

State, this overall proposal cuts taxes for 574,000 New Mexican families who have to file an income tax return.

First, the bill cuts taxes by 10 percent by lowering the 15-percent bracket to 13.5 with a 5-year phase-in. This lowers taxes for families with adjusted gross incomes up to \$44,000 for joint filers and \$28,000 for single filers. The tax change puts 424,000 New Mexicans who weren't up to that amount in a new lower bracket and cuts their taxes by 10 percent. This bill also raises the threshold on the 15-percent bracket—something that was included in the proposals made by the distinguished Senator from Georgia and Senator TORRICElli from New Jersey. It raises that threshold by \$10,000 so that middle-income Americans can earn up to \$55,000 in a joint return and only pay 15 percent, instead of being dumped into the higher bracket once they are at \$44,000. This is going to cut taxes for families with adjusted gross incomes between \$44,000 and \$55,000. You know the rest.

According to our own revenue and taxation department in my home State, approximately 151,000 New Mexicans would be returned to the 15 percent tax bracket from which they have been pushed out; 83,000 of the families would see their taxes cut by \$1,300 a year. Because of the progressive rate change structure, New Mexicans in the 28, 31, 36 and 39.9 brackets would all see their taxes cut by a similar amount because of the marginal rate concept in our law.

This bill excludes \$500 in interest and dividends from taxation. The exclusion essentially makes a \$10,000 nest egg tax free; 504,000 New Mexicans will be helped by it and file more simple tax returns. The bill exempts \$5,000 in capital gains from taxation, amounting to a \$1.4 million tax cut for 118,000 New Mexicans.

I close with a quote from Milton Friedman.

Milton Friedman said, and I agree:

The estate tax sends a bad message to savers, to wit: that it is O.K. to spend your money on wine, women and song, but don't try to save it for your kids. The moral absurdity of the tax is surpassed only by its economic irrationality.

The death tax is also one of the most unpopular taxes. While most Americans will never pay it, 70 percent believe it is one of the most unfair taxes. Its damage to the economy is worse than its unpopular reputation. The Tax Foundation found that today's estate tax rates (ranging from 18 to 55 percent) have the same disincentive effect on entrepreneurs as doubling the current income tax rates and NFIB called it the "greatest burden on our nation's most successful small businesses."

The bill would make R&E credit permanent and phase-in some modifications during last five years. This is essentially the text of a bill I introduced earlier this year.

The bill increases expensing to \$250,000. This will simplify record keep-

ing for 2.5 million small businesses and save them a whopping 107,000,000 hours in tax preparation.

It also phases out the AMT for both individuals and corporations.

The tax plan also recognizes that there are certain areas of the country—oil patch in particular that are being devastated. At the same time, the oil and gas industry pays some of the highest taxes in the country. For this reason the bill also includes oil and gas tax relief.

While the Joint Committee on Taxation has not completed its revenue estimate, it is my intention that these tax provisions can be accommodated within the Budget Resolution.

THE PRESIDING OFFICER. The Senator from North Dakota is recognized for up to 10 minutes.

Mr. DORGAN. I ask unanimous consent to be recognized for 20 minutes.

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

PRIVILEGE OF THE FLOOR

Mr. DORGAN. I ask unanimous consent Tony Blaylock, a fellow on my staff, be given floor privileges until the end of the year.

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

Mr. DORGAN. Mr. President, I ask unanimous consent Kristi Schlosser be given floor privileges today.

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

THE FAMILY FARMER

Mr. DORGAN. Mr. President, one only needs to open a newspaper or turn on a television set to a news program in this country, the United States, to understand we are experiencing a wonderful economy, a wonderful turn of events. This has lasted a long while. Most people are working. Inflation is down. Budget deficits have evaporated. The country is growing. The economy is doing better, and there is a lot of good news.

In addition to the general economic news, the stock market is in a kind of go-go mood reaching record highs. These breathtaking heights in the stock market are coupled with stories about young people involved in the Internet who are making millions before they are old enough to shave. That is wonderful.

There are a lot of people doing well in this country because of the economy. But there are some who are left behind and left out. We ought to pay attention to some of these storm clouds. I am speaking especially about family farmers. They are this country's economic all stars and have been for some long while. They are suffering silently, but they are suffering in a very significant way today. This Congress has a responsibility to do something about it.

Let me read a letter that I received from a farmer in North Dakota a day or two ago. He says:

As a family farmer and rancher, it doesn't seem to me there are many people who care

much about us anymore. It sometimes brings tears to my eyes that maybe in a year or two I won't be around in farming anymore. This won't be easy to explain to my three daughters. I wanted to bring them up in a rural setting. If it happens I can't farm, I hope they read in the history books some day that it wasn't because their dad was a dumb man. It was caused by policy and giant concentrations of companies who want world dominance.

This farmer, who worries about losing his farm and worries about how he will explain that to his three daughters, worries about not being able to raise his daughters on the family farm. He says it is not his fault. And it isn't.

I want to describe what this man is going through.

Another farmer wrote to me and said:

I'm sitting at the kitchen table at 3:30 in the morning. It is spooky quiet out here these days, neighbors going broke, moving away, family farmers can't make it. My family is asleep and I don't know how long I will be able to hang on to this family farm.

Let me describe what these farmers face. While the stock market reaches record highs, here is what happens to the price of wheat. Those family farmers see their income declining in a very significant way. No one else is experiencing declining income. CEO salaries aren't going down; they are going up, up, up—way up. The stock market is going up to record highs. Yet if you are raising wheat and you are a family farmer, you have seen your income collapse.

What if you are raising corn? Exactly the same thing. Your income is collapsing.

What if you are raising soybeans on the family farm? The same thing. The income is collapsing.

What share are you getting as a family farmer of the retail food dollar? Collapsing.

In the spring, you borrow some money, you buy some seeds, you fix up the tractor, plant the seeds, and hope they grow. You worry about insects; you worry about crop disease; you worry it will hail; you worry that it won't rain enough, or maybe too much; and then at the end you may get a crop. If you get a crop, you worry when you will get it off the ground. After you have combined it and harvested the crop, you put it on the truck and drive to the elevator, only to be told the grain trade says that the crop produced has no value. We are going to pay you \$1.50 or \$2 a bushel less than it cost to produce.

You sit in the truck as a family farmer, knowing you took all of these risks, that your family is depending on you, and that the world is hungry. You hear the stories. You hear that in the Sudan a million people face the abyss of starvation and old women climb trees to forage for leaves because they have nothing to eat.

The grain trade says the food we produce has no value. Farmers scratch their heads and say: I guess it is because the public policies in this country say that family farmers don't count. Family farmers don't matter.

That is what angers family farmers the most. They produce something of enormous importance to the entire world and are told it has no value. They are told that the farm bill is fundamentally bankrupt. The Freedom to Farm Act passed by this Congress several years ago is totally bankrupt. It ought to be repealed immediately.

Trade agreements, negotiated by trade negotiators who have done a terrible job and were totally incompetent, sold our farmers down the river.

So family farmers have a right to ask the question: Why can't we expect from this Congress, this Administration, and this country, a decent opportunity to make a living, a decent price for the food we produce, and a decent deal from trade agreements that are negotiated with other countries? Why can't we expect this country to stand up for family farmers?

A group from some farm States met this morning. We talked about how we will mobilize efforts to try to begin to provide two things. One, we need some emergency help—an emergency disaster relief bill to offset the income collapse which family farmers are facing. Second, we need a change in the farm program. We decided to seek a meeting next week with President Clinton at the White House. We will try to make sure this Administration proposes a robust disaster program and joins in proposing to change the underlying farm program to provide decent income support for family farmers when prices collapse.

Next week we will try to do that, meet with the President, and develop an emergency bill to provide disaster relief. Senator HARKIN and I proposed such a bill in the appropriations subcommittee. Senator CONRAD has proposed a number of ideas on how to provide disaster relief. I expect we will have to propose disaster relief somewhere in the \$10-billion-plus range.

This Congress has a responsibility to respond to this issue and to do it soon.

Second, to change the farm bill so family farmers have a safety net. Others in this country have a safety net. But somehow the suggestion was made that we can just pull the safety net out from under family farmers and that would be fine. Nobody will care. Families care. Farmers care. I do not want anybody standing up in this Chamber saying they are profamily and then turn a blind eye to the needs of family farmers. That is what has been happening.

If there were fires or floods or tornadoes that hit our part of the country and devastated all the buildings, the economy and the infrastructure, we would have folks rushing out there with help. We would have FEMA all set up in big buildings and tents, getting people in to give help. Everybody would be helping. In fact, you wouldn't even need a tornado. If some hogs got sick with a mysterious disease, we would have the entire Department of Agriculture trying to find out what

was wrong with the hogs. Only farmers can see their incomes collapse.

In our State, the incomes collapsed 98 percent in 1 year. Ask yourself, could your family stand a 98 percent loss in income? Could any Members of the Senate stand a 98 percent loss in their paycheck? Can wage earners stand a 98 percent loss in their wage? I don't think so. That is what happened to farmers in my State.

The question is, who is going to respond, when are they going to respond, and when is this country going to care whether we have family farmers left in our future? The answer for me is soon. The answer for me is now. Next week, we must expect to make progress with the President; yes, with the majority party and the minority party working together to try to provide disaster relief, No. 1, and a long-term safety net, No. 2.

I want to tell you about a fellow named Tom Ross who did something that I thought was unique in Minot, ND. Tom Ross is a newscaster with KMOT television. He got 48 acres just north and east of Minot, ND. He got some partners, and he planted 48 acres of durum wheat. His partners were experts in this area, seed companies, chemical companies, the Research Extension Service and so on. In 1997, they determined exactly what it cost, exactly what they planted, and exactly what they harvested, and what the outcome was. They did this on television to try to demonstrate the plight that family farmers were facing. Let me demonstrate what it was.

In 1997, they planted 48 acres, and they lost \$50 an acre. This is with all the experts weighing in with Mr. Ross, the newsman, saying here is how we do it. They did it, and they lost \$50 an acre. Next year, they planted the same 48 acres and they lost \$1,930 an acre. So in 2 years they have lost almost \$2,000 an acre on 48 acres of land. If you farm 1,000 acres, which is about an average size farm, slightly smaller than an average size farm in the farm belt, you would have lost \$50,000 just in that first year.

This year, Mr. Ross planted 48 acres of roundup ready canola. Last week, I stood out in that field just northeast of Minot, ND. We will see what happens this year. Given the price, given the circumstances, they expect they will lose some money this year.

The point is that on 48 acres with controlled circumstances and all of the experts to help, you have massive losses of income over three years. This is multiplied by every family farmer across the farm belt. Why? Because prices have collapsed, and family farmers have no safety net, at least not a safety net that is available to help them survive.

This is a unique experiment, and it shows in the clearest way possible that this is not about whether family farmers are good farmers. They are the economic All-Stars in our country. The project that KMOT did in Minot, ND,

demonstrates that when prices collapse, family farmers do not have a chance to make a decent living and someone has a responsibility to help. That someone is this Congress, this Senate, this President. And the time is now; not later—now. If we want to save family farmers for this country's future, we must take action now.

On Monday, I am going to talk about a paper that was just released by the Economic Policy Institute written by Robb Scott, "The Failure of Agriculture Deregulation," describing the failure of Freedom to Farm, the failure of our trade policies, and the selling down the river of family farm interests in this country by people who should have known better. I will describe that in more detail on Monday.

We do not have time to waste. We do not have time to wait. We must act and do so with great effect to try to help family farmers. The fellow who says I may not be able to farm anymore, at least is farming now. A whole lot of folks sold out long ago, and more are selling out every month and every week.

A woman called me recently and said her 17-year-old son would not come down to the auction sale when they were forced to sell. She says it is not because he is a bad kid. This young boy stayed up in his bedroom because he was brokenhearted. He wanted to farm that land so bad and take it over from his dad at some point. He knew when the auction sale was held that it was over for him. His dreams were gone. She said he was so brokenhearted he simply could not come down and participate in the auction sale of the family farm.

That is happening all across the northern plains, all across the farm belt. At the same time, the stock market shows record highs, and we hear about this robust economy. The economic all-Stars in this country, who produce so much of what the world needs, are being told what they produce has no value and their existence does not matter. Shame on this country if it does not stand up now and decide that family farmers have value. What they produce has enormous value, and family farmers are important for this country's future.

I am betting the energy exists with this President and this Congress to finally turn the corner and say we need to make a change. We need trade agreements that stand up for the interests of farmers. We need a safety net that says when farmers' incomes drop 98 percent, we stand to help because we care about you and your future.

The PRESIDING OFFICER (Mr. GREGG). THE SENATOR FROM MASSACHUSETTS.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. Mr. President, I ask unanimous consent that Jennifer Duck, a Labor Department detailee with my office, be granted the privilege of the floor.