

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

I yield the floor.

# RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:46 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. INHOFE].

## AGRICULTURE RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2000—Continued

AMENDMENT NO. 1500

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I rise to support the amendment offered on this side of the aisle because I think it meets all the income deficiency needs of American agriculture pretty much in the same way as the Democrat proposal does, but it also does not spend money in a lot of other areas that do not meet the immediate needs of agriculture.

I have always thought of agriculture and the needs of food production and the process of food and fiber production in America as kind of a social contract between the 2 percent of the people in the United States who earn their livelihood in farming and the rest of the 98 percent of the people, as well as a social contract of the last 60 years of some Government involvement and some Government support of agriculture, particularly in times when income was very low.

Thinking of it as a social contract, then, I do not like to believe there is a Democrat way of helping farmers or a Republican way of helping farmers. I like to think of our being able to work together on this social contract pretty much the same way we work together on Medicare and Social Security—to get agreements when there are changes made in those programs.

In those particular programs—and, thank God, for most agricultural programs—there have not been dramatic changes over the years unless there has been a bipartisan way of accomplishing those changes. So, here we are, with a Democrat proposal and a Republican proposal. People watching this throughout the country, then, have their cynicism reinforced about how Congress does not cooperate.

While this debate has not been going on just today and yesterday but over the last 2 or 3 months, there was an assumption that there would be help for agriculture under almost any circumstances; it was just a question of how to do it and exactly how much.

While this debate was going on, we have had different approaches, and it has brought us to a point where we have a Republican proposal and a Democrat proposal and we are talking past each other. I am hoping sometime before this debate gets over today and we have a final document to vote on, that we are able to get together in a Republican and Democrat way and have a bipartisan solution, at least for the essential aspects of the debate today, which is to have an infusion of income into agriculture considering that we have the lowest prices we have had in a quarter century.

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

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

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

I do not know why we could not get a bipartisan compromise with each side giving to that extent—Republicans willing to spend more money and the Democrats willing to give it out in the way that most efficiently can be done.

So I see ourselves right now as two ships passing in the night, not speaking to each other. We ought to be able to get together to solve this. That is my hope. I know there are some meetings going on about that now. I'm part of some of those meetings. I hope they can be successful.

In the meantime, talking about helping the family farmer, I think it is very good to have a description of a family farm so we kind of know what we are talking about. I am going to give it the way I understand it in the Midwest, and not only in my State of Iowa.

But it seems to me there are three factors that are essential in a family farming operation: That the family makes all the management decisions; that the family provides all or most of the labor—that does not preclude the hiring of some help sometimes or maybe even a little bit of help for a long period of time; but still most of the labor being done by the family—

and, thirdly, that the capital, whether it is self-financed or whether it is borrowing from the local bank or from another generation within the family, is controlled by the family farmer—the management by the family, the labor by the family, and the capital controlled by the family.

Some people would say: Well, you have a lot of corporate farms. I do not know what percent, but we do have corporate family farms. But that is a structure they choose to do business in, especially if they have a multigenerational operation to pass on from one generation to the other and want to with a little more ease.

In addition, some people would say: Well, you have a lot of corporate agriculture. You might have a lot of corporate agriculture in America, but I do not see a lot of corporate agriculture, at least in grain farming in my State of Iowa—mainly because most corporate people who want to invest their money do not get the return on land and labor through grain production that they normally want for a return on their money. Of course, that strengthens the opportunity to family farm. But at least when I talk about the family farmer, that is the definition that I use.

In my State, the average family farm is about 340 acres. We have about 92,000 farming units in my State. By the way, if we do not get this agricultural economy turned around, we are going to have a lot less than 92,000 in a few months, as well.

Nationwide, there are about 2 million family farming operations with an average acreage of about 500 acres. So the average family farm size nationally is bigger than in my State. But remember, whether you farm 10,000 acres as a cattle farmer in Wyoming or 2,000 or 3,000 acres as a wheat farmer in Kansas or 350 as a corn, soybean, or livestock operation in my State of Iowa, it still is one job or maybe two jobs being created with all that capital investment.

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

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

It was that we wanted to bring some certainty for the family farmer without politics meddling in their business. A 7-year program was better than a 4- or 5- or 6-year program. So we wanted to bring some certainty to agriculture.

Obviously, a 7-year program does that more so than a shorter program. So a family farm manager would not have to always be wondering, as he was making decisions for the long term: Well, is Washington going to mess this up for me as so many times decisions made by bureaucrats in Washington have the ability to do?

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

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

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

Quoting further from the article:

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

"Signs of stability in Asian financial markets as central banks intervened to support currency values brought a sigh of relief to U.S. commodity markets," says Good.

"Whether late fall problems represent an economic hiccup or the beginning of more serious problems is still unknown. However, the developments underscore the importance of Asian markets for U.S. crops."

We know the end of that story. The end of that story is that we did have that collapse of markets. And it very dramatically hurt our prosperity in grains in the United States last year, and more so this year.

Now, just to put in perspective the debate today, because there is so much crepe-hanging going on, particularly from the other side of the aisle, there is a quote here by Michael Barone of the August 28, 1995, U.S. News and World Report. One sentence that will remind everybody about the greatness of our country and our ability to overcome some of the problems we face comes from an article called "A Century of Renewal." It is a review of the 1900s. He says:

There is something about America that makes things almost always work out very much better than the cleverest doomsayers predict.

So for my colleagues, particularly those on the other side of the aisle who want to hang crepe and want to talk about the disastrous situation we are in right now, I do not want to find fault

with their bringing to the attention of our colleagues the seriousness of that problem. But they should not leave the impression that there is no hope because this is America. We have gone through tough times before. All you have to do is remember 1985 and 1986 in agriculture and the 1930s in agriculture. Yet the American family farm that was the institution then—probably on average back in those days of only about 150 acres nationwide; today that is 500 acres nationwide—was a smaller operation, but remember, it was still run by the family farmer, the family making the management decisions, the family controlling the capital, and the family doing the labor.

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

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

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

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

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

As a Senator from my State of Iowa, I believe it is also particularly important to include language providing relief for soybean growers who are not eligible for the transition payments. That is why our proposal also contains \$475 million in direct payments to soy-

bean and other oilseed producers. I am proud to say that Iowa is No. 1 in the Nation in the production of soybeans, but our growers have been hard hit by devastatingly low prices. Prices for soybeans are the lowest they have been in nearly a quarter of a century, down from the \$7-a-bushel range just a couple of years ago to less than \$4 today, which is way, way below the cost of production. That is why I and other Senators representing soybean-producing States wanted to make sure that soybean growers were not left out of any relief package.

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

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

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

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

World farming is sliding deeper into recession with prices of some commodities at historic lows. Now is not the

time to give up on pressing the European Union hard to truly reform this vastly wasteful subsidy program in their continent. But that is exactly what we would end up doing if we go down the same road of tying part of these payments to production, as the Democrat alternative would do.

There are many enemies of agriculture market reform in the European Union who are just looking for any circumstance to justify their special pleading and to combat and counteract United States negotiators in order for the European Union to keep their production subsidies going. I am afraid that is exactly what the Democrat plan would do. I think as chairman of the International Trade Subcommittee, I have a responsibility to tell my colleagues this.

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

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

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

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

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

We have not made the maximum use of the Export Enhancement Program so that we have a level playing field for our farmers. We have not given the President fast track trading authority so that in the 24 agreements that have been reached around the world among other countries we could have been at the table, and haven't been at the

table, and that there is no President of the United States looking out for U.S. interests in those negotiations; and for the sake of the American farmer, we should be at some of those tables—at least those tables where agriculture is being talked about.

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

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

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

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

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

We are in the midst of the worst drought since the Dust Bowl in my State. There is not a penny of relief for farmers with drought assistance. This

drought is affecting farmers throughout the Eastern United States. When I meet with farmers in New York who tell me they are facing unprecedented losses, they are now pointing to letting fields die off to conserve water, or other fields. We can't do anything about the rain, but the Democratic amendment would increase section 32 funding to give farmers some relief from the devastation on the farm and would increase funding for the disaster relief fund—something that would help New York's apple and onion farmers who faced tens of millions in losses last year.

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

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

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

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

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

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

Darrel Sudzback is an auctioneer from Minot, ND. Blake Nicholson, an

Associated Press writer, wrote a piece the other day. He said:

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

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

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

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

He was talking about the farm program.

There is a difference, it seems to me. There is a difference between Republicans and Democrats in how we construct a solution to the disaster and the crisis, and how we feel the underlying farm bill should be changed.

Will Rogers also said, "If farmers could harvest the political promises made to them, they would be sitting pretty."

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

I mentioned yesterday that the title was interesting to me. Sometimes titles can change how people perceive things notwithstanding what might be the real part of a proposal. Early on when people began to sell insurance in

this country, they called it death insurance. You know, death insurance didn't sell too well. So they decided that they had better rename it. So they renamed it life insurance, and it started selling. It was a better name. It is a product that most Americans need and use.

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

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

I want to begin with a bit of history.

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

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

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

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

Mr. SARBANES. Will the Senator yield?

Mr. DORGAN. I am happy to yield.

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

Yesterday, I had the opportunity to go with Secretary Glickman and Governor Glendening to visit one of the farms that has been affected by the

drought in our State. It is devastating to see. Of course, it is a compound of two things: The low commodity prices, which the Senator is demonstrating with his charts—this is not only wheat but the same thing applies to other basic commodities as well—and the drought, which is crippling certain parts of the country.

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

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

Maryland has suffered extensive drought damage for three consecutive years. However the drought this year is by far the worst since the depression. Yesterday, the United States Geological Survey reported that we may be in the midst of what could become the worst drought of the 20th century. Rainfall throughout Maryland is currently between 40 and 50 percent below normal. Throughout Maryland, counties are reporting losses as high as 100 percent for certain crops. Most alarmingly, there is no end in sight.

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

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

Our farmers are in trouble and they deserve our assistance. This measure provides that assistance in the form of direct payments and low interest loans.

It gives nearly \$11 billion in emergency assistance to farmers and ranchers who have been affected by natural disaster and economic crisis. \$6 billion of that amount will deliver income assistance to farmers hit hard by the economic disaster. And more than \$2.6 billion will be used to address natural disasters such as the drought. Within the disaster funds, nearly \$300 million in section 32 and disaster reserve funds has been included to specifically address the Mid-Atlantic drought.

Mr. President, the need for this amendment is real. Until we are able to reform the Freedom to Farm Act or manufacture rain, these funds are vital to the preservation of the farm industry throughout the State of Maryland and the United States.

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

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

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

I thank the Senator for yielding.

Mr. DORGAN. I thank the Senator from Maryland. He is talking about a drought which is devastating part of our country even as collapsed prices have been devastating wheat farmers and the grain farmers in my part of the country.

I want to respond to some things that were said earlier today that somehow we are not as efficient as we need to be as family farmers.

In my judgment—and I think the evidence supports this—the family farmer in our country is as productive as any in the world. It supports our rural communities in ways that corporations never will and never can.

Family farmers have faced hard times before. This is not something new. The history of farming is a history of difficulty. But never before has the Federal Government done so little to help and so much to push the producer off the edge.

On top of the floods that we have talked about and the drought and the slump in the foreign markets, our farmers are facing a plague of deliberate public policies—yes, established here in Washington—that undermine their economic interest. They face trade agreements designed for the convenience of food processors rather than food producers. They face a “see-no-evil” posture toward antitrust enforcement that has left family farmers selling into controlled markets that dictate the terms to them. On top of that, they face a 1996 farm bill that fundamentally doesn’t and can’t work.

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

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

The concept of independence and freedom was rooted in the land, and they couldn’t conceive of these things being separate.

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

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

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

In my hometown of Regent, ND, they still leave the keys in the car when they park on Main Street. Try doing that here. Many Americans have plenty of food on their tables, but what they feel is a growing dearth of the qualities that they want most are the qualities that farm communities represent. It would be insane, in my judgment, to stand by and let these communities wither on the vine by neglecting the economic base that sustains them.

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

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

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

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

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

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

Is that a crisis? Of course.

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

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

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

What about wheat in Canada? No. I drove to the border of Canada with a truck and couldn’t get the wheat into Canada. I stopped at the border, and all the way to the border, semitruckload after semitruckload after semitruckload was coming into this country, hauling Canadian grain into our country and undercutting our farmer’s prices. We sit at the border trying to go north, you can’t. The border coming south is flooded by millions

of wheat acres, unfairly subsidized, sold to us by a Canadian wheat board. It is a state monopoly and would be illegal in this country, with its secret prices. Our trade officials downtown wouldn't lift a finger—never have and never will—to deal with the unfair trade practices.

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

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

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

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

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

What is going on here is family farmers have been set up in every single way, set up for failure.

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

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

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

socialism and leftists. What a bunch of nonsense.

The fact is, the same kind of debate includes this: We are no longer the most efficient in farming. I heard that this morning. We are no longer the most efficient in farming. Nonsense. Show me who is better. Tell me who is better. I am sick and tired of this "blame America first" notion. We lose because we are no longer the most efficient. Tell me who is more efficient anywhere else in the world. Stop blaming this country first for everything.

If we had a free market, if we had open markets, if we had fair competition, if we didn't have policymakers setting up family farmers for failure, and if they paid as much attention to the family economic unit—which apparently has no value to a lot of folks in this country—as we do for the corporate economic unit, maybe we would see some policies that would say to family farmers, you matter in this country's future and we want to keep you.

I do not understand much of this debate, except we face the requirement to do two things, and we need to do them soon. First, we must respond to a farm crisis. That is the purpose of the two bills on the floor of the Senate today. We do it in very different ways.

As my colleague from New York mentioned, the majority party bill doesn't even respond to any part of the disaster; there are no disaster provisions at all. Of course, we have a substantial part of this country now facing a serious drought, so it is a very serious problem. We have very different ways in which we provide income support to family farmers. The majority party follows the Freedom to Farm bill, which of course is a total flop, total failure. It gives payments to people who are not producing. It says: You are not producing; you are not in trouble; you don't have any crop; here's some money. What kind of logic is that? It doesn't make any sense.

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

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

Mr. HARKIN. If the Senator will yield?

Mr. DORGAN. I will be happy to yield.

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

I picked up on one thing the Senator said—that under the Republican's proposal the payments would go out without regard to whether someone was producing anything or not; it could actually go out to absentee landlords, people who are not on the farm, hadn't even planted anything.

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

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

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

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

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

You may think it is totally unfair to say wheat prices have anything to do with the farm bill. I don't know. Maybe this is pure coincidence. Maybe it is just some sort of a cruel irony that we



passed a new farm bill and all these prices collapsed. But the point is, I was hearing this morning discussions from people who were standing up to say things are really good on the family farm. I did not look closely at their shoes to see whether they had been on a family farm recently. They looked as if they were wearing pretty good pants and shirts and so on. It occurred to me, if things are so good on the family farm, why are we seeing all these farm auctions and all this misery and all this pain and agony with family farmers losing their lifetime of investment? Why? Because prices have collapsed. Things are not good on the family farm. The current farm bill doesn't work.

People stand here—I guess I can listen to them—they stand here for hours and tell us how wonderful things are and how much income the current farm bill is spreading in rural America. I would say, however much income that is, it does not make up for the radical, total collapse of the grain markets. What has happened is, we have a payment system that says, under Freedom to Farm, when prices are high, you get a payment that you do not need, and when prices are low, you don't get a payment that is sufficient to give you the help you need.

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

I have an article from the *Wichita Eagle*, from 1995, I believe. It is an article written by the distinguished Senator from Kansas. I think he was a House Member at the time, Senator ROBERTS. So this article says:

Good Bill for Farm Reality, by Pat Roberts.

The first sentence says:

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

"My Freedom to Farm. . . ." That is by PAT ROBERTS, now Senator ROBERTS. I want to read to the Senator from North Dakota this paragraph in there. He says:

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

He says:

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

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

Mr. DORGAN. I say to the Senator from Iowa, the answer to that question

is, clearly, farm income is collapsing. It is collapsing with grain prices, with commodity prices generally, and family farmers are put in terrible trouble as a result of it. Many of them are facing extinction.

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

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

(See Exhibit 1.)

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

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

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

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

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

A whole series of differences exist between these proposals. My hope is that at the end of this day the Senate will have agreed to the proposal that Senators DASCHLE, HARKIN, CONRAD, myself, and others have helped draft and that we will be able to send a message of hope to family farmers, to say, we know what is happening, we know we need change. This is the first step. The second step, in September or October, will be to force a fundamental change in our underlying farm policy.

Madam President, I yield the floor.

# EXHIBIT 1

## EXPORTED TO DEATH

### THE FAILURE OF AGRICULTURAL DEREGULATION

(By Robert E. Scott)

In 1996, free market Republicans and budget-cutting Democrats offered farmers a deal: accept a cut in farm subsidies and, in return, the government would promote exports in new trade deals with Latin America and in the World Trade Organization (WTO) and eliminate restrictions on planting decisions. In economic terms, farmers were asked to take on risks heretofore assumed by the government in exchange for deregulation and the promise of increased exports.

This sounded like a good deal to many farmers, especially since exports and prices had been rising for several years. Many farmers and agribusiness interests supported the bill, and it was in keeping with the position of many farm representatives and most members of Congress from farm states who already supported the WTO, the North American Free Trade Agreement (NAFTA), and the extension of fast-track trade negotiating authority, usually in the name of supporting family farmers.

But for family farmers, the Omnibus Farm Bill—and the export-led growth strategy upon which it was based—has been a massive failure. The U.S. farm trade balance declined by more than \$13 billion between 1996 and 1998, and prices have plummeted. August U.S. corn prices fell from \$4.30 per bushel in 1996 to \$1.89, or 56%. Wheat prices fell from \$4.57 per bushel in 1996 to \$2.46 in 1998, a drop of 46%.

The combination of export dependence and deregulation have left increased numbers of family farmers facing extinction. At the same time, U.S. agriculture becomes more centralized in the hands of large farms and national and multinational companies.

Contrary to the Department of Agriculture's rosy predictions, the plight of farmers is likely to get worse under current policies. Expanding supplies are likely to outpace the growth in demand for U.S. farm products; restricted access to foreign markets will continue; and the strong dollar, actively supported by the U.S. Treasury, will further depress the prices farmers receive for their goods.

It is time to end this cruel hoax on the American family farmer. The U.S. government should: reduce the value of the dollar in order to boost farm prices; shift subsidies away from large farms and corporate farmers to independent, family-run farms; increase expenditures for research, development, and infrastructure; and support new uses for farm products.

#### FREEDOM TO FAIL: THE OMNIBUS 1996 FARM BILL

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

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

In the two decades from 1978 to 1997, real grain prices were slashed in half. Then, in 1998, prices fell an additional 10–20%, pushing

many family farmers to the brink of bankruptcy.<sup>1</sup> In this environment, only the largest and most capital intensive farms are able to survive and prosper.

#### *Growing concentration throughout the food chain*

There are about 2 million farms in the U.S., but three-quarters of those generate minimal or negative net incomes (USDA 1996). Since farms with less than \$50,000 in gross revenues tend to be primarily part-time or recreational ventures, this section analyzes working farms that generate gross revenues in excess of \$50,000 per year.

Within this group, the number of large farms is growing while small farms are disappearing at a rapid pace, as shown in Table 1. There were 554,000 working farms in the U.S. in 1993. More than 42,000 farms with revenues of less than \$250,000 per year disappeared between 1994 and 1997, a decline of about 10%. Nearly 20,000 farms with revenues in excess of \$250,000 per year were added in this three-year period, an increase of about 17%. Thus, the U.S. experienced a net loss of about 22,000 farms between 1994 and 1997 alone.

TABLE 1.—CHANGES IN THE DISTRIBUTION OF WORKING FARMS, 1993–98

	Size class (annual sales)					Total
	\$1,000,000 or more	\$500,000–\$999,999	\$250,000–\$499,000	\$100,000–249,999	\$50,000–\$99,999	
1993 .....	14,980	30,876	70,982	224,823	212,531	554,192
1997 .....	18,767	34,764	82,984	207,058	187,831	531,404
Percent change .....	25.3%	12.6%	16.9%	–7.9%	–11.6%	–4.1%
Number gained or lost .....	3,788	3,888	12,001	–17,765	–24,700	–22,788
Number lost with gross incomes of \$50,000–250,000 .....						–42,465

Source: USDA, Farm Business Economics Briefing Room, Farm Structure Reading Room, A Close-Up Of Changes in Farm Organization (<http://usda.mannlib.cornell.edu/usda/>).

Corporate influence is growing throughout the U.S. food supply system. While the share of farms owned by individuals and families (operating as sole proprietors) was roughly constant between 1978 and 1992, at about 85% of all farms, the output share of such farms declined during this period from about 62% to 54% (USDA 1996). Corporations absorbed most of this production lost by sole proprietors between 1978 and 1992. Moreover, an increasing number of family farmers are raising crops under contract for big purchasers.

Corporate control is becoming much more concentrated both upstream and downstream

from farmers. On the input side, considerable consolidation is taking place among firms that supply farmers with seeds and chemical inputs. A small number of companies are assuming control of the seed production business, including Monsanto, Dupont, and Novartis (Melcher and Carey 1999, 32).

The story is similar on the distributional side. Grain distribution, for example, which has been tightly controlled by a handful of companies since the 19th century, is becoming even more concentrated. Recently, Cargill has proposed to purchase Continental's grain storage unit, which would result

in a single firm that would control more than one-third of U.S. grain exports (Melcher and Carey 1999, 32).

#### INTERNATIONAL TRADE: THE SIREN'S SONG

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

TABLE 2—U.S. AGRICULTURAL TRADE BALANCE WITH INDIVIDUAL COUNTRIES,<sup>1</sup> 1990–98

(In millions of dollars)

Country/region	1990	1996	1998 <sup>2</sup>	Changes:	
				1990–96	1996–98
World .....	17,292	27,994	14,756	10,702	–13,238
Europe .....	5,228	4,835	606	–393	–4,229
NAFTA .....	1,488	1,787	691	299	–1,096
Canada .....	1,587	133	–781	–1,454	–914
Mexico .....	–98	1,654	1,472	1,752	–182
Asia .....	14,147	22,249	14,655	8,102	–7,594
Rest of world .....	–3,572	–877	–1,196	2,695	–319

<sup>1</sup> Census basis; foreign and domestic exports, f.a.s.

<sup>2</sup> Estimated—incomplete data for all countries.

Source: U.S. Department of Commerce, Foreign Trade Highlights, Internet: [http://www.ita.doc.gov/cgi-bin/otea\\_ctr?task=readfile&file=hili](http://www.ita.doc.gov/cgi-bin/otea_ctr?task=readfile&file=hili); and U.S. Department of Agriculture, Foreign Agricultural Trade of the U.S., Internet: <http://www.econ.ag.gov/db/FATUS/>.

#### *Unreliable export markets*

The U.S. agricultural trade balance with the rest of the world increased by almost \$11 billion between 1990 and 1996 (Table 2), then declined by \$13.2 billion between 1996 and 1998. This drop in the volume of exports, which was equal to a 6% decline in farm revenues, was compounded by a sharp decline in domestic commodity prices (discussed below). These two factors combined in 1997 and 1998 to severely depress farm incomes.

Closer examination of regional trends in U.S. farm trade shows that only a limited number of markets were open to U.S. farm products. The U.S. agricultural trade balance with Europe declined sharply between 1990 and 1998, as shown in Table 2. During that time exports to Europe fell by about \$2 billion while U.S. imports increased by \$3 billion (U.S. Department of Commerce 1999; USDA 1999b).

U.S. trade problems with Europe result from continued high subsidies to European farms and European resistance to certain U.S. farm products, such as hormone-treated beef. The Uruguay Round trade agreements were designed, in part, to reduce agricultural subsidies, but European farm spending actu-

ally increased from \$46.0 billion in 1995 (the year before the agreements went into effect) to \$55 billion in 1997.<sup>2</sup> During the same period, U.S. government payments to farmers were \$7 billion, less than 13% of the European level.<sup>3</sup>

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

NAFTA has also resulted in a massive shift in the structure of trade and production within North America. U.S. exports of corn and other feed grains (such as sorghum) have increased, but U.S. imports of fruits, vegetables, wheat, barley, and cattle have all increased much more. For example, U.S. grain exports to Canada (primarily corn and other feed grains) increased by 127% between 1990 and 1998, but at the same time U.S. imports of wheat from Canada increased by 249%, from \$79 million in 1990 to \$278 million in

1998. Similarly, U.S. corn exports to Mexico increased by 47% during that period, while cattle and calf imports from Mexico soared by 1,280%.<sup>4</sup>

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

Thus, the boom in U.S. agriculture in the early 1990s, which convinced farmers that trade liberalization was the solution to their problems, was built on the false foundation of a speculative bubble. Increased trade has certainly increased the volatility of farm incomes, but it has yet to improve their average level. Globalization has also stacked the



deck against family farmers, since they tend to be under-capitalized and more vulnerable to financial cycles in comparison to large and diversified corporate farms.

#### *Globalization and future farm prices*

The U.S. Department of Agriculture has fueled expectations that global demand for U.S. agricultural products will increase in the future. Its most recent baseline forecasts predict that commodity prices, net farm income, and U.S. exports will all recover rapidly in 2000 and climb steadily thereafter.<sup>6</sup> The USDA has also forecast that U.S. agriculture would benefit from further trade liberalization. For example, it estimated that the proposed Free Trade Agreement of the Americas (FTAA) "that includes the United States would cause annual U.S. farm income (in 1992 dollars) to be \$180 million higher than it otherwise would be" (Raney and Link 1998, 2).

This forecast is particularly surprising because the same report also predicts that the FTAA will reduce the U.S. trade balance. Specifically, it predicts that the FTAA will have a larger impact on U.S. farm imports than on exports (Raney and Link 1998, 2), thus increasing the current U.S. agricultural trade deficit with Latin America. The reported income effects include only "efficiency gains" from the shift of resources from one crop to another, and exclude the losses from declining demand for U.S. farm products and from rising imports resulting from deregulated trade. The report does acknowledge that the reported gains "are very small changes in U.S. farm income" and that:

"... the short-run adjustment costs for some farm households could be large. Hence, the debate on the acceptability of an FTAA may hinge on its distributional consequences rather than on the gains to the entire economy or to the agricultural sector as a whole." (Raney and Link 1998, 38)

The FTAA report further assumes that the economy will be at full employment and that there are no adjustment costs due to changes in trade. Moreover (as the author note), the impacts of agricultural trade deficits and structural change on the farm sector are excluded from the study.

Similar predictions were made about the benefits of NAFTA and the Uruguay Round trade agreements that created the WTO. U.S. farmers were supposed to benefit because they are the world's low-cost producers of many types of grain and livestock. As we have seen, it did not turn out that way.

Are the USDA's predictions that rising exports will cause farm prices to increase in the future likely to be any more accurate now? An economic analysis (see the Appendix for methodological details) of the various forces that influence U.S. commodity prices—namely, (1) U.S. income (in terms of gross domestic product, or GDP), (2) the real (inflation adjusted) U.S. exchange rate, and (3) worldwide average crop yields (which reflect the influence of technology on crop supplies)—shows that U.S. farm prices are unlikely to rise in the future unless U.S. agricultural policies are substantially revised.

Looking at U.S. corn and wheat over the past 26 years, income, somewhat surprisingly, seems to have only a weakly significant effect on price. Furthermore, the changes in U.S. income associated with the Asian crisis have not reduced grain prices, but this result is not strong, statistically speaking.<sup>7</sup>

Exchange rates, on the other hand, have large and statistically significant effects on farm prices. Each 1% increase in the value of the dollar generates a 1.1% decline in the price of corn and a 1.5% decline in the price of wheat. Thus, the 16% appreciation in the

value of the U.S. dollar that occurred between 1995 and 1997 is responsible for 17 to 24 percentage points of the decline in U.S. corn and wheat prices, respectively.<sup>8</sup>

World commodity yields also have a large and significant effect on prices. As yields per acre rise, prices fall. The expansion in world supplies of each commodity depresses its price. While the growth in income has only a weak effect on prices, technology and the growth in world agricultural productivity has a strong, negative impact on prices over time.<sup>9</sup>

These results show why farmers have been misled about the benefits of trade liberalization. Previous rounds of trade negotiations have failed to generate sustained, reliable growth in demand for U.S. farm products. In addition, the diffusion of advanced agricultural technologies (the "green revolution") around the globe has had a depressing effect on U.S. farm prices, despite, or perhaps because of, the benefits generated for farmers and consumers throughout the developing world.

#### TIME FOR A NEW FARM POLICY

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

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

Carefully managed reductions in the value of the dollar;

The shift of agricultural subsidies away from large farms and corporate farmers to independent, family-run farms;

An increase in expenditures for research and development, and the construction of infrastructure and distribution systems for new, higher-valued products that can be produced with sustainable technologies and that meet consumer demand for high-quality, niche, and specialty foods such as organic products and humanely raised livestock; and

The exploration of other possibilities for stimulating agricultural consumption (such as the conversion of biomass to energy) to build domestic demand for agricultural products.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. I yield to the Senator.

The PRESIDING OFFICER. The Senator from Mississippi.

#### AMENDMENT NO. 1500, AS MODIFIED

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

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

The amendment, as modified, is as follows:

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

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

(1) IN GENERAL.—The Secretary of Agriculture (referred to in this section as the "Secretary") shall use not more than \$5,544,453,000 of funds of the Commodity Credit Corporation to provide assistance to owners and producers on a farm that are eligible for payments for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.).

(2) AMOUNT.—The amount of assistance made available to owners and producers on a farm under this subsection shall be proportionate to the amount of the contract payment received by the owners and producers for fiscal year 1999 under a production flexibility contract for the farm under the Agricultural Market Transition Act.

(3) TIME FOR PAYMENT.—The assistance made available under this subsection for an eligible owner or producer shall be provided not later than 45 days after the date of enactment of this Act.

(b) SPECIALTY CROPS.—

(1) ASSISTANCE TO CERTAIN PRODUCERS.—The Secretary shall use not more than \$50,000,000 of funds of the Commodity Credit Corporation to provide assistance to producers of fruits and vegetables in a manner determined by the Secretary.

(2) PAYMENTS TO CERTAIN PRODUCERS.—

(A) IN GENERAL.—The Secretary shall use such amounts as are necessary to provide payments to producers of quota peanuts or additional peanuts to partially compensate the producers for continuing low commodity prices, and increasing costs of production, for the 1999 crop year.

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

(i) the quantity of quota peanuts or additional peanuts produced or considered produced by the producers under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271); by

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

(3) CONDITION ON PAYMENT OF SALARIES AND EXPENSES.—None of the funds appropriated or otherwise made available by this Act or any other Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out or enforce section 156(f) of the Agricultural Market Transition Act (7 U.S.C. 7272(f)) through fiscal year 2001, if the Federal budget is determined by the Office of Management and Budget to be in surplus for fiscal year 2000.

(c) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—Notwithstanding section 1001(2) of the Food Security Act of 1985 (7 U.S.C. 1308(1)), the total amount of the payments specified in section 1001(3) of that Act that a person shall be entitled to receive under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for 1 or more contract commodities and oilseeds during the 1999 crop year may not exceed \$150,000.

(d) UPLAND COTTON PRICE COMPETITIVENESS.—

(1) IN GENERAL.—Section 136(a) of the Agricultural Market Transition Act (7 U.S.C. 7236(a)) is amended—

(A) in paragraph (1), by striking "or cash payments" and inserting "or cash payments, at the option of the recipient,";

(B) by striking "3 cents per pound" each place it appears and inserting "1.25 cents per pound";

(C) in the first sentence of paragraph (3)(A), by striking "owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates" and inserting "owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton"; and

(D) by striking paragraph (4).

(2) ENSURING THE AVAILABILITY OF UPLAND COTTON.—Section 136(b) of the Agricultural Market Transition Act (7 U.S.C. 7236(b)) is amended—

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

"(1) ESTABLISHMENT.—

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

"(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 $\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

"(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 $\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

"(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year."; and

(B) by adding at the end the following:

"(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 5 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.".

(3) REMOVAL OF SUSPENSION OF MARKETING CERTIFICATE AUTHORITY.—Section 171(b)(1) of the Agricultural Market Transition Act (7 U.S.C. 7301(b)(1)) is amended—

(A) by striking subparagraph (G); and

(B) by redesignating subparagraphs (H) through (L) as subparagraphs (G) through (K), respectively.

(4) REDEMPTION OF MARKETING CERTIFICATES.—Section 115 of the Agricultural Act of 1949 (7 U.S.C. 1445k) is amended—

(A) in subsection (a)—

(i) by striking "rice (other than negotiable marketing certificates for upland cotton or rice)" and inserting "rice, including the issuance of negotiable marketing certificates for upland cotton or rice";

(ii) in paragraph (1), by striking "and" at the end;

(iii) in paragraph (2), by striking the period at the end and inserting "and"; and

(iv) by adding at the end the following:

"(3) redeem negotiable marketing certificates for cash under such terms and conditions as are established by the Secretary."; and

(B) in the second sentence of subsection (c), by striking "export enhancement program or the marketing promotion program established under the Agricultural Trade Act of 1978" and inserting "market access program or the export enhancement program established under sections 203 and 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623, 5651)".

(e) OILSEED PAYMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall use not less than \$475,000,000 of funds of the Commodity Credit Corporation to make payments to producers of the 1999 crop of oilseeds that are eligible to obtain a marketing assistance loan under section 131 of the Agricultural Market Transition Act (7 U.S.C. 7231).

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

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

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

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

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

(g) TOBACCO.—The Secretary shall use \$328,000,000 of funds of the Commodity Credit Corporation to make distributions to tobacco growers in accordance with the formulas established under the National Tobacco Grower Settlement Trust.

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

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

(2) regarding future World Trade Organization negotiations—

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

(B) the rules of the World Trade Organization should be strengthened regarding the practices or policies of a foreign government that unreasonably—

(i) restrict market access for products of new technologies, including products of biotechnology; or

(ii) delay or preclude implementation of a report of a dispute panel of the World Trade Organization; and

(C) negotiations within the World Trade Organization should be structured so as to provide the maximum leverage possible to ensure the successful conclusion of negotiations on agricultural products;

(3) the President should—

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

(i) the export credit guarantee program established under section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622);

(ii) the market access program established under section 203 of that Act (7 U.S.C. 5623);

(iii) the export enhancement program established under section 301 of that Act (7 U.S.C. 5651);

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

(v) programs established under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

(B) transmit to Congress—

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

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

(4) the Secretary should carry out a purchase and donation or concessional sales initiative in each of fiscal years 1999 and 2000 to promote the export of additional quantities of soybeans, beef, pork, poultry, and products of such commodities (including soybean meal, soybean oil, textured vegetable protein, and soy protein concentrates and isolates) using programs established under—

(A) the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.);

(B) section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431);

(C) titles I and II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.); and

(D) the Food for Progress Act of 1985 (7 U.S.C. 1736o).

(i) EMERGENCY REQUIREMENT.—The entire amount necessary to carry out this section and the amendments made by this section shall be available only to the extent that an official budget request for the entire amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

Mr. COCHRAN. I thank the Senator.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Thank you, Madam President.

For the last 20 minutes, I have listened to my colleague from North Dakota with some degree of clarity discuss the issue that is true in his State today and true in most areas of American agriculture. I will in no way attempt to modify or suggest any different kind of impact on the family farm, but I suggest that most family farms in Idaho today are multimillion-dollar operations, and we should not attempt to invoke the image of a small farm, a husband and wife, struggling to stay alive.

A husband and wife and family team in production agriculture today are struggling to stay alive in an industry that recognizes their investment in the hundreds of thousands, if not millions, of dollars.

There is no question that the character of American agriculture has changed. While some are still caught

up in the rhetoric of the family farm—and there are still some small farming units—most of those who farm small units today recognized some years ago that their life could not be made there unless they supplemented it with outside income. That, of course, has been the character of the change in production agriculture for the last good number of decades—true in Idaho, true in North Dakota, true in Mississippi, true in almost every other agricultural State in our Nation.

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

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

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

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

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

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

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

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

Congress listened. Out of that listening came the Federal Agriculture Improvement and Reform Act of 1996,

which is now called Freedom to Farm. The Senator from North Dakota said it is a failure. The Senator from North Dakota is wrong. It has met every objective it was intended to meet—expanded markets, expanded production, with flexibility for the individual producer. All of those goals that were a part of Freedom to Farm have been met today.

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

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

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

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

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

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

Let's talk about 1996, 1997, and part of 1998. That is when we crafted a new farm bill. That is when commodity prices were higher than they had ever been around the world, and we drained all of our reserves, and we were told never again would we see low prices. But there were some things missing from that "never again" argument. We

didn't anticipate a general downturn in world economies, especially the Asian economy, an Asian economy that had increased its overall import of agricultural foodstuffs from the United States by nearly 27 percent in the period of a 5- to 6-year span. Those imports are down by 11 percent today. Those are the facts. Is that a direct result of Freedom to Farm policy failing? I suggest that it isn't. I don't think the Senator from North Dakota would disagree.

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

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

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

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

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

Competitive Food in the Agricultural System.

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

Here is what they say:

The recent slowing of the farm economy primarily reflects two major factors: Farmers response worldwide to mid-decade record high prices. . .

In other words, what they are saying was those prices in 1996 and 1997 sent a message to American agriculture: Gear up your production. They sent a message to world agriculture: Gear up your production. Consumption and prices are here to stay. And that is what happened, and worldwide production is at an all-time record. They go on:

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

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

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

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

The report goes on to talk about modest shortfalls in harvests and yields during 1993 through 1995, during the time when these markets were ramping up. Output fell below the 10-year trend and stocks plummeted. In other words, storage and surplus. Strong world economic growth then stimulated demand and record high grain and oilseed prices; world planting and harvests above trends in the United States and worldwide during 1996 through 1998; also good weather and high grain and oilseed yields, especially in the United States, rapidly rebuilt depleted stocks in spite of significantly above-trend consumption during that period. In other words, we were pushing production, but the world was consuming. Significant increases in non-U.S. production competing for growing world markets largely in response to record high prices of the mid-1990s. For example, all of the very considerable above-trend wheat production has been outside the United States, while the share of increased production

outside the United States has been 44 percent for corn and 35 percent for soybeans.

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

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

I said before the Ag Committee today and before Secretary Glickman that I am willing, starting next year, to review Freedom to Farm. I don't think production agriculture is going to walk away from the freedoms and the flexibility it has. Is there a way of crafting a safety net or something that causes some adjustments over time? It is possible. I would not suggest that it isn't. But the rest of the story of Freedom to Farm that we have not successfully matched yet, but something that Congress, Democrat and Republican, agreed with and promised production agriculture with the passage of Freedom to Farm in 1996, were two other elements.

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

The other area, of course, is the expansion of world trade. The Senator from North Dakota is right. We are not trading in world markets like we should. Let me tell you, Bill Clinton and company have been asleep at the switch now for many years. Do they have a division down at the Department of State that goes out and ag-

gressively markets on a daily basis American agricultural surpluses? No, they don't. We offered them and provided them the tools to move aggressively in the markets. There was a bit of a yawn down at the Department of Agriculture, and that yawn has continued for the last good number of years. So point the finger, I am; but I am pointing the finger at the very agencies of our Government that are responsible for breaking down those political barriers between a consuming market somewhere else in the world and a production unit here in the United States. We have not done that well, and we should. We promised it, in part.

Last year, I and Senators from the other side of the aisle stood together and were able to knock down the sanctions against Pakistan and India to move markets. This year, at our urging—and I applaud the President; now that I have criticized him, let me applaud him for bringing forth an Executive order that said that foodstuffs and medical supplies would not be subject to sanction. That was 3 months ago, and 3 months later, in the time of an agriculture crisis, they are just getting the regulations out.

Well, now, give me a break, Mr. President. You mean your bureaucracy takes 3 months to write a regulation that says farmers can supply a world market that they were denied? There is a lot of blame to be shared here, but, Mr. Vice President, you were on the Hill today talking about a farm crisis. Last I checked, the Department of Agriculture and State Department were under your watch, and for 3 long months you have sat and watched as the bureaucracy ground out regulations that allow access to world markets. I am sorry, Mr. President and Mr. Vice President, there is blame to be shared all around.

Let me shift just a little of it to you, Mr. Vice President, and you, Mr. President. The spirit is in the right place, but couldn't you have cut to the chase? Couldn't we be moving grains, rice, and food commodities, and lentils into mid-Asian and the Central Eastern markets today like we should be? Well, we will be by fall and into the winter, thanks to a policy you put in place, Mr. President. But 3 months later, we are finally beginning to see its regulations. Late is better than none at all. I will accept that and we will move on. But, again, open the world markets.

It is political barriers that are out there, not market barriers. Those are political barriers that only governments can knock down. When it is nation-to-nation, our Government at the Federal level has to be responsible, and we fail to be.

My credit goes to the chairman of our Senate Agriculture Committee who, for several years, has been pushing legislation to pull down those barriers. Last year, he offered it on the floor. It passed. This year, it will pass this Senate again, and I hope it passes the Congress. I hope the President can

deal with it, and I hope he will sign it. Those are long-term provisions, but once in place, they are a legitimate and responsible role for Government to participate in.

Manipulating the market, shaping the price? Absolutely not. We have to let the marketplace work its will. But it is very important that Government play the role it should play, and that is in dealing with the political barriers of trade, most assuredly in times of need, providing some safety nets. We did that last year, and we are going to do it again this year. I hope in the end we can craft a crop insurance plan that will provide the risk management tools that we have said to production agriculture we would provide.

Well, those are the circumstances in which we find ourselves today. In the course of the next few hours, the Senate will have an opportunity to vote on two very different measures, in the sense of a total package. They are very similar in the dollars and cents that go directly to production agriculture. I hope that, in the end, out of this can come a bipartisan package. There is a great deal in the DASCHLE-HARKIN package that may be OK at some point down the road; but my guess is not without hearings held and no understanding of some broad policy changes that are at this moment not necessarily justifiable in this time of dealing with crises, both a price crisis and the situation that deals with weather disaster.

Those are the circumstances as I see it. I hope my colleagues will vote with the chairman of the Agriculture Appropriations Subcommittee in supporting his amendment and not allowing it to be tabled, so we can get at a clear vote and finalize this work today. If that can't be done, I hope my colleagues on the other side of the aisle will join with us in seeing if we can make some adjustments in a final package. But I believe that the package offered up by the chairman is certainly in good faith and responds in an immediate way to need, and that the money can move directly to production agriculture, sending a very critical message to the families and the men and women engaged in agriculture in our economy that we care and we understand the importance of them and what they do for all of us as Americans, and Americans are responding by a substantial ag package of nearly \$7 billion.

I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

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

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

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

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

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

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

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

As I said, I can't see much that is going to cause a significant difference unless we in the Congress and in the

country make the changes, which I will get to in a few minutes.

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

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

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

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

So we are here today to try to decide what the size of the emergency assistance should be.

I submit that we should not only make the direct payments to farmers but we also should accommodate the drought. We should accommodate the farm disaster that has beset the farmers in addition to the economic disaster.

That is just a short-term, immediate solution. We should get on it right away, and we should get it passed this week, lock, stock, and barrel—all of it passed this week to give farmers a little bit of hope.

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

I remember when Freedom to Farm was debated. Most farmers I talked to in my home State of Montana were very leery and very nervous about this Freedom to Farm bill. A lot of them—I daresay a majority of them—went along with it because at that time prices were a little higher. As I recall, it was about one-plus a bushel. The so-called AMTA payments were a little higher. There was more money in farmers' pockets. But farmers knew—the ones I talked to, and I talked to a

whole bunch of them—that we would get on with it then, but on down the road there was going to be a real problem, and probably times were not going to be nearly as good as they were then. But we kind of swept that problem under the rug and thought we would cross that bridge when we got there.

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

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

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

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

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

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

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

Europeans have 60 times the agricultural export subsidies that we have. That is a very great distortion of the market. Agricultural export subsidies are paid to European farmers if they export. What is the farmer going to do

in Europe? He exports. He gets a subsidy for it—and a big, healthy subsidy for it. That is to say nothing about all the internal price supports the Europeans have that are much greater than ours.

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

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

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

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

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

I yield the floor.

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

My plea is for the farmers I represent in West Virginia. Yesterday, the Presi-

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

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

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

I share the feelings of my colleagues on both sides of the aisle who have risen to extol the virtues of family farmers and rural America. I truly believe that farmers may be the hardest working people—day in, day out, morning, noon and night—in all the land.

Now, these farmers are being hurt by acts of nature totally beyond their control. We have a choice to make today that will decide just how willing we are to help our farmers when they are in such dire need. We can decide that we owe it to our farmers to stand with them in this time of severe crisis, and adopt the Harkin-Daschle amendment that will truly address their needs. Or we can settle for the far smaller level of funding provided by the distinguished chairman of the Agriculture Appropriations Subcommittee, Senator COCHRAN, that won't be nearly enough help.

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

We have heard for some time that rural America is in crisis. I doubt that many people in this body think of West Virginia when agriculture and farming are the topic. But in fact, in West Virginia thousands of farmers and their



families labor hard to grow a variety of crops and raise livestock. They are farmers who have rarely asked for help from anyone, but today they are facing the crisis of a lifetime, and they do not want to give up the life and work they love.

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

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

The PRESIDING OFFICER. The Democratic leader is recognized.

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

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

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

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

Let me say, regardless of what legislation I have offered, and what legislation may have been offered on the Re-

publican side, I think there are five factors that should be included, five factors that ought to be considered as we contemplate what kind of an approach we in the Senate and in the Congress must subscribe to if we are going to respond to the disastrous situation we find in rural America today.

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

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

So, No. 2, it has to be sufficient.

No. 3, it has to be fair. Our country is very diverse. I heard Senator SARBANES talk about the disastrous circumstances we are facing right now in Maryland. Maryland is different. We don't have a drought in South Dakota, we have floods. We have low prices. We have commodities that cannot be sold because they cannot be stored. We have agricultural situations, regardless of commodity, that are the worst since the Great Depression in terms of real purchasing power. Southerners have different crop problems. We have to recognize that there are regional differences and there are differences in commodities. Our emergency response has to address them all.

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

I congratulate my colleagues for joining in responding to the situation,

but I don't think it is broad enough. I don't think it is sufficient enough. I certainly don't think it is fair enough, given the circumstances we are facing today.

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

Freedom to Farm is not working. We can debate that on and on and on, but there are more farm organizations, there are more economic experts, there are more people from all walks of life, and there are more policy analysts who are arguing today that we have to change the framework, that we have to reopen the Freedom to Farm bill. That is a debate for another day.

Today, this week, the debate must be: can we provide sufficient emergency assistance to bridge the gap to that day when we can achieve better prices, a better marketplace, more stability, and greater economic security?

In just a moment I will move to table the Republican plan. This is in keeping with an understanding I have with the majority leader and the distinguished chair of the Appropriations Committee. It would be my hope, once it is tabled, we can have a debate on the Democratic alternative and have a vote on that at some point in the not-too-distant future, once people have had the chance to be heard. Then, hopefully, we will find some resolution.

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

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

As I noted, we have two versions that have not yet been reconciled. Because I don't believe the Republican plan is sufficient, because I don't think it is fair, because it doesn't respond to all

regions and all commodities, I believe today we can do better than that and we must find a way with which to do better than that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

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

I want to say a few words about the great work of the Senator from West Virginia. I opened the New York Times this morning and saw his picture. He was standing in a drought-stricken cornfield in West Virginia yesterday with the Secretary of Agriculture, Secretary Glickman. He called me on the phone yesterday before the Secretary had gotten there. We talked about the terrible drought situation facing the farmers in West Virginia. Senator BYRD wanted to make sure that we addressed that situation, which we have in our bill, to address the severe drought situation not only in West Virginia but on the entire east coast. I also heard personally from Senator BYRD on the great problem facing our livestock farmers. So we have placed in this amendment an amount of \$200 million to be added to Section 32 funds to be used for assistance to livestock producers who have suffered losses from excessive heat and drought in declared disaster areas.

Again, I commend Senator BYRD from West Virginia for bringing this to our attention so we were able to put this amount of money into the bill for livestock producers. I also want to mention a couple of other things that were not said earlier.

We have some situations where crops have suffered damage, some in 1998 and some in 1999, where the existing farm programs are not adequately addressing the situation and the problems. So we provided \$500 million in our amendment to respond to these situations, in other words, to take a comprehensive view of the disasters that have struck many farmers around the country. We have problems with the citrus crop in California, with apples and onions in New York, that I understand is a \$50 million problem. We expect the Secretary to also address that situation with crops in New Jersey, New Mexico, and I know in other States.

We have done all we can in our bill to accommodate the request to address these issues in a comprehensive manner in disaster payments. Again, I point out we take care of those disasters in our bill. Those are not addressed in the bill put forward by the other side.

Last, I point out that Section 32 funding is also available to purchase commodities to reduce surpluses in a lot of different areas. That is why Section 32 funding is so important. I expect at least \$3 million would be available to make up the existing shortfall in the TEFAP funding under our proposal.

I thank Senator DASCHLE again for his great leadership on this bill. We may have to continue to do some work, but I agree with our leader, we have to do something before we leave here this week. I thank him for his leadership and yield the floor.

The PRESIDING OFFICER (Mr. GORTON). The minority leader.

Mr. DASCHLE. Let me reiterate my admiration and gratitude to the Senator from Iowa. It has been his effort on the floor. He has managed our side in this regard. He has led us in working to come up with a comprehensive approach. No one has put more effort and leadership and commitment into this than has Senator HARKIN. I am grateful to him.

Mr. HARKIN. I thank the minority leader.

#### EMERGENCY FARM RELIEF

Mr. KOHL. Mr. President, I rise in support of the Daschle amendment to provide relief to the farmers of this nation who now suffer from the irony of an economic crisis in rural America at a time when the rest of the nation is enjoying one of our history's greatest period of economic prosperity. Senator DASCHLE's amendment will bring much needed relief to America's farmers who face the real threat of a failed market and, in some cases, farmers who are caught in the grips of one of the worst droughts of this century.

Last year, Congress provided similar relief to farmers totaling nearly \$6 million. The amendment offered by Senator DASCHLE is in the \$10 billion range. Without question, these are huge sums of money and this Congress should not recommend their expenditure without serious consideration of the need and the consequences. However, I would like to remind my colleagues that during the farm crisis of a decade ago, farm spending for commodity price support programs in some years exceeded \$25 billion. By comparison, the Daschle amendment when coupled with USDA farm outlays under current law, especially when adjusted for inflation, are modest by comparison.

Ask any farmer across America, including dairy farmers in Wisconsin who a few months ago witnessed the greatest drop in milk prices in history, and you will learn just how serious the current farm crisis is. The Daschle amendment is necessary to protect our farmers and their ability to protect our national food security. We can point to many different reasons why the farm economy is now suffering. But more importantly, action is needed to deal with the immediate problem. Farmers now suffer from a failed safety net and Senator DASCHLE's amendment will help patch the holes in that safety net until one of greater substance and success can be put in place.

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

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 1500, as modified.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

I further announce that, if present and voting, the Senator from Utah (Mr. HATCH) would vote "no."

The result was announced—yeas 47, nays 51, as follows:

[Rollcall Vote No. 249 Leg.]

#### YEAS—47

Akaka	Feingold	Lieberman
Baucus	Feinstein	Lincoln
Bayh	Graham	Mikulski
Biden	Gregg	Moynihan
Bingaman	Harkin	Murray
Boxer	Hollings	Reed
Breaux	Inouye	Reid
Bryan	Johnson	Robb
Byrd	Kennedy	Rockefeller
Cleland	Kerrey	Santorum
Conrad	Kerry	Sarbanes
Daschle	Kohl	Schumer
Dodd	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden
Edwards	Levin	

#### NAYS—51

Abraham	Fitzgerald	McConnell
Allard	Frist	Murkowski
Ashcroft	Gorton	Nickles
Bennett	Gramm	Roberts
Bond	Grams	Roth
Brownback	Grassley	Sessions
Bunning	Hagel	Shelby
Burns	Helms	Smith (NH)
Campbell	Hutchinson	Smith (OR)
Chafee	Hutchison	Snowe
Cochran	Inhofe	Specter
Collins	Jeffords	Stevens
Coverdell	Kyl	Thomas
Craig	Lott	Thompson
Crapo	Lugar	Thurmond
DeWine	Mack	Voinovich
Enzi	McCaïn	Warner

#### NOT VOTING—2

Domenici Hatch

The motion was rejected.

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

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

The motion to lay on the table was agreed to.

#### AMENDMENT NO. 1500, WITHDRAWN

Mr. LOTT. Mr. President, I now withdraw the amendment I offered on behalf of Senator COCHRAN, amendment No. 1500.

The PRESIDING OFFICER. The amendment is withdrawn.

#### AMENDMENT NO. 1506 TO AMENDMENT NO. 1499

(Purpose: To provide emergency and income loss assistance to agricultural producers)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. DASCHLE, Mr. DORGAN, Mr.

KERREY, Mr. JOHNSON, Mr. CONRAD, Mr. BAUCUS, Mr. DURBIN, Mr. WELLSTONE, Mrs. LINCOLN, and Mr. SARBANES, proposes an amendment numbered 1506 to amendment No. 1499.

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

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. LOTT. Mr. President, I move to table the pending amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

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

Mr. DASCHLE. Mr. President, I ask the majority leader, for the purpose of scheduling, as I understand it, this will be the last vote and we will return to the dairy debate following this, is that correct?

Mr. LOTT. Mr. President, if I can respond, I understand that, depending on how this vote goes, there may be a second-degree amendment that would be offered perhaps by Senator ASHCROFT. But after that is dispensed with, that would be the final vote of the day, I believe, once we dispense with this whole process. Then we can go on to debate dairy, and the vote on dairy cloture will occur in the morning. We would have time for debate on cloture tonight.

Mr. DASCHLE. I thank the majority leader.

The PRESIDING OFFICER. Who yields time?

Mr. DASCHLE. Mr. President, as I understand it, time is equally divided, so we have about 7 minutes on our side.

The PRESIDING OFFICER. The Senator is correct.

Mr. DASCHLE. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, who controls time?

The PRESIDING OFFICER. The two leaders or their designees.

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

Mr. HARKIN. I thank the Chair.

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

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

I, and others on this side, is now the pending amendment.

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

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

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

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

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

Mr. HARKIN. In one second, I will.

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

I yield for a question.

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

many others helped draft, does include disaster relief; is that not a significant difference?

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

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

I yield to my friend from New York.

Mr. SCHUMER. I thank the Senator from Iowa.

I ask the Senator to yield for a question.

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

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

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

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

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

The PRESIDING OFFICER. One minute 19 seconds.

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

I yield the floor.

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

The Democratic leader.

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

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

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

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

I yield the floor.

The PRESIDING OFFICER. All time for the proponents of the amendment has expired.

The Senator from Mississippi.

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

I yield the time on this side on the amendment.

Ms. MIKULSKI. Mr. President, I rise today in strong support of the Democratic Emergency Relief Package for Agriculture. I am pleased to be a cosponsor of this critical amendment. American farms are struggling to survive. This package creates a safety net for our farmers who are facing a devastating drought.

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

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

Americans who are facing a crisis. If we don't help them, we all lose.

Maryland has now been plagued by drought for the third consecutive year. The drought has destroyed between 30 percent and 80 percent of the crops in nineteen counties in Maryland. Loss of soybean, tobacco, wheat and corn crops is making this a very tough season for Maryland farmers. Our farmers need our help. Our farmers are losing crops and they are losing money—without help, they might lose their farms. Couple the drought with the record low prices, high costs and a glut in the market and that spells disaster for Maryland farmers.

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

Mr. President, the second reason I support this package is because it supports our family farms. Agriculture is a critical component of the U.S. economy. Our country was built on agriculture. Agriculture helps us maintain our robust economy. It is what fills our grocery stores with fresh, plentiful supplies of safe food for our families. It allows us to trade with other countries and build global economies and partnerships. It allows us to assist other countries whose people need food. Agriculture is the number one industry in the State of Maryland. We need to make sure U.S. agriculture is strong. We cannot allow natural disasters to ruin this crucial sector by putting farms out of business for good. These are good farmers who, through no fault of their own, have been put in devastating situations. These are farmers we need. I will not stand by and allow them to go under. We must pass this farm package to save our farmers.

Finally, Mr. President, I support this package because it supports farmers in all regions of the country. The combination of low prices, lack of adequate crop insurance and natural disasters has made it a challenge to draft a package that helps everyone. Different areas of the country suffer from one or all of these contingencies. As I mentioned, Maryland suffers from all three. This makes it especially hard for us. It also makes it especially vital that we pass this farm relief package today.

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

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

Without objection, it is so ordered.

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

The legislative assistant called the roll.

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

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

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

[Rollcall Vote No. 250 Leg.]

#### YEAS—54

Abraham	Frist	McConnell
Allard	Gorton	Murkowski
Ashcroft	Graham	Nickles
Bennett	Gramm	Roberts
Bond	Grams	Roth
Brownback	Grassley	Santorum
Bunning	Gregg	Sessions
Campbell	Hagel	Shelby
Chafee	Helms	Smith (NH)
Cochran	Hutchinson	Smith (OR)
Collins	Hutchison	Snowe
Coverdell	Inhofe	Specter
Craig	Jeffords	Stevens
Crapo	Kyl	Thomas
DeWine	Lott	Thompson
Enzi	Lugar	Thurmond
Feingold	Mack	Voinovich
Fitzgerald	McCaïn	Warner

#### NAYS—44

Akaka	Durbin	Lieberman
Baucus	Edwards	Lincoln
Bayh	Feinstein	Mikulski
Biden	Harkin	Moynihan
Bingaman	Hollings	Murray
Boxer	Inouye	Reed
Breaux	Johnson	Reid
Bryan	Kennedy	Robb
Burns	Kerrey	Rockefeller
Byrd	Kerry	Sarbanes
Cleland	Kohl	Schumer
Conrad	Landrieu	Torricelli
Daschle	Lautenberg	Wellstone
Dodd	Leahy	Wyden
Dorgan	Levin	

#### NOT VOTING—2

Domenici Hatch

The motion was agreed to.

Mr. COCHRAN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

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

AMENDMENT NO. 1507 TO AMENDMENT NO. 1499  
(Purpose: To provide stability in the United States agriculture sector and to promote adequate availability of food and medicine for humanitarian assistance abroad by requiring congressional approval before the imposition of any unilateral agricultural or medical sanction against a foreign country or foreign entity)

Mr. ASHCROFT. Mr. President, it is my intention to send an amendment to the desk.

Mr. HARKIN. May we have order, please. This is an important amendment.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ASHCROFT. I thank the Chair. And I am grateful to the Senator for asking for order in the Chamber.

I intend to send an amendment to the desk relating to something that I think is very important to the members of the agricultural community in the United States of America.

This is an amendment that relates to farmers because it relates to their ability to sell the things they work hard to produce. Currently, it is possible for the President of the United States to sanction—meaning, to curtail—the right of farmers to export and sell that which they produce on their farms.

The farmers work hard, they get a bumper crop, and then, because the President would decide that he wanted to make some foreign power or another respond to his interests or his requirements, or our interests or our requirements, the President would impose an embargo, a trade embargo, which would forbid our agriculture community to export corn or wheat or soybeans—agricultural products—to these other countries.

Sanctions do play an important and vital role in the U.S. foreign policy. But I think when you talk about unilateral sanctions that the Government of the United States enters into alone, and you talk about food and medicine as the subject of sanctions, you have to ask yourself a variety of different questions that I think really result in sort of a different conclusion about food and medicine type sanctions than a lot of other sanctions.

Put it this way. I think it is important that we make sure we do not provide countries with the wrong kind of hardware, the wrong kind of commercial assets. But it makes very little sense, in most circumstances, to say to other countries: We are not going to let you spend money on food; we are not going to let you spend money on medicine.

This amendment, which I will be offering, is an amendment that is designed to involve the Congress in the important decision about whether or not we should have sanctions that relate to food and medicine that are unilaterally imposed by the United States of America, not in conjunction with any other powers.

To summarize the kind of regime that would be specified in this amendment, the bill would not tie the hands of the executive by making it necessary for the President to get the consent of Congress. The President's hands wouldn't be tied. He could still get sanctions. He would simply have to have the agreement of the Congress so that while the President would need the agreement of Congress, his hands would not be tied. He would literally have to shake hands with Congress before he embargoes agriculture or medi-

cine. The amendment would not restrict or alter the President's current ability to impose broad sanctions with other nations. It certainly does not preclude sanctions on food and medicine. It simply says the President may include food and medicine in a sanction regime, but he must first obtain congressional consent.

We did add a special provision to this amendment with regard to countries that are already sanctioned. For the seven countries under a broad sanctions regime, we want to afford the President and the Congress some time to review the sanctions on food and medicine on a country-by-country basis. Therefore, the bill would not take effect until 180 days after it is signed by the President. This gives both branches of Government enough time to review current policy and to act jointly, as would be necessary if jointly they were to decide that sanctions against food and medicine should be maintained.

There are some exceptions. If Congress declares war, there is no question about it; the President should have the authority to sanction food and medicine without congressional approval. The President's authority to cut off food and medicine sales in wartime obviously should exist and would continue to exist.

The bill specifically excludes all dual-use items and products that could be used to develop chemical or biological weapons. There are not many agricultural or medicinal products that have military applications, but the bill provides safeguards to ensure our national security is not harmed.

We made sure that no taxpayer money could be used to subsidize exports to any terrorist governments. We specifically exclude any kind of agricultural credits or guarantees for governments that are sponsors of international terrorism. However, we do allow credit guarantees to be extended to private sector and nongovernmental organizations. This targeted approach helps us show support for the very people who need to be strengthened in these countries, and by specifically excluding terrorist governments, we send a message that the United States will in no way assist or endorse the activities of nations which threaten our interests.

Just last week, the American Farm Bureau and all State farm bureaus across the Nation released an ag recovery action plan. It requested \$14 billion in emergency funding. I think it is a serious request. It is not a request that I take lightly. We are now considering proposals in the Congress from about \$7- to \$11 billion. We need to be addressing the emergency needs of farmers, but we also need to reduce our own barriers that our own farmers suffer under such as unilateral agricultural embargoes.

The USDA estimated that there has been a \$1.2 billion annual decline in our economy during the mid-1990s as a re-

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

For us to raise barriers for the freedom of our farmers to market the things they produce and hold them hostage to our foreign policy objectives would require that we could get great foreign policy benefit from these objectives. And there isn't any clear benefit.

One of the most ironic of all the case studies about agricultural sanctions was the study of our grain embargo against the Soviet Union in the late 1970s. Indeed, there we were upset about activities in the Soviet Union, so we indicated we wouldn't sell to the Soviet Union the grain we had agreed to sell to them. It was something like 17 million tons.

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

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

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

I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT], for himself, Mr. HAGEL, Mr. BAUCUS, Mr. ROBERTS, Mr. KERREY, Mr. DODD, Mr. BROWNBACK, Mr. GRAMS, Mr. WARNER, Mr. LEAHY, Mr. CRAIG, Mr. FITZGERALD, Mr. DORGAN, Mr. SESSIONS, Mr. LINCOLN, Mr. LANDRIEU, Mr. CONRAD, Mr. HARKIN, Mr. INHOFE, and Mr. CHAFEE, proposes an amendment numbered 1507 to amendment No. 1499.

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

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

#### PRIVILEGE OF THE FLOOR

Mr. ASHCROFT. Mr. President, I ask unanimous consent that James Odom of my staff be granted the privilege of the floor during today's session.

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

Mr. CHAFEE. Mr. President, I ask unanimous consent that I be added as a cosponsor of the Ashcroft amendment.

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

Mr. KERREY. Mr. President, I rise today in support of the pending amendment regarding agricultural sanctions reform. One only has to run a search for legislation regarding sanctions to see that economic sanctions reform has become a key issue for the 106th Congress. I am pleased to be the cosponsor of several pieces of legislation that

seek to address the problem of current U.S. sanctions policies.

In particular, I am pleased to be the cosponsor of Senator LUGAR's bill, S. 757, which seeks to create a more rational framework for consideration of future U.S. sanctions. While I strongly support the amendment currently pending before the Senate, this is only the first step in addressing economic sanctions reform. It is my hope Congress will continue to work in a bipartisan manner to make our sanctions policy more focused and effective.

I am sure it comes as no surprise to my colleagues from farm states that there is a crisis in rural America. It is a crisis that is threatening the very foundations of family-based agriculture. Export markets have shrunk, commodity prices have plummeted, and rural incomes have decreased at an alarming rate. Yet while this is occurring, both Congress and the President have continued to pursue a foreign policy that places restrictions on our agricultural producers, closes off markets, and lowers the value of commodities.

Too often, we have used the blunt instrument of unilateral economic sanctions—including restrictions on the sale of U.S. agricultural products—as a simple means to address complex foreign policy problems. These agricultural sanctions end up hurting the most vulnerable in the target country, eroding confidence in the United States as a supplier of food, disrupting our export markets, and placing an unfair burden on America's farmers.

Mr. President, I do not mean to suggest we will bring relief to rural America by simply reforming our sanctions policy. The crisis in agriculture is principally a result of the failure—not of our foreign policy—but of our farm policy. It is time to rewrite the farm bill to safeguard producer incomes and to stop the outmigration from our rural communities. Those who argue sanctions are the sole cause of the problems in agriculture fail to realize the challenges we are facing require a more comprehensive solution. However, while we work to improve farm legislation, we cannot continue to ask our farmers to bear the brunt of U.S. foreign policy decisions.

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

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

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

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

Mr. TORRICELLI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

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

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

So even if they bought nothing from Canada, nothing from Argentina, nothing from Australia, and nothing from Europe, altogether it would be 1.7 percent of these imports. What is the potential of these countries that we are being told markets will open by the Ashcroft amendment? How much money is it that these people have to spend to help the American farmer? In North Korea, the total per capita annual income of a North Korean is \$480. In Cuba, it is \$150.

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

The fact of the matter is, to the extent there is any potential in these countries to purchase American agricultural products, the administration has already responded. There may not



be much of a potential, but what there is, we have responded to.

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

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

The amendment offered by the Senator from Missouri solves no problem and simply contradicts the administration's policy of ensuring that this goes to the people we want to be the end users. The same is true in North Korea. Today, the United States is in a humanitarian assistance program to North Korea. Over \$459 million worth of food has been donated to North Korea through the World Food Program. UNICEF has done the same. But we send monitors. When the food arrives in North Korea, we monitor that it is going to the people of North Korea, not the military. We want to know the end users.

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

What are the nations and what are the policies that would be changed? I want my colleagues to walk down memory lane with me. Before you vote to end the policy of 30 years of American administrations, I want you to understand who will be getting these food exports, without licenses, which are not required to ensure the end users. I cannot be the only person in this institution who remembers Mr. Qadhafi, his destruction of an American airliner, his refusal to bring the terrorists to

justice who did so to Pan Am 103. We are now in an agreement with Libya to bring those terrorists to trial. Now, in the middle of the trial, while there is an agreement, this amendment would lift the sanctions and allow the exportation of those products.

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

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

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

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

I respect the concern of the Senator from Missouri for the American farmer. I understand the plight. But let's deal truthfully with the American farmer, his family, and his plight. The Cuban family who earns \$150 a year, through their purchasing power, is not going to salvage American agriculture. If Cuba was capable of importing food today, they would do so from Argentina, Canada, or Europe. They don't because they can't, because they have no money. The same is true of North

Korea. If North Korea had the money to import food, they would do so from every other nation in the world that does not have sanctions on them. They don't because they can't, because they can't afford it, because they have no money. You are making an offer no one can accept—an answer to the American farmer that has no substance. I don't believe there is a single farmer in America who either believes this argument or, even if it would be successful, even if they did have money, would want to profit off the misery of others who are victims of this kind of terrorism.

I, too, represent an agricultural State. Farmers in the State of New Jersey—the Garden State—are also suffering.

I have yet to find one American farmer—good Americans, patriotic Americans—who believes the answer to their problem is selling Qadhafi products, or the Iranians. American farmers—all of the American people—have long memories.

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

Please, my colleagues, don't come to this floor and argue that you are contradicting the foreign policy of Bill Clinton. You are. And you are undermining his negotiations as to the North Korean missile tests and atomic weapons, and you are undermining our efforts to bring people to justice in Libya and for human rights in Cuba. But don't come to this floor and just claim you are undermining Bill Clinton. Half of these sanctions were put in place by Ronald Reagan and George Bush. This is 30 years of American foreign policy with a single vote, with a stroke of a pen, that you would undermine.

Some of you may be prepared to forget some of the things through all of these years. Maybe some of these acts are distant. But my God. Saddam, the destruction of American embassies? Some of those families are still grieving. We haven't even rebuilt the embassies. We are still closing them because of terrorist threats. The man who masterminded it is still being hunted.

The Sudan?

This is our idea of how to correct American foreign policy? My colleagues, I want to see this amendment defeated. But, indeed, that is not enough.

If from North Korea to the Sudan to Iran there is a belief that you can just wait the United States out, that we are the kind of people who will forget that quickly, who will profit in spite of these terrible actions against our people, what a signal that is to others.

What a signal it is to others who engage in terrorism.

I do not hold a high standard with whom we do business. Business is business. Politics is politics. But there is a point at which they meet. These rogue nations, identified after careful analysis of having engaged in the sponsoring of international terrorism, deserve these sanctions. On a bipartisan basis, we have always given them these sanctions. Don't desert that policy.

Bin Laden in his cave in Afghanistan, Abu Nidal in the Middle East are even now plotting against Israel and the peace process.

I don't know whether the American farmer will know of or appreciate this vote. But I know that in those capitals in those countries where the people committed these acts it will be noted.

This is not a partisan affair. I am very proud that from CONNIE MACK, who has joined this fight for some years, to the distinguished chairman of the committee, Chairman HELMS, to BOB GRAHAM, to our own leadership in HARRY REID, to, indeed, the majority leader, Senator LOTT, they have all joined in defeating this amendment because it is right for American foreign policy.

Let's do justice to the American farmer by dealing with the substantive problem—not dealing with excuses, and not dealing with other matters. We do nothing by fooling the American farmer. The American farmer stands shoulder to shoulder with every other American against terrorism and the defense of our country and its interests.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. Thank you, Mr. President.

Mr. President, I rise to strongly support this amendment. I am a cosponsor. As Senator ASHCROFT noted, it is the blending of Senator ASHCROFT's bill and my bill that produced this amendment.

This amendment establishes a basic principle: Food and medicine are the most fundamental of human needs and should not be included in unilateral sanctions.

The rate of change in today's world is unprecedented in history. Trade, and particularly trade in food and medicine, is the common denominator that ties together the nations of the world. American exports of food and medicine act to build bridges around the world. It strengthens ties between people and demonstrates the innate goodness and humanitarianism of the American people.

This amendment recognizes that there could be reasons to restrict food and medicine exports and recognizes that, in fact, sometimes unilateral sanctions are in the best interests of this Nation's security. We do not take that ability away from the President of the United States. That is not what this amendment does. We all recognize that there are times when unilateral

sanctions should, in fact, be in the arsenal of our foreign policy tools, but it also recognizes that the Congress should have a role in that decision.

This amendment recognizes that there are circumstances where export controls may be necessary, such as in times of war, if it is a dual-use item controlled by the Commerce Department, or if the product could be used in the manufacture of chemical or biological weapons. That is not the debate here. That is not the debate.

But we have had a long and sad history in understanding what unilateral sanctions do to those who impose them. We don't isolate Cuba. We don't isolate China. We don't isolate any nation other than our own interests when we say: We will not sell you our grain, our medicines.

Do we really believe that in the world we live in today a nation cannot get wheat from Australia, from Canada, or cannot get soybeans from Brazil? The fact is that the world is dynamic. It has always been dynamic. The challenges change. The solutions to those challenges, the answers to those challenges, must be dynamic as well.

We need to send a strong message to our customers and our competitors around the world that our agricultural producers are going to be consistent and reliable suppliers of quality and plentiful agricultural products.

I heard the discussion on the floor of the Senate today about this amendment—talking about, well, my goodness, are we trying to fix the problems of farmers with this amendment with sanctions reform? No. No, we are not.

But I think it is important we understand that this is connected. This is linked. Trade reform and sanctions reform were, in fact, part of the commitment that this Congress made to our agricultural community in 1996.

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

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

Let's not forget that when America broke diplomatic relations with Iran, Iran was the largest importer of American wheat in the world. I think, as has been noted, Iran this year will import almost \$3 billion worth of wheat. Are we talking about just the commercial interests and the agricultural interests of America and national security interests be damned? No, we are not talking about that.

This amendment gives the President the power, when he thinks it is in our

national security interests or in our national interests as he defines those through his policy, to impose unilateral sanctions. However, he does it with the Congress as a partner; the Congress has a say when we use unilateral sanctions.

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

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

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

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

I yield the floor.

Mr. GRAHAM. Will the Senator yield?

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

Mr. GRAHAM. I am struck with some of the inconsistencies within this amendment. I appreciate my colleague's elucidation as to their significance.

Under "New Sanctions," it states:

...the President may not impose a unilateral agricultural sanction or a unilateral medical sanction against a foreign country or a foreign entity for any fiscal year, unless—

And there are certain exceptions. In terms of "new sanctions," we are speaking as to presidentially imposed.

Under "Existing Sanctions" it says:

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

As my colleague knows, some of the sanctions that would be covered by this

existing sanctions language are congressionally imposed, not presidentially imposed.

The question I have is, Why make the distinction for new sanctions, that they must be presidentially imposed, assumedly reserving to Congress the right to impose a new sanction? Yet with old existing sanctions, the amendment wipes out both those that were presidentially as well as those which had been sanctioned by action of Congress. What is the rationale?

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

Mr. ASHCROFT. May I respond to the question of the Senator from Florida?

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Missouri.

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

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

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

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

Mr. GRAHAM. To continue my question, I don't think that was quite responsive to the issue I am raising.

In the Senator's opening statement, the principal argument was that we should not allow the President to unilaterally be imposing these sanctions, and in terms of new sanctions as outlined on page 4, you clearly restrict the application by the President of the prohibition to those that are unilateral.

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

Who else does the Senator want to have sanctioned in order to be an effective statement of policy of the United States of America?

Mr. ASHCROFT. Mr. President, in response to the inquiry of the Senator from Florida, it is clear that the intent of this bill and the language which would be carried forward is that sanctions should be the joint agreement between the Congress and the President. This bill does set aside existing sanctions and establish a singular regime in which sanctions would exist unless another bill or enactment changed that.

Now, a Congress in the future could impose, with the agreement of sanctions, sanctions in a regime that was contradictory to this bill because Congress always has the capacity to change the law. One law we pass today doesn't bind future Congresses from changing that law and future enactments.

I think the Senator from Florida is correct that this measure sets aside existing sanctions and requires that future sanctions, be they initiated by the Congress or by the President of the United States, involve an agreement between the executive and the legislative branches. There is a timeframe during which that is to happen provided for in this amendment.

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

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

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

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

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

Mr. ASHCROFT. It is our intention, absent an agreement by the President of the United States and the Congress, to so embargo such sales. Such entities would be able to use their hard currency to buy from American producers, agricultural or medicinal products. Our underlying reasoning for that is that when these governments invest in soybeans or corn or rice or wheat, they are

not buying explosives; they are not repressing their population. As a matter of fact, if we could get them to use all of their currency to buy American farm products instead of buying the capacity to repress their own people or destabilize other parts of the world, we want them to do that. The conspicuous absence here, obviously, is we will not provide credit for them which would release them to spend their hard currency in these counterproductive ways.

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

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

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

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

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

Mr. GRAHAM. Is it a fair characterization of subsection 4 that commercial

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

Mr. ASHCROFT. I think one of the things we have sought to do in this legislation is to indicate we are not at war with the people of many of these regimes. As a matter of fact, these regimes are at war with their people. Our intention is to be able to provide food and medicine to those people because we are not at war with them. As a matter of fact, too frequently their government is.

That means we are willing to sell it to them. We are willing to sell it to nongovernmental organizations, to commercial organizations, even to governments, if the governments will put up the money for it. I find that to be an acceptable indication that we are not against the people of these countries; we are against these countries' repressive, terrorist ways.

The terror is worse on their own people, in most of these cases. When we align ourselves with the people, align ourselves with the population in terms of their food and in terms of their health care and in terms of their medicine, that is good foreign policy. It shows the United States, while it will not endorse, fund or sustain, creditwise, a terrorist government, is not at war with people who happen to have to sustain the burden of living under a terrorist government.

So, yes, this allows people in those settings to make purchases if they have the capacity to do so. But it does not allow the government to command the credit of the United States, and in our view it should not.

Mr. GRAHAM. So I think the answer to the question is yes. That raises the question: I notice before the amendment was sent to the desk there was a handwritten insertion in the title of the amendment. The original title had said, "to promote adequate availability of food and medicine abroad by requiring congressional approval. . . ." In the handwritten insertion, the prepositional phrase was added so it now reads "promote adequate availability of food and medicine for humanitarian assistance abroad by requiring congressional approval. . . ." It seems actually the substance of the amendment does quite the opposite of the prepositional phrase.

The substance of the amendment says if you are rich enough to be able to buy at commercial standards, you can avoid the necessity of licensing and all of the constraints that have been imposed by action of Congress, action of the President, or both on terrorist states. But if you are a poor terrorist state and have been sanctioned by Congress or the President, or both, and would require some assistance in order

to be able to get food, then you are still subject to all of these licensing requirements.

So the actual substance of the amendment is inconsistent with the modification that was made in the title. I suspect I know why that was done.

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

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

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

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

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

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

Second, we have established a policy that, if you are a rich terrorist state and have the money to buy food at straight commercial standards, you can do so; if you are a poor terrorist state that would require the access to

some of these various trade assistance programs, then you cannot buy American food.

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

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from the great State of Florida, Mr. MACK.

Mr. MACK. I thank the Chair.

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

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

Mr. ASHCROFT. Will the Senator yield?

Mr. MACK. Sure.

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

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

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

I thank the Senator for raising the question.

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

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

I thank the Senator for his question.

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

We had a similar vote last year, in which 67 Senators voted to oppose trade with terrorists. At the risk of stating the obvious, let me try to explain once again why the Senate should not change this position.

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

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

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

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

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

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

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

Today's debate typifies one such moment. The poster which has been shown on this floor indicates the issue before

us with respect to terrorist nations and their leaders—Qadhafi, Castro, and others.

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

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

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

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

Terrorism poses a direct threat to the United States. The terrorist threat was considerable during the cold war when the Soviet Union and its allies often backed movements or governments that justified the use of terror. The threat is even greater today, when chemical or biological weapons, no bigger than a suitcase, can bring death and devastation to tens of thousands of people. The deaths in the World Trade Center bombing or in Pan Am 103 remind of us what terrorism can produce. Another important reminder is the image of American humanitarian aircraft being blown out of the sky by Cuban Air Force MiG fighters in the Florida Straits. We are moving from a world where terrorists use dynamite or rifles to one where they may use a weapon of mass destruction. The world today is more dangerous in many ways than it was 10 years ago, and the form

of that danger is terrorism, which makes it even more dangerous for the United States to engage in trade with terrorist states.

So where does this leave us? With this simple principle—the United States must not trade with any nation that supports terrorism in any way, direct or indirect. We must insist that there can be no business-as-usual approach to nations that threaten our national security and national interests. We are well aware of the counterarguments. If we don't sell, some other country will, so what is the point? Or why not sell food? You can't turn wheat into a bomb, can you? Well, maybe not, but it is possible for a government that supports terror to use our food exports to win popular support, and it is possible to use the money saved by purchasing subsidized American goods for yet more terror.

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

Mr. President, I yield the floor.

Mr. FITZGERALD addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. FITZGERALD. I thank the Chair.

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

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

On top of that, we are seeing a trade situation now in which the countries in the European Union, to whom we used to export large amounts of our grain and livestock products, are, with increasing frequency, raising not just tariff barriers to the importation of American agricultural goods but also

nontariff barriers, pseudoscientific trade barriers, objections to the safety of our food, objections for which very few in the scientific community have said there is any basis.

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

I am very pleased that Senator COCHRAN and the Agriculture Appropriations Committee have come up with some short-term relief that I think most of us agree is needed. I think Senator COCHRAN's bill will be adequate to meet the challenges we now have in the short term.

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

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

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

One step toward improving the trade climate for our Nation's farmers is the pending amendment that Senator ASHCROFT and I and a number of my colleagues have cosponsored. I am rising today to support that amendment to exempt food and medicine from unilateral sanctions. Unilateral sanctions

on food and agricultural products clearly hurt American agriculture more than anyone else. The target country simply buys its food from some other country, leaving less money in our farmers' pockets. When the U.S. Government decides to sanction food and agriculture, it simply tells our international competitors to produce more to meet the excess international demand. Once American agriculture loses these markets to our foreign competitors, our reputation then as a reliable supplier is tarnished, making it difficult for us to regain these markets for future sales.

Our agricultural trade surplus totaled \$272 billion just 3 years ago in 1996. But this year, the U.S. Department of Agriculture projects that our ag trade surplus will have dwindled to approximately \$12 billion. Reversing this downward trend in the value of our exports through effective sanctions policy reform should be a top priority of this Congress. America's farmers demand it and they deserve it. We should be responsive.

The current slump in commodity prices makes significant sanctions policy reform even more timely and necessary. In fact, recent estimates calculate the cost of U.S. sanctions at \$15 to \$19 billion annually. These potential sales could give a significant boost to our rural economy, if only they were allowed by the Federal Government. Free and open international markets are vital to my home State. Illinois' farm products sales generate \$9 billion annually, and Illinois ranks third in this country in agricultural exports.

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

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

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

With that, I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

#### PRIVILEGE OF THE FLOOR

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

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

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois, Mr. DURBIN.

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

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

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

First, I believe that we have learned over the course of recent history that unilateral sanctions by the United States just don't work. When we decide on our own to impose sanctions on a country, it is usually because we are unhappy with their conduct, so we will stop trade or impose some sort of embargo to show our displeasure. You can understand that because some of the actions we have responded to were horrendous and heinous. The bombings of embassies and other terrorist acts raise the anger of the American people, and through their elected representatives, we respond with sanctions. That is understandable, and it is a natural human and political reaction.

I think we would have to concede that over time those unilateral sanctions have very little impact on the targeted country. In the time I have served on Capitol Hill, for about 17



years, I can only think of one instance where the imposition of sanctions had the desired result, and that, of course, was in the case of South Africa. It was not a unilateral sanction by the United States. We were involved in multilateral sanctions with other countries against the apartheid regime in South Africa, and we were successful in changing that regime.

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

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

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

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

We expended trillions of dollars defending against the Soviet Union and trying to stop the expansion of communism. We decided they were our major target, and so many debates in the Senate and in the House were predicated on whether or not we were stopping, or in any way aiding, the growth of communism.

Despite this cold war's intensity, which more or less monopolized foreign relations in the United States for half of this century, we found ourselves during that same period of time trading and selling food to Russia, the Soviet

Union, and selling foodstuffs to China and other countries. I guess we adopted the premise that former Senator Hubert Humphrey used to say should guide us when it comes to this economy. We asked him whether he would sell food to the Communists and he said, "I will sell them anything they can't shoot back at me." I think it was a practical viewpoint that, when it gets down to it, we are not the sole suppliers of food in the world. For us to cut off food supplies to any given country is no guarantee they will starve. In fact, they can turn to other resources.

So those who would say to us we should impose unilateral sanctions on a country such as Cuba, I think, have forgotten the lesson of history that, not that long ago, we were selling wheat to Russia at a time when we were at the height of the cold war. I think that is a lesson in history to be remembered.

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

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

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

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

The report went on to say:

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

I quote from a letter I received from Bishop William Purcell from the Diocese of Chicago who told me his experience in visiting villages.

He said:

I was especially struck by the impact of the American embargo on people's health. We saw huge boxes of expired pill samples in a hospital. Other than those, the shelves of the pharmacy were almost bare. We talked with patients waiting for surgeons who could

not be operated upon because their X ray machines from Germany had broken down. A woman was choking from asthma from lack of inhaler.

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

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

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

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

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

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

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

I think the way to change the regime in Cuba and many other countries has been demonstrated clearly over the last decade. Think about the Berlin Wall coming down and the end of communism in Eastern Europe. It had as much to do with the fact that we opened up these countries after years of isolation. Finally, these countries saw what the rest of the world had to offer. They understood better what life-style and quality of life meant in the Western part of the world, and when they compared that to the Communist regime, they started racing for democracy.

That, to me, is an indication of what would also happen in Cuba. If we start opening up trade in food and medicine

and other relations with that country, I predict that we would have much more success in bringing down an objectionable regime than anything we have done over the past four decades.

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

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

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

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

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

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

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

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

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

On July 23 of last year, President Clinton stated that "food should not be used as a tool of foreign policy except under the most compelling circumstances." On April 28 of this year, the Clinton Administration took some long overdue steps toward bringing U.S. practice in this area into conformity with the President's pro-

nouncement. It announced that it would reverse existing U.S. policy of prohibiting sales of food and medicine to Iran, Libya, and Sudan—three countries currently on the terrorism list.

In announcing the change in policy, Under Secretary of State Stuart Eizenstat stated that President Clinton had approved the policy after a two-year review concluded that the sale of food and medicine "doesn't encourage a nation's military capability or its ability to support terrorism."

I am gratified that the administration has finally recognized what we determined some time ago, namely that "sales of food, medicine and other human necessities do not generally enhance a nation's military capacities or support terrorism." On the contrary, funds spent on agricultural commodities and products are not available for other, less desirable uses.

Regrettably, the Administration did not include Cuba in its announced policy changes. It seems to me terribly inconsistent to say that it is wrong to deny the children of Iran, Sudan and Libya access to food and medicine, but it is all right to deny Cuban children—living ninety miles from our shores, similar access. The administration's rationale for not including Cuba was rather confused. The best I can discern from the conflicting rationale for not including Cuba in the announced policy changes was that policy toward Cuba has been established by legislation rather than executive order, and therefore should be changed through legislative action.

I disagree with that judgement. However, in order to facilitate the lifting of such restrictions on such sales to Cuba, and to prevent such sanctions from being introduced against other countries in the future, I have joined with Senators ASHCROFT, HAGEL, ROBERTS, LEAHY and others in offering the amendment that is currently pending. Not only would it codify in law the administration's decision with respect to Iran, Libya, and Sudan, it would also create a politically viable way for such sanctions to be lifted from Cuba, unless the President and the Congress both take the affirmative step of acting to keep them in place.

What about those who say that it is already possible to sell food and medicine to Cuba? To those people I would say, "if that is what you think, then you should have no problem supporting this legislation."

However, I must tell you, Mr. President, that the people who say that are not members of the U.S. agricultural or pharmaceutical industries. Ask any representative of a major drug or grain company about selling to Cuba and they will tell you it is virtually impossible.

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

Between 1992 and mid-1997, the Commerce Department approved only 28 li-

censes for such sales, valued at less than \$1 million, for the entire period. In 1998, following the introduction of procedures to "expedite license reviews" Commerce reported that, three licenses valued at \$19 million were approved, however no exports occurred because of difficulties with on-site verification requirements.

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

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

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

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

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

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

For those of my colleagues who have any knowledge about the Cuban economy they will immediately know that this translates into virtually zero sales of food to Cuba. Yes, there are some private restaurants in Cuba—so called paladares—but they are run out of family homes serving at most ten to twelve people at lunch and dinner on a daily basis. These small operations are hardly in any position logistically or financially to contract with foreign exporters, navigate U.S. and Cuban customs in order to arrange for U.S. shipments to be delivered to their restaurants—shipments that are otherwise barred to the Cuban government. Who are we kidding when we say it is possible to sell food in the current regulatory environment.

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

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

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

Let me be clear—I am not defending the Cuban government for its human rights practices or some of its other policy decisions. I believe that we should speak out strongly on such matters as respect for human rights and the treatment of political dissidents. But U.S. policy with respect to Cuba goes far beyond that—it denies eleven million innocent Cuban men, women and children access to U.S. food and medicine.

That is why I hope my colleagues will support this amendment and restrict future efforts to water down its scope.

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

Mr. President, I commend my colleague from Missouri, Mr. ASHCROFT, and Senator HAGEL, Senator FITZGERALD, Senator CRAIG, Senator LINCOLN, Senator CONRAD, Senator BROWNBACK, the Presiding Officer, Senator

WARNER, and all of the others who are cosponsors of this amendment.

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

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

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

It is radical, in my view, to impose that kind of a sanction, particularly unilaterally. That is not my America. My America says we will do everything we can to get rid of dictators and to change governments which deny their people basic rights. But my America doesn't say to the innocents who live in these countries that if we have food that can make you stronger, if we have medicine that can make you healthier, we are going to deny the opportunity for the average citizens of these countries to have access to these products through sale. That is not my America.

I live in a bigger, a larger country, which has stood as a symbol of understanding, of human decency, and of human kindness, even with adversaries that have taken the lives of our fellow citizens—in a Vietnam, in a Germany, in other nations around the globe. My America, a big America, at the end of those conflicts has reached out to people in these nations to get them back on their feet again.

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

That is what Senator ASHCROFT, Senator HAGEL, and others are trying to achieve. I think it is a noble cause and one we ought to bring Democrats and Republicans together on in common effort and in common purpose to change the system that is fundamentally wrong and a denial of the fundamental things that we stand for as a people.

That does not suggest in any way that we applaud, or agree with, or

back, or in any way want to sustain the policies of Fidel Castro, or the leader of Sudan, or Iran, or Lybia. It says that when unilateral sanctions are being imposed, we ought to have some say in all of that, and we don't believe generally that the imposition of unilateral sanctions, except under unique circumstances which the Senator from Missouri and his cosponsors have identified in this bill, ought to deny people in these countries—the average citizen—the benefit of our success in food and medicine. I applaud them for their efforts. I am delighted to be a cosponsor of their amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

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

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

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

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

Since most of our sanctions are unilateral, it makes no sense to deny our farmers and workers important markets when those sales are being made by our allies.

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

Another example of how we have harmed our farmers is the Cuban embargo. For 40 years this policy was aimed at removing Fidel Castro—yet he is still there. This is a huge market for midwestern farmers, yet it is shut off to us. Because Cuba has fiscal problems, many of its people are experiencing hardship. Those who have relationships with Cuban-Americans receive financial support, but those who don't need access to scarce food and medical supplies. This bill does not aid the government, as U.S. guarantees can only be provided through NGO's and the private sector not armies, not

to terrorists. Currently, donations are permitted, as well as sales of medicine, but they are very bureaucratically difficult to obtain, and they don't help everyone. Our farmers are in a good position to help and they should be allowed to do so.

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

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

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

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

The question is, Does this amendment to the amendment offered by the Democratic leader on agricultural relief constitute an amendment relating to the same subject? Let me anticipate what might be considered by the Parliamentarian.

In the underlying amendment, there is reference made to two agricultural programs: The Agricultural Trade Development and Assistance Act of 1954 and section 416 of the Agricultural Act of 1949. Both of those statutes are again referenced in the amendment that has been offered by the Senator from Missouri.

Where are they offered in the amendment offered by the Senator from Missouri? They are offered in the section of the amendment which is the definitions, so they are stated to be agricultural programs and then listed in the definition section.

I can find no other reference to those specific statutes other than in the definition section, raising the question as to whether they were inserted in the definition section in order to attempt to overcome what was the clear purpose of the unanimous consent agreement, which was to provide a narrow exception to the rule XVI prohibition against legislating on an appropriations bill.

Even beyond that, I point out on page 6, in one of the most significant provisions of this amendment, the provision that relates to countries supporting international terrorism, the only po-

tential relevance of defining those pieces of legislation is to exclude them from the operation of this amendment. So they are put in the definition section so they can be removed from the operation of this amendment on page 6. Clearly, in my opinion, that is a specious attempt to gain the advantage of the unanimous consent agreement.

One final point. During the colloquy I had with the Senator from Missouri, I think he was quite candid in saying that the purpose of that support for the international terrorism section was to draw a distinction between commercial sales of agricultural and medical products, which were approved under this amendment, could be made without any of the existing conditions such as a license, and sales that were made on a humanitarian basis through one of these various U.S. trade or export of agricultural products provisions which continued to be prohibited.

We have the ironic circumstance that the humanitarian provision is prohibited but commercial sales are rendered acceptable by this amendment.

Yet in the headline, the footnote, the summary of this amendment, by a handwritten insertion, the prepositional phrase is inserted which says "for humanitarian assistance." The purpose of inserting that specific reference is clearly just to establish the most tenuous connection to the underlying bill and to attempt to create the facade that this amendment has something to do with humanitarian assistance, where, by the very description of the Senator from Missouri, it is for commercial, not assisted humanitarian agricultural, sales.

Mr. President, with that description of what I think the amendment is, what the underlying amendment and what the purpose of the unanimous consent agreement was, which was a narrow exception for agricultural relief amendments and amendments to that amendment which related to the same subject, since this fails to meet that standard, I raise the point of order under rule XVI that this amendment constitutes, clearly, explicitly, legislation on an appropriations bill and therefore, under rule XVI, is out of order.

The PRESIDING OFFICER. The agreement precludes making a point of order for an amendment that is considered relevant. This is considered a relevant amendment.

Mr. HELMS. Mr. President, inasmuch as the amendment of the Senator from Missouri, however well intentioned, would have the effect of lifting restrictions on trade with terrorist states or governments and would allow trade with the coercive elements of these repressive, hostile, regimes, I move to table the amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KENNEDY) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 28, nays 70, as follows:

[Rollcall Vote No. 251 Leg.]

#### YEAS—28

Bryan	Kyl	Santorum
Bunning	Lautenberg	Sarbanes
Byrd	Lieberman	Smith (NH)
Coverdell	Lott	Snowe
DeWine	Mack	Stevens
Graham	McCaIn	Thompson
Gramm	McConnell	Thurmond
Gregg	Murkowski	Torricelli
Helms	Reid	
Kohl	Robb	

#### NAYS—70

Abraham	Dorgan	Leahy
Akaka	Durbin	Levin
Allard	Edwards	Lincoln
Ashcroft	Enzi	Lugar
Baucus	Feingold	Mikulski
Bayh	Feinstein	Moynihan
Bennett	Fitzgerald	Murray
Biden	Frist	Nickles
Bingaman	Gorton	Reed
Bond	Grams	Roberts
Boxer	Grassley	Rockefeller
Breaux	Hagel	Roth
Brownback	Harkin	Schumer
Burns	Hatch	Sessions
Campbell	Hollings	Shelby
Chafee	Hutchinson	Smith (OR)
Cleland	Hutchison	Specter
Cochran	Inhofe	Thomas
Collins	Inouye	Voinovich
Conrad	Jeffords	Warner
Craig	Johnson	Wellstone
Crapo	Kerrey	Wyden
Daschle	Kerry	
Dodd	Landrieu	

#### NOT VOTING—2

Domenici	Kennedy
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The motion was rejected.

Mr. COCHRAN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

They seem to have all the cards stacked against them. Agricultural producers face high numbers of imports

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

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

As I said before, the impact is not limited to those working the fields or raising livestock. Look at Main Street, Rural America. The agricultural economy is so bad that other businesses are failing as well. And not just agri-business. No longer is it just the livestock feed store or seed companies that are failing due to the economic crunch. It reaches much further. All kinds and types of businesses are feeling the depressed agricultural economy. Montana is ranked in the bottom five per capita income by state, in the nation.

Ironically, I also read recently that Montana is rated in a nationwide poll as the 7th most desirable place to live in America. That won't be the case much longer if we can't return more of the economic dollar to the agricultural producer. Montana is a desirable place to live because of agriculture. Without the wheat fields and grazing pastures, Montana loses its very being. Without the return of more of the economic dollar to the agricultural producer there will be no more farming or ranching and consequently no more wheat fields or pastures to graze livestock.

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

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

My Montana farmers and ranchers need help now. They need a package that provides solid short-term assist-

ance. They need AMTA payments at 100% to bring the price of wheat per bushel to a price that will allow them to meet their cost-of-production. Additionally, they need funding for specialty crops, sugar and livestock.

I don't agree with many of the provisions included in the Democratic package. Funding for cotton and peanuts does not help my agricultural producers. Neither does \$300 million for the Step 2 cotton program. These provisions bump the price tag up significantly and seem to help other areas of the country more than the Northwest.

However, all agriculture is in dire straits. Montana needs funding and they need it fast. Thus, I will vote for the package that gets that money to my producers as quickly as possible.

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

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

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

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

Both pending proposals specify that aid to farmers is to be considered emergency spending, which is not counted against the budget caps. Mr. President, again, I recognize the dire circumstances that have many Americans in the agriculture industry facing economic ruin. However, already this year, the Senate has approved appropriations bills containing \$7.9 billion in wasteful and unnecessary spending.

Surely, among these billions of dollars, there are at least a few programs that we could all agree are lower priority than desperately needed aid for America's farmers.

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

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

Once again, Mr. President, Congress is taking its usual opportunistic approach to any disaster or emergency—adding billions of dollars in non-emergency spending and policy proposals to the emergency farm aid proposals.

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

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

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

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

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

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

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

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

provisions wholly unrelated to the purposes of aiding economically distressed farmers, including:

- \$40 million for salaries and expenses of the Farm Service Agency, apparently to administer \$100 million in new loan funds;
- \$100 million for rural economic development;
- \$50 million for a new revolving loan program for farmer-owned cooperatives;
- \$4 million to implement a new mandatory price reporting program for livestock;
- \$8 million for a new product labeling system for imported meat;
- \$1 million for rapid response teams to enforce the Packers and Stockyards Act; and finally,
- \$15 million for a Northeast multispecies fishery.

These provisions have no place in a bill to provide emergency assistance to America's farmers. There is an established process for dealing with spending and policy matters that are not emergencies. It is the normal authorization and appropriations process, where each program or policy can be assessed as part of a merit-based review. Many of the provisions I have listed above may very well be meritorious and deserving of support and funding, but the process we are following here today does not provide an appropriate forum for assessing their relative merit compared to the many other important programs for which non-emergency dollars should be made available. I think even some of the potential recipients of these non-emergency programs would agree that they should be considered in the normal appropriations and authorization processes.

There is one special interest provision of the Republican proposal that I would like to discuss further and that I intend to address directly in an amendment later in the debate. The Republican proposal gives the already heavily subsidized sugar industry one more perk—relief from paying a minuscule assessment of just 25 cents on each 100 pounds of sugar. This tiny tax raised just \$37.8 million last year, and was supposed to be the sugar industry's sole contribution to reducing annual budget deficits. Thanks to their successful lobbying, for the next three years, big sugar will not have to pay this assessment if the federal government has a budget surplus. While the assessment was initially imposed to help reduce annual budget deficits, which fortunately have been eliminated as a result of the Balanced Budget Act, what about the \$5.6 trillion national debt?

This little bit of targeted tax relief for big sugar comes on top of a \$130 million per year government-subsidized loan program for sugar producers, and price supports that cost American consumers over \$1.4 billion a year in higher sugar prices at the store. The sponsors of the proposal make no claim that this provision is in any way related to a disaster or drought-related economic crisis in the sugar industry that would merit its inclusion in this

emergency farm aid bill. Its inclusion simply adds one more perk to the already broad array of special subsidies for big sugar companies.

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

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

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

Once again, I can only hope that the final farm aid proposal will be targeted only at those in need—America's farmers. I urge the conferees on this legislation to eliminate the provisions that solely benefit special interests who have once again managed to turn needed emergency relief into opportunism. I also urge the conferees to seek offsets for the additional spending in this bill, to avoid again dipping into the Social Security surplus and putting our balanced budget at risk.

Mr. LOTT. Mr. President, for the information of all Senators, there will be no further votes this evening. The discussion regarding the dairy issue will occur from 9 a.m. until 9:40 a.m. on Wednesday, with the cloture vote occurring at approximately 9:45 a.m.

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

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

#### MORNING BUSINESS

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

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

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

#### PRIVILEGE OF THE FLOOR

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

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

#### MESSAGES FROM THE PRESIDENT

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

##### EXECUTIVE MESSAGES REFERRED

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

(The nominations received today are printed at the end of the Senate proceedings.)

#### MESSAGES FROM THE HOUSE

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

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

S. 1257. An act to amend statutory damages provisions of title 17, United States Code.

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

H.R. 211. An act to designate the Federal building and United States courthouse located at West 920 Riverside Avenue in Spokane, Washington, as the "Thomas S. Foley Federal Building and United States Courthouse," and the plaza at the south entrance of such building and courthouse as the "Walter F. Horan Plaza."

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

H.R. 747. An act to protect the permanent trust funds of the State of Arizona from erosion due to inflation and modify the basis on