

ad hoc disaster, we were going to do crop insurance.

It seems to me, Mr. President, that if we begin with cotton, there will be amendments offered to do soybeans or corn or rice, or all sorts of things. We will get appeals, one after another. And those of us who have heard those appeals thus far have been able to say, no, I would like to go to the floor and offer an amendment on your behalf, I understand the disaster is serious; however, we are using crop insurance.

We need to improve that program. It is not perfect. We nonetheless need to work with that program, rather than, at least for people like me, breaking a promise to taxpayers that we would not have both an ad hoc disaster payment and crop insurance.

The details of the reallocation, Mr. President, are as follows: \$35 million of the \$41 million would go into a rural community advancement program, which includes grants and loans for water and sewer improvements, rental housing, and other important rural development programs. The Senator from Arkansas and the Senator from Mississippi have both spoken eloquently on the rather severe cuts we have in rural development in this bill. It is unavoidable. We can avoid a piece of that by enacting this amendment.

Second, \$4.5 million goes into the rural development loan fund intermediary lending program—an extremely successful program, one that has bipartisan support, Mr. President—that promotes rural economic development by making investment capital available, via a locally based nonprofit intermediary, to rural businesses that typically cannot obtain financing from conventional sources.

Lastly, \$1.5 million goes into rural technology and cooperative development grant programs, which provide funding to public bodies and nonprofit organizations to establish rural technology and cooperative developing networks nationwide to help improve economic conditions in rural America.

Again, the amendment rests upon a belief that we should either do crop insurance or ad hoc disaster. Again, I do not challenge the meritorious nature of the cotton disaster. But I do believe, Mr. President, that it would be a terrible mistake for us to move away from crop insurance, back into this sort of dual thing where we say, well, if crop insurance does not work, we will do ad hoc disaster on top of that, and the next thing you know, taxpayers are paying for both. Next will be blueberries and potatoes and everything else that comes in. They will say, "I see that in 1995 you took care of cotton; can you take care of us as well?"

I hope colleagues understand that I do not offer this amendment as a consequence of radical disagreement or objection to what the chairman and ranking member are doing. They have done an exceptional job of putting this bill together. I offer it as a consequence of believing very strongly that our policy

ought to continue with crop insurance. If it is demonstrable that crop insurance does not work—and there are many problems still with that—and it is demonstrable that it does not work, we should abandon the crop insurance program and go back to year in and year out politically deciding in Congress how it is that we are going to allocate resources for the disaster program.

Mr. President, that concludes my stirring remarks on this particular amendment. I told the Senator from Mississippi I was going to take 10 or 15 minutes. I have not done that.

MEDICARE

Mr. KERREY. Mr. President, I will test the patience of the Senator from Mississippi by talking on a subject that is very much related to this and that is the proposal that was made last Friday on Medicare by the Republican leadership in the House of Representatives.

I read over the weekend the details that were available—not all details were available. I make the comments because I know on our side in the Senate Finance Committee they are deliberating, as well, trying to discover how to come up with \$270 billion.

Allow me to say two things about this. One, there are many on this side, many Democrats on this side, that would rush immediately to embrace a proposal to eliminate the deficit by the year 2002 if we could eliminate the enthusiasm for a tax cut that still is on the table.

I understand that enthusiasm is there. I did not hear an awful lot of people in the Senate, at least when they were campaigning for reelection, campaign on a promise to put those portions of the Contract With America in our budget reconciliation.

The choice is not between bigger Government and smaller Government. We would still have a balanced budget by the year 2002, all with cuts in spending. We would still have a proposal that would not have any tax increases in it.

I think we could take an awful lot and we could get a bipartisan agreement and still have a very tough budget reconciliation if that were acceptable to my colleagues on the Republican side.

Much more difficult, and it gets difficult on this side, is that we have in place, Mr. President, with our entitlement programs, growth in those programs that continue to erode our entire budget.

Imagine a business out there that has \$1,000 or \$100,000 or \$1 million or \$10 million or \$100 million worth of sales with 67 percent of their sales being eaten up in costs related to mandated spending. That is, noncontrollable spending.

In this case, most of the retirement and health care. Imagine, 67 percent. Their capacity to invest in equipment, their capacity to invest in employees,

their capacity to invest in things that maintain their base of sales is substantially reduced as a result.

The same is true with the Federal Government. It would be bad enough, Mr. President, if we had 67 percent and it stayed there. Under both the President's proposal and the Republican budget resolution that percentage continues to grow so that in the year 2000 it is 75 percent, not 67 percent.

Mr. President, that is 8 percentage points, approximately, additional growth in entitlements. On this year's spending that is nearly \$140 billion of additional money of our budget that is going to entitlement spending.

I know the Senator from Mississippi understands this. If we had \$400 billion which is what 25 percent would be, if we had 25 percent of our budget allocated this year for defense and non-defense appropriations, we would have \$400 billion, Mr. President.

Our most dovish liberal member would probably spend \$250 billion on defense, leaving \$150 billion for non-defense spending.

Mr. President, as I look at the Republican Medicare Preservation Act—whatever they call it; something to that effect—of 1995, they say the proposal preserves Medicare in the future. It does not. All it does is it picks as the problem the year 2002 but it does not alert Americans to the enormous demographic problem of baby boomers that come online and begin to retire in the year 2008.

Mr. President, unless we take a longer view, we do not see the appropriated accounts begin to dip even lower than 25 percent, eventually becoming zero, unless we take action.

There are two things that put pressure on the appropriations accounts that requires us to cut back in agriculture this year, as well as all other of our 13 appropriations bills. One is a tax cut that is insisted upon by the Republican majority.

I do not believe—I am not sure even the majority is that enthusiastic on the Republican side. Bigger than that, Mr. President, by my calculation, is a factor of four—four times larger than that problem—is the problem of growth of entitlements.

We Democrats will have to say to Republicans—indeed the proposal put out last Friday instead of saying it does too much, the biggest deficiency that I find with the proposal, Mr. President, is it does not do enough. My criticism of it, it is not big enough. It does not really fix the problem.

I stand here as one Democrat who is concerned about what we are doing to these appropriated accounts. I see many areas where Republicans and Democrats, whether it is rural development or transportation or education, could agree that we are not spending enough, that we are decreasing our productive capacity in the future and denying ourself higher standards of living and more economic growth.

As a result, where we have agreement we are simply unable to come up with

the resources, first, because of a tax cut that is still in here; but a far larger looming problem is the growth of entitlements.

I see that the cosponsor of this bill, Senator KOHL, of Wisconsin, is on the floor. I yield the floor.

Mr. KOHL. I thank my colleague from Nebraska.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The Senate continued with consideration of the bill.

AMENDMENT NO. 2686

Mr. KOHL. Mr. President, I rise today to join the Senator from Nebraska in offering an amendment to increase funding for critically important rural development programs, offset by the elimination of the ad hoc cotton disaster provision included in this bill.

The cuts required in this year's Agriculture appropriations bill are very difficult. Both the chairman and the ranking member of the Agriculture Appropriations Subcommittee have done an admirable job with this bill under very difficult budgetary circumstances.

However, there is one major provision in this bill to which I must object, and that is the \$41 million ad hoc cotton disaster provision. I find this provision inappropriate for two reasons:

First, the cotton disaster provision is inappropriate in light of the Federal Crop Insurance Reform Act just passed last year. With great fanfare, Congress passed crop insurance reform legislation to require farmers participating in USDA programs to buy federally subsidized crop insurance, to better prepare for unexpected crop losses. We all hailed the passage of this legislation as being the end to ad hoc crop disaster payments, representing a new era of fiscal responsibility.

Despite the near unanimity of our decision to end ad hoc disaster payments, we stand here today debating whether or not to provide ad hoc disaster payments. We made a promise to the U.S. taxpayer last year, and I think we should keep it.

The second reason that I find this disaster provision inappropriate is because of the painful cuts required elsewhere in the bill. At a time when core rural development programs are being cut by nearly 30 percent from last year's level, providing \$41 million in unauthorized disaster payments becomes even that much harder to accept.

Mr. President, the choice we make regarding this amendment goes far beyond any specific crop loss for any specific commodity in any specific year. If we decide to allow this ad hoc disaster provision to remain in the bill, it will set a very bad precedent for crop insurance reform in general in the future.

If this provision becomes law, each of us will feel compelled to push for ad

hoc disaster assistance payments for crop losses every time our farmers have losses. And our short-lived experiment in fiscal responsibility will have failed.

But we can choose the alternate course, and reject this provision and thereby keep the promise that we made to the taxpayers last year to end ad hoc disaster payments for crop losses.

So I urge my colleagues to choose the latter course, and support this amendment.

Mr. COCHRAN. Mr. President, how much time remains under the agreement?

The PRESIDING OFFICER. Under the agreement, the Senator from Mississippi has 17 minutes, and the Senator from Nebraska has 3 minutes.

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume.

I am hopeful that Senators will look at the language of the committee amendment and recognize that we are not creating, by law, a new disaster assistance program. We are giving authority, however, to the Secretary of Agriculture to use his discretion, and if he feels that supplemental disaster assistance is justified under the circumstances, he has access to these funds to make such assistance available to cotton crop producers who are victims of one of the most devastating disasters that we have witnessed in the deep South.

This is a disaster that has come upon us very quickly, without any warning. A lot of cotton farmers, as a matter of fact, had understood that the level of catastrophic crop insurance assistance would be about the same that usual disaster programs provide under circumstances that have become familiar to those in farming: weather-related disasters, floods, storms of various kinds. But, normally, weather-related disasters have triggered the availability of some kind of disaster assistance from the Federal Government.

Relying upon that assurance, when the Secretary of Agriculture and this administration promoted this program and encouraged farmers to embrace the new crop insurance program—they were told that they would automatically be covered if they participated in the commodity programs—cotton producers, who were signed up for the program, about 90 percent of them nationwide, almost 100 percent of them in this region, thought that in case of a natural disaster they would have some predictable level of coverage.

But, as it has turned out, the coverage that is being made available is substantially less than that which had been provided under disasters that had been experienced in the past. What makes this disaster different is that farmers, upon seeing the prospective devastation in their crops, began adding more pesticides, getting clearance through the EPA for emergency clearance of new kinds of insecticides to try to cope with this menace. And even with the expenditures of huge sums of

money, in some instances, it did not work and cotton crops were devastated. Many of those who suffered from this disaster will not be able to gin a single bale of cotton. There are many who have suffered huge yield losses.

As the insertions that I had printed in the RECORD earlier in the day will clearly show, in our State it is estimated there will be over \$100 million in damages and losses. These are real losses to real people who have invested time, effort, and, over long periods of time, developed businesses and farms that now may be lost as a result of this infestation and the lack of response from our Government.

It is my hope we will not just stand by and let this amendment be adopted and transfer these funds to other portions of this bill. I am hopeful the Congress will respond to this situation and give the Secretary the authority to do something for them. It does not say he has to, but it says if he feels it is justified, if the facts justify it, if the severity of the loss justifies it, if there is merit to the suggestion that the Government has a duty to respond to people in dire situations who cannot help themselves, the Secretary has the authority to do it. That is all this provision says.

So, it disappoints me greatly that we are being asked to turn our backs on farmers who traditionally have been able to look to Congress as sort of the last court of appeal when they are in desperate straits. And they are. Many are—not all, but many are. Those who are need to have an opportunity to have their cases heard at the Department of Agriculture for additional and supplemental benefits under the crop insurance program.

I am hopeful the Senate will agree to provide this opportunity for additional assistance. I do not know how far these funds will go. Mr. President, \$41 million sounds like a lot of money, but if you look at all the States that are involved and all the acreage that is involved, this report we got from the extension service and the Department of Agriculture indicates the losses were substantial in our State and Texas, Alabama, Tennessee, Arkansas, Georgia, and there were some losses in North Carolina and South Carolina as well—but in our State, 160,000 acres have been either abandoned or have seriously reduced yields. In Texas, it is 500,000 acres; Alabama, 400,000; Georgia, 300,000. These are huge amounts of land, where either no cotton is going to be harvested this year or very little will be harvested.

So I am saying that this is an unusual circumstance. Not only are the losses being suffered, but huge expenditures have been made by many of these farmers to try to protect themselves in this situation. So it has doubled the loss. Not only did they incur losses because they will not get any return at all, they have expended more money trying to save the crop that they had, that was well underway, that looked