

there is a real possibility of achieving meaningful progress in this effort to reach common agreement on a balanced budget, that is a breakthrough.

This is no time to abolish or to abandon our goal of attempting to reach a balanced budget. A piecemeal approach, Mr. President, is unnecessary. We can do it now. We can take that \$711 billion in mutually agreed to savings and find the kind of long-term resolution to this balanced budget challenge that we have now faced for many months.

So it is our opportunity. Apparently the Speaker now agrees that achieving that in a meaningful way is possible, using the common ground approach. Let us not abandon that goal. Let us not take anything less than a balanced budget over that 7-year period. Let us do it now.

I think it is very important that we also recognize that to do it in the context of either a debt limit or a continuing resolution is not practical. We recognize that by encumbering and perhaps endangering either the continuing resolution or the debt limit resolution we may again find ourselves in a complex series of difficulties and crises that neither side wants.

We need a clean continuing resolution. We need a clean resolution on the debt limit. And we can work simultaneously in continuing our negotiations to find a clean budget agreement that achieves the meaningful deficit reduction that we want using the common ground proposals that both the Speaker and the President have now accepted.

Mr. President, I think the last critical issue to recognize is the importance of the next several weeks. It is very important that we not let this opportunity slip, that we not wait until the last moment to resolve these issues. We cannot afford to wait until the 27th or 28th or 29th of February. We cannot wait until that very crisis moment to resolve all these issues relating to the debt limit.

Let us use the 28th and 29th and 30th of January. Let us use the first few weeks of February to resolve these issues. Let us, in other words, stay here and do our work. Let us not take the chance that we will not be able to solve these problems at the end of February when the crisis truly looms.

So let us stay here, let us do what we must, let us recognize the opportunity that is before us, let us accept the challenges the President has now laid out so articulately and so clearly last night. Let us do that, recognizing that there are common goals and much common ground upon which to base our progress. With that, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Mississippi.

CONSIDERING THE DEPARTMENT OF DEFENSE AUTHORIZATION CONFERENCE REPORT

Mr. LOTT. First, Mr. President, if I might expand just a bit on the opening announcement. I understand now that we are in the process of receiving the House-passed Department of Defense authorization conference report that passed overwhelmingly, I believe something like 287 to 129, something of that magnitude. So we hope that we will be able to get an agreement to get the Defense Department authorization conference report up shortly, tomorrow or Friday.

I know the chairman is very anxious for us to get that done tomorrow if at all possible. We will be working to see if we can come to an agreement on that. We have worked across the aisle with the distinguished chairman from South Carolina and the distinguished ranking member from Georgia, Senator NUNN. I believe he would like to see us get that done as soon as possible, and we will continue to work in that effort.

BALANCED BUDGET AND DEBT CEILING LIMIT

Mr. LOTT. Mr. President, in response to the comments from the distinguished Democratic leader, certainly we should continue to find a way to move toward a balanced budget agreement. The President said last night he wanted to do that, and even though he vetoed the balanced budget when we sent it to him, that should not deter our efforts.

I believe from what I saw last night that the majority leader, Senator DOLE, indicated we are, in fact, going to continue to pursue this, and he intends for us to send balanced budget legislation to the President.

So we need to think about how we do that. The Senator from South Dakota mentioned, even though we want to avoid, if we can, a protracted, cumbersome process, perhaps we can have an agreement that would allow us to avoid that. But we will continue to have that as our goal. We are going to work to give the President an opportunity to, in fact, sign bills along the lines of what he said he wanted to sign last night.

I know that the House, where continuing resolutions must begin, is in the process of developing a continuing resolution, or a balanced budget downpayment is the way I think it should be appropriately described. They will be acting on that, I believe, on Thursday, and then we will have that legislation before us. I certainly hope and expect it is going to be legislation that the Senate will be able to pass and that will go to the President.

With regard to the debt ceiling extension, there, again, I believe the history of that has been the House will act first. I know the House is thinking about that and is working on it.

With regard to it being a clean debt ceiling, I went back and checked the

record in 1990 and 1989 and 1987, back to 1984, and found that in most years debt ceilings did, in fact, have riders on them. Those were put on by a Democratic-controlled Congress when we had a Republican President, so it would not be anything out of the ordinary if it worked the other way this time.

I must say, as a Senator who has voted in the Senate and in the House both ways on debt ceiling—sometimes for them, sometimes against them, and not just when there was a Republican President, sometimes Democratic Presidents—sometimes my vote has been influenced by the riders. Quite often, they are agreed-to things, things that need to be done. I hope that we will wait and see exactly what will be the best way to proceed on that, keeping in mind the House will act on it, and we will certainly be communicating with them.

I have said publicly that I think we should do that, and I fully expect that we will. The timing, of course, will be determined by a whole series of meetings that will be underway. I assure the Senator from South Dakota that we are going to be very busy during the next few days and weeks, and we have a lot of work to do. We have to begin on the next fiscal year. Hearings must begin soon on budgets and appropriations bills and even authorizations. We certainly intend to begin that process.

With that, Mr. President, I yield the floor for others who might have comments.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

BALANCED BUDGET AND THE STATE OF AGRICULTURE

Mr. HEFLIN. Mr. President, I feel like we ought to start negotiations again in regard to the budget. I think there is an opportunity to get a balanced budget now and in the immediate future. I think if we have a long recess that we will stand a chance of losing what momentum there is, and it may well be that in the near future, we can narrow the issues by adopting some of the various issues that have been agreed upon.

Mr. President, for the first time in over 40 years, farm programs have been allowed to expire. As of December 31, with a few exceptions, the authority for farm programs has run out.

It is the responsibility of this Congress, to pass a farm bill every 5 years or so, and create stability and certainty in rural America. Instead, with the failure of passing a farm bill, there is uncertainty, frustration and confusion in the agriculture producing areas of the country. Congress has failed in its responsibility to rural America and we must, therefore, act now to resolve this situation.

What can be done at this late date, what are our options? As I see it, we have three options: First, we can do nothing and allow the Secretary of Agriculture to implement the Agriculture

Act of 1949, second, we can pass a stand-alone farm bill, as we should have done in the first session, or third, we can pass an extension of the 1990 farm bill, thus providing rural America with much needed certainty and allow Congress more time to write a farm bill this year.

If Congress does not act, then the Secretary of Agriculture will have to exercise his responsibility to implement the Agriculture Act of 1949. Currently, market prices for wheat, corn, feed grains, and cotton are at all-time highs. However, under the 1949 act, the Secretary will be forced to implement parity prices for wheat, corn, and feed grains. For instance, wheat prices which are currently trading at \$4.92 per bushel, the support price would jump to \$7.82 a bushel. For corn, which is trading at \$3.60 per bushel, the parity price could go as high as \$5.30 per bushel.

Alabama's primary crops do not include wheat or corn. However, if parity prices are implemented, Alabama and the whole Nation will also be greatly effected. Alabama is one of the leading States in poultry and catfish production. With corn and feed grain prices potentially rising as high as they are projected, it will have the effect of sending livestock feed prices through the roof. Also at stake in Alabama are dairy, beef cattle, and hog producers who will be forced to pay higher prices for their feed. This increasing cost of production does not stop with the producers. Consumers will shortly feel the effect of the failure to pass a farm bill in the form of much higher beef, poultry, pork, and fish prices at the supermarket. These examples do not even address the effects that the 1949 act and parity prices will have on the Federal Treasury. As a result, I do not support this course of action, despite its very real possibility given Secretary of Agriculture hands being tied.

The second option that we have before us, is to pass a stand-alone farm bill. I am still puzzled as to why we did not pursue this course of action this time last year, rather than allowing farm policy to become embroiled in the budget reconciliation bill. I, along with my Democratic colleagues have sent a letter to the majority leader, Senator DOLE, requesting that farm policy come to the floor and be debated on its own merits so that we can pass a farm bill without getting caught in the web of budget politics. I have long stated that I believe that the current structure of farm programs have served rural America, and consumers everywhere, extremely well. Therefore, it is my belief that farm programs should only be finely tuned. I do recognize that some of my less fortunate regional colleagues feel that farm programs that effect their States need greater changes than those that effect the South. The ability to resolve these differences is the purpose of debate on farm programs, which to this point there has been very little in com-

mittee, and virtually none by the full Senate. Therefore, I recommend that we return to committee and discuss the farm bill as we always have in the past. We would then be able to bring a bill to the floor that addresses all of our needs and concerns, and pass a bill that serves our agricultural producers, rural America, and consumers alike.

The budget reconciliation bill contained agriculture provisions. However, the provisions contained in the reconciliation bill were never debated in committee, were not passed as part of the Senate reconciliation bill, but instead were approved in conference. Furthermore, the provisions known as freedom to farm, that ultimately ended up in the reconciliation bill, were defeated in the House Agriculture Committee.

I believe that the provisions of the so-called freedom to farm bill are seriously flawed. The freedom to farm bill makes guaranteed payments to farmers whether they produce a crop or not. The freedom to farm bill offers producers a bonus check in times of high market prices, and then is not sufficient in times of low market prices. It is unconscionable to make payments to producers in times of high market prices, such as we are currently experiencing, when at the same time, we are reducing school lunches and other essential nutrition programs. Essentially, the freedom to farm bill as a phase-out of farm programs. By repealing the permanent authority for farm programs, the freedom to farm bill ends all farm programs after 7 years.

I strongly believe that the core component of sound farm policy should be an adequate and certain safety net, one that provides support when market prices are low, and one that does not need to make payments when the market is up. This is how current farm programs are structured, and they work. For evidence of this, we need look no further than the recent CBO adjustment of its agriculture baseline. The CBO, after analyzing what they believe to be the future trend in agriculture prices, has determined that they expect commodity prices to remain high for at the least the next few years. As a result, the CBO has adjusted its baseline downward by \$8 billion. I believe that this is evidence that farm programs work as they are designed to: provide support at times of need, and no support when it is not warranted.

Therefore, while there may be an effort to resurrect the freedom to farm bill, I believe the policy contained within is inherently flawed. However, a full and open debate on farm policy will allow us to debate, consider and resolve these outstanding issues pertaining to the farm bill. This is the course of action that I strongly support.

To this point in time, however, we have not been allowed to debate farm policy. Yet, farmers do not stop when the Government shuts down; they rely more heavily on Mother Nature's time-

tables than they do Congress' continuing resolutions. However, despite the failure to pass a farm bill, farmers must continue to prepare for the upcoming planting season. Farmers, bankers, and other support industry such as fertilizer and seed suppliers, farm implement dealers, and processors must have some certainty as to the laws that they will be farming under.

In the event that we are not allowed to consider and implement a farm bill this year, and time is quickly running out, I then support the third course of action that Congress has before it: a 1-year extension of current farm policy. Extending farm programs for a period of 1 year will give rural America the much needed certainty that it deserves and allow time for Congress to act responsibly and write a farm bill this year. It is the responsibility of this Congress to let America's agriculture producers know what the program is for 1996, and we must not delay action.

Cotton and peanut producers in my State of Alabama can take comfort in knowing that they will not be held hostage to the ongoing budget negotiations and Government shutdowns. The cotton and peanut programs were extended for the 1996 and 1997 crops. While I support some fine-tuning of these programs, these commodity programs will work essentially the same as they have over the past 5 years. This is certainty that producers can take to the bank. Now, all producers should quickly be given the same measure of certainty.

THE FARM BILL

Mr. GRASSLEY. Mr. President, I want to visit about the agricultural issue, but I have two friends from agricultural States and members of the Agriculture Committee on the other side of the aisle. I am not here to counteract anything they have said. I want to make that very clear. I want to make it clear, though, that while there is from the other side of the aisle admonitions of what we ought to do to solve the agricultural bill problem that we have before us, there are other approaches that ought to be used.

I am here to advocate a position that is not favored on the other side of the aisle. I will also bring to the attention of the agricultural community, who is concerned about this issue, that yesterday the majority party of the U.S. Senate offered a unanimous-consent motion to bring up the very provisions that were in the Balanced Budget Act of 1995, which the President vetoed, and if he had not vetoed that, we would not have any commodity policy problems for this Congress to settle for the next 7 years. We would not be here today talking about what ought to be done for the 1996 crop year as we get up to the very planting deadlines that are so close and are probably already in place in the State of Alabama and other areas of the South.