

employees and has become this behemoth down there. We do not need USDA and a farm bill if they are not designed to help protect family-sized farmers.

When you have international price depressions and prices drop, family farmers get washed away. They are too small to have much of a financial base to withstand declining international prices over which they have no control.

Will this country be farmed by giant agrifactories from California to Maine? If you think that is fine, then we do not need to debate this farm law. If that is what you decide then we do not need a farm program. However, if you think we ought to encourage and nurture a network of family farms in this country, have yard lights dotting the prairies, and have family farms that become the blood vessels that provide nourishment and economic health to rural areas and small towns, then you would care about the kind of farm program we enact.

Some of what has been suggested in the freedom-to-farm bill makes sense. Some of it makes no sense at all. Where we ought to find ourselves, in my judgment, is in a compromise in which we take the best of what both sides have to offer.

We had a compromise similar to that over the weekend. It has been discussed at some length. It is one that I would support and one that makes sense, in my judgment. It retains current permanent farm law. It substantially changes the up-front payments. It substantially increases flexibility on planning for farmers. It forgives advanced deficiency payments for those who have suffered crop losses. It does a lot of things which together represent the best features of what has been offered from both sides.

Yet we are told by some, "Either you invoke cloture and cut off debate and cut off amendments on the freedom-to-farm bill or we are not going to play; we will go home, and we will blame it on you all."

We are way beyond the issue of blame. This is February 1996. In the middle of last year there should have been a debate on the floor of the Senate about a farm bill, and there was not. Everybody in this Chamber knows that. We failed.

Now in February 1996, if we are going to construct farm legislation, let us not do it by holding a club to somebody's head. Let us do it by deciding that we will put together farm legislation the way it has always been put together in the U.S. Senate. That is, let's do it in a bipartisan way, taking the good ideas that come from both sides.

Senator GRASSLEY is on the floor. I expect he will want to speak next. He knows as much about agriculture as almost anybody in this Chamber and cares a lot about it. We may have different views of exactly how these cloture votes work and exactly what we ought to do for the future of family farming. But, we do not disagree, in my

judgment, at all about the importance of agriculture in Iowa and North Dakota and the importance of family farmers in Iowa and North Dakota. We need to find a way to provide a bridge over the differences in this farm bill. We need to decide that at the end of today, or at the end of tomorrow, this Senate will have advanced a compromise into a conference committee that will benefit family-sized farms in this country.

I do not have the magic answer on how to do that. But there have been compromise talks over the weekend and last week that make a lot of sense to me. We should take the best features of several different proposals, put them together, and advance a plan that retains permanent farm law. That is very important. It does not pull the safety net out from under family farmers in the long term. It is not a severance pay proposal saying we are going to transition you. Any time somebody from Washington talks about transitioning, it is time to fasten your seatbelt.

I do not want to transition farmers. I want a new family farm program that recognizes the worth and the value of family farmers and this country's future. I want more flexibility. I want up-front advanced payments to help recapitalize family farms. I want all of the things that many of you want in this Chamber. But I want them put in the context of a compact of sorts for the future. I want a compact that says we care about the long-term health of family farms in America.

I took the floor only because I wanted to correct some of the things that have been said. It has been said people have objected to the debate on the farm bill last week and this week. That is not true at all. The farm bill is on the floor. The Senator from Indiana will call it back up. Right now we are in morning business. But the minute the Senator from Indiana or the majority leader comes to the floor, they will call up the farm bill, and it will be pending.

So those who say the farm bill is not before us because people have objected to bringing the bill to the floor do not understand the procedure. The farm bill is pending. The cloture vote is a vote about whether or not we should cut off the amendments that would provide alternatives, including a compromise of the type I have just discussed.

I hope that by the end of today, or tomorrow, no matter what happens on this cloture vote, that all of us, Republicans and Democrats, can do what we have done for 30 or 40 years in this Chamber. I hope we can finish our work by having fashioned a bipartisan compromise. I hope that we have created a farm bill that will work for the advantage and the betterment of family farms and our country's future. If we do that, we will all have done something worthwhile for rural America.

Mr. President, I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

MORNING BUSINESS

Mr. LUGAR. Mr. President, in behalf of the majority leader, I ask unanimous consent that there now be a period for morning business until the hour of 3:15 p.m. with Senators permitted to speak for up to 5 minutes each.

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

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent, if I may, to extend my 5-minute period to a 10-minute period of time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

THE FARM BILL

Mr. GRASSLEY. Mr. President, I hold up two volumes of legislation because when Congress says it does something, the public at large is cynical about our doing anything, particularly anything that is very complicated, and particularly not just when we finish talking about action on a farm bill. I hold up the Balanced Budget Act of 1995, a 1,800-page document that was put together over a period of about 8 months by 13 different committees—those committees are listed here—in the U.S. Senate to fulfill a promise that the majority party, the Republican Party, made to the people in the 1994 election that we would balance the budget.

This document, scored by the non-partisan Congressional Budget Office, balances the budget—1,800 pages. It includes welfare reform, saving \$58 billion. It includes the saving of Medicare—the saving of it, the strengthening of it, giving people choice for the first time in that Government program. It has very good tax programs in here. Just balancing this budget will save agriculture 2 percentage points, and any loan in the United States about 2 percentage points, on interest.

This also includes the agriculture bill that would have been a 7-year agriculture program. If the President had not vetoed this bill in early December last year, we would not be debating farm legislation, and we would not only have a farm bill that would be good for agriculture, but we would also have a lot of other tax policies and interest policies that would be even more beneficial to agriculture—and to the entire country, for that matter—than even maybe the farm bill would be beneficial to agriculture.

So here is last year's product to balance the budget—1,800 pages. The President vetoed it. He has a constitutional right to veto it. But one person stood in the way last year of our having a farm program, and that was the

President who vetoed the Balanced Budget Act of 1995.

I wanted to hold that up because maybe people do not really believe we passed a comprehensive piece of legislation to balance the budget, and maybe the farmers do not know that we passed provisions in here for the Freedom-To-Farm Act so that we would be able to transition farm programs from the Government regulated and dominated environment of the last 50 years to the free trade environment and the export environment that we are going to have under GATT into the next century.

My good friend from North Dakota spoke eloquently about his point of view on the farm bill, and he and I can speak in a friendly fashion about agriculture. We do that all the time. It may not appear on the floor of the Senate that we do that, but we can sit down and discuss farm legislation.

I do not take the floor in opposition to what he said but just to point out to some people, to the public at large, not just to the farmers of America, what sometimes drives legislation in the Congress.

I wish to read from the CONGRESSIONAL RECORD a letter that the Senate minority leader, Mr. DASCHLE, put in during his debate last week. This letter that he inserted lists a lot of organizations that were against the compromise that was worked out.

By the way, we had a compromise worked out last week with what we thought were enough Democrats so we would get enough votes to have cloture and move forward. It happens that we did not get enough Democrat votes to do that. But anyway, quoting from a paragraph which is part of Senator DASCHLE's speech, he says:

I am very pleased by a letter that we received just this morning from a large number of very reputable organizations including the National Audubon Society, the Environmental Working Group, Henry A. Wallace Institute for Alternative Agriculture, Sustainable Agriculture Coalition, National Resource Defense Council, the National Rural Housing Coalition, who are saying that even with the Leahy improvements—

Those were the amendments that we had accepted last week.

they are strongly in opposition to passing the so-called freedom to farm.

I would like to read a list of organizations in a letter I did not read last week who are in support of what we are doing, because I think there is an extreme contrast here. A lot of the organizations that the Senator from South Dakota listed are all very reputable organizations. There is nothing I wish to say that detracts from the good work they do in Washington, DC, for the interests they have. But the question I wish to raise as I read a list of organizations supporting what we are trying to do today and what we were trying to do last week, is the extent to which the groups driving the debate on the other side are not solely interested just in agriculture but are having more domi-

nance in the debate than farm organizations like this that support what we are trying to do: the American Farm Bureau, the Cotton Council, the American Cotton Shippers, National Feed and Grain Association, National Grain Sorghum Association, United Egg Producers, the National Barley Growers, National Cattlemen's, National Corn Growers, the Fertilizer Institute, the National Potato Council, the National Pork Producers, National Turkey Federation, the National Broilers Council, the North American Export Grain Association, and the United Fresh Fruits and Vegetables Association. I could name their affiliates in the State of Iowa that are supporting this legislation, and I would imagine most of the State affiliates are supporting it.

So it is probably unfair to say that what groups want in this town drive what individual Members want. But I think there is a stark contrast between the organizations that were listed by Senator DASCHLE and those I just listed. Those listed by Senator DASCHLE mostly lean toward the environmental point of view on agriculture. Although it is legitimate to have environmental groups with an interest in what agricultural legislation is going to be, we ought to ask whether or not these groups ought to have primary consideration in opposition to the changes in the farm program. These changes will direct agricultural policy toward the next century as opposed to keeping the agriculture policy of this century and the last 50 years, which in the new environment we are currently in, is obviously outdated. We ought to be looking to these organizations I just read that support what we are trying to do because they are forward looking, to make sure we are producing for the future and the global trade environment of the future.

I hope that we do spend our time in consideration of what we ought to have for a farm program that is free of Government regulation to the greatest extent possible, even having a safety net, but have that safety net be a cooperative effort between the private sector and the public sector that can guarantee income as well as production and have income support for agriculture.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRASSLEY. I ask unanimous consent to have 5 more minutes.

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

SAVING MEDICARE FROM BANKRUPTCY

Mr. GRASSLEY. Mr. President, every once in a while, when we take defeat after defeat because of a Presidential veto—and I think the President has vetoed half of the appropriations bills that we have passed this year. Oddly enough, most Presidents veto appropriations bills because the Congress is wasting money. This is the first President I know who is vetoing appro-

priations bills because we are not spending enough money. And yet he is talking to the Governors' association this morning about how he is going to balance the budget, and he vetoes the appropriations bills that are balancing the budget. But anyway, once in a while we get an opportunity to say we were right. In this particular case, this Balanced Budget Act of 1995 was right because one of the major provisions of this Balanced Budget Act of 1995, which we would have had to do unrelated to balancing the budget or even unrelated to tax decreases, was to save Medicare from bankruptcy. This document not only saved Medicare from bankruptcy, it strengthened Medicare, and it also gave for the first time the elderly people of America, the senior citizens of America, the retired people of America, those who rely upon Medicare as their primary health insurance group, an opportunity to have something different than just a Government-run program.

They could have had medical savings accounts. They could have had continued a union or association plan where they last worked. They could have bought into managed care, and they would be able to go from traditional Medicare to a medical savings account and back next year if they wanted to. They could go from traditional Medicare to a managed care plan and try that for a year and go back and not cost them anything, but have that option through a voucher of having Medicare pay for whatever their option is.

It is the same thing that we have in the Congress. Every December we have what is called—I do not remember the terminology—but we have a season that we can change from one program to another. We are giving them the same thing Congress has, the same thing Federal civil servants have.

Once again, the President vetoed this in early December 1995. So our efforts to save, our efforts to strengthen and our efforts to give seniors choice for the first time went down the drain.

We did it because the trustees in April said Medicare was going to be busted, bankrupt in the year 2002, 7 years from now. That is why we did what we did in this. I do not know why the President vetoed it. Does he want it to go bankrupt, or does he want a political issue? I do not know why, but he did.

Yesterday, we had in the New York Times something that should have probably been released to the public back in October. Why it was not until now I do not know. I hope there was no coverup on the part of the administration to keep it from being published.

We have a report from HCFA's chief actuary that Medicare lost money in 1995 for the first time in 23 years. It is a 29-year-old program. So early on, it had another period of 1 year when it spent more than it took in.

But now for the first time in 24 years, Medicare is spending out more than it is bringing in in taxes, which emphasizes what the trustees said in April of