

last year in the last session to help lead my party in this Congress back to fiscal responsibility and be able to vote on the first balanced budget in a generation.

I say that with a heavy heart today because I think we have just passed one, the majority has, that is not a budget but a political document.

Prior to my service in public office, Mr. Speaker, I spent 19 years running a small business in North Carolina, where you have to balance the budget, you have to meet a payroll every week, and if you do not balance your books, you will go broke.

When I served in the General Assembly where I served for 10 years, I chaired the appropriations committee for 4 years where I helped write a balanced budget for 4 straight years. You have to balance the budget to make sure you do not have to raise taxes.

As State Superintendent of Schools of the State of North Carolina for 8 years I had responsibility for running a large agency with a huge budget; I cut a bureaucracy, and it helped improve the quality of education, with others in my State.

The people of North Carolina sent me to Congress 2 years ago to help with balancing the Federal budget and to put our national financial house in order, and I was tremendously proud to serve in that first session and vote to balance the budget. But that discipline is difficult. It is difficult to keep your budgets balanced. It is difficult to do the things you need to do to make sure you do not overspend. But it is economically wise, and it is a moral imperative.

Mr. Speaker, that is why the Republican resolution that passed today is so disappointing. It returns to those irresponsible promises, in my opinion, and the tax cut binges that helped create the annual deficits, and it crippled this country's economy and piled up a huge national debt in the 1980s that our children and grandchildren could be forced to pay.

In order to push this risky scheme, the Republican leadership has passed a budget that fails to protect Social Security and Medicare, threatens needed investments with our priorities in education and abandons our new-found fiscal discipline. This misguided attitude captured on this floor by Members of the majority who said there is nothing, there is no such thing, as an irresponsible tax cut, that is the kind of attitude we ran into in the 1980's that got us in such bad trouble. We should not return to those attitudes.

Let me state for the record that I support tax cuts, I am in favor of them, but I think we ought to keep our financial house in order.

One of the first bills that I signed as a Member of this Congress when I came was the tax cut for the middle class, for estate tax relief for small businesses and farmers, for the \$500-per-child tax credit, for HOPE scholarships

so that our children could go to school and have an opportunity to blossom in the 21st century, and to help families pay their college tuitions, and for tax credits or to deduct interest on the money they borrowed to go to college.

In this Congress I have introduced legislation for school construction, to provide tax free interest bonds at the State level to build new schools in our communities, which in turn would provide relief to a lot of our local communities that are feeling the strain of tremendous growth.

So I am for tax cuts, but they must be responsible, they must be paid for. We must save Social Security and Medicare first before we jump off the cliff. We must pay down the national debt to keep the interest rate down and encourage economic growth.

We are now enjoying one of the largest, longest and greatest periods of economic prosperity in our Nation's history, and we should not do anything to undermine it. We must make careful investments in education and in health care and scientific research that will provide the basis for the future for our tremendous growth. We have had that already. We need to continue so that we will enjoy the bounty of a new economy in the 21st century.

ECONOMIC ISSUES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. THUNE) is recognized for 5 minutes.

Mr. THUNE. Mr. Speaker, this afternoon we did have an opportunity to vote on the budget; call it the Republican budget if you will; and, just as a matter of response to my friend from North Carolina (Mr. ETHERIDGE) who expressed his criticism of that budget, I would like to, if I might, set the record straight because I think the American people have a right to know for the first time in a long time we are being honest.

This is a honest budget. This says to the American people that we are going to set aside Social Security and Medicare taxes, payroll taxes, and leave them there, lock them up, wall them off and not touch that because the surplus that we are running today, most of it is in Social Security and Medicare and the payroll tax side of the budget. After that is done, after those dollars are walled off and we get into the future years when there are surpluses on the overall budget, in other words, coming off the income tax and other sources of government revenue, then we can engage in a debate in this Chamber, in the Congress, about how best to use those revenues.

Now our side happens to believe we said in our plan that we think we would like to see those dollars go back in the form of tax relief because the American people worked hard to produce those dollars, and they ought to be able to keep more of what they earn. But the fact of the matter is, and

make no mistake about it, the American public has a right to know that all this demagoguery and all this hype, and we have heard it before and we are going to hear it again, but the Republican budget that was passed today sets aside 100 percent of the Social Security and Medicare payroll tax and walls it off and locks it up.

Now everybody on the other side is talking about the President's great budget which got two votes in the House, two votes in the Senate because it was a statement of priorities, it was a statement of values. The President's budget raised taxes by \$172 billion over 5 years. The President's budget sets aside less for Medicare and Social Security than does the Republican budget, and again we do it by being honest with the American people and saying when you pay the payroll tax at the payroll, it ought to go into the Social Security Trust Fund to be used for Social Security and Medicare.

The President's budget also talked about debt repayment. The plan that we voted on today actually retires more debt, pays off more debt than does the President's budget, substantially more debt over the course of the next 10 years. And then again at end when we are actually generating a surplus above and beyond Social Security, then we have a national debate in this country about whether the hard-working people of America ought to be able to keep more of what they earn or we ought to spend more here on Washington bureaucracies and programs.

Mr. Speaker, that is a honest debate, but do not fall for the lies because you are going to hear them over and over again. The fact of the matter is that the budget that we passed today sets us on a path and on a course that is consistent with protecting the retirement earnings of America's hard workers.

Let me just, if I might today, also address an issue which is very important in my State. Last week, or during the course of the recess, I traveled in western South Dakota in places like Spearfish, and Belle Fourche, and Buffalo, and Lemmon, and McIntosh and Timber Lake, and Mo Bridge, and Mound City, and Eureka, and Leola, and Aberdine and Watertown, and one of the things that I found out, and I already knew but I heard more, and I got a really good earful on my travels across South Dakota about the crisis affecting agriculture because that part of the State, the northwestern part of South Dakota, has been as hard hit as any place in the country, and I believe that we have a responsibility to recognize the incredible crisis that is affecting our agricultural producers and to address it, and there are a series of initiatives that we will be rolling out over the course of the next several weeks which I think do just that. But I believe we need to have a debate in this Congress on mandatory price reporting. Our producers need to know in making decisions what the market information is that the packers are using

in determining how to purchase their products, and today that information is not disclosed. And we have a bill introduced, House bill 693, that I believe deserves a hearing. We ought to have a vote on it in the House.

We need country of origin labeling. We need to make sure that the producers of this country have the protections that are necessary to allow them to do what they do best, and that is provide the best source of food and fiber for the American people.

The gentleman from North Dakota (Mr. POMEROY) and I will be introducing crop insurance legislation which addresses some of the problems in that program and makes it workable so that our producers have an opportunity to hedge against loss and make sure that they are, again, able to survive and prosper in this economy.

We need sanctions reform. There are a lot of countries in the world that we cannot do business with, and it makes no sense, and I think we need to have a debate in this Congress about what we can do to better open markets so that our producers have an opportunity to make a living and to survive.

Every small town, every Main Street across my State and many States across rural America, suffers when the ag economy suffers, and there is not an economy in any Main Street in South Dakota today that is not feeling the effects of this crisis.

So I believe it ought to be a priority of this Congress. I am going to fight very, very hard and work with other Members from rural States who want to work together to see that we produce a series of initiatives, a series of solutions that will help address the serious needs that we have and the concerns that we have in the agricultural sector of our economy.

So I look forward to working my friends and colleagues on both sides of the political aisle. This ought to be a bipartisan issue.

□ 1900

EXCHANGE OF SPECIAL ORDER TIME

Mr. POMEROY. Mr. Speaker, I ask unanimous consent to claim the special order time of the gentleman from North Carolina (Mr. ETHERIDGE).

The SPEAKER pro tempore (Mr. MORAN of Kansas). Is there objection to the request of the gentleman from North Dakota?

There was no objection.

AUCTIONS, AUCTIONS, AUCTIONS: WHAT WILL HAPPEN TO THE FAMILY FARM?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota (Mr. POMEROY) is recognized for 5 minutes.

Mr. POMEROY. Mr. Speaker, I want to follow up on the comments of my friend and colleague, the gentleman

from South Dakota (Mr. THUNE) relative to the agriculture crisis. I cannot say how terrible it is relative to the farm economy in North Dakota.

I have with me today some auction bills. We have been seeing a lot of these auction bills. Consider that each auction bill represents a sale of a family farm, the end of literally generations of tradition of farming the land. It goes on for pages.

Recently, Ag Week Periodical, which covers the Red River Valley, the most prosperous part of agriculture in my State, published 150 farm auctions. This is 150 individual operators throwing in the towel, ending, again, the tradition handed down for generations of making a living off their land. In each case, it is a tragedy and something to be avoided.

One friend of mine, and I am going to offer this for the RECORD, who is selling out after 120 consecutive years of production on this family farm, wrote an op-ed to the newspaper and he has on the title of it, now at least we do not have to wonder anymore.

Mr. Speaker, there are an awful lot of families wondering tonight whether or not they will be able to get a crop in the ground this spring. Imagine, we all deal with career uncertainty surely as Members of the House up for election every other year. We really never know until the election is over what we are going to be doing, but we have people at this late point in the spring not knowing whether they will be able to put a crop in the ground right now.

Obviously, if they cannot get the financing to get a crop in the ground they have no idea what they are going to do to put shoes on their kids' feet, to put food on the table.

We have got a full-blown crisis in agriculture directly related to the financing capital farmers need to get their crop in the ground this spring.

For that reason, the administration advanced several weeks ago emergency funding requests so that we might have additional loan authority funded. The request is for \$152 million and it is part of the supplemental appropriations bill sent up by the White House; \$109 million of that would make \$1.1 billion in additional lending authority available to farmers, \$42 million so that the USDA could actually hire additional staff to process these applications and get the money out.

Here is what has happened. In light of the collapse in commodity prices, farmers have had terrible losses. As they sit down with their regular bankers, they are unable to show cash flow and, therefore, unable, ineligible in many cases, for the financing that they had otherwise expected.

Now there are programs available for these farmers, FSA lending programs, direct lending programs, USDA loan guarantee programs, but because so many have had trouble in lending in the normal course, they have come to the USDA and overwhelmed the resources available for those USDA loans.

Right now North Dakota, we have a backlog. We do not have enough money to meet the loan need now and it is anticipated that that loan need is going to increase dramatically over the next few days. There is \$4.4 million in unmet loan need that has come into the North Dakota FSA offices over the last 2 days alone. This is a crisis, and it is a crisis with a very narrow window of time for us to address.

If a farmer cannot get the crop in the ground in the spring, the money coming along here in July or August is not going to do a lick of good. The window is gone. They have lost the chance to plant, and for these operators that means they have lost the farm.

I would say to my colleagues, please let us move this supplemental appropriation request along. Everyone knows of the urgent straits in farm country, not just in North Dakota or South Dakota but throughout the country, and we must respond to this by getting that loan guarantee money replenished so that it can get out to the farmers so they can get their crop in the ground this spring, so they don't lose their farms.

It is as simple as that. It is very straightforward. This is a body that unfortunately sometimes cannot operate very quickly, but there is just no mistake. The urgency is now. We have to act. Failure to act is going to mean a lot more auction bills and that, in each instance, is a tragedy.

NOW WE DON'T HAVE TO WONDER ANYMORE

Bismarck, N.D.—On June 15, near Mayville, N.D., there will be another farm auction—just another farm auction—barely noticed by most in these days of collapsing agriculture as we know it. Just another sale bill.

Just another gathering of neighbors, family, friends and buyers—buyers who realize that with all sales at this time, there should be some pieces of equipment useful to them that will go at a bargain price. Friends and neighbors will come to offer moral support and experience the friendly social atmosphere that is unique to rural America. Family members will come to witness the end of the family tradition.

Last year was the 120th crop planted and harvested since the original homestead was taken in 1878. Some of the family members want to witness the auction as a closure, similar to attending a funeral for a loved one. Sometimes it takes an event to provide acceptance of what has happened.

For many years we have seen hundreds of sale bills, been to auctions and wondered what these folks were going through—what they were feeling. I'm sure that for most it was every bit as difficult as it is now for us. I would guess that after the initial sense of failure and depression, there is an uneasy sense of relief that the hopelessness can now be dismissed and energies can be devoted to something positive.

Now we don't have to wonder anymore. The initial feelings have come and gone. The personal feelings have been pushed aside for the most part—at least on the surface. Now the business decisions must take over. Emotions will have to give way to the matters at hand. The plans on how to best organize and handle preparations for the sale are now a priority.

Occasionally regrets surface, and I wonder what we could have done differently to have