

CD's yes, people no. Mr. Clinton broke his promise to use tariff pressure to persuade Beijing to treat its Chinese and Tibetan political victims less viciously—maybe a mite less torture. Beijing answers by increasing, not decreasing, political oppression. He acts surprised.

Democrats and Republican politicians talk about the danger of cynicism. But they expect Americans not to see the cynicism of putting CD's above the blood of dissidents in China's gulags.

Worse, they may be right. I do not hear American university students or professors mobilizing against Chinese Communist cruelties, or consumers organizing a boycott like the one that helped kill South African apartheid.

If war comes to Taiwan, it will not be because Beijing believes its lie that Taiwan is preparing to declare its deserved independence. It will be because 100 miles off China's shore, Chinese people have created a society that is both prosperous and democratic. That so terrifies the perpetually insecure Politburo that it risks war—not only against Taiwanese independence of government but Taiwanese independence of mind.

Beijing uses missile threats to intimidate Taiwanese into voting for a party that is running on a pro-China platform and against independent-minded opponents.

The Taiwan Relations Act, passed by Congress in 1979, says that U.S. recognition of Communist China rests on the expectation that Taiwan's future will be determined by peaceful means.

The law states that any effort to determine Taiwan's future by other than peaceful means—which includes threats of daily missile attacks—are of grave concern to the U.S. and should be "promptly" reported by the President to Congress.

The President has not done that, promptly or at all. Nor has Congress demanded it, despite some members' attempts. Mr. Gingrich and Mr. Dole, the agenda-setters, become accomplices in the President's decision to ignore U.S. law.

Restraint is needed, we are told by U.S. officials and some journalists—we do not want a war over Taiwan, do we? Of course not. That is what facing the possibility is all about.

As long as Congress and President ignore their legal obligation to deal with China's threat to Taiwan, decide what steps to take and let China know, Beijing will believe it can attack Taiwan or keep terrorizing it, with no risk.

That is not restraint of confrontation that could lead to war. It is the blundering encouragement of both. How terribly many times must we learn?

Mr. SIMON. Mr. President, I see the majority leader is on the floor, and I yield the floor to him.

#### AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I thank the Senator from Illinois. I want Members to know I have had a brief visit with the distinguished Democratic leader, Senator DASCHLE. We have now asked staff on each side to see if they can sit down and work out a series of amendments on each side on the farm bill and work into the evening and work tomorrow and set a time certain for action on

something, say 6 o'clock. That means we would have, if there is an agreement—we do not have it yet, we just started—so if there is an agreement, then there would be votes tonight, there would be votes tomorrow.

It is my hope that part of that agreement, if in fact one is reached, would be a recess period until the 26th of February, because many, including many of the staff in the Senate, have been here right around the clock through the Christmas holidays and New Year's.

In any event, that is all we can advise our colleagues at this time. If we have any additional information, we will pass it on. So I cannot put out the no-vote signs. There could be votes tonight. We will let you know as soon as we can.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota, [Mr. Grams] is recognized.

Mr. GRAMS. Mr. President, I rise at this time to discuss an amendment that had been filed by Senator KENNEDY to S. 1521, the farm bill. Like the Senator from Massachusetts, and also the chairman of the Labor and Human Resources Committee, Senator KASSEBAUM, I do support health care reform—specifically, improvements such as health insurance portability and putting an end to discrimination against those with preexisting conditions.

As both a Member of the House and the Senate, I have worked for such reforms, and I look forward to supporting such legislation in the near future. But as they say, timing is everything. There are undoubtedly many people watching the Senate asking themselves what the Senator from Massachusetts is up to. I must confess to being one of them.

The purpose of the farm bill was to give our Nation's farmers and the people they work with a clear roadmap of Federal farm policy with which to make the decisions this year about planting, equipment purchases, and loans. Given that that question remains, why would the Senator have been offering an amendment dealing with health insurance to the farm bill? In all honesty, I still do not know. It does not make sense. Unfortunately, a lot of what goes on sometimes does not make a lot of sense.

For example, last Thursday night, a hotline call from the majority leader's office was made to find out if there were any objections to bringing up for consideration the Kassebaum-Kennedy health insurance legislation—the very subject matter of the Senator's amendment filed by the Senator from Massachusetts.

Upon receiving this call, I requested more time to review the legislation.

As a Senator from Minnesota, I have always taken my responsibility to study the legislation considered by the Senate seriously—to examine its implications, to detect any possible unforeseen consequences, and to evaluate it

on the basis of the needs and concerns of the people I represent—the taxpayers of Minnesota.

This is the way we Minnesotans make our decisions—carefully and thoughtfully. We do not have a reputation for simply rubberstamping the bills that affect us and the rest of the Nation. When we put our seal of approval on something, it is done with the utmost care and thought.

Perhaps this is a bigger deal in Minnesota than it is in Washington. But it should not be.

As a result, I simply asked that the request for a time agreement wait until I had had a chance to conduct my review. But as usual, things have been blown out of proportion, and as a result, we may be faced with the Kennedy amendment—a proposal that should make as little sense in Washington as it does in Minnesota.

Having studied the Kassebaum-Kennedy legislation, I have come to the conclusion that it would be counterproductive to take this matter up right now at a time when the Federal Government has much unfinished business left on its plate.

As a taxpayer, I can not understand why the Senate would move to the issue of health insurance reform, without some assurances to the American people that we and the President will complete the business before us—balancing the budget, saving Medicare from bankruptcy, providing tax relief to taxpaying families so they can afford insurance, and reforming the welfare system.

Before we go on to other issues and other agendas, shouldn't all of us—Republicans and Democrats—make every effort possible to carry out the taxpayer's agenda?

This question is even more critical, given that the President's own health care financing administration projects that the Medicare Program, for the first time in 23 years, faces a deficit and will go bankrupt sooner than anyone had previously predicted.

Does it make any sense to rush ahead on health insurance reform at a time when the Medicare Program faces insolvency? I think not.

Back in November, Congress gave President Clinton an opportunity to address this problem—by passing a Medicare reform proposal which would have saved the trust fund from bankruptcy, while expanding health care options available to senior citizens.

Now, they say that an ounce of prevention is worth a pound of cure—and had the President followed this sound advice and signed the bill, we would not be in this mess in the first place.

Well, he did not sign the bill, we are in this mess, and now some Members of the Senate want to move ahead on their agenda without addressing the Medicare crisis. These some Members want to move ahead on their agenda without addressing the primary concerns of the taxpayers, such as the balanced budget, tax relief, and welfare reform.

Former Speaker Sam Rayburn used to say, "To get along, go along." Well, I think we have been going along for too long in this Chamber, and it has been at the expense of taxpayers and senior citizens. Their needs must be heard.

For this reason, I intend to offer a substitute to the Kennedy amendment—it simply requires that Congress and the President will first resolve the current Medicare crisis and put the program on a path toward solvency before turning to any other health care legislation.

In doing so, we will give our assurance to taxpayers and senior citizens that the Senate will face this crisis directly and not turn its back on the people we represent.

In addition, I will ask that the unanimous-consent agreement on consideration of the Kassebaum-Kennedy bill be amended such that consideration of the bill will not take place until after April 15—tax day.

At the very least, Congress and the President can use this time to do what we were elected to do—balance the budget, reform welfare, and provide tax relief for middle-class Americans.

To those who say it cannot be done, I say the tools are there—they have been all year. What Washington lacks is the will to do its job. Maybe today, we can help turn this around and get back to doing the people's business in a way that makes sense both here in Washington and across the country.

Mr. DORGAN. Mr. President, let me put a correction in the RECORD. My understanding is that in their caucus the majority party handed out a list of amendments that had been filed at the desk and awaiting debate on the farm bill. In the handout in the majority caucus, on page 3 of the list is an amendment No. 3205, with my name, Senator DORGAN, on emergency relief for refiners.

Well, I have not offered such an amendment. I have offered amendments that are numbered 3206 and 3207. My office has received calls from people who have gotten hold of this handout and wondered what on Earth am I doing. This is a mistake by somebody. I hope they will correct that in their next handout. There is no reason to believe it was deliberate.

I have trouble enough defending the record I create around here as it exists, let alone defending something I have not introduced nor offered, and would not support. I do not know what this amendment is, but I would not be offering amendments dealing with refiners.

In any event, I want people to know this is not correct, and I hope it will be corrected.

I yield the floor.

(Ms. SNOWE assumed the chair)

Mr. BUMPERS. Madam President, as Laurel used to say, "We have gotten ourselves into a fine fix."

There is something about this whole thing that obviously is eluding me. I must confess that a lot of my farmers,

or at least the organizations, have gone from being violently opposed to the freedom-to-farm bill to now favoring it. While I understand that—and I certainly am not in any position to criticize some of the farmers in my State who now favor freedom to farm—I still believe that the vast majority of the farmers in my State, particularly rice farmers—and there are thousands of them, as we produce 40 percent of all the rice in the country—farmers, in my opinion, would ultimately be devastated when the freedom-to-farm bill passes. Cotton and wheat are different matters.

I think the best description of the freedom-to-farm bill I have heard was one that was given in caucus the other day by the senior Senator from North Dakota, Senator CONRAD, when he said the freedom-to-farm bill is like the Kool-Aid that Jimmy Jones gave all his devotees when they were drinking poison. It tastes good going down, but it is fatal.

The freedom-to-farm bill simply says, and I do not embellish or exaggerate, for example, if you plant cotton and the target price that has been set by Congress on cotton is about 72 cents or 74 cents a pound—I think 72 cents a pound; cotton right now in New York is selling for a lot more than that—that means under the existing program, the taxpayers of this country, because cotton is bringing more than the target price, would not cost the taxpayers one nickel. If you are getting 85 cents to 89 cents a pound, you are above the target price. There are a lot of things—from weather to pests—that can cause you not to produce as much cotton as you normally do, but that is true in any circumstance.

To proceed with the story, we will assume that during the marketing period this fall during which we determine how much more or less than the target price cotton brought during those 5 months, assume that cotton brings substantially more than the target price. Under the freedom-to-farm bill, for purposes of making the point, assume that farmers make a bale and a half to two bales an acre. That is a very good crop, but assume they do. Assume, further, that they get 85 cents a pound. I promise, under normal circumstances, that is very profitable.

What does the freedom-to-farm bill do? It gives them 7 cents a pound more, above that price. That is like that Kool-Aid that tastes so good, but 3 years from now it is not 7 cents, it is something less, and at the end of 7 years it is zero. If cotton has to be selling for 65 or 70 cents a pound, do not come crying to the Federal Government for some kind of subsidy.

Why would we do this at a time when the programs that we have had in existence for many years are working? Madam President, in 1995 commodity prices—wheat, corn and cotton, especially, but other grains, too—were so high that we came in on farm subsidy expenditures \$4 billion less than the

baseline. In other words, \$4 billion less than we thought we would have to pay out.

We would think this place would be rhapsodic because we saved \$4 billion because commodity prices are good. No, we want to sing this siren song to the farmers saying, "Go along with us. We will cut your throat down the road, but you will get rich for 2 or 3 years before we get around to it."

I gave you the illustration of cotton, but that is true of every commodity. All the commodity prices right now are very good, with the exception of rice. If we did not have target prices for rice right now, I am not sure what, if any, percent of the 40 percent of the Nation's rice crop we produce in Arkansas would be produced. Maybe none. Farmers are not known to plant when they know they will lose money on the front end. They do not ever intend to lose money. It just happens.

I have an amendment, if I ever get an opportunity to offer it, which would simply extend the present farm program for 1 year. We ought to adopt that amendment right now and then start amending it. If there are things that people want to change about the existing programs, let them amend it. If there are things about rural development in America, let them add it to that amendment. Do not get out on the floor of the U.S. Senate and try to craft a bill that half the Members know nothing about, do not understand, and which, in my opinion, is terrible for the American farmer.

Madam President, I am dismayed and disheartened and saddened that the positions I have just stated are probably not going to prevail. All I am saying is it makes imminent good sense to extend the existing program, which, as I pointed out a moment ago as graphically as I know how, is succeeding. It is doing precisely what those of us in the past many years have said would happen.

The present farm program is key to market prices of commodities. The freedom-to-farm bill is not key to anything except the demise of the farmer. They say that it will represent a \$12 billion savings over the next 7 years. Maybe yes, maybe no. Who knows? When you talk about saving \$12 billion, assume for the sake of art they know exactly what they are talking about, and they do to some extent. You can put this in a computer and come up with a figure, and they have done it.

If we were \$4 billion under the baseline in 1995, and commodity prices right now are higher than they were in 1995, there is an excellent chance that 1996 will be further under the baseline than 1995 was. At least the farmers have that safety net under them. The farmer who raises cotton is going to get that 7 cents a pound I alluded to a moment ago, regardless of what the market rice is. The farmer who gets that extra 7 cents is going to be pretty well-to-do.

Another thing about it that drives me up the wall, do not plant your cotton. Do not plant anything. We will still give you 7 cents a pound whether you put a plow or a seed in the ground. Come on the floor of the Senate and propose a program like that for 17-year-old poor pregnant girls and you will have a revolution on your hands here.

Farmers are not interested in welfare. I guess they could be bought off with this. But it is welfare. You can call it anything you want. That is what it amounts to. We are doing this while we are saying that we hope poor children in this country will get treated under Medicaid, but we are not guaranteeing anything.

So, you are going to see "60 Minutes," "Prime Time Live," "20/20." They will be scouring all the expensive vacation places in the country, trying to find farmers who have taken this 7 cents a pound. Maybe they planted, maybe they did not. They get the money anyway—again, whether they farm or not. What kind of a farm program is that, Madam President?

So let me just close by saying something sort of unrelated to this. Here we are debating whether or not we are going to give farmers all this money as a gift, for doing nothing, and the big debate going on in Medicare and Medicaid is, for example in Medicaid, shall we make it an entitlement as it is now or shall we make it a block grant? And what are the politics of those two?

The other day I spoke to the hospital administrators. This is off the subject of farming, but one of the hospital administrators asked me a question. What is our policy on something or other? It was a very good question.

I said, you know, you would never make it here. You are not supposed to ask what the policy is in regard to the future of the country, or what our real values are. You are supposed to worry about does this help Steve Forbes or Bill Clinton? Those are the questions you are supposed to ask around here. So it is with Medicaid. The question should not be, Are we going to make it an entitlement or a block grant? The question ought to be, Are we going to allow children to go without health care because they are poor? That is the question. It is just that simple. That ought to be the policy first. Then you work out the details later.

So it is with the budget. If I were a youngster running for Governor again, like I was one time, I would say—and as I do now, to my constituents—the values the people of this country cherish do not change very much from year to year. Things change. Health care delivery changes. Highways change. Television programming and movies change. Everything changes. But what we profess to believe as our values do not change very much. If I were running for office I would say: Look, balancing the budget is one of our values in this country. All of us believe in fiscal responsibility. We do not act like it

sometimes, but if you ask people do you believe in that, the answer is yes.

Have you ever heard anybody answer the question, do you want to balance the budget—have you ever heard anybody answer that in the negative? Of course not. You never will. It is a value in this country. Once you get past that value you have to ask yourself what are the other values in that budget that we cherish most?

Winston Churchill said, you can tell more about a civilization by the way they treat their elderly than any other way. So let us just take that first. Everybody believes in Medicare. They believe in Medicaid that provides nursing home care for poor people.

I do not mind telling you, Madam President, I get letters from people who chastise me about something I said on the floor, or some value I articulated on the floor, and especially sometimes from wealthy people. Why do you not do this? Or why do you not do that? I know, a lot of times wealthy people have Aunt Lucy in a nursing home on Medicaid. I used to have a nursing home many years ago. I know—I know that some of those people who are rabid about cutting Medicaid or something else, if you say we are going to kick Aunt Lucy out of the nursing home you will hear a different song. Because we value elderly people. We want them taken care of. We do not want them on the streets. We do not want them abused. We want them to have good care and we pay for it at a very, very handsome price.

And our children. As I said, there is not a soul in this body, I do not think, who, if you said you are going to have to pay more taxes or you are going to see children on the streets desperately in need of a home and of health care, who would not say I will pay it.

Then you say, would you be willing to pay more taxes if it went for education? I have never seen a poll that said no to that. If you call it welfare that is one thing. If you call it poor children it comes out quite differently.

So, Madam President, I made sort of a rambling speech. I might say one other thing just as an aside. I saw in last Friday's Post that some 20 so-called moderate Republicans in the House said, "We are willing to forgo the tax cut." Bully for them. It is an oxymoron, to talk about cutting taxes and balancing the budget.

I do not know what kind of condition the Medicare system is in. I saw the story in the New York Times yesterday. It is much worse than any of us thought. But I still maintain that if the House Speaker and the negotiators in the Senate and the President would all forgo the tax cut, the rest of it will fall into place. You have all the time in the world to cut taxes. You are rolling the dice when you cut taxes because you are betting that everything GAO or CBO said would happen in the budget will come true. Wait 3 years. If it has come true, then cut taxes. Do not do it now and wish you had not.

So, I compliment those moderate Republicans over there who have had the courage to defy their leadership and say something which I think is eminently sensible.

So, Madam President, fiscal responsibility, the elderly, our children, education, the environment—those are our values. I do not care how nasty the mood in this country is, and we all know it is pretty nasty, I still would not hesitate to run and not ever talk about anything but the four things I just mentioned.

So, I wish that wise and sane heads would prevail and we could get something done on this farm bill. For example, extend the present bill. We have no business trying to craft a farm bill on the floor of the U.S. Senate. Extend the present bill for a year. If there are parts of that you disagree with, offer an amendment to do something about it. Change it, but do not take a bill that was immensely unpopular last summer, with all the farm groups—Chairman Roberts could not even get it out of his committee in the House—and all of a sudden it is our salvation.

I say, I hope saner heads will prevail and that will happen.

Mr. KERRY. Madam President, I voted for cloture on the Leahy-Dole substitute to S. 1541 because I believe it is essential that the Congress act on and approve legislation to reform national farm policy and to reauthorize vital agricultural conservation and nutrition programs.

The existing authorization for the numerous nutrition, conservation and commodity programs that comprise the so-called "omnibus farm bill" expired during 1995. Regrettably, the Republican leadership did not choose to bring reauthorization legislation to the floor prior to its expiration, or even in the intervening months since expiration. While Senators DASCHLE, LEAHY and many others have called repeatedly for a thorough debate of and action on farm policy for nearly a year now, no comprehensive farm bill was brought to the Senate floor for consideration until last week. This is yet another example of the way in which the Republican-led Congress is failing to get the people's work done in Washington as it pursues its radical platform.

However, with the expiration in 1995 of the 1990 farm reauthorization legislation, the 1949 Agricultural Act, a decades-old and outdated statute authorizing farm commodity programs for wheat and grains subsidies automatically again became the controlling statute. According to the Department of Agriculture, the 1949 law could substantially increase, to an estimated \$10 billion for 1996 alone, the federal taxpayers' already-mammoth payments to farmers—an outcome that in my opinion would be sheer folly, especially at a time when prices for many farm products are at record high levels.

Last week, Senator DOLE decided to bring before the Senate the Republican version of a farm bill which addresses

only commodity reform. I opposed the cloture motion on the Dole bill because it was not a comprehensive package—it failed to reauthorize the vitally important nutrition programs or the valuable conservation programs that together with farm provisions should form any responsible comprehensive farm legislation.

After the failure of the Dole bill, Majority Leader DOLE, Democratic Leader DASCHLE, Agriculture Committee Chairman LUGAR, and Agriculture Committee Ranking Democrat LEAHY met for several hours and crafted an outline of a potential bipartisan compromise on farm policy. However, after working for several days and throughout the weekend, the negotiations unfortunately hit a brick wall, and Senator DOLE called for a cloture vote on a package that he previously had negotiated with Senators LEAHY, CRAIG, and LUGAR.

The Leahy-Dole substitute is a comprehensive, bipartisan package that adds to the DOLE bill's farm provisions with the reauthorization of important nutrition programs upon which millions of poor Americans, preponderantly children and the elderly, rely for their health and well-being, and farmland conservation programs on which farmers rely to help protect their farmlands from degradation.

The Leahy-Dole bill—as did the original Dole bill—replaces the existing farm subsidy programs with a reform program geared toward weaning farmers off farm subsidies over a seven-year period expiring in 2002. Few government programs cry as loudly for reform.

The subsidy programs for wheat and other grains have paid farmers more than \$135 billion in direct income support over the last 10 years. In 1993, this conversion of tax dollars to support payments represented 26 percent of net farm income. However, these subsidies consistently have failed to bolster the incomes of the neediest farmers. Further, five percent of the subsidies went to farmers whose annual gross incomes exceed \$1 million. To compound the injury, these outdated programs contribute to soil erosion and overuse of agricultural chemicals, retarding environmental progress, with the effect that Americans pay twice for these farm programs: once for the subsidies and again to clean up environmental damage that would be greatly reduced without the subsidies.

The Leahy-Dole proposal also reauthorizes key conservation programs like the Conservation Reserve Program [CRP], with an authority to enroll up to 36 million acres. It is critical that the Federal Government assist farmers with environmental protection given that, as a point of reference, farmlands constitute twice the acreage of the national wildlife refuge system. The CRP plays an important role in the protection of this rural acreage, contributing greatly to protection of soil, water and wildlife habitat. The Environmental

Quality Incentive Program [EQIP] provides further assistance to this effort, making available \$200 million a year for technical and financial assistance to livestock and crop producers who wish to address environmental problems on their farms. The bill also restores the authority, on a voluntary basis, for permanent and 30-year easements to protect wetlands.

In my view, no component of a so-called farm bill is more important than the way it addresses national nutrition programs. The Leahy-Dole package reauthorizes several vital nutrition programs for seven years: food stamps, the emergency food assistance program [TEFAP], the commodity supplemental food program—an alternative to the Women, Infants, and Children or WIC Nutrition Program in many cities—and the food distribution program on Indian reservations. As just one illustration of how extensive is the impact of these nutrition programs, 14 million children depend on food stamps to ensure they have a minimally adequate diet.

Also included in the Leahy-Dole proposal is a provision that grants consent of Congress to the Northeast Interstate Dairy Compact, using the same language that passed the Senate last year with 65 votes. The New England States want to improve the way milk is priced in their region by creating a commission comprised of both farmers and consumers that would have the authority to adjust and stabilize fluid milk prices in the six State area of Maine, New Hampshire, Vermont, Massachusetts, Connecticut and Rhode Island. The New England Dairy Compact was supported by all 12 of the region's Senators—from both parties and all points on the political spectrum—and would allow New England to take more control of pricing the fluid milk produced there. This compact is also consistent with the National Governors' Association's agricultural policy and is strongly supported by the New England Governors' Association.

Madam President, I do not want my vote for cloture on the Leahy-Dole alternative to be mischaracterized as a total endorsement of this package. This legislation is a long way from anything I could consider even adequate to meet our Nation's agricultural, economic, and nutrition needs, protect taxpayers and consumers, and protect the environment. I expect to offer at least one amendment to eliminate funding for an unnecessary program that subsidizes foreign marketing of U.S. agricultural products, often by wealthy multinational corporations, and will support efforts of other Senators to improve the bill.

But I concluded that I should support cloture based on the following facts:

First, if we do not enact into law—and soon—some replacement for the farm legislation that expired last year, American taxpayers will be paying far more than the already much-too-large sums in farm subsidies at a time when

both our Federal budgetary problems and the farm economy indicate the desirability of reductions in those subsidies. I am certain that a better bill could be devised; I have strong doubts it will be devised and passed this year.

Second, no farm bill should be passed without strong nutrition and conservation components. Yet the Republicans who control both Houses have proven they are entirely willing to do exactly that. Senator LEAHY, in his negotiations, secured a commitment from Senator DOLE and Senator LUGAR, both men who honor their word, that the nutrition and conservation provisions will be retained in conference committee. No one else has such a commitment for any nutrition or conservation provisions, no matter how strong they might be willing to seek to make those provisions.

Third, while I have grave doubts about the structure of the freedom to farm approach Republicans are taking toward reforming farm policy—the approach used in the Leahy-Dole bill—I am certain that the farm programs of the past have outlived any usefulness they may have had and must be replaced. No other proposal being discussed comes anywhere close to effecting the kinds and magnitude of reform that ought to take place—to reduce the cost of these programs to taxpayers, to reduce the negative incentives they establish for misuse of farm land and environmental damage, to reduce the amount of tax dollars that go to wealthy corporations and gentlemen farmers, and to focus the program resources on assisting needy family farmers.

The Leahy-Dole compromise at least contains components I think are vital—for nutrition and conservation—and carries with it a commitment to protect those provisions through conference. It at least moves away from a failed or obsolete farm policy and places subsidies on a downward trend through 2002.

It is important that I serve notice that I will only vote for this legislation if it is improved sufficiently during Senate action to warrant that support. And I will oppose it if despite the commitments to the contrary it returns from conference committee with weaker nutrition or conservation provisions.

I thank the Chair, and I yield the floor.

Mr. WELLSTONE. Madam President, I hope we can fully debate the farm bill soon, and I will have more to say during that debate. Perhaps that will take place this evening and tomorrow. If not, then I hope we debate it very soon.

Farmers across the country need a farm bill. We are many months overdue. It is unfortunate that we are in this current situation because farmers need to plan, they need to arrange credit with their bankers, and they have a right to know what programs they will be operating under.

I voted in favor of cloture last week. I did so not because I support freedom-

to-farm. I don't. I favor long-term policy that would promote family agriculture and revitalize our rural economy. This is not that.

I believe freedom-to-farm is a dubious carrot followed by a very real stick. It would eliminate farm programs, ultimately leaving farmers to the tender mercies of the grain companies and the railroads and the Chicago Board of Trade during years when prices are low. I think in the long term it could have disastrous effects on family farmers and our rural economy.

Some farmers believe that freedom-to-farm is the best deal they will get from this Congress. I understand that. Many in this Congress oppose farm programs, and those people have made a credible threat to the future existence of farm programs. This plan offers farmers payments this year even though prices are projected to be strong. And it promises to lock in at least some payments for 7 years. For some farmers, even those who know that it is bad policy, that is attractive.

In fact, freedom-to-farm is bad policy. I will have more to say on this subject when we get to actual debate on the bill.

I voted for cloture last week because I had told Minnesota farmers that I didn't want to block its consideration. I had my amendments prepared. I was ready to debate. I still am. My strategy is not to block or obstruct.

But I will vote against cloture today. I have very strong reasons for doing so. And I am pleased to say that I do so on behalf of Minnesota dairy farmers, as I will explain in a moment.

First, I would like to point out that I have supported what I consider to be genuine reform of farm programs. I cosponsored a 7-year proposal last year which I wish could have received a closer look from the Senate and from farmers around the country in recent months. I still believe it is the best approach.

My colleagues and I, led by the minority leader, proposed a long-term, targeted marketing-loan approach. That plan would provide farmers the planting flexibility they need. But it also would provide needed long-term protection from some of the uncertainties that farmers face—uncertainties of weather, and of markets that are dominated by large multinational companies. It also would target farm-program benefits to family-size farmers. I still hope we can vote on that proposal.

I also intend to propose at least one amendment, if not two, to save money by eliminating loopholes that allow some people to collect the maximum farm payments three times. I want to use savings from that reform to raise loan rates for family farmers, or to help family-size farmers to invest in their own value-added processing cooperatives and marketing operations.

Now, however, I would like to address the effort represented by this substitute bill to dress up the freedom-to-farm proposal to attract votes—to at-

tract Democratic votes in order to get cloture. I especially would like to address a provision that has been added which I consider to be a poison pill: the Northeast dairy compact.

I have to say that I've been working since I got here 5 years ago for meaningful dairy market-order reform. Minnesota dairy farmers suffer terrible discrimination under the current Federal order system. I'm strongly opposed to the Northeast dairy compact not only because it forestalls reform of that system. But it also cuts a special deal for one region's dairy farmers to the detriment of farmers in the Upper Midwest, and it sets the bad precedent of establishing regional barriers.

We need to move to a farm bill. And we need to do it swiftly. But this deal is unacceptable.

My office is hearing from Minnesota dairy farmers and their organizations. Minnesota's Agriculture Commissioner, a Republican whom I respect, also has sent a message. They are urging a vote against cloture. I also received a very strong statement of opposition to the Northeast dairy compact from the Governor of my State today. I agree with his position, and I appreciate his communication on this issue. Madam President, I ask unanimous consent that the letter of Minnesota Governor Arne Carlson be printed in the RECORD immediately following my statement.

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

(See Exhibit 1.)

Mr. WELLSTONE. I cannot stand by while this deal is made which neglects the dairy farmers of my State. I will vote against cloture. I believe I owe it to Minnesota dairy farmers. And should cloture be invoked, or should the farm bill come up for consideration under some other time agreement, I intend to be part of an effort to strike the Northeast dairy compact from the bill.

Madam President, I hope we can move quickly forward from here to consideration of a viable and acceptable farm bill. I look forward to a healthy debate.

#### EXHIBIT 1

STATE OF MINNESOTA,  
WASHINGTON OFFICE,  
Washington, DC, February 6, 1996.

Re Opposition to the Northeast interstate dairy compact.

Dear U.S. Senator. I am writing to ask you to oppose the inclusion of the Northeast Interstate Dairy Compact in the Freedom to Farm Act. My state represents one of the top dairy states in the nation and our dairy farmers are among the smallest on average in the nation.

The Compact, if approved by Congress, would be exempt from Commerce Clause challenge and would allow those states participating in the Compact to require a higher price to be paid to their producers than guaranteed by the Federal Milk Marketing Order system.

I oppose the Dairy compact for the following reasons:

(1) The Compact does nothing to correct the many failings of the archaic 1937 Federal Milk Marketing Order system;

(2) Most of the Compact's vital provisions will be left to rulemaking and the rules will be written by those who benefit from the Compact;

(3) The Compact Commission will erect trade barriers to less expensive milk coming in from other regions to maintain the higher Compact milk prices and these trade barriers will harm dairy farmers and processors in the rest of the nation;

(4) Higher Compact dairy farm prices will likely encourage surplus dairy production in that region, thereby requiring additional federal government purchases and lowering the prices received by struggling producers in other regions due to the dumping of surplus milk into other markets;

(5) Higher Compact prices in the Northeast will likely raise the cost of milk to Northeast dairy consumers and make Northeast processors less competitive;

(6) Higher Compact prices will benefit only one region of the country, a region that already benefits from some of the nation's highest federally-guaranteed minimum farm Class I milk prices; and

(7) Other regions will likely seek to enact dairy compacts as a defensive measure, thereby balkanizing the nation's dairy industry, raising consumer dairy prices nationwide, and encouraging inefficient milk production.

If Congress is seeking ways to help the nation's struggling dairy farmers, it should reform or eliminate the archaic Federal Milk Marketing Order system so that the nation's dairy policy is evenhanded and beneficial to all of the nation's dairy farmers. Moreover, we should not protect one region of the nation from competition from outside its borders as we move toward free trade around the world.

Please oppose inclusion of the Northeast Interstate Dairy Compact in the Freedom to Farm Act. The future of your state's dairy industry is at stake.

Thank you for your consideration.

Warmest regards,

ARNE H. CARLSON,  
Governor of Minnesota.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Madam President, I ask unanimous consent I may be permitted to speak for up to 5 minutes as in morning business.

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

#### A BALANCED BUDGET

Mr. GORTON. Madam President, it seems to me in the last 24 to 48 hours, we have taken one or two steps forward in our quest for a truly balanced budget, a balanced budget that will pay great dividends to future generations of America in lower interest rates, better jobs, and higher incomes. And at the same time, at least one major step backward. That major step backwards, of course, is what the President of the United States has submitted as a budget for fiscal year 1997. This yellow booklet really should not carry that title because it obviously does not meet the requirements of a budget submission under the law. To the extent that it does give an outline of the President's priorities, however, it is clearly a status quo document. All of the difficult decisions, the heavy lifting, is left until after the completion of