that we have a responsibility to talk straight to the American people.

And let us remember that we have a responsibility to talk straight to each other. There are many great and urgent issues facing this chamber.

There must be a way we can talk.

Ed Muskie is gone. But we can keep his spirit alive in this chamber. The choice is ours.

In closing, I offer my deepest condolences to Senator Muskie's widow, Jane, to their children, and to his many friends the world over.

The PRESIDING OFFICER. If there is no objection, the resolution is agreed to.

The resolution (S. Res. 234) was agreed to.

Mr. DOLE. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DASCHLE. I yield the floor.

AGRICULTURAL MARKET TRANSITION ACT—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Indiana.

Mr. LUGAR. Mr. President, it is a privilege to bring before the Senate H.R. 2854, the Federal Agricultural Improvement and Reform Act. The farm bill that we are to pass after this debate will make the most sweeping changes in agricultural policy since the days of the New Deal. These changes begin a new era in which markets rather than Government will dominate farm decisions.

H.R. 2854 offers farmers more freedom to plant crops without Government constraint than they have had in decades. This legislation turns farm programs from an uncontrollable entitlement to a system of fixed and declining income-support payments. From now on, the Federal Government will stop trying to control how much food, feed, and fiber our Nation produces. Instead, we will trust the market for the first time in a long while to direct those signals.

Farmers during this time will not be left unprotected in a sometimes unforgiving world marketplace. H.R. 2854 provides new protection against export embargoes, ensuring that the United States will be a reliable supplier of agricultural products. The bill also strengthens our successful export credit programs, placing new emphasis on high-value exports that now constitute more than half of our overseas sales.

Back at home in this country, where resource conservation is increasingly important not only to producers but to all citizens, this bill offers new incentives to manage natural resources wisely. The Environmental Quality Incentive Program will share the cost of measures that enhance water quality and control pollution. The Conservation Reserve Program will be renewed through the year 2002, extending the many environmental benefits of that historic program.

This legislation will require more responsible use of taxpayer money. For example, until now, the Farm Services Agency has been compelled by law to make new loans to borrowers who are already delinquent. This bill will end that practice and other abuses of our lending programs.

H.R. 2854 reauthorizes food stamps and other important nutrition programs. It consolidates and streamlines rural development programs. It repeals dozens of outdated or unfunded Federal programs and requirements.

The President's spokesmen have stated that the President will sign this legislation with reluctance. I am not at all reluctant in my support. This is the best farm legislation I have seen in my congressional career.

Farmers who grow so-called program crops—wheat, feed grains, upland cotton, and rice—will be able to sign a 7-year production flexibility contract. They will receive 7 years of declining income support payments. These payments differ from the so-called deficiency payments now made under current law because the contract payments are unrelated to market price levels.

Farmers will be required to maintain their farm in agricultural use, to comply with some limitations on the planting of fruits and vegetables and to meet conservation requirements. The Federal Government will no longer tell them how many acres to plant or rigorously control their planting choices. This bill deregulates U.S. production agriculture.

As we approach the day when this bill will become law, I wish to salute the ranking Democratic member of the Agriculture Committee, Senator PATRICK LEAHY of Vermont. When he was chairman of the Agriculture Committee, I worked with him in a bipartisan way whenever I could. He has extended the same courtesy to me. H.R. 2854 is a better bill because of that partnership.

At the same time, I also want to praise the chairman of the House Agriculture Committee, Mr. PAT ROBERTS of Kansas. His tenacity led to reforms that a short time ago were clearly unthinkable.

However, those who most deserve this salute are the agriculture producers of the country that we all serve. They are the reason this Nation exceeds all others in the productivity of our agriculture system and in the abundance of our food supply. I am proud to be one of them. They deserve a Government that stands behind them without standing in their way. They want a farm bill that is designed for the new century. We have given that to them. That is what this bill represents. It heralds a future of opportunities, a future not without risk but full of challenge, and a future in which American farmers can compete, excel, and prosper.

Mr. President, the FAIR Act is, in fact, good for farmers for these reasons. First of all, flexibility. Under the FAIR Act, the act that we are debating this evening, farmers will be able to plant the mix of crops that best suits their climate, agronomic conditions, and market opportunities. That is extremely important. That is at the heart of this bill.

The United States stands at a remarkable point in history in which we have opportunities to supply markets all over the world if we are capable of fulfilling demand. Indeed, we will be more capable under this legislation. The opportunities for farmers to make money under the FAIR Act have never been better. That is a major reason why farmers support this legislation.

Simplicity: Farmers can enter into a 7-year contract and, in many cases, will not need to visit the United States Department of Agriculture again. Much of the endless rulemaking and many of the costly regulations that accompany today's farm programs will be eliminated. Certainly, farmers will know all the program parameters and the payment rates for the next 7 years at the time of signing. That signing, Mr. President, will occur in the 45 days following signature of this legislation by the President of the United States.

Under current programs, payment rates often change after program signup, and payments in future years are unknown. A known stream of payments, guaranteed by this legislation, will provide certainty to farm lending and all manner of farm business decisions.

Let me mention the factor of opportunity. Farmers will be able to adjust planting decisions to take advantage of market opportunities as they occur. Current programs force farmers to follow old planting patterns and U.S. Department of Agriculture regulations rather than profit opportunities.

Let me mention profitability. According to the Food and Agricultural Policy Research Institute, under FAIR, the act that we are discussing tonight, gross farm income will expand by 13 percent; net farm income will expand by 27 percent over the next 10 years. This occurs while Government payments to farmers decline by 21 percent during that period of time.

Growth: Farmers will be able to adjust plantings and take advantage of growth in the high-value processed product markets. Current programs often force farmers to limit plantings and plan for stagnant low-value bulk markets in order to qualify for the payments under the current programs.

The legislation that we are talking about is a revolution of consequence, perhaps the greatest in 60 years. I say that, Mr. President, because we are now in a situation in which the market-distorting target price system is replaced by one of certainty to farmers—but also to taxpayers, also to budget writers.

Let me explain for just a moment, Mr. President, how this works. In the

past, we estimated in the last farm bill—a 5-year farm bill, as opposed to the 7-year bill in front of us today—that the cost of this in terms of the outlays for the program crops of corn, wheat, cotton, and rice, would be $41 billion, or a little over $8 billion a year for those crop deficiency payments. But, in fact, Mr. President, it turned out that the bill cost $57 billion—$16 billion more. Taxpayers have asked Members of the House and Senate, ''How could you have missed the mark and estimated $41 billion, and it came out $57 billion?''

Well, Mr. President, the weather intervened, and various other legislative emergencies intervened. All sorts of things intervened. They always do in agriculture, given world conditions. Mr. President, we went out confidently from the last farm bill discussion in 1990 with a $41 billion item in mind, and it turned out to be $57 billion.

In this particular case, Mr. President, we define precisely the dollars that are going to be spent for these programs at the beginning, and they decline each year for 7 years. They are known to Congressmen and the press, and they are known to farmers at the time of signup. The farmer signs a contract and knows exactly what the payments are going to be for 7 years if he or she continues to farm, makes agricultural use of that land, complies with conservation requirements, and does not plant fruits or vegetables. Those are the only stipulations. That is a large difference, as I mentioned before. Having signed up, that is the last visit the farmer may need to pay to the CFSA office, or any other USDA office. That is a big change in the life of agricultural America.

Let me simply point out that the Government will no longer tell farmers which crops to plant. I have mentioned that before, but let me highlight that again.

Since the time that my father, Marvin Lugar, who was farming in Marion County, IN, in the 1930's, was forced to destroy a portion of his corn crop and a good part of the hogs that he had on the farm, under what were supply and control dictates of the New Deal—and I will just explain that again, Mr. President. The thought then was that if you left farmers to their own devices, they would always produce too much corn, too many hogs, too much of everything and that, in essence, supply would be overwhelming and the price would go down and farmers would fail. Therefore, the philosophy of the 1930's was that you have to control these farmers, you have to dictate what they can do and how much of it is permissible.

That has been our policy for the last 60 years. I must say, Mr. President, there is still, as farmers approach this bill, a certain amount of anxiety. If you have been in that straitjacket for 60 years, even if you did not like it, and you rebelled against the Federal Government and you gave speeches about how Washington ought to stop meddling in farming and you stood up at the county Farm Bureau and said, ''I want to get rid of the Federal Government altogether,'' still, when the moment of truth often came, people said, ''Where is the safety net?'' And will, in fact, people produce too much if there are no limitations?

One of the great ironies, as we approached this farm bill and debated it throughout 1995, and now into 1996, was that in 1994, we had a great, enormous corn crop in the country—10 billion bushels. Arguably, that is the first or second largest crop in the history of the country. Immediately, agricultural economists—including those of the U.S. Department of Agriculture—said we have to control this situation or the price of corn will plummet given this overhang of supply. And so they did. As a corn farmer, I experienced this on my farm, the same one I inherited from my father, Marvin Lugar, whom I cited. In my generation, in 1995, I was told I could not plant 7.5 percent of my normal corn historical acreage, to literally lay it aside—nothing there—in order to qualify for the farm program. Farmers were told that all over the country, deliberately, as Government policy. We curtailed 7.5 percent of the acreage of corn that normally would have been planted.

Well, Mr. President, USDA was dead wrong. The year 1995 brought unparalleled demand in this country. People were feeding livestock around the world with our corn. It also brought demand for our soybeans and for our wheat and, in many months, for our cotton. The whole situation in China changed remarkably. We debate these issues as if the only thing that counts is our domestic economy. But we know, as a matter of fact, that the foreign policy implications for agriculture are profound, and the most profound one in 1995 was that the Chinese no longer exported. They sent strong signals that they would be importers. The markets they were servicing became importers from us.

So, as a result, Mr. President, as we have this debate this evening, the price of corn is approaching historical all-time highs, largely because the carryover from the 1995 crop, which was a short one, as it turned out, aided and abetted by a deliberate decision of the USDA to cut corn plantings, turned up short. The price of corn is approaching $4 a bushel.

In the past, we had big arguments on the floor, whether it be that the target price of $2.75 was too high—but that is not even in play, Mr. President. The price of corn right now is in the $3.80's, $3.90's. There are elevators all over this country—as a matter of fact, Mr. President, if you were a corn farmer, you could sell your entire crop that you do not even have in the ground yet for something well above the target price; namely, the price that is used to establish the deficiency payment, the subsidy for corn. You could sell it all. You could even reach ahead another year and sell that crop, if you were confident of the number of bushels that you could produce. That is what market signals are all about.

Mr. President, I have no doubt that during the course of this debate, Senators will come on the floor, being unacquainted with agricultural economics, and not having any corn of their own in the situation, and will talk about the ''destruction of the family farm,'' and about a decline of income.

Mr. President, I hope that, as an antidote for those arguments, Senators will simply take a look at the price quoted in the newspaper tomorrow morning for cash corn and take a look at the futures markets on down this trail. They will notice a very substantial situation in our country for people who are farmers and who understand markets and who understand what we are about.

Mr. President, it seems to me that it is so important that we adopt this idea of looking toward markets. This hallmark of the bill really must be preserved. It is integral to the change that must occur if those of us who are farmers are to thrive in this coming economy.

Mr. President, I come before this body, as all Members know, as one who has 604 acres of land—about 250 acres, average, in corn; about 200 acres, average, in soybeans, each year. It is not a hobby farm. It is a productive farm, a profitable farm. It is a farm that has made a profit for many, many years. I come to this debate not as someone who is arguing on behalf of constituents entirely—although my constituents produce a lot of corn and beans in Indiana—but as somebody who has actually filled out the forms every year, who has had to comply with the rules of the game, who understands how farms might be more profitable, who attends every meeting of the Indiana Farm Bureau annually and, in the counties, talks to farmers to understand precisely what is at hand.

And I say, Mr. President, after 20 years in this body of debating farm legislation, this is the first time that I can go home to Indiana and say the future of agriculture is bright. We have an opportunity in terms of our upside potential for something magnificent for our generation of farming for those to whom we pass it along. I think that is critically important.

Mr. President, while we have tried to deal with this basic issue of freedom to farm we have also in both the House and the Senate attempted to deal meticulously with issues that are of importance to farmers all over this country county by county and locale by locale.

In the conference between the House and the Senate, staff identified close to 500 items in disagreement. In some cases the disagreement came because one House or the other did not even mention the item and, therefore, it was

new and we had to try to resolve it. But there was common interest. In the course of 2 days, Mr. President, because of the urgency of this legislation, Members resolved all of these issues.

This is why we were able to come tonight. The hour is late and we will not complete our work until tomorrow. But I want to give hope to farmers that tomorrow will be the day in the Senate in which freedom to farm comes to pass because that will be a great day for agriculture in this country.

I appreciate this opportunity to lay before the Senate tonight the essence of this legislation.

I reserve the remainder of my time.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Mr. CRAIG). The distinguished Democratic leader.

Mr. DASCHLE. Mr. President, Senator LEAHY, the ranking member of the Senate Agriculture Committee, had to attend to a family emergency and is therefore not able to participate in the debate tonight. I know that I speak for the Senate, Mr. President, in wishing him well as he attends to his personal business, and we look forward to hearing from him on this bill tomorrow.

Mr. President, I want to take just a few moments tonight. Let me begin by making a couple of general points.

First, let me commend the distinguished chairman of the Senate Agriculture Committee for his work on this effort. He and I may not agree on the final product. We certainly may not agree on how we ought to enact farm policy in this country. But I have no disagreement with him in the manner with which he has conducted his responsibilities as chairman. He is an extraordinary leader and a Senator who has earned profound respect on both sides of the aisle. And his skill and diligence in shepherding this bill to the floor again demonstrates why he is held in such high esteem.

I would like to draw attention tonight to how late in the season this bill is being considered. I hope that regardless of the outcome we would all agree that we should never allow legislation this important to be considered so late in a Congress.

We are dealing with the 1995 farm bill in March of 1996. It is almost April. There is no excuse for that.

I do not fault the distinguished chairman of the Committee. But I certainly fault the fact that in both houses of the Congress there appears to have been little priority given among our Republican colleagues to get this legislation to the floor in time to allow us to adequately consider all of these very controversial issues or in time to provide more certainty to farmers than they have been given.

There is no excuse for this delay. This legislation should have been passed—or at least considered—at a much earlier date.

I also take issue with the title ''Freedom to Farm.'' Farmers have had the freedom to farm—to do whatever they wish—for decades.

There is no requirement that farmers sign up for the farm bill. They are not compelled to live under the confines of whatever farm legislation we pass.

In every farm bill passed since legislation of this kind was enacted farmers have had the freedom to farm. Regardless of what happens to this legislation, they will continue to have the freedom to farm.

Permanent law guaranteed the freedom to farm. If people did not want to be required to comply with the regulations and the legislation as it was enacted, they had the right not to do so. There was no requirement.

So now those who have opposed farm programs are saying to farmers, you do not have the right to advantage yourself under farm legislation at the end of 7 years because we are going to take away your options with regard to freedom to farm or anything else. We are going to phase out the partnership the government has had with agriculture. I believe that is something that merits a great deal of debate. We ought to be discussing with a lot more care.

Regardless of whether or not this legislation passes—I assume it will—I have every expectation we will be back again next year dealing with this issue of the phaseout of farm programs.

I come to the floor tonight with the realization that there are some good things in the bill. I want to address those briefly. But first there are a number of things I find to be most difficult to accept, most problematic as I consider the advantages and disadvantages of this legislation.

Perhaps the most significant disadvantage I find in the legislation before us tonight is that it fails to provide the safety net we have always guaranteed farmers in those times when they found themselves in extraordinary circumstances, whether they be economic or natural.

Loan rates are capped. There is no opportunity for loan rates to go up. We all know what an important financial and economic tool the loan rate system has been in farm legislation for a long time. There is no opportunity now for loan rates to go up. They can go down. They will never go up.

The opportunity we provided farmers to store their own grain on their own farms—the freedom to store their own grain, if you will—is now denied farmers. The farmer-owned reserve has been eliminated. Why that is the case I am not sure. Why we do not give farmers the freedom to farm when it comes to storing their own grain is something that I will leave to others to explain.

We have eliminated the Emergency Livestock Feed Program. South Dakota had 10 inches of snow this weekend. Everything was shut down, while livestock producers are calving all through my State. The Livestock Feed Program is an extraordinarily important tool in times of disaster. This may not qualify. But there have been times just like this when it did, and farmers availed themselves of the Emergency Livestock Feed Program. But as a result of the passage of this legislation it is no more.

There is some flexibility but not for all. Vegetable producers are treated differently. Supposedly there is a signal from the market—not the Government. But I must say there is not a freedom to farm in all cases. Potato producers are not given the freedom to farm. Other producers that are still working under many of the same constraints they have had to work under in past years, and they are going to continue to be confronted with constraints in the future. We do not have the freedom to farm in all cases for all commodities under this legislation. So let no one be misled in that regard.

The deficit increases the first 2 years under this legislation by $4 billion—$4 billion in increased costs to the Federal Treasury. In large measure the reason for that is very simple. We will be paying farmers regardless of price. We will see record prices for wheat, perhaps record prices for corn, and we may actually also see record payments from the Federal Government to the same producers.

The ultimate effect of that will be very simple—somebody is going to pay. The taxpayers could be billed more than $4 billion in the next 2 years alone as a result of that.

Research programs are shortchanged. As one who had the good fortune to chair the research subcommittee in past Congresses, I am very concerned about sending exactly the wrong message on research—to say 2 years from now we will decide it is not enough. Research programs take longer than that. The clear blueprint we must lay out through research on what we intend to do in agricultural production, especially on the applied side of research, needs to be addressed. So to say that for some reason we will deal with that later, we will deal with that in a year or two, is just unacceptable.

Nutrition programs also are treated in the same manner. Food stamps, as everyone now knows, will only be reauthorized for 2 years in a 7-year bill. We are going to pay farmers for 7 years whether or not the price is warranted, but people on food stamps will only have the certainty of getting whatever assistance we can provide in this legislation for 24 months. After that, who knows. We did not say that about farmers, but we are going to say that about recipients of food stamps. You have kids out there who are getting less consideration than producers who may not even plant a crop.

Finally, Mr. President, of all the flaws, the one that I have alluded to in a couple of my comments tonight, the fact that producers, regardless of price, regardless of need, regardless of production, will receive a payment is something that I think is just unconscionable. We should not be in the business of doing that. It will come back to haunt us. It will come back to undermine the credibility of farm programs in the long run.

Nobody ought to be misled about that. It is wrong. Call it what you will—a transition payment, a deficiency payment—it is a welfare payment. It is wrong. Farmers are not comfortable with that. I do not blame them for rolling the dice, taking this legislation, with every expectation that Congress will come back at some point with clearer heads and a much better understanding of the importance of the partnership between our Government and our agricultural industry and recognize that some continuation of farm programs is necessary.

So if I were a farmer, I would say, ''Well, look, if I am going to get a good price and I am also going to get a good payment, why not take it? Why not accept it?''

If I were a farmer, as pressed as they are today, I would take it, too. I would not argue against it. But that does not make it right. Economically and financially, it is right for every farmer. If they have the chance legally to do it, they should do it. But as policymakers, it is not right for us, if we are providing huge payments to farmers at times when farm prices are as high as they are.

So, Mr. President, for all those reasons, I intend to oppose this legislation. I will vote against it tomorrow. I hope that we will come back and recognize that we can do better than this. We need to do better than this. While that may not happen in 1996, I hope it does happen early next year.

I commend the chairman and others for the balance they have shown in other areas. The fact that we continue the Conservation Reserve Program is a good aspect of this legislation, and I support it. I am pleased that people recognize the importance and the tremendous contribution to conservation the CRP now has made for many years.

I am pleased that the Fund for Rural America has been provided for in this bill, ensuring that we address the needs of rural America. One of the key opportunities for us in rural areas now is the one I hope this legislation provides in creating new value-added product development. Value-added product development is our long-term future in agriculture. Hopefully, through the Fund for Rural America, value-added processing facilities of all kinds can be considered, financed and built.

I also believe that the increased flexibility this legislation represents is something we ought to applaud. Simplification is something that I think is more uncertain, but I do believe the goal intended in this legislation to simplify our current program is something everyone supports.

Perhaps, of all things, retaining permanent law is one of the most important aspects of this legislation that I am very enthusiastic about and certainly appreciate having.

This farm bill, Mr. President, is long overdue. It did not happen in 1995. It will now happen in 1996. 1995 is wasted. It was tied to the budget—the first time this has happened since 1947. Unfortunately, it has taken too long. Unfortunately, we are now at a time when farmers need certainty more than ever. It is too late to start over. The winter wheat crop will soon be harvested. Southern crops are already in the ground. Midwestern farmers are already beginning to plan their planting for this year. They do not know what the farm programs will be until we enact them into law.

The time for action is long overdue. The President has indicated he will sign the farm bill. He is forced to sign a bad bill because of the late date. He, as I do, has deep concerns about the safety net and the decoupling this represents. He has pledged to propose new legislation next year. I believe the public will demand it in less than a year's time.

The bottom line is we have to go back and make improvements, do a better job in a constructive way of addressing the deficiencies that I have pointed out tonight. To paraphrase a famous actor in a popular movie, ''We will be back.''

I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The chairman of the Senate Agriculture Committee.

Mr. LUGAR. Mr. President, I yield 10 minutes to the distinguished Senator from Washington [Mr. GORTON].

The PRESIDING OFFICER. The Senator from Washington has been yielded 10 minutes.

Mr. GORTON. Mr. President, the distinguished chairman of the Senate Agriculture Committee, the Senator from Indiana, has spent much of his time over the course of the last year as a candidate for President of the United States. He traveled about the country, speaking calmly, without invective, with common sense to the American people.

The American people in large measure did not listen to that message, thoughtful as it was. In his usual gracious fashion, the Senator from Indiana, when that became apparent, withdrew, and endorsed the candidacy of our joint good friend, the majority leader of this Senate.

I must say that in some sense the loss of the people of the United States in that candidacy directly resulted in the great gain to the people of the United States in the construction of this farm bill, the most dramatic change in agricultural policy since the 1930's, one of great thoughtfulness and great promise not only for our agricultural community but for the people of the world in providing for them more and better food prospects.

So I express my deep gratitude to the Senator from Indiana for the job he has done for the people of the world, the people of the United States, and most specifically the farmers and agricultural businesses of the State of Washington.

I cannot let this part of my remarks go without also remarking on the actions of the Acting President of the Senate, the Senator from Idaho. I believe he is the only western member of the Agriculture Committee who specifically directed his attention at the needs for various policies for the farm community of the Pacific Northwest. We share extensive wheat ranching, and his attention to the problem of those ranchers is a matter for which I am most grateful. But particularly the Senator from Idaho was an eloquent advocate of the so-called Brown amendment during the conference over the farm bill. That was an issue of great importance, not just to people in agriculture but to people in cities and towns and communities all over the West.

The President of the United States, in his State of the Union Address, repeatedly spoke about a smaller and less intrusive Government. But agency after agency in his administration in Washington, DC, has been busily attempting to aggrandize more and more control over the lives of the people of the United States and most particularly over their lives in the West, where water is such a great necessity. This aggrandizement was particularly evident as the administration's Forest Service has been attempting to require water permit holders, some with permits more than 100 years old, in many Western States literally to donate to the Forest Service a significant portion of their water rights as a condition for the issuance or reissuance of their permits.

Led by the Senator from Idaho, the conferees agreed at least to an 18-month moratorium on these Forest Service demands. They agreed to create a water task force to study Federal water policy and water rights across Federal lands, and no later than 1 year after the enactment of this bill to submit recommendations to the Congress on how best to resolve the controversy.

Obviously, I would have preferred, as the Senator from Idaho would have preferred, to see language that would have permanently prohibited the Forest Service from this practice. But at least this gives us relief for the time being and an opportunity to take an objective look at these demands and to deal with them at length in the Congress later. So I must say that Washington State agriculture thanks the Senator from Idaho for his magnificent work in that connection.

Overall, the 1996 farm bill is a wonderful step forward. As a member of the Senate Budget Committee, I am delighted it makes a contribution toward a balanced budget both, as the Senator from Indiana said, in allowing us precisely to determine how much money will be spent with respect to income support and in the promise of a significant contribution toward a balanced budget within a 7-year period.

Even more significant is the fact that this bill is a dramatic step toward a free market economy in agricultural policy. Farmers and ranchers all across

our country have asked for freedom from Government regulation, for the right to farm to the market rather than to particular programs, and to be able to respond to the demands of emerging world markets. No longer will farmers be told by the Federal Government what crop to plant, when to plant it, and how much to plant. These decisions ought to belong to the farmer, and now they will belong to that farmer.

One other detail: I am delighted to see the conferees agree to authorize the Market Promotion Program, I believe now called the Market Access Program, at $90 million. This program is vitally important to all agricultural exports. It is particularly important in Washington State. In the last decade, for example, we have seen an increase in apple exports from 4.3 million cartons to 25.1 million cartons, an increase of more than 500 percent, enriching growers in the State of Washington and making a real contribution to lower our trade deficit. The Market Promotion Program has made a significant contribution to that increase.

With the implementation of the General Agreement on Tariffs and Trade and the North American Free-Trade Agreement, we will see an increased demand for agricultural exports. I believe that both will successfully open new worldwide markets for United States agriculture. As a consequence, we need to provide our farmers with the ability to develop, maintain, and expand commercial export markets, and the Market Access Program will help us do exactly that.

As does the President, I believe in a smaller and less intrusive Government. The 1996 farm bill represents that less intrusive Government, a Government with faith in its farmers, its ranchers, and its local communities to make decisions for themselves. Simply put, this farm bill puts the decisionmaking process back into the hands of the farmer and gets the Federal Government significantly out of the business of telling our farmers how to farm. I enthusiastically support its adoption and its transmission into the law of the United States.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from Nebraska.

Mr. EXON. Mr. President, I yield myself 15 minutes off the time allotted to the minority leader.

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

Mr. EXON. Mr. President, all my life, before and during my last quarter of a century of continuous high service as either the Governor of Nebraska or the last 18 years as a Member of the U.S. Senate, having the great honor of representing the great State of Nebraska, there can be no question—and the record will show—that I have been an outspoken supporter of farm legislation, farmers, and what is good for rural America. With that background, I simply want to say about the farm bill that will pass tomorrow, without my support—it will pass, the die is cast, it is all over—but we cannot allow this to go forward without reviewing once again many of the concerns that myself and others from the Farm Belt have with regard to this legislation.

No. 1, if you remember back last year when we were having the budget debate—and I happened to be the ranking Democrat, the lead Democrat on the Budget Committee—we heard all these wonderful things about how we are going to take that farm program and we are going to help balance the budget in the year 2002 by reducing it. There were the magnificent figures bantered about as to how much we could save by the farm bill that the Republican majority was going to pass.

Obviously, I say, as a farm supporter all my life, this conference report is a sham as far as sound agricultural policy is concerned, and it is a sham as far as the taxpayers are concerned. According to the Congressional Budget Office, this conference report which we will vote on tomorrow will cost $3.2 billion more than the current law for 1996 and $1.4 billion more than current law in 1997. There is no savings, as the chief of staff of the Republican Budget Committee has said publicly.

So if anyone thinks that this measure contributes anything to balancing the budget, the opposite is true. That would not be so bad if we were taking this money and applying it as a safety net. That is what the farm programs have always been about, providing a safety net, not dishing out money to farmers for doing nothing.

This conference report is also a sham to farmers. The so-called 7-year contract with the transition payments stick out like a sore thumb. In future budget negotiations and allocations, reductions, in my view, are all but inevitable, when everyone finds out what this ill-advised bill does. Once again, let us have a thorough understanding that there were those of us who offered legitimate, reasonable proposals that gave the farmer all the flexibility that the farmer has under the so-called Freedom To Farm Act and allowed the farmers basically to plant what they want and get away from all that redtape, but that was not good enough.

This conference report, in addition to all its other shortcomings, goes right at the safety net. And the safety net, I should explain, is something that has been inherent in farm policy as long as we have had farm policy, and that is to provide a safety net for family-size farmers when the prices of the product that they raise, for whatever reason, was drastically low.

Those of us who understand agriculture, and I might say that there are people on both sides of the aisle, people who are for this program and people who are against it, who probably are very well-intentioned, but I am very fearful that this Freedom To Farm Act, or its successor, whatever you want to call it, is built around transition payments that are supposed to phase out in 7 years, the year 2002, when the budget is supposed to be balanced.

There were also those of us who have advanced policies to balance the budget in year 2002 with a workable farm program, which I think this one is not. Example: The conference report retains a cap on loan rates. Loan rates are historically what the farmer used as his safety net. He could borrow money at so much a bushel and store that commodity and sell it at a later date if the price went up. He had that option. Or if the price stayed the same or went down, he would forfeit the crop.

These levels are inadequate in this bill: $1.89 for corn and $2.58 for wheat. For all practical purposes, that is the end of the farmer-owned reserve which was always a major portion of stability and the safety net that has served us, not perfectly, but well.

The conference report is bad particularly, I suggest, for beginning farmers. Older farmers who have their land paid for will cruise toward retirement with a large amount of a hefty taxpayer-financed billions of dollars. I do not think there is any question but what we will hear more and more about these welfare payments to farmers because that simply is what it is. But this is only good for 7 years, we should understand.

This may be very good news for dad, but it sure is bad news for the son or daughter who may want to take over the farm after dad retires in the year 2002, because then, I assure you, that when this program and the cost of the program is fully explained to the people, the well will be so poisoned that we will never have the votes for a workable farm program.

All my public life, in defending and protecting farmers and rural America, I and others of us on both sides of the issue before the Senate, I might add, have fought continually to explain the need for a sound agricultural policy in America.

How sound is it? Pretty good. Most of the people do not understand that while they might think food costs are too high, the facts of the matter are, Mr. President, that the people of the United States of America have reaped the benefits of a sound farm program. We in the United States of America have the cheapest food costs of any nation in the industrialized world.

I simply say that this particular Freedom To Farm Act, with its hefty payments from taxpayers to the farmers of America, is sure not good for the farmers who want to take over after that 7-year period.

How good is it? Well, Mr. President, there has been talk on the floor tonight about, I believe one speaker said this bill is a chance for a farmer to make more money than ever before—I tend to agree with that—in many instances, maybe for doing nothing.

This particular measure authorizes an expenditure over 7 years of $47 billion. Do you know what, Mr. President,

$36 billion of that $47 billion will go out for payments that another speaker in this regard said is good, because then we will know exactly how much money will be spent for price support programs. We sure do, and we know what it is going to be for 7 years—$37 billion.

That $37 billion will go out under a formula that has nothing to do with what the price of the commodity is that the farmer raises. It will have nothing whatsoever to do with the price that the farmers receive for the products of their labor in the marketplace. He or she will be making his own decisions. But I say to you, Mr. President, I do not think it is fair, I do not think it is reasonable.

The old farm program that a lot of people have criticized—and there are reasons to criticize it—the old program basically provided a safety net, and we did not pay the farmers anything if they were getting a fair and decent price for their product.

Most farmers will agree that if you are a corn farmer making $3.50 a bushel, you should not receive any money from the taxpayers or the Government of the United States of America. But most farmers would agree that if the corn would not be at $3.50 or $3.10 or $2.75, maybe down to $2, certainly somewhere in that framework, should be a trigger mechanism that would kick in as a safety net to help the farmers when they need help and not help the farmers when they do not need help.

Mr. President, as I said when I started out, the die is cast, and a week ago when some of my colleagues who were against this bill said they would request that the President veto it because it was so bad, I said I was not going to request the President to veto this farm bill. We have fought the good fight. We have had a chance at least to make the case that some of us very firmly believe in. But the facts of the matter are, we are the latest ever in passing a farm bill, and that is hurting the farmers because we are in the planting season.

So, as bad as this bill is, I do not suggest that the President veto the bill because with all of the other partisan battles that we have going on right now with regard to the budget, we could get ourselves in the position where we would have the same inefficient manner of managing the farm programs as we do in managing the overall Government of the United States, with a series of continuing resolutions, and evidently we are going to have the 11th and 12th continuing resolutions to fund this fiscal year, and this fiscal year is already halfway over. Pretty bad record. We should do things the right way.

I talked a few moments ago, Mr. President, about how I thought this program was wasteful. I cited the figures that are available with regard to what this is going to cost. The total cost of $47 billion; $36 billion of that will go directly to farmers, as another speaker said, with a chance to make more money than they ever made before.

I think it is wonderful. I support the concept of the marketplace. When the farmer can make a good living, an outstanding living, by relying on the price of the marketplace, that is fine with me. That is the way it should work. But what this particular measure overlooks is that there is no safety net, and there will not be after 7 years when the price goes down.

If I might, Mr. President—and I yield myself what additional time I might need under the time reserved for the minority leader—I would like to explain to the Senate just how bad this program is and how I think the well will be poisoned so that we can never ever again muster the votes in the House or the Senate for a workable farm program.

Under the freedom to farm bill, with its transition payments—let us talk about what those are. I would like to give you a specific or two. Under the act that was passed, let us take a 500-acre corn farm—that is not small; that is not big; that is probably somewhere near the average—a 500-acre corn farm that has a yield of 120 acres per bushel—and that is not a high or a low yield; that would be somewhere in the middle, somewhere in the average—and the cash market price that that farmer received for growing 120 bushels on a 500-acre farm, you multiply that by a cash price in the marketplace of $3.10—and it is near $3.40 today, so this is just an approximation—you take the 500 acres at 120 bushels per acre, that is 60,000 bushels, and you measure that 60,000 bushels by the cash price of $3.10, Mr. President, and you find that that particular farmer would have a gross cash income of $186,000 for 1 year. That is not net; that is gross.

Under the transition payments that are embodied in this particular measure, that same farmer would receive an additional check, which I can only say is probably welfare, of $22,000 from the Government on top of the $186,000 of gross cash income, obviously for a gross income of well over $200,000.

There is nothing wrong, Mr. President, with the present situation of a good price in the marketplace for corn. But it is terribly wrong, in my view, when we are trying to cut down the costs of Government and when we are attacking welfare payments that have to be cut, to envision, as has been described on the floor of the U.S. Senate, that these transition payments will continue regardless of what happens.

That means, Mr. President, that even if the farmer does not plant a crop under the example that I just gave, if he did not do anything, he would receive the $22,000 payment, I guess, for owning the land.

Mr. President, I am very concerned about this bill. I will not take any further time of the Senate tonight because, as I said, the die is cast. I will vote against this bill tomorrow for the reasons that I expressed tonight. If anyone should ever be interested in the further details, I would make reference to the CONGRESSIONAL RECORD of March 12, 1996, when this Senator went into great detail and cited background material from many others who understand farm policy and why we are voting against this measure.

It is bad farm policy. It is bad Government policy. But I certainly agree, Mr. President, that it is good for the established farmer over the next 7 years. Let me put it this way: If you are a 57-year-old farmer today, with your land paid for, you are going to have not only a good income, but a handsome income for the next 7 years. If you are 57 or 58 years old, which the average farmer in the United States is today, and you accept this program, you are going to be in pretty good shape, I would suggest, for the next 7 years.

But what about the son or daughter who wants to take over the farm? This measure, I emphasize once again, in my opinion, will so poison the well that we might never be able to have the stability that is necessary, because farming is a risky and expensive business, to provide the safety net that I think is absolutely essential for the stability of our farms after the year 2002.

I do not want to be overcritical of many of my friends that I have worked with on farm policy for a long, long time. They may have—I am sure that they do have—sincere beliefs that this is a good farm program. My experience and my study of the bill indicates that that is not the fact. But I also realize and recognize that the majority in the House and the majority in the Senate do not agree with me. I think the President has no option, given the late date that we are finally getting around to passing a farm bill, that this measure, against my wishes, will become the law of the land. We will see how it works out for the next 7 years. I reserve the remainder of my time. I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, let me say in partial response to my distinguished friend from Nebraska, I appreciate his gracious comment, even though he is in opposition. I agree with him when he points out that farmers who are 57 years of age and older will find this farm bill to be an exceptionally generous farm bill. That includes, as the Senator from Nebraska has pointed out, a large number of farmers in this country.

As the distinguished Chair was also a farmer, I understand, this is one of the points of concern for us in farming, the maturity of that group. But we are in agreement that this bill is good news for a majority of farmers in this country who are out there and who have some age and have had some experience.

The issue the Senator from Nebraska raises is, what about their sons and

daughters? What will happen to them? Here, honest Senators will disagree. My own view, having four sons, and trying very hard to make certain that the farm can be passed along to them, as my dad passed along the farm that I now farm to me, I have a lot of optimism for them.

I believe, Mr. President, that the income that will come to farmers in the next 7 years will lead to an increase in land values. I believe the Lugar farm will be worth a great deal more in 7 years. I believe there will be income throughout that 7-year period of time which will make it even stronger than it is now. That is the legacy we pass along. We do so, I think, as farmers, as Senators, as people trying to deal in good farm policy.

Let me just point out that the Senator from Nebraska is correct that the loan rate for corn at $1.89 does not change in this bill. It is capped. Mr. President, we have already discussed the fact this evening that the cash price of corn in some elevators around the country approaches $4. The Senator from Nebraska pointed out, using perhaps an average price predicted for 1996, $3.10, which is well above both the target price and the loan rate. The loan rate simply is irrelevant with the price of corn at $3.10 or $3.90. It does not come into play.

The Senator might remind me what goes up comes down, and cycles curve. I understand that, Mr. President. This is one reason why a safety net is pertinent. The distinguished Senator has pointed out the safety net is gone, but, in fact, the safety net is alive. We are arguing maybe about the size of it. The Senator from Nebraska gently reminds us the safety net is very large in the coming year, citing the 500-acre corn farm at 120 bushels an acre and $3.10 per bushel. There will be a payment to that farmer, and it does not come because of market conditions; it comes because of this bill. It comes 7 years in a row because of this bill. That is quite a safety net. It is there because we are in transition, Mr. President, from whatever we have now to the market, to the unknown, to risk. We are mitigating that risk by having a very substantial safety net.

The Senator raises the correct question: What, after the safety net, happens after 7 years? Mr. President, as a part of this farm bill, the distinguished minority leader, Senator DASCHLE, pointed out this evening one of the things he likes best about the bill we are considering is that permanent farm law is continued.

That means, Mr. President, that the Agriculture Committees of the Senate and the House must return to this subject at some point prior to the end of 7 years. The reason why maintenance of current law forces that is because that law is totally irrelevant to current conditions. It would be terrible legislation, wreaking great hardship on many farmers. Many have felt that is why you leave it there to force the Senate and the House to reconsider, again and again, the pertinent conditions and the timely conditions.

So we will do that for better or worse. We will do that. We will take a look at the conditions as they pertain before the end of 7 years are over.

Mr. President, we have had a good debate this evening, and I will not prolong it. I did want to make those comments as I have listened carefully to my colleague.

Mr. COVERDELL. Mr. President, we are finally drawing to a close on what has been an exhausting, often contentious, but extremely rewarding 18-month process of deciding the future of American agriculture. Our efforts culminate today in final passage of the 1996 farm bill, appropriately titled the Federal Agricultural Improvement and Reform Act. Mr. President, the title of this legislation is appropriate, because I truly believe we have improved our agricultural programs, while making the reforms necessary for American farmers to compete in an increasingly global market. The most important aspect of this bill is that we have accomplished reform without jeopardizing our fragile rural economies in the process. As an active member of the Agriculture Committee, I can attest that we have been very careful to allow for economic adjustment in these communities, and have allowed our farmers the opportunity to participate in the decisionmaking process. This is Democracy at its finest.

The new farm bill is benevolent in its flexibility and in maintaining establishing a traditional safety net for producers. No longer will farmers in my home State of Georgia be required to simply plant for the program. These farmers can now evaluate the market conditions and plant the crops that will allow them to reap the greatest profit. This liberation of our hardworking farmers will, I believe, also lead to greater export potential as production levels for the higher-demand products will rise. The bill, most importantly, will protect farmers by maintaining standard marketing loan structures while providing market transition payments. This framework will promote economic stability in many of our poorest counties. In addition to these basic farm programs, we reauthorize important discretionary programs under the Trade, Nutrition, Conservation, Rural Development, Research, Promotion and Credit titles. These programs are vital to the State of Georgia. They will allow for continuing research efforts at our university system, will provide nutritious meals for Georgia schoolchildren, will keep Georgia soil on Georgia fields, will maintain active rural lending along with an array of other integral functions. In sum, this farm bill is simply good for Georgia and the Nation.

I would like to commend my colleagues on the Agriculture Committee in both the House and Senate who helped develop and guide this legislation carefully through both bodies. They have performed rural America a great service. Too often, it seems, agriculture is overlooked and criticized by the public, and some in Congress, who have limited knowledge of its importance to our national security. A strong agricultural sector is imperative to a strong America. We in the farm sector must take this message from the fields to the kitchen tables to communicate what agriculture really means to our citizens. Foremost, we must challenge ourselves to build our agricultural communities through increased trade and industry, and work with our farmers to develop ways to maximize their returns both on the farm and at the bank. This will be our ultimate test over the next 7 years of this bill.

I would especially like to thank those producer groups in Georgia who were so very helpful in our efforts to craft programs most important to my State. Producer-based reforms were the key to this legislation, and those in the peanut, cotton and dairy sectors were extremely helpful to me and my staff in these efforts. Congratulations to the University of Georgia, the Georgia Farm Bureau, the Georgia Peanut Commission, the Georgia Peanut Producers Association, the Georgia Milk Producers Association, the Georgia Cotton Council, the Georgia Cattlemen's Association, and the Georgia Pork Producers Association for their tireless efforts. While many other Georgia organizations contributed, these were the people most involved with my office in this process, and this is their victory. Each of these groups made the tough decisions necessary to achieve the bill's budgetary savings of approximately $2 billion and create more market and budget competitive programs for the future of agriculture. I have relied upon these groups' collective counsel in the crafting of the 1996 farm bill and look forward to our continued work together as we confront the many new challenges agriculture will face in the 21st century.

Mr. COCHRAN. Mr. President, this bill makes significant reforms of our Nation's longstanding agricultural policy. Farmers will no longer be forced to plant the same crops year after year to receive assistance, allowing for greater crop rotation and flexibility. Farmers will be able to make planting decisions which are in their own economic interest.

I am pleased that this farm bill retains the same operating provisions of the successful Marketing Loan Program which were contained in current law. This program has proven to be greatly beneficial for commodities such as cotton and rice. The Marketing Loan Program continues to achieve the objectives of minimizing forfeitures, the accumulation of stocks, and government costs while promoting competitive marketing in domestic and international markets. In order to maintain consistency in the operation

of this program, it is the intention of the managers of this conference report that the Secretary of Agriculture extend the provisions of current regulations governing entry into the marketing loan and establishment of the repayment rate. Also, it is the intention that the Secretary of Agriculture continue to establish the prevailing world price for upland cotton in the same manner utilized for the 1991 through 1995 crops.

This farm bill preserves and enhances many of our successful environmental and conservation programs. For example, the Conservation Reserve Program is reauthorized and existing participants are eligible to reapply upon expiration of their contracts. The Wetlands Reserve Program is reauthorized with modifications to allow for non-permanent 30-year easements. I am very pleased that a program which I introduced to enhance our Nation's wildlife population was included in the conference agreement. The Wildlife Habitat Incentives Program is a new cost-share program for landowners, which will promote the implementation of essential management practices to improve wildlife habitat.

Failure to pass this farm bill conference report would cause a great deal of confusion and economic hardship for many of our Nation's farmers. This outcome will not be acceptable for farmers, consumers or taxpayers. Our farmers are ready to go to work now, but they need to know what the programs are going to be so they can make rational and thoughtful decisions. The Government's role in providing stability and an orderly transition to a market economy in agriculture is very important, and our commitment to this goal can be seen in this farm bill conference report.

This farm bill ensures our commitment to protecting and building upon our public and private investments in agriculture and rural America. Mr. President, it is time to act and I urge my colleagues to support passage of the farm bill conference report.

Mr. LUGAR. Mr. President, I point out that these Senators, Senator COVERDELL and Senator COCHRAN, are distinguished members of the Agriculture Committee and have contributed substantially to the legislation we have before the Senate.

I point out, Mr. President, that the CBO budget scoring for this farm bill for the conference agreement on H.R. 2854 comes in at a savings of $2.143 billion under the December 1995 CBO baseline. I simply state that as a matter of fact, because there has been argument as to whether there is a budget implication. I am simply pointing out there is. It is down $2.1 billion, and the baseline of December, 1995, as the Chair knows, is significant, because that came after this abundant year of good farm pricing that we have had.

Those farm prices meant a savings to the taxpayers of about $8 billion. If we had been scoring this, as the Chair knows from his service on the Budget Committee—and on this very subject, he authored legislation to try to make certain savings at least were reasonable—as I calculate it, the savings during the year through the market were about $8 billion, and $2 billion more is going to occur in this 7 years. That is substantial change in terms of the budget of the United States. I think that is important to introduce.

Mr. EXON. I yield myself off the time of the minority leader.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

Mr. EXON. Mr. President, I think the Senator from Indiana knows my high respect for him. We have worked together on many occasions over the years. I happen to think that he was one of the better qualified Republican candidates for President of the United States, and I saw the gentlemanly type of campaign that he ran. I was rather surprised that he did not catch on more than he did, but then, gentlemen do not always win.

We are at odds under the present bill. My point is, I want to drive it home once again, the Senator from Indiana indicated that the Agriculture Committee will monitor and look at this program as we go down the road. My point is—and I might be wrong, and I hope I am—but the farm program that is initiated with this freedom-to-farm act and the transition payments that go therewith, will so poison the well that even if the Agriculture Committee of the House and Senate think changes should be made, the public mood at that time will be to say, ''What are you telling us? You have been giving this money away, chunks of billions of dollars, whether corn is $3 a bushel or $4 a bushel, and now you want to change it.''

The main difference of opinion on this whole matter between the Senator from Indiana, my friend, and myself is that I do not think the concept that he is outlining, while it sounds like a better scenario to me than what this bill is intending to do, I am simply afraid there will not be the votes in the Senate or the House to make changes that the Senator from Indiana has at least indicated might be made and might be recommended at some further date. That is the crux, I think, of the difference between the point of view being expressed by the Senator from Indiana and the Senator from Nebraska.

I yield the floor.

Mr. LUGAR. Mr. President, I ask for the amount of time that remains under the control of the three Senators.

The PRESIDING OFFICER. The Senator from Indiana controls 84 minutes; the Democratic leader controls 138 minutes; and Senator LEAHY from Vermont controls 60 minutes.

MORNING BUSINESS

Mr. LUGAR. I ask that there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

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

HOW MUCH FOREIGN OIL IS CONSUMED BY UNITED STATES? HERE'S WEEKLY BOX SCORE

Mr. HELMS. Mr. President, the American Petroleum Institute reports that, for the week ending March 22, the U.S. imported 6,594,000 barrels of oil each day, 347,000 barrels more than the 6,247,000 barrels imported during the same period a year ago.

Americans now rely on foreign oil for more than 50 percent of their needs, and there is no sign that this upward trend will abate. Before the Persian Gulf war, the United States obtained about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil—by U.S. producers using American workers? Politicians had better ponder the economic calamity that will occur in America if and when foreign producers shut off our supply, or double the already enormous cost of imported oil flowing into the U.S.—now 6,594,000 barrels a day.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, March 26, 1996, the Federal debt stood at $5,066,587,916,694.66.

On a per capita basis, every man, woman, and child in America owes $19,154.54 as his or her share of that debt.

PROPANE EDUCATION AND RESEARCH ACT

Mr. FAIRCLOTH. Mr. President, I rise today to speak on behalf of the Propane Education and Research Act.

Mr. President, North Carolina depends heavily on the use of propane as an energy source. As a matter of fact, our State ranks as the sixth largest consumer of propane fuel in the country—consuming over 500 million gallons in 1994 alone.

Propane is a low-cost energy source. For this reason, residential and farm use is abundant throughout our State.

The propane industry has recognized that consumption is on a steady rise. To respond to the increased demand on the industry, producers and marketers have recognized a real need to launch a research and development program of their own. They know that a strong research and development program would increase the safety of propane, create greater efficiency in its use. and assist them in exploring the endless opportunities of new usages.