expensive than the Republican proposal, expands to address non-agricultural disaster-related requirements, such as wetlands and watershed restoration and conservation, short-term land diversion programs, and flood prevention projects. It also establishes a new $500 million disaster reserve account, in anticipation of future disasters, I assume. But the proposal then adds a number of narrowly targeted provisions and provisions wholly unrelated to the purposes of aiding economically distressed farmers, including:

$90 million for salaries and expenses of the Farm Service Agency, apparently to administer $1 billion in new loan programs;

$100 million for rural economic development;

$50 million for a new revolving loan program for farmer-owned cooperatives;

$4 million to implement a new mandatory price reporting program for livestock;

$8 million for a new product labeling system for imported meat;

$1 million for rapid response teams to enforce the Packers and Stockyards Act, and finally;

$5 million for a Northeast multispecies fishery.

These provisions have no place in a bill to provide emergency assistance to America's farmers. There is an established process for dealing with spending and policy matters that are not emergencies. It is the normal authorization and appropriations process, where each program or policy can be assessed as part of a merit-based review. Many of the provisions I have
listed above may very well be meritori-
ous and deserving of support and fund-
ing, but the procedure we are fol-
lowing does not provide an appro-
priate forum for assessing their rela-
tive merit compared to the many other
important programs for which non-mer-
gency dollars should be made available. I
think even some of the poten-
tial recipients of these non-em-
ergency programs would agree that they
should be considered in the normal ap-
propriations and authorization pro-
cesses.

There is one special interest provi-
sion of the Republican proposal that I
would like to discuss further and that
I intend to address directly in an
amendment later in the debate. The
Republican proposal gives the already
heavily subsidized sugar industry one
more perk—relief from paying a minus-
side" tax. This little bit of targeted tax relief
for big sugar comes on top of a $120
million per year government-subsidized
loan program for sugar producers, and
price supports that cost American con-
sumers over $1.4 billion a year in high-
er sugar prices at the store. The spon-
sors of the proposal make no claim
that this provision is in any way re-
lated to a disaster or drought-related
economic crisis in the sugar industry
that would merit its inclusion in this
emergency farm aid bill. Its inclusion
simply adds one more perk to the al-
ready broad array of special subsidies
for big sugar companies.

I intend to offer an amendment later
during the debate on this bill to termi-
nate taxpayer support of the sugar in-
dustry. If the Republican farm aid pro-
posal is adopted, as I expect it will be,
I will include in my amendment a pro-
posal to strike this newly created perk
for big sugar.

Mr. President, I am going to support
the more modest Republican proposal,
regardless of the outcome of my am-
endment to eliminate the inequi-
table and unnecessary sugar subsidies.
But I do so only because of the real
economic hardship faced by many of
our nation's farmers and their families.

I abhor the practice of attaching pork-barrel spending to any
and every bill that comes before the
Senate, especially when real disasters
are cynically exploited to designate
pork as emergency spending. This kind
of fiscal irresponsibility undermines
the balanced budget and hinders debt
retention efforts and exacerbates the need
to preserve and protect Social Security
and Medicare, and threatens efforts to
provide meaningful tax relief to Amer-
ican families.

Once again, I can only hope that
the final farm aid proposal will be targeted
only at those in need—America's farm-
ers. I urge the conferees on this legisla-
tion to eliminate the provisions that
solely benefit special interests who
have once again managed to turn need-
ed emergency relief into opportunism.

Mr. LOTT. Mr. President, for the in-
formation of all Senators, there will be
no further votes this evening. The dis-
cussion regarding the dairy issue will
occur from 9 a.m. until 9:40 a.m. on
Wednesday, with the cloture vote oc-
curring at approximately 9:45 a.m.

Assuming cloture is not invoked on
Wednesday morning, I anticipate the
Senate will resume consideration of
the pending Ashcroft amendment,
which is an amendment to the disaster
amendment by Senators HARKIN and
DASCHLE.

Also, if an opportunity does present
itself, I understand that there will be
another disaster-related amendment by
Senator ROBERTS and Senator
SANTORUM. Of course, that will be in
line behind the other amendments be-
cause of procedure. But at the appro-
priate time there is a plan by those two
Senators, and others, to offer another
amendment.

MORNING BUSINESS

Mr. LOTT. Having said that, I now
ask unanimous consent that there be a
period of morning business with Sen-
ators permitted to speak for up to 10
minutes each.

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

Mr. LOTT. I yield the floor, Mr.
President.

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

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

PRIVILEGE OF THE FLOOR

Mr. GRAHAM. Mr. President, I ask
that Mr. Sean McCluskie, Mr. Adam
Foslid, and Ms. Brooke Russ of my of-
ifice be granted the privilege of the
floor for the duration of the Agri-
culture appropriations bill.

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding
Officer laid before the Senate messages
from the President of the United States,
which were referred to the appropriate
committees.

(Misprints received today are printed
at the end of the Senate pro-
ceedings.)

MESSAGES FROM THE HOUSE

At 2:30 p.m., a message from the
House of Representatives, delivered by
Mr. Berry, one of its reading clerks,
announced that the House has passed the
following bills, with amendment, in
which it requests the concurrence of
the Senate:

S. 606. An act for the relief of Global
Exploration and Development Corporation,
Kerr-McGee Corporation, and Kerr-McGee
Chemical, LLC (successor to Kerr-McGee
Chemical Corporation), and for other purposes.

S. 1297. An act to amend statutory
damage provisions of title 17, United States
Code.

The message also announced that
the House has passed the following bills, in
which it requests the concurrence of
the Senate:

H.R. 211. An act to designate the Federal
building and United States courthouse lo-
cated at West 920 Riverside Avenue in Spok-
ane, Washington, as the “Thomas S. Foley
Federal Building and United States Court-
house;" and the plaza at the south entrance
of such building and courthouse as the “Wal-
ter F. Horan Plaza.”

H.R. 695. An act to direct the Secretary of
Agriculture and the Secretary of the Interior
to convey an administrative site in San Juan
County, New Mexico, to San Juan College.

H.R. 747. An act to protect the permanent
trust funds of the State of Arizona from ero-
dion due to inflation and modify the basis
on which distributions are made from those
funds.

H.R. 1094. An act to amend the Federal Re-
serve Act to broaden the range of discount
window loans which may be used as collat-
eral for Federal reserve notes.

H.R. 1194. An act to authorize the Sec-
retary of the Interior to transfer administra-
tive jurisdiction over land within the bound-
aries of the Home of Franklin D. Roosevelt
National Historic Site to the Archivist of the
United States for the construction of a vis-
tor center.

H.R. 1152. An act to amend the Foreign As-
sumption Act of 1961 to target assistance to
the economic and political independ-
ence of the countries of the South Caucasus
and Central Asia.

H.R. 1219. An act to amend the Office of
Federal Procurement Policy Act and the
Miller Act, relating to payment protections.