

comparative advantage is taken away by foreign subsidies.

Today's commercial farm is a high-tech, capital-intensive enterprise. The implications of this evolution in farm organization and management are not understood nearly as well as they should be. The relatively large gross sales of farming operations lead many people to believe that farmers have no need for government programs. The truth of the matter is that the narrow margins on sales of agriculture commodities are simply not adequate to compensate for the tremendous risk associated with today's capital-intensive farming. Neither a prudent farmer nor his banker would consider making the kind of investment currently necessary for commercial agriculture production in the absence of either a farm program that provides the producer with a safety net or much higher market prices that are commensurate with the investment and risk involved.

There is a rather badly misplaced belief that the new General Agreement on Tariffs and Trade will do away with agriculture subsidies around the world, after which U.S. agriculture should be able to take advantage of its competitive edge. If, in fact, GATT did away with subsidies, U.S. agriculture would be generally well positioned, with its vast agriculture land resources, favorable climate, unequalled technology and excellent processing, handling and transportation infrastructure.

The United States offered during the early stages of GATT negotiations to end agriculture subsidization, but no other country would hear of it. They cannot compete with us without government help. The final agreement requires very minimal changes in the subsidy programs of other nations. So U.S. agriculture will continue to be confronted with a system of foreign subsidies that undermines our comparative advantage in agriculture production and marketing.

It is no accident or quirk of fate that every American enjoys the lowest-cost and best available supply of food and fiber in the world. This prized result came about because of American ingenuity and successful farm programs that have enabled U.S. farmers to compete worldwide and produce an abundant supply of food and fiber for domestic consumption. And it has happened in spite of foreign subsidies, tremendous natural disasters and the huge financial risk associated with farming.

The agriculture reforms suggested in this newspaper's editorial already have been set in motion. A massive reorganization and downsizing of the U.S. Department of Agriculture and the total revision of the federal crop insurance program are but two examples. Farm program spending (which makes up less than 1 percent of the entire federal budget) has been cut by two-thirds since 1986. This is not "trimming," as the editorial suggests; this is slicing and dicing. If the rest of this nation's federal spending had been reduced by half as much as agriculture, we would be running a federal surplus.

A review of farm programs is certainly in order during 1995 as Congress considers new farm legislation. We would be the first to admit that farm programs are not perfect, and that some farmers have taken improper advantage of them. But on balance, it is safe to say that farmers are no more or less likely to cheat than any other person. Responsible lawmakers should not ignore the plain success of U.S. farm and nutrition programs. Abolition or weakening of programs whose success can be measured every day does not qualify as needed reform. It would be imperiling a 21-million-job industry.

I believe the new secretary of Agriculture and those in Congress responsible for writing the laws will know the difference between so-

called reform and preserving an industry-government partnership that returns enormous benefits to the American public.

Mr. COCHRAN. Mr. President, I thank my good friend for permitting me to make that unanimous-consent request.

Mr. DOMENICI. The Senator is welcome.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico [Mr. DOMENICI] is recognized for up to 15 minutes.

Mr. DOMENICI. Will the Chair advise me when I have used 10 minutes?

The PRESIDING OFFICER. The Chair will so advise.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 298 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

PROTECTION OF MEDICARE

Mr. KENNEDY. Mr. President, yesterday the Speaker of the House addressed the American Hospital Association. His comments should be reviewed by every Member of the Senate and by the American people as well, because they are an unmistakable preview of what we can expect if the constitutional amendment before us is enacted and of what the Republican Contract on American really means.

The Speaker said that Medicare would be "rethought from the ground up." He said that he would "make every decision within the context of getting to a balanced budget."

I am not surprised by the Speaker's words, because the fact is that you can't balance the budget, protect defense spending, and provide billions in tax cuts for the rich without savage cuts in the Medicare Program. If Social Security is kept off limits, the Treasury Department estimates that Medicare would have to be cut by \$77 billion by 2002—an almost unthinkable 31 percent of projected program outlays. If Social Security is also cut, the reductions would still be 21 percent of program costs—nearly \$2,000 less Medicare for every senior citizen.

Speaker GINGRICH and the other authors of the Republican contract don't seem to know or care how dependent senior citizens are on Medicare. Even without any Medicare cuts, senior citizens spent an average of \$2,800 out of their own pockets for health care last year. This is four times what nonelderly Americans spent. Just 7 years ago, in 1987, senior citizens had to spend 15 percent of their income for medical care—and that was too much. Today, that proportion has soared to 23 percent—almost \$1 in every \$4 of limited incomes that are already stretched to pay for food, housing, heat, clothing, and other essential expenses of daily living. Senior citizens should be paying less for medical care, not more.

A word we are hearing more and more from our friends on the other side of the aisle is restructuring the Medicare Program. All of us are interested

in improvements in Medicare, but restructuring is a barely disguised euphemism for forcing seniors into managed care and cutting benefits. Senior citizens should have the opportunity to join managed care plans—as many do today. They should be entitled to share in any savings from managed care in the form of better benefits and lower premiums—as many do today. But we should vigorously oppose any scheme to balance the budget by cutting Medicare and forcing senior citizens into managed care programs that deny them the freedom to go to the doctor of their choice.

When Speaker GINGRICH and his allies talk about a balanced budget, they don't seem to be very concerned about the budgets of American families—and particularly the limited budgets of our senior citizens. When they talk about freedom from big Government, they don't seem to be very concerned about the freedom of senior citizens to go to the doctor of their choice. But I say those are the budgets and the freedoms that we ought to be protecting, not attacking.

The distinction between Medicare and Social Security is a false one, because Medicare is a part of Social Security. Social Security and Medicare are the twin pillars of retirement security for millions of senior citizens. Like Social Security, Medicare is a sacred compact between the Government and the people. It says, "Work hard all your life, pay your dues, and we will guarantee you security in your old age." We have an obligation to protect that compact, not only for today's senior citizens but for their children and their grandchildren, for all of us, if we are fortunate, will some day be old.

When Republicans in other years tried to break the promise of Social Security, senior citizens and their families all over this country told them that the answer was "no." And the Congress responded. Today, it is time to say to NEWT GINGRICH and his friends that, when it comes to breaking the promise of Medicare, the answer is just as resounding and just as unequivocal. And once again, the answer is "no."

The PRESIDING OFFICER. Under the previous order, the Senator from Louisiana [Mr. BREAU] is recognized to speak for up to 15 minutes.

WELFARE REFORM SUMMIT

Mr. BREAU. I thank the Chair. Mr. President, I would like to take this time to comment on the event that occurred this weekend on Saturday and congratulate the President of the United States for calling, for the first time, a bipartisan summit on the issue of welfare reform.

The President of the United States, President Clinton, spent almost 5 hours sitting in an all-day meeting at the Blair House, and in that meeting were Republican Governors, Democratic