

used to say, "In politics, for every position you take there is a good reason and a real reason." So the good reason many Republicans will oppose our amendment is that because procedurally it is inartful or doesn't comply with the rules; the real reason is they don't want to give the leader a chance in any way to correct his amendment so we can move to a vote that really has accountability for tobacco companies. Is that not the case?

Mr. DASCHLE. The Senator from Illinois is correct. My answer, stated, I think, prior to the time the Senator from Illinois came to the floor, was simply to say: We will have that opportunity on other bills. We will not be precluded from having an opportunity to offer a tobacco amendment that conforms to budgetary rules in some other context on some other piece of legislation in the not too distant future.

Mr. DURBIN. I ask the Senator to yield for one other question. So the tobacco companies on this next vote would really want your motion defeated; is that not true?

Mr. DASCHLE. The tobacco company's vote would be a "no" vote. That is correct.

Mr. DURBIN. I thank the Senator.

Mr. DASCHLE. I yield the floor.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The PRESIDING OFFICER (Mr. HUTCHINSON). Under the previous order, the Senate will now resume consideration of S. 2159, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2159) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Daschle amendment No. 2729, to reform and structure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, and to redress the adverse health effects of tobacco use.

Motion to waive section 302(f) of the Congressional Budget Act with respect to consideration of Amendment No. 2729.

MOTION TO WAIVE THE BUDGET ACT— AMENDMENT NO. 2729

The PRESIDING OFFICER. The pending question is the motion to waive the Budget Act with respect to the Daschle amendment, No. 2729.

The distinguished Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, as I understand it, the Democratic leader's request was that there be 10 minutes equally divided, or 10 minutes on each side? Although 10 minutes has already been used in debating the amendment, does that count? I am curious.

The PRESIDING OFFICER. The Chair will advise the Senator he has 10 minutes remaining.

Mr. COCHRAN. Mr. President, I yield such time as he may consume to the distinguished Senator from New Mexico, the chairman of the Budget Committee.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, let me say to anyone listening to this debate, you would think that those who want the big spending bill that is in the guise of helping children stop smoking—you would think they have not had an opportunity on the floor of the Senate to present their case. If one would take this discussion and say that is the only discussion we have had on the so-called cigarette tax bill, that would be one thing. But my recollection, without checking the record, is that we have debated this issue for 4 weeks. Is that not correct, I ask the chairman of the subcommittee? Four weeks of floor time, with scores of amendments and so many hours of debate that I am assuming even the American people who watch C-SPAN wondered, "How much longer are you going to discuss this?" Now we come to the floor on an appropriations bill that everybody knows has to be passed and signed by October 1 or we close down all of agriculture in America, and up comes the cigarette bill and a debate starts: "The Republicans don't want to let us vote."

I don't know anything about the lack of ability to amend the amendment, but I do know this. This amendment is for real in terms of its budgetary impacts. As a matter of fact, if this were on the bill when it came out of committee, it would be subject to a point of order and the whole bill would fall. That is how important it is, because it overspends what is allocated to the Subcommittee on Agriculture by \$8 billion. I wonder how many eight billions of dollars over the allocation which keeps this new balance we can have around here? Can we have eight or nine of them this year and say, "It is such wonderful legislation that we just ought to break the rules of the budget?"

I will acknowledge the Budget Act says you can waive the Budget Act, so I am not critical of those who try to waive it. But I am wondering whether or not, when we wrote that Budget Act and said you can waive it, whether we had in mind breaking a 5-year balanced budget that was in place for the first time in 40 years because along came some legislation that people thought was very, very interesting and important?

Let me repeat. There are some who are going to say this is just a procedural vote, it isn't meaningful, and Republicans have pulled this out of the bag like a rabbit pulled out by some kind of a person that pulls tricks. There is nothing to that. Mr. President, \$8 billion is a lot of money. I

think the American people understand \$8 billion. And this is \$8 billion in new direct spending that will be charged to this subcommittee on its agricultural bill for all of agricultural programs, including research, in the United States. It could cause the bill to fail so that those on the other side of the aisle can have yet another chance to debate an issue which has been debated for 4 weeks.

Mr. President, I am glad the majority leader raised the point of order under the Budget Act. It is absolutely right. It is correct. It is substantive. As a matter of fact, had he not raised it, there would have been a chorus of Senators here to raise it because it is so patently in violation of the 5-year budget agreement that we just entered into last year wherein we told the American people it is a first in 38 years and how proud we are that we are in balance. Then along comes the President who says don't spend a nickel of the surplus on anything but Social Security. Then we come with bills like this, and there goes \$8 billion of the surplus here. I don't know what is going to happen on the next bill when they have more of this. So, frankly, I believe we ought to sustain the point of order.

I repeat, it is real, it is fair, and it is timely. They have had, those who want this gigantic \$875 billion new expenditure plan over the next 25 years—that is what the bill before us, the big bill, was—anyone who wants that, they had their debates for 4 weeks and lost. Do we want to start over again on an appropriations bill? And then who is going to be claiming we didn't get our business done, we couldn't get the appropriations finished by October 1? Who is going to be doing that? The President and the minority party. And this is just one more instance where it is their fault we don't get it done, not our fault.

We ought to pass this appropriations bill and do this in due course if there is another opportunity presented by the Senate. If not, they have had their day in court, it seems to me. I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I urge the Senate to vote against the motion made by the Democratic leader to waive the Budget Act. This is an amendment that is almost the biggest program in the entire bill that is contained in the agricultural appropriations bill that is before the Senate. We don't have the authority as an Appropriations Committee to write the legislative language to create a program of this kind, and that is what the Democratic leader and his cosponsors on his side of the aisle seek to do.

There is funding in the bill, Senators should know, for the Food and Drug Administration's program targeted to dealing with the problem of underage smoking. Mr. President, \$34 million is appropriated in the bill for the FDA's

program to deal with that, and that is consistent with the existing legal authority which this committee has to operate under and respect.

Supporting the Budget Committee chairman's appeal to the Senate, I urge Senators to vote "no" on the motion to waive.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. ROBERTS). The time on the Democratic side has expired.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act with respect to Daschle amendment No. 2729. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Delaware (Mr. BIDEN) and the Senator from Ohio (Mr. GLENN) are necessarily absent.

The yeas and nays resulted—yeas 43, nays 55, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—43

Akaka	Ford	Mikulski
Baucus	Graham	Moseley-Braun
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Inouye	Reed
Bryan	Johnson	Reid
Bumpers	Kennedy	Robb
Cleland	Kerrey	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Kohl	Specter
Dodd	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden
Feingold	Levin	
Feinstein	Lieberman	

NAYS—55

Abraham	Faircloth	McCain
Allard	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Roberts
Brownback	Grassley	Roth
Burns	Gregg	Santorum
Byrd	Hagel	Sessions
Campbell	Hatch	Shelby
Chafee	Helms	Smith (NH)
Coats	Hutchinson	Smith (OR)
Cochran	Hutchison	Snowe
Collins	Inhofe	Stevens
Coverdell	Jeffords	Thomas
Craig	Kempthorne	Thompson
D'Amato	Kyl	Thurmond
DeWine	Lott	Warner
Domenici	Lugar	
Enzi	Mack	

NOT VOTING—2

Biden	Glenn
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The PRESIDING OFFICER. On this vote, the yeas are 43, the nays are 55.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained and the amendment fails.

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

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

Mr. DASCHLE. Mr. President, Senator HARKIN will have an amendment in just a moment. He is on his way over. I thought it might be appropriate to get the debate started and to have a discussion about the essence of the amendment. It will be simply a sense-of-the-Senate resolution that calls upon the Senate and the country to respond to the problem we find in agriculture today.

Most of America prospers with an economy that is striking for its performance and success. On Wall Street, on Main Street, in the suburbs of America, and in virtually every segment of our country the economy is as strong as it could possibly be. Wall Street has exceeded their expectations manyfold. The number of housing starts is up. The number of new businesses created is way up. The number of people employed has been dramatically improved upon in the last 5 years. We now have over 14 million Americans who have new jobs.

So while the overall economic picture is extremely bright and encouraging, with no end in sight, the Federal Reserve Board continues to argue that its circumstances are that they don't see any need to change; they won't increase the interest rates. While all that is happening, there is a segment of our economy that continues to get worse and worse and more and more bleak.

While most of America prospers, our farmers and ranchers in rural communities are now in a crisis. While we recognize the geographic differences that exist, there are some areas where you might suggest that crisis is avoided. Some in agriculture today—rice farmers and cotton farmers—are generally happier than they have been on other occasions. But across the Great Plains, down into Texas, well into the Dakotas, across into Montana and the West, down into the Southeast, every time I go home, we see increasing evidence of serious economic alarm.

This crisis rivals now the worst of the farm crisis in the 1980s in some parts of our country. Farm income is down dramatically in South Dakota and across the country. It has fallen in 32 States. It is down by 30 percent in more than one-fifth of the country today. The problem is low prices. In 1998, the average net farm income for Great Plains farmers is expected to be near the poverty line for a family of four.

Let me make sure everybody understands that.

A farmer in the Great Plains who is on the farm today working actively as a producer—the average farmer today—will actually see his or her income at the official poverty line for a family of four.

Here we are experiencing one of the greatest booms in modern day on Wall Street in virtually every segment of the economy, and yet our farmers and ranchers are the ones experiencing an unbelievable economic and financial crisis that equals, if not exceeds, anything they have had in the past.

Farm debt is now \$172 billion. That, Mr. President, is the highest it has been in 13 years. We have to go all the way back to the time when farmers rolled their tractors into Washington to find a time when farm debt was as high as it is today at \$172 billion. Overall farm income nationwide is down \$5.2 billion since 1996.

So we have seen a precipitous decline in farm income. We have seen an accompanying increase in debt rivaling anything we have seen in my lifetime, going all the way back to the farm crisis of 1985. And that is our current circumstance. Do you call that a crisis, when a family of four is trying to eke out a living on a farm, or a ranch, is at the poverty-line income, when debt has gone up by \$172 billion, when we have seen the precipitous decline in farm income in just the last 2 years of \$5.2 billion?

Mr. President, that translates into losses that go beyond farms. In fact, we are told that we could see a loss of 100,000 jobs in rural America as a result of the problems in the agricultural sector—100,000 people. Why? Because farm income has plummeted, debt has gone up, and the economy continues to worsen.

So there is no doubt that this isn't just a farm issue, it is a rural issue of enormous magnitude. The ripple effect is clearly now in evidence.

Mr. President, I have the greatest admiration and affection and respect for the current Presiding Officer. He and I have worked together and come from the same part of the country. I appreciate his sense of humor. But in some ways you have to have a sense of humor to look at the Freedom to Farm Act today. Freedom to Farm, in my view, is what is responsible in large measure for what has happened. It has destroyed the safety net for our country's family farmers. Many of us predicted on the day that it passed that this would be what we would be facing. In fact, going back to a quote I made the day that the bill passed, I said at the time: "I think the Senate has made a very tragic mistake. This fight is not over. We will come back."

Well, we are back. I wish we didn't have to be. But we are back. We are back because we have no choice now. The crisis is upon us. Some of us could have predicted it. The fact is that it has happened. Without delving into all the reasons why it happened, at least right now, I don't think with the figures I have just stated for the RECORD that anyone can deny that it is happening. What else can you say about a family farm that is experiencing poverty-level income? What else can you say about an income overall in the economy, the farm economy, that has projected a \$172 billion debt, the highest since 1985? What else can you say about just 2 years of lost income, now \$5.2 billion?

Mr. President, there is no question we are in a crisis. The question is now, what do we do? Frankly, after a great

deal of debate internally, most of us have concluded that it isn't our purpose now to completely reopen the debate on the Freedom to Farm Act and revisit each and every one of the areas that we think need improvement. That is something we will have to save for another time. We are in a crisis. We are in an emergency. Because we are in an emergency, we don't have the luxury of saying let's just take our time, go back and review everything, and rewrite everything that we believe may be causing these problems. Rather, what we decided to do, Mr. President, is simply this:

First, let's offer a sense-of-the-Senate resolution that recognizes the seriousness of the problem, and as clearly, and hopefully in a bipartisan manner, say: "We want to respond. We hear you. We are empathetic. We agree the situation is very serious, and we are going to respond." That is the purpose of the sense-of-the-Senate resolution.

AMENDMENT NO. 3127

Mr. DASCHLE. Mr. President, on behalf of Senator HARKIN, and as a cosponsor of the resolution, I send it to the desk at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. DASCHLE) for himself and Mr. HARKIN, proposes an amendment numbered 3127.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert:

Findings:

In contrast to our Nation's generally strong economy, in a number of States, agricultural producers and rural communities are experiencing serious economic hardship;

Increased supplies of agricultural commodities in combination with weakened demand have caused prices of numerous farm commodities to decline dramatically;

Demand for imported agricultural commodities has fallen in some regions of the world, due in part to world economic conditions, and United States agricultural exports have declined from their record level of \$60 billion in 1996;

Prolonged periods of weather disasters and crop disease have devastated agricultural producers in a number of States;

Thirty-two of the fifty States experienced declines in personal farm income between 1996 and 1997;

June estimates by the Department of Agriculture indicate that net farm income for 1998 will fall to \$45.5 billion, down 13 percent from the \$52.2 billion for 1996;

Total farm debt for 1998 is expected to reach \$172 billion, the highest level since 1985;

Thousands of farm families are in danger of losing their livelihood and life savings;

Now, therefore, it is the sense of the Senate that emergency action by the President and Congress is necessary to respond to the economic hardships facing agricultural producers and their communities.

Mr. DASCHLE. Mr. President, many of our Republican colleagues have said that high prices and robust trade would

keep the farm economy strong. I agree. I don't think there is anyone who disagrees with that. High prices and robust trade go hand in glove. The problem is, we don't have either. Prices across the board have plummeted to the lowest levels they have been in more than a decade. Livestock prices and grain prices are at such a point that no one can survive today. No one can survive on prices that farmers are receiving at the local elevator—no one. They are at the levels that farms received when the Presiding Officer and I were born. The same levels that farmers were getting when we were born are the prices farmers are getting today. Could we survive on that kind of an income as Senators, as members of the Senate staff? Could anyone on Main Street survive on prices they were getting in 1947, in my case? We know the answer to that.

This last week, an amendment was offered which was introduced by the distinguished Presiding Officer, Senator ROBERTS, and our very distinguished colleague from Washington, Senator MURRAY, exempting farm products from sanctions. We could have added a lot of things to that. But the Senator from Kansas said—and I had a discussion, and we agreed—that it was better to get something done than to use it as a vehicle for more proposals that we wish could get done.

So on a bipartisan basis, I think unanimously—if not unanimously, almost so—the Senate went on record in favor of lifting the agricultural sanctions that have existed now for some time.

The right thing to do—and I am very proud that on an overwhelming basis we sent as clear a message on trade with that vote as we could. Now I hope we will send just as clear a message on domestic solutions. If we can do it on trade, as the Senator from Kansas has noted, we ought to do it on price. And while there is no question that trade can have a positive effect on price, I think one would have to argue vociferously, and I don't think ever conclusively, that whatever changes we make on price related to trade will not be short term. It will be very, very difficult to see any short-term, immediate repercussions based on trade, although for long-term purposes it is exactly what we need to do. We need to find ways to market our products abroad. We need to find ways to be competitive and to see that those markets open up. For us to shoot ourselves in the foot at the very time when farmers need those markets is the absolute worst thing we can do.

So, Mr. President, the trade piece is the right piece for the long term. The problem is, we have short-term needs that will never be addressed by trade. So here we are, back to correct the failed policies that have crippled rural America, back to recognize that we have to take some actions on this particular bill.

The amendment that we now have before us recognizes the plight of the

family farmer in America. It says that we are on your side, we understand your situation, and that we must act on a solution. That solution will be the subject of additional amendments that we will lay out over the course of the next period of time. It will remove the cap on marketing loans and extend the loan term. We require mandatory price reporting for livestock. We want to require labeling of imported meat. We want to target emergency assistance for victims of multiple-year disasters. The alternative is to do nothing. All Senators should ask, all Senators really need to ask is this: Would they accept a 30 percent cut in their income as thousands of farmers have? Do they want rural America to survive? Do they value the whole societal fabric that family farmers bring to rural America today?

We have to recognize and respond to this crisis and help farmers in rural communities, help at least in part by restoring a small segment of the agricultural safety net, create a more open and fair marketplace where a safety net isn't even necessary, and give farmers an opportunity to share in America's prosperity.

That is what we hope to do. We wish we could do it outside the context of an agriculture appropriations bill. That would be my choice. We have been unable, at least to date, to get markups and votes in the committee, taking legislation from the Agriculture Committee to the Senate floor. And so our choice is left to this, to offer amendments on the best second vehicle we could have. The agricultural appropriations bill is a bill that has to pass.

We will work with the distinguished manager, and there is no better, I might add, than the manager of this particular bill. We will work with him to see that we have the opportunity to pass this legislation and do what we must to assure that farmers have the resources they need. I cannot think of a more important issue than this. I cannot think of a better time than this for us to respond.

I hope that on a bipartisan basis we will see fit to pass this amendment.

I yield the floor.

Mr. COCHRAN. Mr. President, I think it is a good idea that at the beginning of this debate on agriculture appropriations we acknowledge there are some serious problems in the agriculture sector of our economy. There is no quarrel with that, and on both sides of the aisle I think Senators are prepared to acknowledge that we have an obligation to understand this fully and to do what we can within the constraints of the Budget Act and the constraints of the law. We appropriate funds to make sure that the Department of Agriculture has the resources to take all appropriate action to help deal with these problems.

We realized when we began work on the agriculture appropriations bill that we did not have enough money to do everything we would like to do for

rural development, for nutrition assistance, for agriculture research, for export promotion, and the wide range of activities that go into the programs administered by the Department of Agriculture and the related agencies that are funded in this bill.

It is a bill that was fully supported by Members on both sides of our subcommittee and in the full Committee on Appropriations. We didn't have a dissenting vote anywhere along the way for the appropriations bill that we brought to the floor and that is pending before the Senate right now. We have tried to make sure that every possible effort is made, as we deal with the question of how much money to put in one account or the other, to do the best possible job that we could, and I think this bill is going to pass that test.

We were glad to have the strong and helpful support of the distinguished Senator from Arkansas, Mr. BUMPERS, who is the senior Democrat on the Appropriations subcommittee for the Department of Agriculture, and other Senators who worked with us as well. This sense-of-the-Senate resolution, if Senators will notice, outlines a number of things that are suggested for changes in either current law or the efforts that the administration could take to help deal with this problem which the distinguished Democratic leader outlined.

It may very well be that we can make some changes to this and have a bipartisan sense-of-the-Senate resolution. That would be my hope, and I suggest to Senators that we make that effort.

Since we have just seen this proposed resolution, I am hopeful that we can set it aside, take some time with those who are interested in helping make sure that we do accurately state the problem and the observations that the Senate has as a collective body of Republicans and Democrats in dealing with the problems, and can pass it without any objection on either side. That would be my hope, and that is what I intend to suggest the Senate do.

We have some other amendments that we are going to have to offer. Many of these amendments are proposed by Senators who are not members of the Appropriations Committee, but we have now had an opportunity to review them and we are prepared to recommend that a number of amendments be accepted.

The distinguished Democratic leader indicated that he would have no objection in setting aside this amendment if we wanted to go to other amendments, and so at this point I am going to ask unanimous consent that the pending sense-of-the-Senate resolution be set aside and I be permitted to send an amendment to the desk on the subject of crop insurance.

The PRESIDING OFFICER. Is there an objection?

The Chair hears none, and it is so ordered.

AMENDMENT NO. 3128

(Purpose: To provide additional funding for the Agricultural Research Service, the Cooperative State Research, Education, and Extension Service, and the Rural Community Advancement Program; to amend the Federal Crop Insurance Protection Act by eliminating the surcharge on the administrative fee for fiscal year 1999; and to restrict the Wetlands Reserve Program's new acreage enrollment in fiscal year 1999)

Mr. COCHRAN. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. BUMPERS, for himself and Mr. COCHRAN, proposes an amendment numbered 3128.

The amendment is as follows:

On page 10, line 17, strike "\$767,921,000" and insert in lieu thereof "\$768,221,000".

On page 13, line 11, strike "\$49,200,000" and insert in lieu thereof "\$50,500,000".

On page 14, line 17, strike "\$434,782,000" and insert in lieu thereof "\$436,082,000".

On page 35, line 7, strike "\$700,201,000" and insert in lieu thereof "\$703,601,000".

On page 36, line 14, after the "systems", insert ": Provided further, That of the total amount appropriated, \$2,800,000 shall be available for a community improvement project in Arkansas".

On page 64, line 18, strike "140,000" and insert in lieu thereof "120,000".

On page 67, after line 23, add the following: "SEC. 739. None of the funds appropriated or otherwise made available by this Act may be used to require any producer to pay an administrative fee for catastrophic risk protection under section 508(b)(5)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)(A)) in an amount that is greater than \$50 per crop per county."

"SEC. 740. Nothing in this Act shall be interpreted or construed to alter the current implementation of the Wetlands Reserve Program, unless expressly provided herein."

Mr. COCHRAN. Mr. President, I ask unanimous consent that the clerk withhold reporting of the amendment. I have been advised, contrary to my understanding with the Democratic leader, there are some Democrats who could not agree that that amendment be set aside now. So I do not insist that the amendment be reported. Let me state what this amendment will do when it is offered.

This is an amendment that increases appropriations in the bill for the Agricultural Research Service and the Cooperative State Research, Education and Extension Service to fund additional agriculture research activities.

It also increases the total appropriations for the Rural Community Advancement Program and earmarks funding for a community improvement project in Arkansas.

It also adds a general provision to the bill to eliminate for fiscal year 1999 the surcharge on the administrative fee in excess of \$50 per crop per county authorized by the Federal Crop Insurance Protection Act.

The proposed changes will also place some enrollment limitations on the

Wetlands Reserve Program. The amendment is designed to make available to the Crop Insurance Program additional funds that were contemplated by the agriculture research bill that was passed by the Senate and signed by the President earlier this year. It is that legislation that we are suggesting be attached to this legislation to help carry out the provisions in the law that we now have had enacted as a result of the bipartisan effort in the Agriculture Committees of both the Senate and the House.

It is that amendment that we would like to propose to the Senate while we work on reaching an accommodation with Senators on both sides of the aisle on the sense-of-the-Senate resolution with respect to the problems in the agriculture sector of our economy.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Mississippi is set aside.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. COCHRAN. Mr. President, I understand that the objection that we previously heard had been raised to setting aside the pending sense-of-the-Senate resolution and sending an amendment to the desk has now been lifted, and that there is no objection to taking that action, as I had earlier been advised.

So, I send the amendment that I described on crop insurance to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment offered by the Senator from Mississippi is now the pending question.

Is there further debate on the amendment?

Mr. COCHRAN. Mr. President, this amendment increases appropriations in the bill for the Agricultural Research Service and the Cooperative State Research, Education, and Extension Service to fund additional agricultural research activities. Specifically, the amendment provides an additional \$300,000 to increase scientific staffing at the Cropping Systems Center at the New England Plant, Soil, and Water Laboratory in Orono, Maine, to develop production and disease management systems. This research will increase potato production efficiency, viability of small farms and enhance water quality in the Northeast Region.

It increases the total funding provided in the bill for special research

grants funded through the Cooperative State Research, Education, and Extension Service by \$1,300,000 to fund the following new research grants at the levels specified:

Chesapeake Bay agroecology (Maryland)	\$300,000
Designing Food for Health (Texas)	\$250,000
Infectious disease research (Colorado)	\$250,000
Scallops Research (Connecticut)	\$250,000
Urban aquaculture (Massachusetts)	\$250,000

The amendment also increases the appropriation for the Rural Community Advancement Program by \$3,400,000 and earmarks funding for a community improvement project in Eastern Arkansas.

Finally, the amendment adds a general provision to the bill to eliminate for fiscal year 1999 the surcharge on the administrative fee in excess of \$50 per crop per county authorized by the Federal Crop Insurance Protection Act.

The additional costs of the changes proposed by this amendment are fully offset by a further restriction on new acreage enrollments in the Wetlands Reserve Program for fiscal year 1999. This proposed change would place a 120,000 acre limitation on new acreage enrollments versus the 140,000 limitation currently recommended in the bill.

I ask that this amendment be favorably considered by my colleagues.

Let me say by way of further explanation, in describing the amendment, the reason we have to make this change in the Crop Insurance Program is that we wanted to remove a 10-percent surcharge on the administrative fee imposed by the Agriculture Research Extension and Education Reform Act. That was the bill that we had earlier passed which provides a lot of new, mandated expenditures for agriculture research. This surcharge, that I have referred to, would require farmers to pay as much as a 400-percent increase above the 1998 administrative fee. This is not a minimal administrative fee as farmers had been promised.

So this amendment will remove the surcharge, and that is the purpose of getting this amendment offered at this early stage in the bill, so there will not be any question about whether or not there will be an opportunity for participation by farmers in the Crop Insurance Program because of these prohibitive costs. We think this is an important change to be made in that law and will help provide the opportunity to deal with disaster assistance under the Crop Insurance Program.

My understanding is that this amendment has been cleared on both sides. I will defer to my friend from Arkansas for any comments he would like to make on this amendment.

Mr. BUMPERS. Mr. President, the Senator is correct. This amendment has been cleared on this side.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3128) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, we have a number of other amendments where we have worked to reach agreement and to recommend to the Senate that amendments be approved.

AMENDMENT NO. 3129

(Purpose: To make a technical correction in the amount provided for demonstration programs)

Mr. COCHRAN. Mr. President, the first one that I suggest we consider is an amendment offered by Senator BUMPERS and myself dealing with the Rural Community Advancement Program. It is a technical correction. I send that amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for himself and Mr. BUMPERS, proposes an amendment numbered 3129.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 35, line 25, strike "\$1,000,000" and insert "\$70,000".

Mr. COCHRAN. Mr. President, this amendment makes a technical correction to the bill to provide that not to exceed \$70,000 of the total funds appropriated for the Rural Community Advancement Program be available to subsidize the cost of funds provided for demonstration programs.

Mr. BUMPERS. Mr. President, the amendment has been cleared on this side of the aisle.

The PRESIDING OFFICER. Is there further debate on the amendment? If there is no objection, the amendment is agreed to.

The amendment (No. 3129) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3130

(Purpose: To transfer funding for credit sales of acquired property to subsidize the cost of additional farm ownership loans)

Mr. COCHRAN. Mr. President, I now send an amendment to the desk offered for myself and the distinguished Senator from Arkansas. This amendment will transfer funding for credit sales of acquired property to subsidize the cost of additional farm ownership loans.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for himself and Mr. BUMPERS, proposes an amendment numbered 3130.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 26, line 26, strike "\$488,872,000" and insert in lieu thereof "\$510,649,000".

On page 27, line 7, insert "and" before "for".

On page 27, lines 8 and 9, strike "; and for credit sales of acquired property, \$25,000,000".

On page 27, line 13, strike "\$16,320,000" and insert in lieu thereof "\$19,580,000".

On page 27, line 20, insert "and" before "for".

On page 27, lines 21 and 22, strike "; and for credit sales of acquired property, \$3,260,000".

Mr. COCHRAN. Mr. President, this amendment, as I stated, is designed to eliminate the subsidy appropriation for Farm Service Agency credit sales of acquired property and transfer this amount to subsidize the cost of additional farm ownership direct loans.

The amendment increases the subsidy appropriation for farm ownership direct loans by \$3,260,000 to fund an additional \$21,777,000 in loans. This will fund an estimated total farm ownership direct loan level of \$85,649,000 for fiscal year 1999 versus the \$63,872,000 level now proposed by the bill.

I have been advised by the Department of Agriculture that the Farm Service Agency credit sales loan obligations are currently lower than anticipated and the full amount requested for fiscal year 1999 will not be required. Any funding needed for credit sales of acquired property for fiscal year 1999 can be made available through the agency's loan programs. Given this, the amendment proposes to move this money to increase available funding for farm ownership direct loans.

Mr. BUMPERS. Mr. President, the amendment has been cleared on this side of the aisle.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3130) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3131

(Purpose: To establish a personnel management demonstration project)

Mr. COCHRAN. Mr. President, the next amendment on my list that has been cleared is one by the Senator from Arkansas dealing with a pilot personnel program. Does the Senator want to send that to the desk?

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 3131.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 67, after line 23, insert the following:

SEC. . That notwithstanding section 4703(d)(1) of title 5, United States Code, the personnel management demonstration project established in the Department of Agriculture, as described at 55 FR 9062 and amended at 61 FR 9507 and 61 FR 49178, shall be continued indefinitely and become effective upon enactment of this bill.

Mr. BUMPERS. Mr. President, this bill continues the current hiring system being used within the Forest Service and the Agricultural Research Service to examine for, and make, first permanent competitive Federal appointments. The hiring system will terminate on June 30, 1998, unless it is extended.

Applicants and management officials have had an overwhelmingly positive response to the hiring system. Specifically, management believes the program has increased its control over hiring, resulting in a greater likelihood that the candidate pool is appropriate and available, reducing the number of staff hours expended in testing, examining and rating applicants.

The Office of Management and Budget has no objection to this amendment. I think this has been cleared on the other side.

Mr. COCHRAN. Mr. President, we have reviewed this amendment, and we have cleared it on this side of the aisle.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3131) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, there is another amendment of Senator BUMPERS, which I have cosponsored, to prohibit budget requests based on unauthorized user fees. If it is appropriate, we can send that amendment to the desk at this time.

Mr. BUMPERS. Mr. President, I would like to move on to the next amendment and come back to this one.

AMENDMENT NO. 3132

(Purpose: To make an amendment relating to rural housing programs)

Mr. COCHRAN. Mr. President, there is another amendment which we have agreed to be adopted offered by Senators D'AMATO and SARBANES dealing with the rural housing authorization in this bill.

On behalf of Senator D'AMATO, for himself and Mr. SARBANES, I send an

amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. D'AMATO, for himself, and Mr. SARBANES, proposes an amendment numbered 3132.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 67, after line 23, insert the following:

SEC. . (a) The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking "fiscal year 1998" and inserting "fiscal year 1999".

(b) Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking "September 30, 1998" and inserting "September 30, 1999".

(c) The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking "fiscal year 1998" and inserting "fiscal year 1999".

(d) Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p-2) is amended—

(1) in subsection (t), by striking "fiscal year 1998" and inserting "fiscal year 1999"; and

(2) in subsection (u), by striking "September 30, 1998" and inserting "September 30, 1999".

Mr. D'AMATO. Mr. President, I rise to offer an amendment relating to rural housing programs of the Department of Agriculture. I express my sincere appreciation to Chairman COCHRAN and Ranking Member BUMPERS for their consideration of the amendment which I offer with Senator PAUL SARBANES, Ranking Minority Member of the Committee on Banking, Housing, and Urban Affairs. I commend them for their steadfast commitment to providing affordable housing for rural Americans.

The Department of Agriculture operates a number of successful housing programs under the auspices of its Rural Housing Service (RHS). Rural housing programs, while a function of the Department of Agriculture, are under the jurisdiction of the Banking Committee. As Chairman of the Banking Committee, I respectfully request the adoption of this amendment.

This amendment will permit vital housing programs to continue in an uninterrupted fashion. It includes one-year extensions of existing housing programs. Specifically, the RHS Section 515 Rural Rental Housing Program, the RHS Section 538 Rural Rental Housing Loan Guarantee Program, and the RHS Underserved Areas Program would be extended until September 30, 1999. These short-term extensions are necessary to ensure that needy Americans continue to be served.

There is a critical need for affordable housing in rural America. According to the 1990 census, over 2.7 million rural Americans live in substandard housing. In my home State of New York, 76 per-

cent of renters are paying 30 percent or more of their income for housing. Approximately 60 percent of New York renters pay over 50 percent of their income for rent.

The Rural Housing Service Section 515 and Section 538 programs represent a significant portion of the limited resources available to respond to this serious unmet housing need. Since its inception in 1962, the Section 515 rental loan program has financed the development of over 450,000 units of affordable housing in over 18,000 apartment projects. The program assists elderly, disabled and low-income rural families with an average income of \$7,200. The Section 538 program is a relatively new loan guarantee program which has proven to have widespread national appeal. With a subsidy rate of approximately 3 cents per dollar, it is an example of cost-efficient leveraging of public resources.

I thank the Appropriations Committee for its recognition of the great need for these essential rural housing programs. I support immediate adoption of this amendment.

Mr. SARBANES. Mr. President, I rise today to offer an amendment, along with the Chairman of the Senate Committee on Banking, Housing, and Urban Affairs, Senator ALFONSE D'AMATO, to extend rural housing programs for the Rural Housing Service of the Department of Agriculture. I would like to commend the leadership of Chairman COCHRAN and Ranking Member BUMPERS for their continued commitment to ensuring that rural housing programs serve rural Americans with affordable, decent housing choices.

This amendment would extend for one year several rural rental housing programs. This includes the Section 515 Rural Rental Housing Program, the Section 538 Rural Rental Housing Loan Guarantee Program, and the Underserved Areas Program. Because many families in rural America do not have incomes high enough to make homeownership possible, it is imperative that Rural Housing Service be able to provide decent, affordable rental units. These programs are among the few resources that help alleviate the shortage of affordable rental housing and enable very low and low income renters in rural America to access affordable rental housing.

The Section 515 Program has provided over 450,000 units of affordable rural housing since 1962; there is no other federal program that provides this assistance to very low income renters in rural areas. The Section 538 Loan Guarantee Program is designed to meet the needs of low and moderate income rural Americans not being served by the Section 515 Program. This program enables the federal government to partner with developers and funders to generate needed rental housing in rural areas.

Both the Section 515 and 538 Programs offer direct benefits for communities, including creating jobs and increasing local taxes, in addition to attracting and maintaining businesses. Stable rental housing has been proven to be a vital link to the overall health and viability of rural communities. While the Rural Housing Service has done much to bring affordable housing to rural America, many rural families still experience housing overcrowding, substandard facilities, cost overburdens, and remain in desperate need of housing assistance. As we encourage families to move from welfare to work, it is even more essential that we build on this vital housing program that provides the safety net which will give the working poor an opportunity to live in affordable, safe and decent housing.

Again, I would like to commend Chairman COCHRAN and Ranking Member BUMPERS for their action to ensure that essential rural rental housing programs receive authorization to continue serving low income families for another year. I urge the swift adoption of this amendment.

Mr. COCHRAN. Mr. President, the amendment has been cleared on this side. We recommend that it be approved by the Senate.

Mr. BUMPERS. Mr. President, the amendment has been cleared on this side of the aisle.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3132) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3133

(Purpose: To require the Secretary of Agriculture to conduct a review of methyl bromide alternatives research)

Mr. COCHRAN. Mr. President, another amendment which we have been able to review and are prepared to recommend the Senate accept is one offered by Senator GRAHAM of Florida. I send that amendment on his behalf to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. GRAHAM, proposes an amendment numbered 3133.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 67, after line 23, add the following:
SEC. 7. METHYL BROMIDE ALTERNATIVES RESEARCH.

(a) REVIEW.—The Secretary of Agriculture, acting through the Agricultural Research Service, shall conduct a review of the methyl bromide alternatives research conducted by the Secretary that describes—

(1) the amount of funds expended by the Secretary since January 1, 1990, on methyl bromide alternatives research, including a description of the amounts paid for salaries, expenses, and actual research;

(2) plot and field scale testing of methyl bromide alternatives conducted by the Secretary since January 1, 1990, including a description of—

(A) the total amount of funds expended for the testing;

(B) the amount of funds expended for the testing as a portion of a larger project or independently of other projects; and

(C) the results of the testing and the impact of the results on future research; and

(3) variables that impact the effectiveness of methyl bromide alternatives, including a description of—

(A) the individual variables; and

(B) the plan of the Secretary for addressing each of the variables during the plot and field scale testing conducted by the Secretary.

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Secretary shall submit to the Appropriations Committees of both Houses of Congress a report that describes the results of the review conducted under subsection (a).

Mr. COCHRAN. Mr. President, this amendment deals with the review of methyl bromide alternatives research. We have examined the amendment. We think it appropriate for the Senate to include it in this bill, and we recommend that it do so.

Mr. BUMPERS. Mr. President, the amendment has been cleared on this side of the aisle.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3133) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3134

(Purpose: To express the sense of the Senate that the Secretary of Agriculture should take certain actions to provide timely assistance to Texas agricultural producers that are experiencing worsening drought conditions)

Mr. COCHRAN. Mr. President, another amendment we have been able to review and are prepared to recommend approval of is offered by the Senators from Texas, Senator GRAMM and Senator HUTCHISON. On their behalf, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. GRAMM, for himself, and Mrs. HUTCHISON, proposes an amendment numbered 3134.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 67, after line 23, add the following:

SEC. ____ SENSE OF SENATE ON DISASTER ASSISTANCE FOR TEXAS AGRICULTURAL PRODUCERS.

(a) FINDINGS.—The Senate finds that—

(1) the statewide economic impact of the drought on agriculture in the State of Texas could be more than \$4,600,000,000 in losses, according to the Agricultural Extension Service of the State;

(2) the direct loss of income to agricultural producers in the State is \$1,500,000,000;

(3) the National Weather Service has reported that all 10 climatic regions in the State have received below-average rainfall from March through May of 1998, a critical time in the production of corn, cotton, sorghum, wheat, and forage;

(4) the total losses for cotton producers in the State have already reached an estimated \$500,000,000;

(5) nearly half of the rangeland in the State (as of May 31, 1998) was rated as poor or very poor as a result of the lack of rain;

(6) the value of lost hay production in the State will approach an estimated \$175,000,000 statewide, leading to an economic impact of \$582,000,000;

(7) dryland fruit and vegetable production losses in East Texas have already been estimated at \$33,000,000;

(8) the early rains in many parts of the State produced a large quantity of forage that is now extremely dry and a dangerous source of fuel for wildfires; and

(9) the Forest Service of the State has indicated that over half the State is in extreme or high danger of wildfires due to the drought conditions.

(b) SENSE OF SENATE.—It is the sense of the Senate that the Secretary of Agriculture should—

(1) streamline the drought declaration process to provide necessary relief to the State of Texas as quickly as is practicable;

(2) ensure that local Farm Service Agency offices in the State are equipped with full-time and emergency personnel in drought-stricken areas to assist agricultural producers with disaster loan applications;

(3) direct the Forest Service, and request the Federal Emergency Management Agency, to assist the State in prepositioning fire fighting equipment and other appropriate resources in affected counties of the State;

(4) authorize haying and grazing on acreage in the State that is enrolled in the conservation reserve program carried out under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831); and

(5) convene experts within the Department of Agriculture to develop and implement an emergency plan for the State to help prevent wildfires and to overcome the economic impact of the continuing drought by providing assistance from the Department in a rapid and efficient manner for producers that are suffering from drought conditions.

Mr. COCHRAN. Mr. President, this amendment deals with the situation in the State of Texas occasioned by the severe drought that has occurred there. The Senators from Texas are acquainting the Senate with the problems that exist in Texas and making some observations about appropriate actions that could be taken to help relieve the problems.

It is very similar, as a matter of fact, to the sentiment contained in the earlier sense-of-the-Senate resolution. It probably could be included in our overall sense-of-the-Senate resolution on this subject when we get that worked out on both sides of the aisle. I am optimistic that we can do so. But in the

meantime, I think it is appropriate for us to go ahead and adopt this amendment. We recommend that it be done.

Mr. BUMPERS. The amendment has been cleared on this side of the aisle, Mr. President.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3134) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, the next item on my list for agreed amendments is one by the Senator from Wisconsin and the Senator from Arkansas dealing with Conservation Farm Options Program funding, if that is ready.

Mr. BUMPERS. Mr. President, it is not quite ready yet. Hopefully, it will be by the time we finish this package of amendments.

AMENDMENT NO. 3135

(Purpose: To amend the Wetlands Reserve Program by exempting thirty year easements from payment limitations; and clarifying the interpretation of "Maximum Extent Practicable" regarding the Wetlands Reserve Program enrollment goal)

Mr. COCHRAN. Mr. President, next I have an amendment by the Senator from Indiana, Senator LUGAR, dealing with the Wetlands Reserve Program. I am prepared to send that to the desk at this time and ask that it be stated on behalf of the Senator from Indiana.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. LUGAR, proposes an amendment numbered 3135.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 67, after line 23, add the following new sections:

"SEC. . Section 1237D(c)(1) of Subchapter C of the Food Security Act of 1985 is amended by inserting after "perpetual" the following "or 30-year."

"SEC. . Section 1237(b)(2) of Subchapter C of the Food Security Act of 1985 is amended by adding the following: (C) For purposes of subparagraph (A), to the maximum extent practicable should be interpreted to mean that acceptance of wetlands reserve program bids may be in proportion to landowner interest expressed in program options."

Mr. LUGAR. Mr. President, I rise today to offer an amendment to improve the effectiveness of the Wetland Reserve Program, or WRP.

The WRP is a program, administered by the Department of Agriculture, or USDA, which purchases easements to restore and protect wetlands. These easements are purchased from landowners on a willing-buyer and willing-seller basis. Under current law, land

going into the WRP is enrolled for different time periods based on one of three types of contracts entered into between USDA and the landowner: (1) cost share contracts (which enroll land for ten years), (2) 30 year easements, and (3) permanent easements. Landowners have expressed more interest in longer term easements than in cost share contracts. However, current law requires USDA to enroll an equal proportion of each contract type (hence the so-called 1/3, 1/3, 1/3 rule), regardless of landowner interest. One part of the amendment which I am proposing would permit USDA to deviate from the 1/3, 1/3, 1/3 requirement based on landowner interest. Landowners would retain the ability to choose among permanent, non-permanent and cost-share agreements.

Mr. President, the second part of my amendment would also amend the WRP. Under current law, landowners receive annual payments for land enrolled in the WRP, but, in the case of longer term easements, can elect to receive payments up-front in a lump sum. Annual payments, including those taken in a lump sum, are subject to a \$50,000 per person limitation. However, permanent easements are exempt from the limitation. Exempting only permanent easements from the payment limitation tends to discourage landowners from choosing 30 year easements. This amendment solves the inequity by broadening the exemption to include 30 year easements.

My amendment is strongly supported by the Audubon Society, Ducks Unlimited, and other conservation groups. It has been scored at no cost by the Congressional Budget Office (CBO). The amendment makes common-sense improvements to an important program which protects our natural resources. I urge my colleagues to support the amendment.

Mr. COCHRAN. Mr. President, this does involve an effort by the Senator from Indiana to improve the effectiveness of the Wetland Reserve Program. It has been reviewed, and we are prepared to recommend that it be agreed to in this bill.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 3135) was agreed to.

Mr. COCHRAN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3136

(Purpose: To make technical corrections to the Agricultural Research, Extension, and Education Reform Act of 1998)

Mr. COCHRAN. Mr. President, I have another amendment offered by the Senator from Indiana, Mr. LUGAR, and co-sponsored by others, dealing with technical corrections to the Agricultural Research, Extension, and Education Reform Act. On behalf of Senator

LUGAR, I send that amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] for Mr. LUGAR, for himself, Mr. SANTORUM, Ms. COLLINS, Mr. HARKIN and Mr. LEAHY, proposes an amendment numbered 3136.

Mr. COCHRAN. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 67, after line 23, insert the following:

SEC. . TECHNICAL CORRECTIONS TO AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.

(a) FOREST AND RANGELAND RENEWABLE RESOURCES RESEARCH.—Section 3(d)(3) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(d)(3)) (as amended by section 253(b) of the Agricultural Research, Extension, and Education Reform Act of 1998) is amended by striking "The Secretary" and inserting "At the request of the Governor of the State of Maine, New Hampshire, New York, or Vermont, the Secretary".

(b) HONEY RESEARCH, PROMOTION, AND CONSUMER INFORMATION.—Section 7(e)(2) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606(e)(2)) (as amended by section 605(f)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998) is amended by striking "\$0.0075" each place it appears and inserting "\$0.01".

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of the Agricultural Research, Extension, and Education Reform Act of 1998.

Mr. LUGAR. Mr. President, today I rise to offer an amendment to make a technical correction to recently passed bill. This noncontroversial legislation serves to clarify two provisions of the Agricultural Research, Extension, and Education Reform Act of 1998. Senators SANTORUM, COLLINS, HARKIN and LEAHY are cosponsors of this amendment.

The purpose of the amendment is twofold. First, under the Forest and Rangeland Renewable Resources Research program in the northeastern United States, the amendment adds a requirement that the Governor of the State of Maine, New Hampshire, New York, or Vermont make a request to the Secretary before any research is conducted under that particular program. Second, the assessment rate is amended from \$0.0075 to \$0.01 under the Honey Research, Promotion, and Consumer Information Act.

Mr. President, both amendments make technical corrections. I hope my colleagues will join me in supporting this legislation.

Mr. COCHRAN. Mr. President, we have reviewed it. We think it ought to be agreed to by the Senate.

Mr. BUMPERS. Mr. President, it has been cleared on this side of the aisle.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 3136) was agreed to.

Mr. BUMPERS. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3137

Mr. COCHRAN. Mr. President, another amendment we have been able to clear, I am advised, is offered by the Senator from Virginia, Mr. ROBB. On his behalf, I send his amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. ROBB, proposes an amendment numbered 3137.

Mr. COCHRAN. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

After line 23 on page 67, add the following new title:

TITLE VIII

"SEC. 1. SHORT TITLE.

This section may be cited as the 'Agricultural Credit Restoration Act'.

SEC. 2. AMENDMENTS TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

(a) Section 343(a)(12)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is amended to read as follows:

"(B) EXCEPTIONS.—The term 'debt forgiveness' does not include—

"(i) consolidation, rescheduling, reamortization, or deferral of a loan;

"(ii) 1 debt forgiveness in the form of a restructuring, write-down, or net recovery buy-out which occurred prior to date of enactment and was due to a financial problem of the borrower relating to a natural disaster or a medical condition of the borrower or of a member of the immediate family of the borrower (or, in the case of a borrower that is an entity, a principal owner of the borrower or a member of the immediate family of such an owner); and

"(iii) any restructuring, write-down, or net recovery buy-out provided as a part of a resolution of a discrimination complaint against the Secretary."

(5) Section 355(c) of such Act (7 U.S.C. 2003(c)(2)) is amended to read as follows:

"(2) RESERVATION AND ALLOCATION.—

"(A) IN GENERAL.—The Secretary shall, to the greatest extent practicable, reserve and allocate the proportion of each State's loan funds made available under subtitle B that is equal to that State's target participation rate for use by the socially disadvantaged farmers or ranchers in that State. The Secretary shall, to the extent practicable distribute the total so derived on a county by county basis according to the number of socially disadvantaged farmers or ranchers in the county.

"(B) REALLOCATION OF UNUSED FUNDS.—The Secretary may pool any funds reserved and allocated under this paragraph with respect to a State that are not used as described in subparagraph (A) in a State in the first 10 months of a fiscal year with the funds similarly not so used in other States, and may reallocate such pooled funds in the discretion of the Secretary for use by socially disadvantaged farmers and ranchers in other States."

(c) Section 373(b)(1) of such Act (7 U.S.C. 2008(b)(1)) is amended to read as follows:

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may not make a guarantee a loan under subtitle A or B to a borrower who received debt forgiveness on a loan made or guaranteed under this title unless such forgiveness occurred prior to April 4, 1996".

SEC. 2. REGULATIONS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall promulgate regulations necessary to carry out the amendments made by this Act, without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code; and
(2) the statement of policy of the Secretary of Agriculture relating to notices of proposed rulemaking and public participation in rulemaking that became effective on July 24, 1971 (36 Fed. Reg. 13804).

Mr. COCHRAN. Mr. President, this deals with the Agricultural Credit Restoration Act. It has been cleared on this side. We recommend it be agreed to.

Mr. BUMPERS. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 3137) was agreed to.

ORPHAN PRODUCTS RESEARCH GRANT

Mr. DURBIN. Mr. President, I rise today in order to engage the chairman of the Agriculture Appropriations Subcommittee, Senator COCHRAN, in a brief colloquy regarding the "Orphan Products Research Grant" program. I am pleased to note that the bill before us which includes funding for the Food and Drug Administration specifically maintains the current level of funding for the operation and grants that support research on rare conditions and diseases, the so-called "orphan products". While I hasten to point out here, as in many other cases, continued level funding is a reduction in program effectiveness because underlying costs go up which result in fewer grants and less research efforts going into this effort to help what have to be some of the most neglected and medically needy in our society who lack effective therapies.

Beyond the grant funding, I am seeking assurance that the Committee intends that the staffing and support functions of the FDA's orphan program are to be continued at not less than the current level of appropriated dollars and FTE's allocated to this most important mission and function. I understand that the FY98 resources are 17 FTEs and \$1.8 million for operation costs for administering the Office for Orphan Products Development. The total funding level is \$11.542 million which includes both grants and operation costs. The whole program is relatively small, clearly within the core functions of the agency, and extraordinarily effective and productive. It certainly deserves to have priority on any future increased funds that become available. In the last 15 years, this program has nurtured the development and marketing of more than 170 products, 21 of which have directly bene-

fitted from its grant funding. It could easily get lost in the focus on many of the other big ticket, high visibility responsibilities of the FDA.

Mr. COCHRAN. I thank the Senator from Illinois. As Senator DURBIN knows, the committee has worked hard over the past several years to maintain this very important program. This program may be the only hope for cures for some with extremely rare diseases. It is important that FDA not divert these appropriated funds to other areas, thus undermining this worthwhile program. I thank the Senator from Illinois for bringing this issue to our attention.

FDA

Mr. GREGG. I would just like to commend the Senator from Mississippi for his hard work and dedication on this bill, and would like to thank him for his particular attention to FDA matters. It is important that the regulatory programs be adequately funded, and of particular importance to me and a number of my colleagues is the important regulatory program for cosmetics in the Office of Cosmetics and Color within the FDA's Center for Food Safety and Applied Nutrition. As the Senator from Mississippi knows too well, the FDA recently announced cutbacks in this program, and I just wanted to thank him for the report language accompanying this bill and its encouragement for restoring this program to previous years levels.

It is my understanding that our colleagues in the House have provided a \$2.5 million increase to restore this program to that level, and I would hope that we can work to ensure that the final version of this bill contains that increase.

Mr. COCHRAN. I appreciate the Senator's remarks. We will do everything we can to make sure that the funding for this worthy program is adequately addressed.

TOMATO SPOTTED WILT VIRUS

Mr. CLELAND. Mr. President, I would like to take a moment to discuss a very important issue, specifically my efforts to provide critical research funding for Tomato Spotted Wilt Virus. First, I would like to thank my distinguished colleagues, the Chairman, Senator COCHRAN, and Ranking Member Senator BUMPERS, for their skillful work and superb leadership on this bill. I, like many of my colleagues, find it extremely fortunate to have two gentlemen in these posts who not only provide a valuable resource on matters facing agriculture, but can be depended on to work with Senators with candor and cooperation. As you may know, spotted wilt, caused by the tomato spotted wilt virus (TSWV), has become a serious impediment to effective production of several economically important crops in the Southeast, causing an estimated \$100 million in losses to peanuts and vegetable crops annually. The disease is endemic to the Southeast and the wide host range of the virus

makes it extremely difficult to control. If you recall, in the letter which I sent to you earlier this year, I requested that \$330,000 be appropriated to the College of Agriculture at the University of Georgia for a project titled the Integrated Approach to Mitigate Tomato Spotted Wilt Virus Epidemics in the Southeastern United States. Although funding has not been provided in this bill, I understand that the House version contains \$200,000 for this project's research.

Mr. COCHRAN. My colleague from Georgia is correct.

Mr. CLELAND. I thank the Senator. While I would like to see funding for this project included in the Senate bill, I understand the difficulties that my colleagues are facing in trying to accommodate my request at this time and I defer to your advice on this matter and will not offer an amendment to provide the funding. Given that my ultimate goal is to ensure that adequate funding for this important project is obtained, I would truly appreciate my colleagues providing recognition of the seriousness of this problem as well as a commitment to work to obtain this funding in conference.

Mr. BUMPERS. I share the Senator's concern about this matter and recognize the serious nature of this disease. I also believe that it is important that we provide funding for this valuable project, and hopefully we will be able to accommodate the Senator from Georgia's request in conference.

Mr. COCHRAN. I too appreciate the Senator bringing the critical nature of this issue to our attention. When we meet with the House Conferees on this bill, we will give every consideration to provide funding for this project.

Mr. CLELAND. I thank my esteemed colleagues for their assistance on this matter and I feel confident that, with your commitments, this critical funding will be provided. Considering the cost-benefit ratio of this research as well as our desire to maintain the superiority of American food quality and abundance, I believe that such funding is well justified and in the national interest.

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

Several Senators addressed the Chair.

AMENDMENT NO. 3127

The PRESIDING OFFICER. The question recurs on amendment 3127.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, again, a parliamentary inquiry. I guess we have before us now the sense-of-the-Senate resolution that was proposed a little while ago by the minority leader, Senator DASCHLE?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. That is the pending matter before the Senate.

Mr. President, I note the presence of my colleagues from the Midwest and

the Northern Plains States who are here on the floor. I think we have to really lay out for the American people what is happening in rural America today.

We can close our eyes to it. We can try to ignore what is going on, but the fact is, there is a crisis of immense proportions happening all over rural America.

In our sense-of-the-Senate resolution, we pointed out that net farm income for 1998 is projected to fall to \$45.5 billion. That is down 13 percent from 1996. Now, with farm income going down 13 percent—I asked my staff to check and see what Wall Street did last year. The S&P 500 index went up 36 percent last year; farm receipts down 13 percent.

Farm debt for this year is expected to be \$172 billion, the highest level since 1985. So what we say in our sense-of-the-Senate resolution is:

... emergency action by the President and Congress is necessary to respond to the economic hardships facing agricultural producers and their communities.

Very simple. Very straightforward. It is an emergency situation and requires emergency action.

Mr. President, this chart really says it all, what happened to farm income between 1996 and 1997. Let us see, 32 States had a drop in net farm income—32 out of 50. Now, some of them, you might see, had a big increase. Oklahoma was up 94 percent and Kansas 28 percent and Wyoming 73 percent. That was simply because of the devastating drought they had in 1996, and their wheat crop recovered in 1997, and it looks better. But the prices there—and I will get to that in a moment—are still catastrophic for the wheat farmers all up and down the wheat belt.

But look at the other States: Minnesota, down 38 percent; North Dakota, down 98 percent, a 98-percent drop in farm income in the last year; New York State, 44 percent; Pennsylvania a 32-percent decrease in farm income.

Wall Street is doing great. Standard & Poor's is up—what did I say?—36 percent. Yet the ag economy in New York State went down 44 percent. That is the story across America. That is why we have a crisis.

Look at prices here, and you will find something, Mr. President, very interesting about these charts I am about to show. Here is the farm level corn price. We were coming up here in the early 1990s, and we had a steady increase, a little drop, but kept coming up. Right here is the Freedom to Farm bill, and, bang, down it goes. That is corn. Is that an anomaly? Let's look at wheat prices. We were bouncing around, but we had steady progression up all the time. We enacted Freedom to Farm, and down it comes. Wheat prices have been coming down ever since Freedom to Farm was passed. So that is corn and that is wheat.

Farm-level soybeans. Soybeans were coming up gradually, getting better, and we get here to Freedom to Farm, and down it comes. All of those crops,

ever since Freedom to Farm, down they come.

Here is the other interesting thing. We can look at the corn and the wheat and the soybean prices. But let's look at the farm share of what is happening to how much farmers are getting from their products that are sold in grocery stores.

Right now, the farm share of the pork dollar is at the lowest point it has been in over 2 decades—in over 20 years. Iowa hog farmers, and hog farmers around America, are getting the lowest share of the retail dollar. So if prices have been declining, as I pointed out here for soybeans and for corn and for wheat, how come we haven't seen the price dropping at the grocery stores? Not a bit. Prices continue to go up, and yet the share of that dollar for our farmers keeps going down. That one is pork.

Let's take a look at beef. Here is the retail share of beef, which has been coming down all the time. It keeps coming down. Maybe it is not quite as bad as pork, but it is still pretty bad. So farmers get less and less.

Now, I noted that in the Washington Post this morning there was a story about our plans to do something to help the farm crisis in America. It said here, "While Democrats in both chambers want to help farmers by revamping domestic farm supports, Republicans say aid will come from more aggressive pursuit of exports."

Interesting. We are going to solve it all by exporting more. Well, let's look at two charts here. I heard a lot of talk about getting rid of sanctions. We are all for getting rid of sanctions. Here is a chart that shows how much agriculture is being affected in terms of sanctions and how much it is being affected by the fact that IMF is not being replenished, so they can continue to straighten out the economies in Asia. Trade sanctions reduce U.S. exports by about 1 percent of the total. That is the USDA estimate. Here is IMF-affected trade coming in at about \$35 billion because of the lack of funding for IMF. Who is holding up the funding for IMF? The leadership in the House and the leadership in the Senate.

We will hear a lot of talk about sanctions. But if you really want to get at what is affecting our farm exports, it is the lack of funding and replenishment for IMF. But, Mr. President, is it really exports that are going to solve our problem? Here is U.S. exports on this chart going clear back to 1960—what we see here, hitting 1970 and in the 1970s and then the 1980s. We had a dip in 1985 because of the farm crisis, and then up and up and up. Look at the increase in U.S. agricultural exports. It is down a little bit now from its peak a couple years ago, down 7 percent. But it is still a huge increase over what we have had in the past. That is not the total answer to our problems.

Yes, we need to replenish IMF; yes, we need to continue our strong support for exports. But that won't solve the

problem. The problem is that we have pulled the safety net out from underneath the farmers in this country when we passed Freedom to Farm a couple of years ago—the so-called “Freedom to Farm.” I called it at that time the “freedom to go broke” bill, talking about our family farmers.

Now, some say, well, what we have to do is, we have to get EEP in there and we have to do more to get our exports going overseas. But the fact is, that would put more money in the pockets of the grain traders and importing companies and not the farmers we all represent. Some commodity groups want to spend several hundred million dollars on the Export Enhancement Program and other export programs. But who is it going to help? That money will go right into the pockets of the exporters, the big grain companies, and the importing countries. It is not going to go to the farmers.

I call that the sparrow feeding the horse kind of analogy. If you want to feed the horse, you feed the sparrow. Then the sparrow drops something on the ground; that fertilizes the grass; the grass grows, and the horse eats it. That is a crazy system. If you want to get money to farmers, then what we have to do is, we have to put in some supports and put that safety net back in there.

A 1994 General Accounting Office study found that direct payments to producers increased net income of farmers much more effectively than an equivalent level of indirect support through subsidies granted under the export subsidy program.

GAO. Direct payment of producers gets their net income up more effectively than putting that money into EEP.

Again, a lot of farmers were told that we had to pass this so-called Freedom to Farm because it gave them flexibility. We were all for flexibility. We had that before under the Carter administration. We had the whole farm base at that time. We all wanted to give farmers more flexibility for the whole farm and let them make the decisions. But we wanted to keep a safety net there.

This so-called Freedom to Farm is fine when prices are high, fine when you have the big payments going out to farmers in the initial 1 or 2 years. But when disasters come, as they will in agriculture, as they have since biblical times, when the prices go down, then what happens is, our family farmers are squeezed out.

It almost seems like the so-called Freedom to Farm bill really was designed with only the largest producers in mind. Why do I say that? Because when you get a downturn, when you have low prices, the big, well-financed producers can weather it. They can get through 1 or 2 or 3 years of low prices. But for that smaller family farmer out there, they can't do it. That is why you are now going to see farm bankruptcies again, as high as they were during the 1980s.

Mr. WELLSTONE. Will the Senator yield for one question?

Mr. HARKIN. I am delighted to yield to my colleague from Minnesota.

Mr. WELLSTONE. Mr. President, for the sake of other colleagues, I believe many will support our efforts on the floor this week because they know how important agriculture is. But when the Senator makes the point about what is going to happen to family farmers, as opposed to large conglomerates able to weather this crisis, I wonder if the Senator might want to explain to people who feel strongly about it why, from the point of view of consumers, it is important that the family farmers be able to stay on the land. Maybe some people will hear you talk and they might say, well, OK, so the giants can stay on, they will farm the lands, and what difference does it make to the vast majority of the people in the country? I wonder if the Senator can spell that out.

Mr. HARKIN. I thank my friend, because we hear a lot about that: “Wouldn't it be better to have a few large farmers out there rather than all these family farmers?” There are a lot of ways to answer that question.

First, a strong, healthy rural America is better in terms of the impact of unemployment in our cities, where people from farms are forced off, they come into the cities. It causes more urban congestion and all of the expenses that causes for people who live in our larger cities. You can look at it that way.

Secondly, you can look at it from the standpoint of a stable, safe food supply. Why do I say that? Because it has been my experience that a family farmer who lives on that land, owns that land, and the children are raised there, and they go to the local schools, and they have a stake in their community—they are some of the best stewards we have for our land. So if you want to take care of the land for future generations and you want to protect the soil and the water, it is better to have a family farm system of agriculture than these big corporate conglomerates that maybe just hire someone or rent it out.

It is like in housing. If you want people to take care of their houses, make them homeowners. That is why I have always been in favor of housing subsidies and getting more housing for low-income people. They will take care of it. They have a stake in it. They have equity in it. That is true with our family farmers, too. As long as they own the land and work it and have their families there, they have a stake in it.

Lastly, just from the standpoint of price, if you have more farmers out there producing more beef, pork, poultry, corn, wheat, and beans, you are going to have a more competitive situation out there. As we all know, competition gives you the best price.

I never could understand people who believe in a free enterprise system and who believe in this concept of competi-

tion and giving us the best products at the lowest possible price, then supporting policies that do just the opposite in agriculture and squeeze them out by setting up a few large, vertically integrated entities that have everything from the production of the grain, to the feeding of the livestock, to the slaughtering of the livestock, to the packaging, right to the time it gets to your counter. I can't understand people who think that somehow these kinds of monopolistic prices are going to be the best deal for our consumers. They just aren't. We know it, and we can prove it.

Mr. WELLSTONE. Mr. President, I have one more question for my colleague from Iowa. We have colleagues here on the floor from North Dakota and South Dakota. You talk about the Freedom to Farm bill and the whole question of the price plummeting and the dramatic loss of farm income in a State like Minnesota where we are really hurting. Later on I will get a chance to speak to that. The Senator mentioned that income in North Dakota dropped by 98 percent.

Could my colleague from Iowa explain, A, why the price has plummeted; and, B, when we talk about a fair price, what we are really saying here? Because I think people need to understand how centrally important the price is to this whole question. Would the colleagues from North Dakota and South Dakota also be willing to comment on this?

Mr. HARKIN. I am going to ask that same question of our colleague from North Dakota, because I believe he can answer it better.

I just wanted to point out that last year the average North Dakota wheat farmer suffered a loss of \$23,000. My figures show, at least right now, that the income of the North Dakota farmer—I could be corrected by my colleague from North Dakota—this year their income will be, for a family of four, below the poverty level. Their income actually will be below what we have designated as the poverty level in this country.

So I guess the question of the Senator from Minnesota was, What has brought this about? Was that the question? Why has North Dakota, now, I think for 2 consecutive years of low wheat and barley prices—what has brought this about? I ask the same question of my colleague from North Dakota.

Mr. WELLSTONE. The price, and also, why is the price so important to whether or not family farmers will be able to continue to farm, and what is the central importance of that to our statement?

Mr. HARKIN. I would like to ask that question of my colleague from North Dakota and ask him to respond to that question.

Mr. DORGAN. Mr. President, if I might respond to the inquiry of the Senator from Iowa, who has used the floor to describe his sense of the Senate resolution. S8102 The problem in North Da-

kota has been that family farmers lost 98 percent of their income last year as compared to 1996. They planted a crop and they discovered that the crop was devastated by disease. The worst crop disease in this century has hit our part of the country. It has also touched Minnesota, Montana, South Dakota, and some other areas, but none quite as devastating as in North Dakota.

So a farmer plants a crop and hopes it grows. When it grows he hopes it avoids the insects, avoids the drought, avoids too much water, and avoids disease. Unfortunately, our crop didn't, it was devastated by disease. Then the farmer harvests those crops, or is what left of them.

That is not easy. I have been out on harvests plenty of times in my life. It is tough work. The farmer drives his truck into town and pulls it up to the county elevator and unloads that grain. The harvest in that truck box has all of your hopes and dreams for an entire year. That harvest in the truck box determines whether you are going to be able to feed your family, whether you are going to continue farming, and whether you are going to be able to pursue your hopes and dreams on the farm. That is what is in that truck box.

Then they unload that truck, and they put that durum, or the wheat or the barley, into that country grain elevator, and it is weighed, evaluated. And the elevator operator says, "Well, Mr. Farmer, Mrs. Farmer, we have decided that your grain is worth \$2.75 a bushel." You didn't get much for it because you had a lot of disease. But what you got is worth \$2.75 a bushel. The farmer looks at the price and says, "Well, the problem is it cost me \$5 a bushel to raise that grain."

That is in short exactly what has been happening in our State. It has been devastated by disease and low prices.

Think of it this way: Ask any group of families living on any block of this country, any group of businesses on any Main Street of America, for that matter any legislators who are standing visiting in a circle. Ask them about what they would do if they were losing 98 percent of their income. Ask the folks on the block, the folks on Main Street, the legislators, anyone, how would you like to lose 98 percent of your income? Then ask yourself: How am I going to provide for my family? How am I going to meet the future and continue to farm?

That is what has happened to our family farmers. I will read some letters. I will not do it at the moment, but I will read some letters of some farm families in North Dakota who were forced to sell out this year. They say, "Well, we are good farmers. We don't spend money frivolously. We are not going out at night. We work. We work to the bone, and we try. We try hard. And the fact is we are going broke. Yet, everybody else dealing with this grain that we produce is making money."

The people who haul it, the railroads, have record profits. The people who put it in the mill have record profits. The people who make it into breakfast cereal have record profits. Take some wheat, puff it up, call it "Puffed Wheat," put it on the grocery shelf, charge \$4 or \$5 for it, or put it in bread. The farmer gets less than the heel.

Farm prices have collapsed. Have bread prices come down? I don't think so. Have cereal prices come down? I don't think so. Yet everybody in the process, except the people who grow the food, is making money.

There is one final point I want to make. I was on the floor of the Senate yesterday pointing out that half way around this globe of ours there are people climbing trees for food. Old women are climbing trees in Sudan to forage leaves to eat. They are eating leaves from trees because they are dying of hunger. Over 1 million people are at threat of starvation in Sudan.

The people on this side of the world are told, yes, there are 1 million people facing starvation. They are eating leaves off trees. But the food you raise on the family farms somehow doesn't have worth. It doesn't have value. That is a terrible, terrible disconnection of what we ought to be doing.

So the answer to the question of the Senator from Iowa is that our farmers have been devastated more than in any other State largely because we have been hit harder by disease. But all farmers trying to market wheat at this point are discovering that the price of wheat has collapsed.

Today the price is \$2.99 a bushel at one of our local elevators in North Dakota. It was \$5.75 just 2 years ago. The price today is what it was decades ago when the price of all the inputs was much, much less. At today's prices, farmers are losing over \$2.00 per bushel.

So the question facing us is whether we are going to do something that gives family farmers an opportunity to make a living. Does family farming have value to our society? I believe it is more than just dollars and cents. If you believe as I do that it is important, then the question becomes what is the solution. What kinds of solutions and what menu of choices can we select that will say to family farmers, "You are not alone? When you hit price valleys, we will try to build bridges across those valleys because we want you in our future."

Mr. President, I thank the Senator from Iowa for asking the question. I thank my colleagues for their indulgence so that I could answer.

Mr. HARKIN. I just want to finish a few remarks, and then I will yield the floor.

Is that the desire of the Senator from South Dakota?

Mr. JOHNSON. Mr. President, I have a question that I would like to ask of the Senator from Iowa at some point.

Mr. HARKIN. I yield for a question.

Mr. JOHNSON. I thank the Senator from Iowa for his extraordinary leader-

ship under these very trying circumstances.

One of the points that the Senator was making earlier struck me as particularly important in terms of the long-term future of rural America and the long-term capability of our Nation to feed not only our citizens but also much of the rest of the world. The Senator from Iowa was talking about what kind of structure we would have in rural America if we go particularly down the road of more and more concentration and vertical integration. It struck me that there may be other societies that have gone down that road from whom we can learn a lesson or two.

I am reminded of the agricultural regime in the former Soviet Union and their efforts to turn agricultural workers into paid employees rather than people who have a personal family stake in the outcome of their agricultural enterprise, and what that led to in terms of taking a nation with enormous natural resources, that had historically been one of the bread baskets of the world and what that did to that nation in terms of destroying its infrastructure of small rural communities, what it did ultimately to destroy its ability to produce food shipments for itself and for its neighbors.

I would wonder and question the Senator from Iowa whether he thinks there are some lessons to be learned from other societies that have destroyed family agriculture, then discovered it was a mistake, then discovered that turning family agriculture up by the roots is not so easily replanted and what happens after you have gone down that road, if you decide that you want to reestablish family agriculture after you have ripped it up by the roots in that manner? I wonder if the Senator will comment about the long-term structure that we are headed to if we continue down this road.

Mr. HARKIN. The Senator from South Dakota has put his finger on it. I visited the old Soviet Union on a couple of occasions before it disintegrated, went out and visited some of these big farms, some of the most inefficient, awful operations you have ever seen, and then I visited later just when they were breaking up the large farms. What I heard time and time again was that was probably one of the biggest mistakes they ever made in the Soviet Union—collectivizing the farms. And now in Russia, what they have decided—and I have met on more than one occasion with a couple of their agriculture ministers—is the best thing to do is return the land to the people, give them private ownership of that land and to disburse it as much as possible.

What they have found, lo and behold, is they are getting better products and better production for their people. Right on target. And yet we seem to be going in the other direction. We seem to be doing what the Soviet Union did. Now, it is not State collectivization,

but it is monopoly practices. That is the same kind of vertical integration.

Mr. JOHNSON. Will the Senator agree that while the track that we are on may not be as a consequence of a specific plan simply on the part of the Government or anyone else, but that any sector of the economy that is expected to generate profits based on prices that were consistent with 1940, as we are in the grain and livestock sector today, and yet to pay the input costs that reflect 1998 costs will lead ultimately, as certainly as night follows day, to the demise of that enterprise, that family agriculture capitalized in a modest way as it is cannot possibly sustain itself with the combination of these tragically low prices and the extraordinary high input prices?

Mr. HARKIN. The Senator knows about what I am about to say because I know he has been through this, and that is what I think a lot of consumers and what a lot of people have to understand about farming in America and about our family farms. Farmers are price takers. In other words, a farmer has a lot of fixed costs over which that farmer has no control—land, seed, fertilizer, chemicals. The farmer who goes down to get his seed can't say, well, my prices went down last year. I will buy that, but I can give you 10 percent less. The farmer has zero bargaining power. He pays the freight. Whatever it is, that is what he has to pay. So the only way for that farmer to make anything is through the price that the farmer receives, price plus his production. Now, if the price is so low, no matter what he produces, he can't produce himself out of the hole.

That is another little anomaly that I have thought about in all my years here and working in agriculture on the agriculture committees. People say, well, if prices drop—see if this doesn't ring true with my friend from South Dakota. A lot of ideologues say, well, if prices drop, farmers will take that signal and they will plant less. But we know what happens when a farmer has a fixed unit of land and he has his fixed machinery and prices drop. They say, how can I get more production out of that unit of land to cover the lower prices? And so what happens is you get a drop in the prices. Farmers plant more because they have a fixed amount of land. They want to squeeze more production out of it.

That has happened time after time after time in American agriculture. Yet some people do not seem to understand that.

So they have to have the price plus production or they are going to go broke, and that is what is happening today. I believe it was attributed to former President Kennedy—I can't be certain about this. But I think former President John Kennedy once said that a farmer is the only man in America who buys at retail, sells at wholesale and pays the freight both ways.

That is very true today. That is why we are having this crisis in America.

Now, again, I am all for farm flexibility and giving farmers the maximum flexibility. But we have to have a safety net in there because it is as true today as it was in biblical times. I guess we just never seem to learn it. I have here a letter that was sent to a number of us from Mr. Dwayne Andreas, chairman of the board of Archer Daniels Midland Company. I found this to be a fascinating letter.

Now, obviously, Andreas heads a large agribusiness that takes the raw food shipments and processes them and makes them into articles that we see sold all over the world. I am sure we have seen his ads on Sunday "Meet The Press," ADM, which is the supermarket to the world. We have all seen that and they do a good job. So here is an individual, the head of a large company that buys the raw products, processes them, turns them into something that is sold in supermarkets in places around the world. Interesting. He sends a letter dated June 18. He said:

I feel the urge to say something about present farm policy. I could write pages about why support prices are necessary to protect farmers from the excesses of speculators.

It was a bad idea to remove all the support prices from under farm commodities and if left alone it will lead to disaster. The side effect of a drop in farm income affects all U.S. businesses and can be devastating. Only those of us with long-term memory seem to be aware of that. The country shouldn't have to learn it all over again. Although, of course, it is legendary that people in my line of business can benefit from free falling farm prices by buying bargains. I feel that stabilized agriculture is extremely important for America and for the world.

I hope you will work to restore some form of price support to protect farmers from disaster. Subsequent events prove it has to be corrected, not just for the benefit of farmers, but to stabilize the economy of our Nation. People seem to ignore the fact that no genuine free market is left in this world. Governments everywhere manage farm prices and the U.S. will have to follow suit or face disaster.

I find that interesting, coming from the head of perhaps one of the largest manufacturers of agricultural products. As he said, it is legendary that it would be in his best interest to have low farm prices. But I think what we have seen from Andreas is the statement of a statesman and someone who understands what it means for our entire economy and for our Government and, indeed, for hungry people around the world to make sure that our farmers have a decent price. So I applaud Andreas for making that statement and taking the position he has taken, which probably is in direct conflict with his economic best interests.

Why I remembered that letter is he said those of us with memory long enough. And I have said it time and time again. It started in biblical times with Pharaoh's dream, and he asked Joseph to interpret the dream. And Joseph said what it means is during good times you store up the grain so you have it during bad times, 7 years of plenty and 7 years of famine. Through

the ages, governments everywhere have learned and relearned that lesson. And yet for some reason, under the Freedom to Farm, so-called Freedom to Farm bill that we passed here a couple of years ago we said that is all over. Evidently, farmers are going to have high prices from now on. Well, they have short memories, and they probably haven't been reading the Bible either because if they had they would know that this has plagued us for thousands of years.

Mr. JOHNSON. Will the Senator agree that one of the things this institution needs to do is step back and recover its institutional memory, its recognition of why we arrived at the price support system in the first place, going back as long ago as the 1930s and the agricultural stabilization service? There was a recognized need then, generations ago.

Family agriculture, it would seem to me, cannot sustain itself without some stabilizing force. Otherwise, they simply will not be capitalized well enough. They will be driven off the land, just as what was happening at that time, and we need that kind of a presence not to micromanage, not to deny the flexibility that our farmers need to meet the forces in the market, but that they need an opportunity to compete fairly with a more stable kind of environment. We, in fact, are losing sight of that—assuming that the \$6 wheat when Freedom to Farm was passed would be here forever, that the \$5 corn when Freedom to Farm was passed would be here forever—and we find it out only a few years later, conveniently after the next elections, when prices have declined.

Does the Senator concur that a handful of years of declining transition payments, a pat on the back and a "good luck, buddy," is not a reasoned, long-term strategy for family agriculture and the provision of food in this Nation, and now that there is great urgency, we need to step back and accept that that was misguided? We do not need micromanagement, we do not need bureaucracy-laden policies, but we do need something that will provide the kind of stability that, as long as 60 years ago, was recognized as necessary when, if anything, we are in a more volatile world market situation now than we were then? Does the Senator concur with those observations?

Mr. HARKIN. The Senator is right on the mark again. I said a couple of years ago, when that so-called Freedom to Farm bill passed, it was a triumph of ideology over experience—the experience of thousands of years; the experience we have had in our own country since the 1930s. Yet there was this ideology that said, no, we have to get the Government out of everything; no price supports.

But I submit to my friend from South Dakota that the so-called Freedom to Farm bill probably is working just as it was intended. During high-price years, like we had when the Freedom to Farm passed, it offers large-

scale farmers the ability to take advantage of opportunities that they might see in the marketplace. Now, does it help the smaller farmers a little bit? Sure, but only because those payments were high in the first years. As the Senator pointed out, those initial payments are coming down, so the large-scale farmer, better able to weather 1 or 2 or 3 years of low prices, is left to sail on through. The smaller farmer is left to go broke, and that is what Freedom to Farm was intended to do. I swear, the idea was to get fewer farmers out there, to structure it differently.

I am going to yield the floor momentarily, but I have to tell my friend a story that happened to me back in David Stockman's time. We always remember David Stockman first as the head of OMB under President Reagan.

I remember having a meeting with him at that time, talking about farm bills, and they were after agriculture. I used to have debates with David Stockman on the floor of the House on agriculture. He was always for this so-called getting the Government out of agriculture and everything. I remember, he sat at a table one time, and he said to me at the time, I think I was a Congressman then, he said, "Congressman HARKIN, you know as well as I do, if you have two farmers out there and they both have such-and-such land, they both have two tractors, they both have two combines, they both have two barns, they both have two this and that," he said, "you know as well as I do, one farmer could do it all."

I said, "Really? One farmer can do it all? Is that right? How so? How can one farmer?"

"Well, one farmer can buy out the other farmer and get all that machinery and get bigger equipment and hire someone to work for him and get it all done."

I said, "How is that one farmer going to buy out the other farmer? If you have those two farms, what is going to cause one of the farms to go under?"

"Well, recurring low prices."

We talked. I will give him one benefit, he was honest about it. He said, "With these recurring low prices, the little farmer will have to get out. The bigger farmer will buy him up." And his point was it would be more efficient to do it that way, more efficient.

I said, "How do you measure efficiency? How do you measure efficiency? Do you measure it in terms of the local businesses that now will go under in the local community because that farmer has gone out of business? Do you measure it in the local education system, where now kids have to go 30, 40 miles a day to go to school, and they have a hard time getting teachers to teach in these rural areas? Do you measure efficiency in terms of the lost production? If you had two tractors before and you only have one now, what does that mean in Detroit and places like that where people are working in manufacturing?"

So I always challenged him to define efficiency, not just by looking at the individual farm itself, but looking at the community at large; what was more efficient? I had always believed, and I do today believe that the most efficient, in terms of our Nation, in terms of our country, in terms of our consumers—the most efficient form of agriculture is one that is diverse, dispersed, and one that encompasses many family farmers owning their land and working their own land. I have maintained that for the last 25 years and I maintain it today. I think a lot of the problems we are having today have to do with the crisis we had in the 1980s that kicked a lot of farmers off their land, and we are having the same crisis today up in the northern plains area.

As I said, those who want to stick with that so-called Freedom to Farm—I suppose maybe they have the votes. I don't know. But we are going to have some amendments on this floor today and tomorrow, as long as we have to take, on this ag appropriations bill, to get some changes made to put that safety net back under our family farmers and to provide them with the support they need during these tough times. We can do nothing less, not just for them, but for our country.

I yield the floor.

The PRESIDING OFFICER (Mr. Sessions). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I appreciate the remarks of the Senator from Iowa and the Senators from South Dakota and Minnesota who were here. We have offered a sense-of-the-Senate resolution on the question of the farm crisis and will get a vote on that at some point. The Senator from Iowa indicated other amendments will be offered. Let me just provide a bit more context for some of this.

I know a lot of folks in this country don't live on a farm, have never been on a farm, and don't know much about family farming. Perhaps they wonder why is there so much discussion about family farming. Why does it matter?

I come from a small community of 300 people in southwestern North Dakota, which is where we raise a lot of wheat and livestock. I suppose one can look at those parts of the country where there are not many people who live in the area and say that is not a big population center and it doesn't matter much. But it is where we produce our food, by and large, in this country.

When you get on an airplane and fly across the States at night, you look out the window. I am sure as the Senator from Iowa flies across the State of Iowa, just as I fly across North Dakota, he sees these yard lights out there at night. Take a look at them. See these brilliant little lights from the prairie that sparkle up to your airplane window and understand what is there. Underneath that light is a family out there. They have turned the yard light on, on the family farm. That is where

they are trying to make a living. All those yard lights out there on the family farms represent the economic blood vessels that represent the rural lifestyle that allow these small towns to flourish and to live. That is where I grew up.

I am a Jeffersonian Democrat. I believe, as Thomas Jefferson did, that this country will survive as a free country with the kind of political freedoms that our Constitution guarantees us so long as we also have economic freedom. Economic freedom and political freedom go hand in hand. And economic freedom is nurtured and guaranteed by broad-based economic ownership in our country.

Jefferson believed in broad-based economic ownership. Small businesses and family farms dotting the prairies and populating our main streets represent broad-based economic ownership and, ultimately, represent the opportunity within economic freedom.

The country these days has seen an orgy of mergers. Gee, every day you wake up and you pick up the morning paper and somebody else has merged. You see it in almost every industry. Recently, it has been banks. The biggest banks in the country discover they love each other, apparently, and decide they want to get married. We didn't even know they were dating, and all of a sudden the newspaper in the morning tells us they want to get hitched, so they merge and two big banks make a much bigger bank.

Airlines have been doing it as well. Big airlines take a look at the little airlines and they don't like the competition. They say, "We want to buy you up and merge." So they merge. Two big airlines decide they will be better off if they merge, and they merge.

It doesn't matter what industry you look at. We used to have 30 or 40 class 1 railroads in this country. Now we have a handful at best. They all merged.

Some say that would also be good for farming. Let's have them all merge together; we can have farmland farmed; just get the family out of there. That is what some say. They say we can have giant corporate agrifactories producing agricultural products from California to Maine and that we don't need family farmers living out on the farms.

First of all, I think the people who ignore the question of size and mergers in this country do so at their own peril. And I think the people who ignore the question of the health of family farms do so at their own peril as well. Broad-based economic ownership in this country is important, and we ought to be concerned about it. We especially ought to be concerned about it on the family farm.

In addition to hearing about mergers every morning, you turn on the radio going to work and you hear reports on America's economic health. It is always some gray-suited economist who comes from the same university and

works for the same entities, in most cases, who tells us how healthy America is, and they tell us in the morning how healthy America is by their latest reports on what we consume.

I actually used to teach economics a couple of years. I don't always admit that. Yet, I have been able to overcome that experience and, nonetheless, go on to lead a decent life. When I taught economics, I was one of those who didn't teach that our economic health in America is dependent on what we consume. No, it is dependent on what we produce. Real economic wealth is represented by what you produce.

The most prodigious producers in our country are family farmers. They are the all-star producers, bar none. Yet, you can take a look at this economy of ours and who is doing well and who isn't. Then you will discover that this economy has decided, for a whole series of reasons, some of which are public policy reasons and others, that the producers on the family farm are somehow expendable; it doesn't matter whether they do well.

I mentioned some while ago that in North Dakota family farmers lost 98 percent of their income in 1 year. I don't know of anyone who can withstand the loss of 98 percent of their income, not in theory, not in practice. When you lose 98 percent of your income, you lose your ability to continue.

I am going to read just a few letters from some North Dakotans, because they say it much better than I can.

A woman named Shirley in North Dakota. Their son is a beginning farmer. Shirley and her husband farm. Their son is a beginning farmer. She said:

My son filled a sprayer with water, then checked the temperature at 4:30 a.m. this morning, June 3, 1998. Last night, freezing temperature records were forecast for all of North Dakota.

They ran into a cold spell.

She said:

My son filled a sprayer with water, then checked the temperature at 4:30 a.m. because it freezes usually just before sunrise. He was prepared to go out and spray the beans with water to prevent them from being killed by frost. He probably already put in a 15- to 18-hour day, but at 4:30 a.m., he was up filling the sprayer with water to try to save his crop.

He does carpentry work all winter to make ends meet. He serves on cooperative boards. He is a volunteer on the emergency medical team that runs two rural ambulances in our community. Last year, two quarter sections of his land were totaled by hail, and Federal crop paid almost nothing. He's been able to pay his \$5,294-a-year health insurance bill only by giving up some farm-related necessities, like hail insurance.

She said:

This letter is my personal plea that Congress appreciate the value of family farmers in this country and do something to help stabilize their income.

This is from Edwin from North Dakota. He said:

If things continue as they are now, in 10 to 15 years, you'll find very few family farms. I believe when and if this happens and the

farms get big enough, the price of food will go up drastically because the companies that operate these corporate farms will then be able to hold back production until they get what they want to make a profit. I farm a 1,200-acre farm. The original farm was home-steaded by my grandad, so I'm the third generation to be out here on the family farm. I'm 61 years old and have a son who would very much like to take over the farm when I retire, and I would like nothing better. But I have no choice but to tell him that as it is now, it is almost impossible to make a living on this farm anymore.

The Federal Government says they want to keep family farms viable, but the freedom to farm bill is selling them down the river, in my opinion.

Mr. President, a letter from a man named Kelly, a family farmer. He wrote to Secretary Glickman and sent me a copy of it. He said:

You can say that a farm crisis is occurring in a small isolated area and that Mother Nature has caused all of this, but I disagree. First of all, this is not an isolated area. This is a huge area. The population is small because many farms have already been forced out of business. Mother Nature is something farmers are used to dealing with when they have the proper tools to manage the climate wrath that she can behold. But these tools have slowly been taken away from farmers as yield guarantees and crop insurance formulas are getting lower and lower each time a claim is filed. Secondly, farmers' marketing tools—export enhancement and restricted trade with Canada—have been thrown in the junk pile by two successive administrations.

I am not going to continue to read more letters, but I think everyone understands the circumstances. Let me mention, finally, a paragraph from a woman named Kristen who talks about her father:

I spoke to my father and he said if he doesn't have a good year this year, doesn't make it this year, he probably will have to get another job and sell the farm.

She said:

That broke my heart. My father worked so hard all his life to give me and my brother the best upbringing and education. He put me through undergraduate and graduate school. As a child, I remember not seeing him much from April until he started taking me to basketball practice in August. He got up before dawn and returned long after I went to bed. That is what family farming is. The winters were not idle, either. Intricate planning necessary to run a successful farm is done all year-round. The reason my father is struggling is not because he is not a good farmer. He doesn't spend money frivolously. There is an increase in disease ravaging his crops, and the government is cutting back the help to make up for these losses.

Well, Mr. President, you get the point. But the point is more than just that. There is suffering and there is a farm crisis. The point is that somehow this system of ours has decided that everybody else can make money with the farmer's product. Yet the persons who grow it, it is OK if they do not make any money, and it is OK if they go broke.

You raise some crops, as I mentioned a bit ago, on the farm, and ship them through the process. The people who are going to haul that crop are going to make money. We have a railroad

through our State that is going to charge them twice as much to haul that grain per carload of wheat, than they would charge on another line where there is competition. From Bismarck to Minneapolis there is no competition, so a farmer is told, "You pay \$2,300 a carload to ship your wheat to Minneapolis." Yet, if you put the wheat on a train from Minneapolis to Chicago, which is about the same distance, you pay \$1,000. Why do they charge us more than double? Because they can. That is the way the system works.

The people who haul the wheat make money. The people who mill the wheat, the flour mills, are doing just fine. About four firms control about 60 percent of that. They are doing just great, probably making record profits. Grocery interests are doing just fine.

Virtually everywhere you look, the people who turn it into breakfast food and puff it and crisp it and mangle it and shape it and box it and package it and send it to the store shelves and charge \$4 for it, they do just fine. What about the person who produces it and takes all the risks and does all the work to produce the food out there in the family farm. They are the ones going broke in record numbers. In my State, they have had so many farm sales this spring they had to call auctioneers out of retirement to handle the sales.

The question for the Congress is whether we are we going to do something that says to the family farmers: "You matter. You are important to this country, and we want to provide something that helps you in a range of areas?"

We ought to help because we have a trade system in this country that, in my judgment, sells out the interests of producers. Our system of trade is not fair. We say to farmers, "We're upset with Cuba; therefore, we won't ship grain to Cuba, and you pay the cost of that lost market. We're upset with Libya; we will not allow you to ship grain to Libya, and you pay the cost, Mr. and Mrs. Farmer, for that lost market."

Ten percent of the wheat market in the world is off limits to our farmers. And farmers are told that is a foreign policy judgment, and we want you to pay the cost of it. That is not fair.

We also negotiate trade agreements with Canada, Mexico, China, Japan, and many others. In every set of circumstances, somehow we end up losing. We send negotiators out and they can lose in a day. I do not understand that. Will Rogers said some 60 years ago, "The United States of America has never lost a war and never won a conference." He surely must have been thinking about our trade negotiators. How can they lose so quickly?

Let's talk about Canada. They negotiated an agreement with Canada which fundamentally sells out the interests of our farmers. Every day, in every way, there is a flood of unfairly

subsidized grain coming into this country eating away at the profits of our farmers, diminishing our price.

When we say to the Canadians, "We think you are violating the antidumping laws of this country, and we demand you open your books to our inspectors," they thumb their noses at us and say, "Go fly a kite. You have no ability to determine the trade practices of Canada." This incidentally is happening despite the fact that the trade negotiator who negotiated the trade agreement with Canada promised in writing it would not happen. That promise was not worth the paper it was written on.

I can speak at great length about trade. Why can't we get more wheat into China? Why can't we get more beef into Japan? Why can't we get raw potatoes into Mexico? Why can you drink all the Mexican beer up here you can possibly consume in a lifetime, but try to order an American beer in Mexico. Yes, when I talk about beer, I am talking about barley. But rather than talk at great length about all of those trade problems that confront our farmers and diminish their price, my point is, this isn't their fault.

The Federal Government, through a series of policy initiatives must take some responsibility. First of all, there were bad trade deals that were negotiated poorly, and then not enforced at all. Secondly, there has been a ravaging crop disease which decimates the quantity and quality of a crop. Then third, prices have collapsed following a farm bill that was passed by this Congress, which pulled the rug out from family farmers, and left them without a working safety net.

When Congress passed the farm bill a couple years ago, the price of wheat peaked at \$5.75 a bushel. They called it the Freedom to Farm bill. To pull the rug out from under family farmers and say, "We're going to get rid of the price supports for you," would be like saying to the minimum wage folks, "Let's cut the minimum wage to \$1 an hour and call it freedom to work." That is what freedom to farm is all about.

Since freedom to farm was passed, the price of wheat has gone straight down. Now it is almost \$2 a bushel below what it costs the family farmer to raise wheat or to produce wheat. Family farmers cannot continue with prices below their costs of production.

This Congress has to decide whether it wants family farmers in our country's future or doesn't it? If it does, the question becomes what can and must we do together? What can Republicans and Democrats, conservatives and liberals and moderates do together? What can and must we do together to develop some kind of basic safety net to say to family farmers, "You matter. When prices collapse, and you are confronting monopolies on the upside and monopolies on the downside, or you are confronting unfair trade agreements, or you are confronting sanctions all around the world, or when you are con-

fronting crop disease that is devastating your crops, then this Government cares about that, and the rest of the American people will provide some basic kind of safety net for you."

That is going to be the question that is posed to Members of Congress in the coming couple of weeks: Do family farmers matter? If they do, what can we do together to try to say to these people, "We'll give you some hope for the future. If you don't get a decent price at the marketplace, we'll provide a support mechanism of some type to get you over this price valley."

For decades, this country had decided that when farm prices collapse, we will build a bridge across those price valleys, because family farming matters and we want family farmers to be able to populate this country and retain broad-based economic ownership of the land in America.

That is the question we have to confront in the next couple of days and couple of weeks as we talk about this farm crisis that gets worse by the day and is affecting more and more areas of the country.

It is true that North Dakota is hardest hit. It is true that North Dakota had a 98-percent loss of net farm income for family farmers in our State. That is devastating. But it is also the case that crop disease called scab or fusarium head blight is spreading across this country. And it is also true that collapsed grain prices eventually will cause the same kind of problems they cause for our farmers in other parts of the United States.

Mr. President, with that, I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I just want to speak for a few moments.

The PRESIDING OFFICER. I advise the Senator that, under the previous agreement, we are to adjourn at 12:30.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent to be able to speak for up to 5 minutes on an amendment that has just passed.

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

AMENDMENT NO. 3134

Mrs. HUTCHISON. Mr. President, I want to thank Senator COCHRAN and Senator BUMPERS for helping pass a sense-of-the-Senate resolution about an hour ago that addresses the devastating drought that we have been experiencing in Texas. They did it on behalf of Senator GRAMM and myself. This is a very important sense of the Senate, because it directs the Secretary of Agriculture to do everything possible to relieve the drought conditions—not to provide rain, obviously, but to do everything we can to prepare for the relief that is going to be necessary due to the economic losses that Texas farmers and ranchers are facing because of the worst drought that we have seen in my memory in the State of Texas.

In fact, it is now estimated that more than \$4.6 billion in losses will result to the agriculture community according to the Texas Agricultural Extension Service. Direct losses of income to agricultural producers is \$517 million, which will lead to another \$1.2 billion in economic activity for the State.

What we are asking the Secretary to do is to streamline the drought declaration process to provide necessary relief as quickly as possible. The Secretary has released CRP acres in 53 counties for haying and grazing.

It will help to have these acres available for grazing because there is so little grass and few crops able to grow right now. Not only will haying the land provide food for the livestock, but it will take up dry grass so that it will not be a fire hazard.

In addition, we have asked and the President has given us an emergency declaration so that we can start positioning equipment in places where there is imminent danger of wildfires. We are very concerned about this potential because we have had so little rain for such a long period of time.

We have also ensured that the local farm agencies are equipped with full-time and emergency personnel in these drought-stricken areas to assist the producers with the disaster loan application pages. We are doing everything we can to prepare for the disaster that we are seeing unfold before our very eyes in our State right now. In fact, we have had more days of back-to-back temperatures over 100 than at any time in our State's history.

As you know, when you have, day after day after day, of no rain, and over 100-degree temperatures, it does start baking our land pretty quickly. I hope the Secretary of Agriculture will continue to respond to the requests that Senator GRAMM and I are making. As I will continue to do everything to prepare for the farmers who are losing their crops—as we speak right now—to give them the insurance that they need to get through this year economically. I want to thank both Senator COCHRAN and Senator BUMPERS for working with us to expedite this sense-of-the-Senate resolution. I just hope that, in lieu of rain, we will do everything else we can to prepare and give a cushion to the farmers and ranchers of my State that are suffering greatly right now.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Texas for her leadership in bringing to the attention of the Senate the facts about the Texas drought. We have already had news reports on that subject. It is obvious that there are very serious conditions there that need the immediate attention of the Federal Government. Her resolution, cosponsored by Senator GRAMM from Texas, will be very helpful in directing the way for this response to be made.