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TITLE: FOOD SECURITY ACT OF 1985

SPEAKER: Mr. BEDELL; Mr. BEREUTER; Mr. BROWN of Colorado; Mr. DASCHLE; Mr. de la GARZA; Mr. DORGAN of North Dakota; Mr. ENGLISH; Mr. EVANS of Illinois; Mr. GLICKMAN; Mr. HUCKABY; Mr. MADIGAN; Mr. MARLENEE; Mr. OLIN; Mr. RICHARDSON; Mr. ROBERT F. SMITH; Mr. ROBERTS; Mr. SCHAEFER; Mr. TRAFICANT; Mr. WEAVER

TEXT: The SPEAKER. Pursuant to House Resolution 267 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 2100.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2100) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to continue food assistance to low-income persons, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, with Mr. Bonior of Michigan in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, October 1, title VA was open to amendment at any point to amendments printed in the Congressional Record before September 24, 1985, and pending was an amendment offered by the gentleman from Illinois [Mr. Madigan].

Mr. OLIN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois [Mr. Madigan]. There are many, many reasons to be in favor of this amendment, which would have the effect of striking from a committee bill the Bedell provisions for wheat and feed grains.

I absolutely support the statements made when this was previously debated by the gentleman from Illinois [Mr. Madigan] and the gentleman from Texas [Mr. Stenholm].

I would like my remarks to be associated with their remarks. I do not intend to take the full time here, but I would like to mention a few of the problems with the Bedell provisions with due respect for my colleague, my colleague and good friend from Iowa. I think the thing that really bothers me the most about the amendment is that I just cannot really

believe that the Bedell provisions are really going to help the farmers. This may sound foolish to say, but that is the way it looks to me. The program is basically mandatory. People are not going to be able to market their wheat or feed grains unless they have certificates and the program is voted for. If they do not join the program, they cannot market at all except in the export market, and then they will not be able to get the benefit of the subsidies in the program. Estimates of the set-asides required under this program to meet the carryover requirements are anywhere between one-third to 30 and 50 percent. It is hard for me to understand how the price level farmers are going to receive is going to offset one-third to 40 to 50 percent reduction in production and end up with their being better off financially. That is very hard to buy.

The second point: The loan rates, instead of being under the market price, as they are in most commodities in our program, are raised to \$4.50 for wheat and \$3.25 for corn. This will result in an immediate increase in the market price. Any of you who have livestock, poultry, or other agricultural products that live off feed grains, poultry, for example, 70 percent of the cost of raising poultry is feed. Most poultry growers do not raise their own feed. They are going to have to buy it.

They have to pay \$4.50 for the equivalent of wheat, \$3.25 for corn, when their competitors in the foreign markets are paying world price levels.

Poultry, for example, that gets no subsidy, wants no subsidy, does not need a subsidy, they are engaging in world markets on a competitive basis. Immediately we are going to put them in a noncompetitive mode. Basically the same thing happens with livestock. The thing that really bothers me the most is the export provision of the Bedell proposal. The Bedell provisions provide for a subsidy for all wheat and feed grain exports where a marketing certificate exists and the committee bill encourages maximum sales in the international market at competitive world levels.

It is not stated what that level is; it is whatever level it takes to move the grain.

To make up the exporters for their trouble, the exporter is reimbursed by the Federal Treasury for the acquisition cost of the grain, for the handling of the grain, and for a fair return to boot.

It seems to me like we have got a completely open-ended commitment with regard to exports. Any price the exporter pays is made up. Any price he gets out of the world market is made up. This is done in the name of making agricultural imports more competitive. In actuality, this program, without any question, is going to be probably, if we ever put it into effect, which is unlikely, it would be one of the major and the most extensive dumping programs engaged in by this Nation in the history of the world. You can imagine just what would happen when you have no restrictions on the price the exporter can pay for the grain. He can export as much as he wants at any price he wants to pay to get it, and that is made up by the Government.

The Department of Agriculture estimates that the subsidy cost to the Federal Government of this program would be \$30 million at least in the first 5-year period. You can just imagine what other countries would do, faced by this kind of a dumping situation, you cannot imagine that they would let it go on for very long before they closed their border.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. Olin] has expired.

(By unanimous consent, Mr. Olin was allowed to proceed for 2 additional minutes.)

Mr. OLIN. If they close their borders, the next thing they would do would be to take their lower priced grains and try to get it into this country. We could not stand that either. All of our poultry farmers and livestock farmers would be looking for that grain. We would have to close our borders. What happens then? Well the bill that is supposed to benefit the wheat and feed grain farmers results in no exports.

Exports would dry right up. There would be no way the world could stand that amount of commotion.

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Mr. Chairman, you can talk a long time on this bill, but if you analyze what it is in it, contrary to some of the people who are promoting the bill, it is a program that is fraught with difficulties, very likely to be not in the interests of the farmer it is designed to help.

I urge my colleagues to vote against the provision of that program and for the Madigan amendment.

Mr. ROBERT F. SMITH. Mr. Chairman, will the gentleman yield?

Mr. OLIN. I certainly will yield to the gentleman from Oregon.

Mr. ROBERT F. SMITH. I thank the gentleman for yielding, and I compliment the gentleman on his statement. I just want him to know that he has been joined by many associations in this country. Just to name a few: the National Cattlemen's Association, American Farm Bureau Association, the National Grange, the National Grain & Feed Association, the National Pork Producers Council, the National Association of Wheat Growers, the National Corn Growers Association, American Soybean Association, and the National Cotton Council. The gentleman is among fine people.

Mr. OLIN. Mr. Chairman, I appreciate the remarks of the gentleman.

Mr. Chairman, I yield back the balance of my time.

Mr. GLICKMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I will not take very long, so that I may yield to Mr. Bedell or Mr. Daschle, if they would require time.

I would like to make the following points: No. 1 agriculture is really at a crossroads in this country. I think if we continue going down the road for very much longer, another 5, 10, or 15 years, there are not going to be any more farmers left in America. That pattern has been continuing now for 30, 40, or 50 years. It is accelerating now. That acceleration is happening so fast that I could lose half of the farmers in my State in the next 10 years.

Now since we are at this crossroads we have to explain, or ask ourselves: Do we want to continue to go down the same road with the same policy, or do we want to at least give a try to something else, something that provides some stability to farm income? Yes; something that involves a lot of risk but something that just might save a lot of farmers in the next 10, 15, or 20 years.

Now the Bedell amendment, which I support and which the Madigan amendment attempts to knock out, does just that. It gives farmers the option of voting whether they want a program of higher price supports in order to keep them in business over a longer period of time. There are down sides to this program as well as up sides. It is not perfect. None of us believe that this program does not have some problems. But Mr. Bedell, I am sure, will talk about and refute a lot of the things that Mr. Smith just talked about. The fact of the matter is, what is wrong with giving farmers a choice on a program which is different, in a sense contradictory with the base voluntary program in this bill? That is very democratic. We have done it over and over again in this country. We have done it in the 1949 Agricultural Adjustment Act. Wheat farmers in 1963 were permitted a referendum to vote on similar programs. We have done it over and over again in marketing orders in this country, in terms of check-off programs. We have given farmers the option, the right to vote, to decide their own fate. Now what we are doing in this amendment is giving farmers that right to vote on a program which many people believe is like the current peanut program and which has given people in that part of the country who produce that crop a great deal of stability in their programs. I am not saying it is perfect, but what I am saying is that that crossroads is here. While I am going to vote for the committee bill because it is better than the status quo and better than what the administration proposed, we may just be going down a road which continues downhill for an awful long time and we are going to lose a lot of people in the process. Farmers ought to be given the right to vote if they want an alternative and different kind of program. They have had that right before. It has been given to them under

the current permanent law. They have that right, and they think it ought to be given to them under this bill.

Mr. Chairman, I urge my colleagues to vote against the Madigan amendment and to keep the Bedell amendment in the language of the bill.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman.

Mr. MARLENEE. I thank the gentleman for yielding.

Well, if you concur in the idea that we should give the farmers the right to vote, would the gentleman support a proposition or an amendment to this referendum proposal that would allow the livestock producers, the chicken and poultry people a vote on this referendum because their prices are going to go up, their costs are going to go up, and they have no right to vote in this matter. Would the gentleman support that?

Mr. GLICKMAN. In the first place, I supported a similar amendment in the committee. I do not know what is going to be offered here. I will tell you this, I am going to support the Bedell amendment as it came out of committee because I think it provides the best kind of balanced referendum that we can give the farmers as an alternative to this bill.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. I thank the gentleman for yielding.

If the gentleman from Montana would go back to the microphone, I would like to respond a little bit to his question. I think it deserves an answer. I sponsored in the committee a beef check-off plan that we hope will help tremendously as far as our beef producers are concerned. It gives them an opportunity to go out and promote beef and hopefully will increase the amount of consumption.

Would the gentleman at the same time then suggest we allow all the cotton producers, peanut producers, wheat producers, corn producers, and sugar producers, and everybody else to come in and have a hand and a say in that beef promotion program and vote on the referendum that is to take place down the road?

Mr. MARLENEE. Mr. Chairman, will the gentleman from Kansas continue to yield?

Mr. GLICKMAN. I yield to the gentleman.

Mr. MARLENEE. I thank the gentleman for yielding.

I would like to respond to the question. The poultry and livestock people are directly involved because it is the source of their feed.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. Glickman] has expired.

(On request of Mr. English and by unanimous consent, Mr. Glickman was allowed to proceed for 1 additional minute.)

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. I thank the gentleman for yielding.

Mr. Chairman, I would suggest to the gentleman that I think very much so, that the people that are producing wheat, and corn, and feed grains, they can definitely make the argument that they are going to be directly affected as far as anything that is done as far as beef is concerned. So they should have a say, they should be able to vote. The thing we really get down to, and this is in what we are talking about here, all these commodities are interrelated. That is something that those of us on the Agriculture Committee know about. That is the reason we try to support each other. We also recognize there are different philosophies and different approaches on each of the commodities and there is regionalism which comes into play also. We try to accommodate each other, work with each other. But if we are going to get into this business of saying, "Well, now, your program may affect me somehow, and then I want to come in and have a say in your program," then everybody is going to start, quite frankly, messing each other up, and that is going to cause great problems.

Mr. GLICKMAN. Mr. Chairman, I would just conclude by saying that this program requires a super majority of farmers, 60 percent to approve it. It provides farmers with a choice of going for the basic voluntary program or one that has a greater mandatory nature but one that would increase prices for them. And I would encourage my colleagues to give the farmers in such distress the option of voting on a referendum.

Mr. ROBERT F. SMITH. Mr. Chairman, I move to strike the requisite number of words, and I rise in favor of the Madigan amendment.

Mr. Chairman, there are three reasons why I oppose the Bedell amendment and favor the Madigan amendment to strike. The first is total government control of farming by the Federal Government as a result of the Bedell amendment and its passage. Then, it will provide a ghost-town syndrome in America. Then, it is very unfair.

Mr. Chairman, first of all, this program in the first year is a plum and then it turns to a lemon for farmers. It is a giant and cruel hoax. Let me tell you why.

During the first year the set-aside is limited to no more than 30 percent for wheat and 20 percent for corn at a price of \$4.50 for wheat and \$2.25 for corn.

During the second year, however, the U.S. Department of Agriculture has estimated that the set-aside would have to be at least 40 percent. During the third year the set-asides may go higher than that. These set-asides are necessary to maintain a high domestic wheat and feed grain price in the Bedell amendment. These set-asides make farmers slaves to the Bedell amendment. Bedell is not voluntary compliance; it is involuntary servitude. You must sign up or you suffer the vagaries of world prices.

Let me provide you with an example of the cruel hoax of promise of better income in 1986 that will be snatched away in 1987, by giving you an example of a farm in Illinois, 500 acres, with a yield of 120 bushel, which may be a little low. In 1986, under Bedell, the gross income from that farm would be \$156,000, with a 20-percent set-aside; in 1987, that farm, with a 40-percent set-aside, would have a gross of \$117,000.

This program reduces farm income. However, those that set up the program and would require exorbitant reductions in set-asides will no doubt blame the Secretary of Agriculture because in the bill the Secretary of Agriculture is the person who must adjust the set-aside to stop the surpluses from building and to make sure that the wheat and corn prices are at that level, that high level target. This is a mandated program.

Mr. Chairman, this proposal will also result in the extinction of the true family farmer. Why is that? Farmers who vote in this referendum we all know can own as few as 15 acres. They have a job in town. This is a hobby farm. Losing 7 1/2 acres of their land is not going to affect them whatsoever. The referendum would be controlled by this group who receives a majority of their income from off farm sources. Why is that? Because, again, according to the USDA, 75 percent of all farms in America have gross sales of less than \$100,000. These farms have more than 75 percent of their

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income from off farm. Full-time farmers, operating on one-half or slightly more of their land, will not be able to meet their tax payments, their debt load, their marketing payments, as well as feed and clothe their families. There is no chance. Therefore, the referendum will be controlled by those people living on income off farm.

Why is it a ghost-town syndrome? Because the large set-aside that would be required under this provision would make a ghost town of Main Street, America. The ripple effect on downtown rural America would be devastating. This measure would export jobs. Those who process mill wheat and corn will either turn to imports or just move to Canada or Mexico to take advantage of world prices, which will be, of course, much lower. Then, of course, they will send their finished product back to America. Livestock feeders will follow suit, to take advantage, of course, of cheap feed. The same will hold true of meat and poultry processors. These feed, seed, fertilizer equipment manufacture salesmen will be run out of business in small town, America.

Corn sweeteners, which were once competitive with sugar, will have their competitive edge removed, and the alcohol fuels industry will be forced out of business.

Under this provision, in the first year feed will increasedrastically, as much as 60 percent, compared with no referendum. What does that mean?

The CHAIRMAN. The time of the gentleman from Oregon [Mr. Robert F. Smith] has expired.

(By unanimous consent, Mr. Robert F. Smith was allowed to proceed for 2 additional minutes.)

Mr. ROBERT F. SMITH. Livestock liquidation would obviously follow this huge increase in cost of feed, not to say what would occur in the poultry and pork industry throughout America.

The very people that this amendment is supposed to help oppose it? It is supposed to help wheat growers and corn growers and small grain growers in America. And who opposes it? The two national associations it is supposed to help, besides influencing the rest of agriculture in America.

So I suggest to you that, Mr. Chairman, this referendum sinks Uncle Sam's hand even deeper into the pockets of American agriculture. It is bad policy. It is bad for agriculture. It is bad for America. It ought to be stricken.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. ROBERT F. SMITH. I have no more time. I yield back the balance of my time.

Mr. DASCHLE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Iowa.

Mr. BEDELL. Since the gentleman refused to yield for a question, I understand his sincerity, and I do not question but what he believes what he is saying. But if I might address the gentleman, does he agree that under the proposal, the referendum proposal that is in the bill, that there is a buy-down of exports, and actually, under this circumstance, we will actually hold our exports better than in any other program? Does the gentleman understand that and does the gentleman agree with that?

Mr. ROBERT F. SMITH. If the gentleman will yield, I understand the buy-down. I suggest, however, that the buy-down is going to be so expensive to the United States of America and to the USDA and to the taxpayers that we will not be able to afford the buy-down.

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When the world prices, which they well may do, sink to maybe \$2 -- we do not know what the world price of wheat will be, let us say it is \$2 -- the buy-down, then, of course, makes up the difference between the world price and \$4.50 in wheat.

Mr. BEDELL. If the gentleman will yield further, we do not want to take forever debating it, but the reality is that in the provision that is in there at this time for the referendum, it says that we are going to buy down and be competitive. The CBO says it is going to cost significantly less than the current program. If we are going to do everything we can to hold our exports, then it is quite clear we are not going to need a bigger set-aside. And the Department of Agriculture, there is no secret about it, they have been against this all the way, they have skewed the figures any way they could to make it look bad, and I just hope that our colleagues in the Congress will realize that when those figures are quoted from the Department of Agriculture that at least I think most of us on the committee, after hearing them, realized that we better take those figures with a grain of salt.

Mr. EVANS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Illinois.

Mr. EVANS of Illinois. I thank the gentleman for yielding, and I rise in strong opposition to the Madigan amendment and urge my colleagues to support the Bedell provisions in the bill.

I oppose the Madigan amendment to strike the producer-approved wheat and feed grains program included in H.R. 2100, the Food Security Act of 1985.

I oppose this amendment for a number of reasons, the primary being that of farm income. Beyond a doubt, the culprit in the conditions ravaging our farm sector is low farm income. For the past 4 years our Nation's farmers have been faced with the frightening reality of sinking commodity prices, sharply declining land values and, worst of all, little prospect of recovery in the agricultural economy in the near future.

This combination of factors has resulted in the inability of the most efficient and productive farmers on Earth to make a decent profit. Low prices translate into reduced land values, reduced land values in turn translate into less equity. Our farmers are faced with a seemingly impossible situation: They can't pay off their loans because they can't get a reasonable price for their product, and they can't get sufficient credit because low prices have eroded their equity.

The producer referendum title of H.R. 2100 will give our farmers the opportunity, should our Nation's farmers decide that this policy is desirable, to increase their farm income, while idling those lands which are contributing to our persistent commodity surplus. Through a nationwide referendum, our wheat and feed grain producers are provided the deserved and democratic opportunity to determine the direction of Federal farm policy over the next 4 years.

Most importantly, the producer referendum title to H.R. 2100 offers our struggling farmers an alternative to the current outmoded and failed farm policy. Current farm policy is so poor that the Governor of my home State of Illinois recently announced a major statewide program to assist financially-strapped farmers remain in business through a restructuring of their debts. A farm policy so ineffective that just yesterday the Governor of the state of Iowa was forced to declare a state of economic emergency, and a moratorium on farm foreclosures.

In short, the producer referendum title gives our producers a just price for their energy and investment in the sector that is the very heart of our Nation's strength and security. In addition, this proposal provides the needed mechanisms to control our soaring stockpiles of commodities, while reducing the cost of the Federal farm program to our taxpayers more than any other farm proposal offered in the 99th Congress. This cost savings benefits all Americans.

I strongly believe that this proposal, by increasing farm income, is in the best interests of our Nation's farmers. This increase will also benefit those industries which rely on a healthy agricultural sector, such as the agricultural implement industry, and the merchants in main street rural America who depend on the purchasing power of our farmers. American

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consumers who pay less than the citizens of any other country in the world for food will benefit by the strengthening of our farm sector, a sector which has consistently provided an abundance of high-quality foodstuffs.

Mr. DASCHLE. Mr. Chairman, as I said earlier, I rise in opposition to the Madigan amendment. I am amused by those who found fault with the concept of a referendum and who at the same time say that all of these organizations, farm organizations, who clearly represent their membership, are opposed to a referendum in this provision of the bill.

It seems to me that there is no better way to judge whether any farm organization is for or against any provision of the bill than to allow them to vote on it, which is exactly what we do.

I am also amused that there is opposition to allowing the little guy to vote. I cannot help but think that back about 50, 100 years ago, when those who had no property -- I guess it was longer than 50 years ago, 100 to 150 years ago, perhaps -- those who had no property were not allowed to vote, either, and there were all kinds of reasons why those people, true citizens of our Nation, were not provided an opportunity to vote, but we decided that everyone in this country ought to have a right, big and small, and so we provided that right to every citizen. And unless someone can come up with a better way, unless someone can tell us how to better serve all the interests in agriculture, not separating big from small, then I think that this is the very best provision that we can establish in a referendum.

As we talk about this particular part of the bill, I think everyone has to understand, those who are watching from their offices as well as those who may be watching from around the country, clearly agriculture is in a depression and clearly if we are in that kind of a depression, something has gone wrong over the last 4 years. Something has to fundamentally change if we are going to resolve this crisis.

It is no secret that the very next piece of legislation to come before the House Agriculture Committee is going to be a bill that provides additional emergency credit to farmers.

Well, I have to say that I doubt that that bill would be necessary at all if we had been doing everything right over the last 4 years, if farmers were in a position of financial strength. But they are not. We are in a depression. And if anyone has to be reminded, only yesterday the Governor of Iowa declared a moratorium across the board on all farm creditors. During that announcement, it was the Governor who said it was the Congress and the President to blame. For doing what? For not providing the mechanism by which farmers are going to be able to enhance their income.

Well, if we have done anything in this bill, if we have set any goal, it has to be that we have tried as best we know how under very difficult circumstances to provide farmers what they have told us categorically we have to have, and that is a better price and better income, that we have to do something different from what we have done over the last 4 years. This bill does it. And this provision, perhaps more than any other provision dealing with wheat and feed grain farmers does it better than any other part of the bill. It does it at less cost to the Government. We do not have to take our word for it. The CBO says so. It does it without any new huge subsidy. Do not take my word for it. The CBO says so. And it does it by providing a reasonable compromise between those who say that we have to mandate supply control and those who want market orientation. It is a blend.

The CHAIRMAN. The time of the gentleman from North Dakota [Mr. Daschle] has expired.

(By unanimous consent, Mr. Daschle was allowed to proceed for 4 additional minutes.)

Mr. DASCHLE. To those who oppose this provision I would only ask one question: What is the alternative? If the alternative is to go back to what we have done over the last 4 years, then clearly we have failed in setting out a new course and a new direction to provide farmers some hope that we can give them what they need the most, not complicated new programs, not a whole broad range of new ideas that cannot work, a simple concept based on their opportunity to vote. For what? For a better price and more income. If we fail to do that, then we fail to accomplish our goal.

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Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Illinois.

Mr. MADIGAN. I thank the gentleman for yielding. At the outset I want to make the point that I am not now nor would I ever challenge the sincerity or the integrity of the gentleman from South Dakota. I believe that he sincerely cares about the farmers and ranchers in every region of this country. But because there continues to be reference to the CBO, I want to read to the gentleman from a letter from CBO to me, under date of October 1. Page 2 of that letter says:

"However, the market assumptions underlying the more recent August baseline suggest that acreage reductions of 40 percent in wheat and 25 percent in feed grains would be required to keep carryover stocks from rising substantially. Since the amendment" -- referring to Mr. Bedell's provision -- "limits the size of acreage reductions to 35 percent in wheat and 20 percent in feed grains, this provision of the amendment would increase" -- I underline "increase" -- "outlays under the bill using the assumptions. Export subsidies and net lending costs are both greater in our estimates under the August baseline than under the resolution baseline assumptions."

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Iowa.

Mr. BEDELL. I think the gentleman from Illinois is well aware that that letter was sent before we froze the bases on the amendment that was passed here in the House. I think the gentleman would agree that if you are going to increase bases by 20 percent, you are going to have a bigger set-aside than you are if you freeze the bases, and I hope the gentleman is well aware of the fact, and I am sure the gentleman does not want to mislead anybody on that matter.

Mr. DASCHLE. Mr. Chairman, in addition to what the gentleman from Iowa has stated, that assumes that the Bedell substitute, which has passed, accepted by the Congress, had not been enacted. Clearly it has been enacted, bringing us completely in line and underscoring once again the budgetary positives that can be brought about as a result of this legislation.

Mr. ENGLISH. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, in July of this year, the subcommittee I chair in Government Operations held a hearing dealing with the crisis that we have all been hearing about in the farm credit system. One thing that we learned that I do not think should be particularly surprising is the fact that that crisis can be traced directly to the lack of farm income. The one point that everyone seemed to agree on is that the fastest way to deal with the farm crisis in the credit system of this Nation is for the farmers to have some income to pay their debts.

Now, I do not suppose that that should be very surprising. However, I think it should also be underscored that there is going to be little in a positive nature that is done to assist in the farm credit system if we do not deal with the income facing the farmers of this Nation.

We had before us that day the historian of the Department of Agriculture, and he was giving us the history of the farm credit system and going through how it all developed. During that discussion, though, he made the comment that he found a great number of similarities between what was taking place in 1985 in agriculture and what took place in 1926.

For those people who are not familiar, 1926 was the beginning of the Great Depression for agriculture in this country. Most economists would agree that it was not the stock market crash of 1929 that drew this Nation into the Great Depression of the 1930's, but instead it was the agriculture depression of the late 1920's, and the stock market crash was simply a symptom of that fact.

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I think that this should underscore the fact that we are facing a very serious problem. This matter should not be approached as business as usual. We should not expect that we are going to continue to go along with the same old proposals, the same old bills, the same old programs, and expect that we are going to avert a possible crisis.

I wish it were true; I wish it did not call for strong medicine. I wish it did not call for strong action. I wish that we could all close our eyes, and hide our head in the sand, and expect that we are all going to wake up to high prices tomorrow and farmers are going to live happily ever after and all the financial woes of this Nation are going to go away. That is not likely to be the case. We cannot depend upon that.

What we have before us in the Bedell proposal is some strong medicine. It is a strong program. It was designed to be as such. It was recognized that there are differences in the farm community. We do have farmers that do not want to take that step. That is the reason that the Bedell proposal contains a provision that farmers be allowed to vote. They ought not have to take that medicine. The U.S. Government will not give them that medicine; the Congress will not give them that medicine. They will have to decide themselves as to whether or not they want to take that extra step. Whether they think the situation is bad enough for some strong steps.

Now there is some discussion of servitude. That has been brought up. If farmers should vote, if over 60 percent of the farmers should vote to approve the Bedell proposal and to implement it, what it says is this: Those people who are willing to sacrifice, those people who are willing to cut back on their production, those are the people who will receive benefits of the program.

Now those people who want to continue to be a part of the problem, who want to continue to go out and grow fence row to fence row, who want to continue to produce larger and larger surpluses, they are going to have to take their chances. They are going to have to take their chances on the world market. I do not see that there is a great deal of unfairness about that. I do think that it is unfair, however, to expect those farmers who are making the sacrifices to share those benefits with those people who are not willing to make the sacrifices. That is what we have been doing in the past. That is what we have been doing in the past and that is what the Bedell amendment stops.

We see that discussion of the fact it would require half the land to be taken out of production in order to comply with the Bedell amendment. We have heard statements from the Congressional Budget Office that it would be somewhere in the neighborhood of 40 percent.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. English] has expired.

(By unanimous consent, Mr. English was allowed to proceed for 2 additional minutes.)

Mr. ENGLISH. That is a fact the farmers of this Nation will know going into that vote. That is a decision for them to make. Let them decide whether or not they are willing to make that kind of a tradeoff. A substantial reduction in their production in exchange for a good price. I would suggest to the Members that that is fair. Some studies that we have done, though, if we do not take those steps, if we do not reduce that production, indicate that unless you have at least a 35-percent acreage reduction that this Nation will continue to increase the surpluses in wheat and feed grains from year, to year, to year. Even at 35 percent it would require at least 6 years to reduce the carryover that we have down to a level to where it is even 1 year's domestic consumption.

The point was also raised with regard to any type of export subsidy. What if the price goes down to \$2? I would ask you that what are we going to do if the price goes to \$2 under the program that we have today? Because we are going to be stuck with a loan rate of \$2.47 a bushel, and that is not going to be any different than what is happening today. The U.S. Government will take title to virtually every bushel of crop that is grown on this land, for wheat and feed grains alike.

The bottom line is this: The American farmer should have the right to decide his own fate. We have two different philosophical approaches. One is to allow the farmers to grow fence row to fence row, increase the surpluses to even

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greater levels, and push the price down to where we break foreign governments. Now that takes a lot of farmers with it; there is no question about it. I do not think that those who support that approach disagree with that fact.

Or we go the other direction. We tell the American farmer we do make substantial cutbacks in our production, but we can assure you that you will get a better price, and you also will be able to look forward to year, after year, after year an improvement in the overall farm situation. Let the farmer decide which of these directions he wants to go; let him make the ultimate decision because it is on his head that it is ultimately going to rest.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. English] has again expired.

(On request of Mr. Dorgan of North Dakota and by unanimous consent, Mr. English was allowed to proceed for 2 additional minutes.)

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman.

Mr. DORGAN of North Dakota. I thank the gentleman for yielding to me.

Mr. Chairman, as always, the gentleman has spoken eloquently and I want to associate myself with his remarks. I want to say the issue here is that the gentleman from Iowa has come forward with a new proposal; a different approach. I do not know if there is anyone left in the Chamber who really thinks that what is going on out there in the country is working. It is not.

The present approach to dealing with agricultural problems, the present approach to try to keep family farmers on the farm is not working. Farmers are going broke in record numbers; prices are going down; the Federal budget exposure is going up. What are we doing about it? Do we continue to do more of the same? No. What we do, in my judgment, is to try something different; try a new approach. That is exactly what the gentleman from Iowa has offered this House. An opportunity to do something different. More important than that, to give the farmer an opportunity to choose to do something different.

I just think that the proposal before us today from Mr. Bedell is a good one. I hope that we reject the amendment offered by Mr. Madigan, and I hope this House will give those farmers out there something to look forward to. What they have today fundamentally does not work. I come from rural America. I wish that we had the time to read the letters on the floor of the House from young men and women who are desperately trying to make a go of it on the family farm and are discovering they are not just losing their land, their machinery, their savings, but their dreams. We have a responsibility to do something about it.

One last point. In Europe, Western Europe, Japan, and other countries their farmers are doing better than ours. Why? Because they have made a decision that they want to maintain a network of family farms. That is a policy decision they have made. I think the amendment offered by Mr. Bedell moves us down that road to make a decision about whether or not we really want to do something to make sure there is a network of family farmers in America's future.

I hope we defeat this amendment, and I hope we give Mr. Bedell's amendment the kind of vote of confidence we should.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. English] has again expired.

(On request of Mr. Brown of Colorado and by unanimous consent, Mr. English was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Colorado. Mr. Chairman, will the gentleman yield?

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Mr. ENGLISH. I yield to the gentleman.

Mr. BROWN of Colorado. I thank the gentleman for yielding.

Mr. Chairman, I would just address one point, because I know the gentleman to be a sincere and a strong advocate of strong agriculture in this country, and that it is of particular concern not only for his district but this Nation.

The gentleman mentioned a concern about this bill being fair with regard to providing marketing certificates and with the area that it does not provide marketing certificates. I think he makes a good point. I guess the point I would like him to respond to, if he would, is the unique feature that was passed yesterday where we provided marketing certificates at the significantly higher price for imported grain for people who have not participated in the program. In other words, a program that has an aspect of providing a price support program for world producers.

Mr. ENGLISH. If the gentleman could explain that to me, I am not sure I understood that feature of the bill.

Mr. BROWN of Colorado. Certainly. The Bedell amendment yesterday, and I quote:

"The Secretary may make available to importers marketing certificates," the higher price, "for wheat or wheat products imported during the marketing years." They go on to expand.

Mr. ENGLISH. Well, let us go on to expand; let us get the other conditions on there. I think you are leaving a little something out as to why that is being done. Would you enlighten us on that?

Mr. BROWN of Colorado. The reference, of course, that follows down is to section 22 of the Agriculture Adjustment Act. Let me emphasize that the question of controlling imports under that Agriculture Adjustment Act is one that is discretionary with the President and not mandatory.

But what we have done in this program is provided price supports for imported grain. At the same time we will force American producers, some of them, to sell at a lower price.

Mr. ENGLISH. If the gentleman will go ahead, I think the gentleman is leaving a good deal out as to under what conditions that that should be done, that the Secretary should issue those certificates. Would the gentleman go ahead and provide us that information?

Mr. BROWN of Colorado. I would be glad to read. This says:

A marketing certificate applicable to a quantity of wheat or wheat products issued to an importer shall authorize such importer to market, barter or donate without restriction an amount of wheat or wheat products equal to the amount of such marketing certificate.

Now, to make the gentleman's point -- --

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. English] has again expired.

(At the request of Mr. Bedell, and by unanimous consent, Mr English was allowed to proceed for 1 additional minute.)

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I would be happy to yield to the gentleman from Iowa.

Mr. BEDELL. The gentleman needs to read the amendment very carefully, and the gentleman did very rapidly. It says the Secretary may. I hope the gentleman understands it says the Secretary may. The purpose of that is so he would

not be in violation of any GATT arrangements.

Does the gentleman think the Secretary is going to go out and issue a whole bunch of certificates to let people go ahead and import items?

There is some concern that in the way the bill was originally written that those who have been bringing in some imports, and there have been some minimum imports, that it would adversely affect them.

Further than that, the gentleman said section 22 is discretionary with the Secretary. Let me read to the gentleman exactly what it says: "any loan, purchase, or other program or operation undertaken by the Department of Agriculture or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof," that he is mandated to advise the President to take section 22 into account.

Mr. BROWN of Colorado. Mr. Chairman, may I respond to the gentleman from Iowa?

Mr. ENGLISH. I yield.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. English] has again expired.

(At the request of Mr. Brown, and by unanimous consent, Mr. English was allowed to proceed for 2 additional minutes.)

Mr. ENGLISH. Mr. Chairman, I am happy to yield to the gentleman from Colorado.

Mr. BROWN of Colorado. I think the gentleman from Iowa makes several good points and I will try to respond.

It is mandatory to the Secretary that he advise the President. The program is discretionary I said in terms of the President's decision on it. In other words, this allows marketing certificates for imported wheat. It is up to the President whether or not -- --

Mr. ENGLISH. Mr. Chairman, I yield to the gentleman from Iowa.

Mr. BEDELL. No; that is not true. It says that the Secretary may do this.

Mr. BROWN of Colorado. Section 22 is discretionary within the President's purview of acting.

So this not only allows marketing certificates for imported grain, but the decision on how you enforce section 22 is very much discretionary in the President's hands.

Just to respond to the gentleman's question with regard to the Secretary and imported products, let me suggest this President had acted very forcefully to encourage imports from the Caribbean basin related to the Caribbean initiative. Would he allow grain to come in under the pressures of the international marketplace?

Mr. BEDELL. Mr. Chairman, would the gentleman yield?

Mr. ENGLISH. I would be happy to yield to the gentleman from Iowa.

Mr. BEDELL. Right now we are not importing grain to any extent. If we have a Secretary that is foolish enough to say we are going to limit production here in the United States among all our farmers, and then we are going to encourage foreigners to ship grain into here, I have an awful lot of disagreements with this Secretary, but I really do not think this Secretary is really about to do anything as foolish as that.

Mr. ENGLISH. Mr. Chairman, if I may reclaim my time, I would simply like to make one comment.

Mr. BROWN of Colorado. That is exactly what the bill provides.

Mr. ENGLISH. Mr. Chairman, if the gentleman would allow me to reclaim my time, I would simply make one point. I think the gentleman is well aware of this and it is very clear that the reason for that provision is so we would not be in violation of our trade agreements. That basically comes down to the Secretary of Agriculture and the President.

Now I have to say very candidly if we have got a President who is willing to go to that extent to work against and cut the throats of his own farmers to issue such certificates without the need of violating the trade agreements, then obviously then we are going to put ourselves in the position in which we are going to have a President down there that I think is going to be surrounded by farmers and tractors for the rest of his term. That is the simple fact of life about it.

The gentleman knows full well why that provision was put in, so we would not be in violation of those trade agreements.

Let me say this. Any of these arguments that are made like this, then I would suggest that the best place to make those arguments is to the American farmer and allow him to decide.

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words.

(Mr. MARLENEE asked and was given permission to revise and extend his remarks.)

Mr. MARLENEE. Mr. Chairman, the Beverly Hills-Fonda-Willie Nelson-Harkin referendum plan is a damaging and ludicrous concept. It has been ginned up by those who could know very little about farm management and who know very little about our export position and what is needed to export grain out of this country.

Editorial writer after editorial writer across this country have come to recognize, what the referendum plan entails and forebodes from this Nation. The Washington Post, the very liberal Washington Post, comes out and says the Harkin plan, the referendum plan should die, it should be vetoed. The Washington Times also did a scathing editorial on the referendum plan.

Let me quote from the very heart of the country where the author comes from the editorial in the Des Moines Register: "Psst. Hey, you on the combine. How about a guaranteed price for corn of \$3.60 a bushel?" Now this is in the Harkin plan and, of course, that is just a few cents difference from the gentleman from Iowa, the author, Mr. Bedell.

How about almost \$7.00 for soybeans. And it won't cost the taxpayers a thing.

Such a deal. No wonder Senator Tom Harkin's proposed farm bill is a hit among country singers.

Unfortunately, in concentrating on the single goal of raising commodity prices, some other things are sort of brushed over -- the rights of land owners, higher food prices, possible devastation of the livestock industry, the withdrawal of U.S. agriculture from world markets.

The proposal to raise commodity prices by limiting production. That would be done with mandatory acreage reductions, if a 60 percent majority of producers approved in a referendum. For the minority whose operations might be imperiled by acreage reductions -- too bad.

I ask why should we have a referendum that penalizes every rural community in America while at the same time we reward every foreign producing nation that competes with us? Why should we have that kind of a referendum?

Yes; vote for a referendum if you want to encourage foreign production.

Yes; vote for a referendum if you want to have grain farmers putting 50 percent of their land into some kind of an idle status.

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Yes; vote for a referendum if you want to destroy our efforts at proving ourselves a reliable supplier of grain to the world.

Yes; vote for a referendum if you want to cut the volume of income flowing into rural America and you want to see more empty store fronts, more suppliers going out of business.

Yes; vote for a referendum if you want to insert instability into the planning process of every agricultural producer in America.

Mr. Chairman, a lot of Congressmen will vote for the referendum process because it has been propagandized by those popular country singers and by a vocal minority who offer it as a panacea.

Some Congressmen will vote for it because they want to avoid a vote to which they can be held responsible. The referendum is not responsible. The referendum is nothing but a trap. It exploits the fears and depressions in rural America. It will create conflicts, State versus State, commodity versus commodity, farmer versus farmers, generation versus generation and strife, and even within families it will create strife, a domestic conflict not seen in this country since the Civil War.

Those who desire to divide and conquer agriculture, the livestock producer against the feed supplier, could not ask for a better method to do it.

The only responsible vote right now is a vote for the Madigan amendment that will strike out the referendum. A vote for Madigan that would leave in place the basic provisions of this farm bill, responsible provisions that provide income protection, that provide market capability, that provide market clearing grain.

Farm organization after farm organization opposes this referendum, as was pointed out by my colleague from Oregon [Robert F. Smith].

After examining it, it is no wonder the producers themselves have -- rejected the idea. Wheat growers do not want the ill-conceived referendum: Vote it out by voting for Madigan.

The CHAIRMAN. The time of the gentleman from Montana [Mr. Marlenee] has expired.

Mr. MARLENEE. Mr. Chairman, I ask unanimous consent that I may proceed for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

Mr. WEAVER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. de la GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do so to inquire if maybe there might not be a possibility that we could get a vote by, let us say, 6 o'clock. We had debated this issue yesterday extensively and we are debating it now. I would not want to cut anyone off, but conceivably we could do this with 2 minutes each or something like that to make our final plea.

The leadership has requested that we rise by 6 o'clock and then come back tomorrow. I would hope that the issue is settled and that we might get the vote this evening.

Mr. Chairman, I would ask unanimous consent that all debate on this amendment cease at 6 o'clock and we proceed to vote at that time.

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The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BEREUTER. Mr. Chairman, reserving the right to object, I am particularly anxious to be cooperative with the Chairman and members of the committee, but this committee is debating the future of my State and only members of the Agriculture Committee have been able to participate in the debate at this point.

I understand the urgency that seems to be upon us.

Mr. de la GARZA. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I am pleased to yield.

Mr. de la GARZA. Mr. Chairman, I would be happy to yield the balance of my time to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. WEAVER. Mr. Chairman, reserving the right to object.

The CHAIRMAN. The gentleman from Oregon [Mr. Weaver] reserves the right to object.

Mr. BROWN of Colorado. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. de la GARZA. Mr. Chairman, I continue under my time. I offer the gentleman my time in good faith, and I would be happy to yield to the gentleman.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. de la GARZA. I yield.

Mr. MADIGAN. Mr. Chairman, I think part of the problem, I would say to my distinguished chairman, that nobody on this side of the aisle has objected to an extension of time for anyone speaking on that side of the aisle. Nobody on this side of the aisle has objected to any unanimous-consent request coming from that side of the aisle. Last evening and again this evening we have had objections being made to members of the committee even having 10 seconds beyond the 5 minutes. One of them just happened.

So the gentleman cannot expect people over here to not object to an extension of time.

Mr. de la GARZA. Let me plead with my colleagues not to get into this type of a situation. I cannot control who objects and who does not object. I hope that we do not get into this side of the aisle and the other side of the aisle.

Mr. Chairman, I would yield the balance of my time to my colleague from Nebraska [Mr. Bereuter] at this point if the gentleman wishes to take it. I am offering it in good faith.

I have not made a unanimous consent request.

Mr. ROBERTS. Mr. Chairman, would my chairman yield?

Mr. de la GARZA. I yield.

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Mr. ROBERTS. Mr. Chairman, I have been waiting patiently for 2 days as a member of the committee to have my 5 minutes' worth, and I thought perhaps it might take 7 minutes. The same thing happened in committee when we were discussing this.

Mr. de la GARZA. Mr. Chairman, if I may reclaim my time, did I make a unanimous-consent request? If I did so, I withdraw it.

The CHAIRMAN. The unanimous consent request was objected to.

Mr. de la GARZA. So it was objected to.

We are just wasting time. The Chairman would just like to accommodate the members.

At this time, I yield the balance of my time to the gentleman from Nebraska [Mr. Bereuter].

Mr. BEREUTER. I thank the gentleman for his courtesy. I would prefer to permit the members of the committee who have not spoken to have that opportunity. So I thank the chairman for his courtesy and I will ask for my own time.

Mr. de la GARZA. Mr. Chairman, I do not wish to take time to make a motion and force a vote when the membership is not ready. I would say, Mr. Chairman, that I make the same plea again. We have a bill that is structured as comprehensively as we could.

There is passion on both sides of this issue. I would hope that the membership would stay with the committee. It may not be the best of solutions, but it is the best we can do.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. de la GARZA. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, could we have everybody stand who is interested in still talking on this and take a quick headcount and try to multiply that by some time for each one and then see if we can set a time limit?

Mr. de la GARZA. I would be willing to do that.

The CHAIRMAN. Is there a request that the Chair ask Members who wish to speak to stand?

Mr. de la GARZA. We are just taking a referendum, Mr. Chairman, on my time.

The CHAIRMAN. The time of the gentleman from Texas [Mr. de la Garza] has expired.

(By unanimous consent, Mr. de la Garza was allowed to proceed for 1 additional minute.)

Mr. de la GARZA. Mr. Chairman, I have asked for this additional time to conclude our referendum to see how many want to speak. Who is counting?

I count about 17. I figure with 1 minute each we would need about 20 minutes.

The leadership has requested that we rise at 6. That means that we will go until tomorrow before we have a vote on this.

I yield back the balance of my time, Mr. Chairman.

Mr. WEAVER. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

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Mr. Chairman, I first would like to say to my dear friend, the gentleman from Illinois, that our other dear colleague, the gentleman from Montana, has spoken three times now on the amendment. The last time the gentleman spoke required a unanimous-consent request to speak again for 5 minutes.

I have not spoken on this farm bill at all. I have served on the Agriculture Committee for 10 years. This issue has been one that I alone raised in session after session of the Congress, and yet I have not spoken on this amendment at all; so I think we were generous.

I did not object when the gentleman from Montana got up and asked to speak for the third time, and with time short, the chairman of the committee says, "I think it was only fair that we reserve a little bit of time for those of us who have not spoken at all on the floor of the House on this provision."

Now, I rise in opposition to the Madigan amendment and in support of the language that was put in this bill in the Agriculture Committee by the gentleman from Iowa [Mr. Bedell].

I think that people do not understand what is going on in the markets for grain. We continue to talk about how we are subject to world prices and world prices for corn and soybeans and wheat fall and we cannot do anything about it.

The truth is, and we must understand this, that the United States makes the world price. We set the world price. I remember when I used to offer my barrel-for-bushel bill and I would get letters from Australia. I would get letters from Canada, from their wheat boards, and they would say, "Mr. Weaver, you are the only one talking sense. Everyone is going broke in this business unless the United States wakes up and raises the price of its grain so we can all make a living."

They said time and again, "You make the world price."

Now, the Bedell language is going to raise the domestic price for farmers and if we raise the domestic price for farmers, we are going to raise the world price as well.

What is not understood, and we had better understand it, is that we could raise the world price by \$2 a bushel and we would sell just as much grain as we do today. We have been giving away all our grain. This I think is the thing I resent more about our past farm policies than any other single thing, and that is by allowing stupidly, ridiculously allowing our grain prices to fall below the cost of production.

We have been selling to the Soviet Union at below our cost and therefore subsidizing the Soviet Union. I have to stand here on the floor of the House and watch the House vote massive amounts for the defense of our Nation and at the same time we provide the Soviet Union with massive amounts of grain at below the cost of production.

My estimates are that we have in the last 4 years subsidized the Soviet Union for 3 billion dollars' worth of grain. We also subsidized Japan, our largest buyer of our grain, by billions of dollars.

I think this is the height of stupidity. The language of the gentleman from Iowa, Mr. Berkley Bedell, will raise the price not only in the domestic market, but in the world market and stop these subsidies to the Soviet Union.

The farmer is going broke because of our inability and unwillingness to act to allow him to control his supply.

Now, let me tell you, if you think that our markets will be hurt by controlling supply, in the last 2 years, and these are figures that were affirmed by the U.S. Department of Agriculture and I understand that they do not often tell what really goes on, but these are my figures and I called the Department of Agriculture and got them affirmed today. You think we have been hurt in our market share of grain in the last 3 years? We sell 70 percent of all the corn in world markets.

We sell 70 percent of all the soybeans in world markets.

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We sell 35 percent of all the wheat in world markets and the only reason it has fallen to that point is that India and China have had huge crops in the last few years.

But let me tell you something, OPEC -- and I will finish immediately -- OPEC has 30 percent of the world market in oil and it controls the price. We can control our price the same way.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. Weaver] has expired.

Mr. MADIGAN. Mr. Chairman, I ask unanimous consent that the gentleman from Oregon be given the rest of the evening.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. WEAVER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. HUCKABY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to engage in a brief colloquy with the gentleman from Iowa.

The gentleman from Illinois [Mr. Madigan] earlier suggested that this section of the bill limits the amount of the acreage reduction of the set-aside of corn to 20 percent and wheat to 35 percent. It was my impression that there are no maximum limits. Could the gentleman clarify that? Which is correct?

Mr. BEDELL. Mr. Chairman, if the gentleman will yield, that is absolutely correct. There is no limitation, only in the first year. In the first year, there is. Following that, there is not.

Mr. HUCKABY. But what are the limitations in the out years?

Mr. BEDELL. The same as in the rest of the bill, there is no other limitation.

Mr. HUCKABY. There are no limitations?

Mr. BEDELL. There are none.

Mr. MADIGAN. No, no.

Mr. HUCKABY. In addition, there has been concern, and I think rightfully so, expressed regarding the poultry industry as such. We export a lot of poultry and there is concern that we will penalize our poultry industry by significantly increasing the price they have to pay for grain.

Is it the gentleman's intent to address this concern anywhere during the legislative process?

Mr. BEDELL. I would be receptive toward addressing that in the trade section, if we could do so.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I want to thank the gentleman for yielding, because I have been trying for 45 minutes to get somebody to yield to me.

Earlier in an exchange between the gentleman from South Dakota and the gentleman from Iowa and myself, the

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point was made that the letter that I am quoting from that was from the Congressional Budget Office does not take into account the changes made by the gentleman from Iowa [Mr. Bedell] in his own provision by dint of the amendment here.

As a matter of fact, on page 1 of the letter, it specifically says that the amendment would prohibit farmers from increasing acreages of certified crops, the thing that the gentleman from Iowa said was not contemplated.

Now, I have tried for 45 minutes to get recognized to respond to the gentleman and now nobody knows what I am talking about.

The other thing I would like to say, if the gentleman will continue to yield, is that the exchange that the two gentlemen have just had about there not being any limits on acreage reduction in the out years, 1987 through 1990, is one of the very principal objections to the thing, because the Secretary of Agriculture estimates that on wheat he would have to go to a 50-percent set-aside and on corn he would have to go to a 40-percent set-aside and under the terms of the provision in the bill he would be allowed to do that.

Now, the gentleman is vesting in the Secretary of Agriculture, whom the gentleman from Iowa has asked to resign, the gentleman proposes to invest in this man, who he wants to resign, total control over all the production of agriculture in corn and wheat crops in the United States.

I would suggest there is a little bit of inconsistency there and it is almost a tie.

Mr. HUCKABY. Mr. Chairman, if I can reclaim my time, is it not true that under existing legislation and under the Foley-Marlenee provisions today that the Secretary of Agriculture can determine the set-aside, whether it be 20 percent or 50 percent in wheat?

Mr. MADIGAN. No, it specifically says in Foley-Marlenee what the set-aside is to be and it says that in Bedell for the first year.

Mr. HUCKABY. What does it say, what is the set-aside for wheat under Foley-Marlenee?

Mr. MADIGAN. It calls for under Foley-Marlenee 20 percent on corn and 30 percent on wheat.

Mr. HUCKABY. Is that a maximum or a minimum?

Mr. MADIGAN. That is the minimum.

Mr. HUCKABY. That is the minimum, so you could have more than that.

Mr. MADIGAN. But let me make the distinction to the gentleman. If the farmer chooses not to go along with that, he can still be in business, just like he is today; but under Bedell, if he chooses not to go along with that, he cannot sell his commodities in the United States of America.

Now, that is a pretty significant difference, and I thank the gentleman for yielding.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Iowa.

Mr. BEDELL. It is a shame that we cannot debate this on the facts of the situation.

The letter that the gentleman had from the CBO assumed that the gentleman from Iowa was going to offer his other amendment, which would limit the set-aside for the whole period. That is the assumption they had at the time they

wrote the letter.

Sure, that is why they say it limits it; but as the gentleman knows, the gentleman from Iowa did not offer that amendment and I hope that the gentleman will correct the record so that we will not mislead everyone with regard to what is in it.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, if I could have the attention of the gentleman from Iowa, I am now confused in regard to the set-aside requirements under the gentleman's program.

Did the gentleman say that for wheat in the first year it would be 30 percent and then thereafter it was at the discretion of the Secretary?

Mr. BEDELL. Just exactly the same as under the base provision in the bill.

Mr. ROBERTS. Mr. Chairman, if the gentleman will continue to yield, if I could ask my subcommittee chairman, whose sincerity and integrity is unquestioned, by the way, in regards to what he is trying to do, have we frozen the acreage basis at their current levels for 3 years running, 5 years running, or what is the status of that?

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. Huckaby] has expired.

(At the request of Mr. Roberts, and by unanimous consent, Mr. Huckaby was allowed to proceed for 1 additional minute.)

Mr. HUCKABY. Mr. Chairman, I yield to the gentleman from Iowa.

Mr. BEDELL. As long as the referendum, if it were to be in effect, it keeps the same program for acreage limitations.

Mr. ROBERTS. So that would be for 2 years, if the gentleman will continue to yield, because the referendum would be held again after 2 years, so we are going to freeze the acreage base for 2 years at current levels?

Mr. BEDELL. Not exactly; the program is the same as it is at this time. If the farmer could go to the committee and show that his acreage base was not what he had been planting or anything, the county committee has the authority to make whatever changes seem appropriate.

Mr. ROBERTS. But what I am getting at, if the gentleman will continue to yield, is can the acreage base in the yield bill that the gentleman from Texas [Mr. Stenholm] and myself authored, we had a 20-percent kind of freedom there where a farmer could rotate from one program off to another; that is not the case now?

Mr. BEDELL. The gentleman is correct.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman.

Mr. de la GARZA. Mr. Chairman, I ask unanimous consent that all debate on this amendment, the Madigan amendment, end in 1 hour and that the time be divided equally between the chairman of the committee and the ranking minority member.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

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Mr. RICHARDSON. Mr. Chairman, I rise in support of H.R. 2100, the Food Security Act, which governs Federal Farm Income and Price Support Programs, Soil Conservation Programs, and Domestic and International Food Assistance Programs.

The economy of rural America is on the verge of collapse; New Mexico is among those predominantly rural States which shares this plight. While foreclosures and the failures of rural businesses increase, agricultural exports, land prices, and product prices decrease, at unprecedented rates. Export levels have steadily declined by 30 percent since 1980; farmland values have dropped by 20 to 25 percent in many States; most major commodity and livestock prices are at their lowest levels in several years. The crisis is not due to the inefficiency of the U.S. farmer but rather to his extraordinary capacity to produce far more than he can sell domestically or internationally. The USDA predicts that farmers will produce another bumper crop this year. As prices have rapidly fallen, U.S. farmers have been forced to plant fence row to fence row in an attempt to make an acceptable living; clearly, this has not worked.

Nearly a third of middle-sized commercial farms face financial difficulties with high debt loans and negative cash flows today. Farms producing cash grains, general livestock, or dairy products account for more than three-quarters of the financially stressed farms; such is the composition of the farming community in New Mexico. Our middle-sized family farms are bearing a disproportionate share of the debt of the farming community. The continued health of rural and urban America depends on saving this sector of our Nation from insolvency. The collapse of our agricultural communities, the closing of banks, businesses, and farm suppliers, will affect the stability of food to all communities and add to the burdens of densely populated urban communities.

Our responsibility lies in ensuring that our food supply remains stable, competitive, and diversified, both domestically and internationally. While hunger abroad is well documented, hunger, malnutrition, infant mortality and low birth weight rates, too, are on the rise in this country. Our Nation faces a hunger problem which has been described as a "public health epidemic." The Food Stamp and Child Nutrition Programs, as described in H.R. 2100, are our Nation's primary and most successful responses to hunger in America. These programs not only help those most in need of assistance but also assist our farmers by guaranteeing that their products will be used and not wasted in Government storage facilities. The Federal farm program provides low cost and effective nutrition to our Nation.

As we consider H.R. 2100, we must remember that our farmers need income. Increased Federal support of farmers will be necessary unless farm income improves dramatically in the next year. We need a farm policy which does not bankrupt farmers and taxpayers at the same time. A gradual move toward a market-oriented policy is acceptable and desirable farm policy. H.R. 2100 represents a realistic farm policy. I urge my colleagues to support this bill on which the economic future of our agricultural and urban sector depend.

Mr. SCHAEFER. Mr. Chairman, the current provisions in H.R. 2100 providing for a producer referendum on marketing certificates for wheat and feedgrains will prove to be disastrous to livestock producers, consumers and agricultural industries. Under the bill, if 60 percent or more of the producers of wheat and feedgrains -- including at least 50 percent of the wheat and 50 percent of the feedgrain producers -- vote affirmatively, then marketing certificates would be in effect for the following 2 years.

Should the referendum pass, the marketing certificates and the corresponding acreage reduction programs would effectively constitute mandatory controls on production. Participation in the program would be practically 100 percent, since nonparticipants would not be allowed to sell or even trade their grain in the domestic market. They could only sell their grain for the export market or consume it on the farm.

Under such a referendum, U.S. wheat and feedgrains would be rendered noncompetitive, minus large export subsidies. The USDA estimates that, under this referendum, export subsidies -- cash and in-kind -- for corn and wheat would total \$16 billion during fiscal year 1986 through fiscal year 1988. Per-bushel-subsidies would be high because grain exporting companies would have a strong incentive to sell at any price since the Government would guarantee the companies that their costs would be covered, including "acquisition, handling, and a fair return."

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As a result of the large export subsidies, Government outlays for wheat and corn during fiscal years 1986-88 would be about \$3 billion above the House bill with no referendum. The referendum also allows for subsidies to be paid to domestic grain purchasers, which could add another \$3 to \$4 billion-per-bushel to Government outlays.

Under this proposal, consumers would pay much more for less food. During 1986-90, spending for cereal, bakery products, meat and poultry alone would be \$26 billion above spending under the House bill without the referendum. Low-income families would be hit the hardest, since they spend the largest portion of their income on food. In addition, outlays for food stamps would rise about \$1.5 billion over the life of the bill.

Other sectors of agriculture and the related industries would be severely impacted. Livestock, dairy and poultry producers could expect 60-percent higher feed costs if the referendum passed. Brokers, trading houses, transportation, and marketing firms would experience significantly less business. With reduced acreages and production, input and food processing industries could expect considerably less business. At the same time, import restrictions would have to be applied to processed products such as flour and bakery products to prevent less expensive foreign products from taking over the domestic market. This would heighten world trade tensions and, no doubt, bring retaliation from our trading partners.

In sum, the referendum would place U.S. consumers in the ironic position of paying more for grain products than consumers in most other countries. In fact, foreign importers would benefit directly from cheaper U.S. grain and, thus, become more competitive than the United States in both domestic and world markets for products produced from grain.

For these reasons, I stand in opposition to this referendum.

Mr. TRAFICANT. Mr. Chairman, I rise in strong support of provisions in H.R. 2100, the Food Security Act, that extend the Food Stamp Program for 5 years, providing modest increases in benefits and eligibility, and requiring States to set up employment and training programs. I also urge my colleagues to oppose any amendments to delete these increases and limit the eligibility requirements as outlined in the bill.

Mr. Chairman, if one takes a look at what has happened to the Food Stamp Program over the last 4 years in terms of funding, it becomes obvious that this worthwhile program has suffered drastic cuts. At the same time the Food Stamp Program was being cut, defense spending was massively increased. Well, now we find ourselves in a position where hunger and poverty in America have increased at an alarming rate. I believe that it is a disgrace for a nation, as wealthy and powerful as ours, to have a hunger problem. But we do have a hunger problem in this country and it is growing. Simply put, the modest increases in the Food Stamp Program outlined in H.R. 2100, are necessary to offset the devastating impact previous cuts in food stamp spending have had, and to combat the continuing problem of hunger and poverty in America.

Study after study indicates that hunger, malnutrition, infant mortality and low birth weight rates are all on the rise in America. Equally disturbing is the fact that one out of every four children under the age of 6 is living in poverty -- virtually guaranteeing increased social and Government costs down the road. Children going hungry, undernourished infants and pregnant mothers -- one would think this scenario describes a third world country -- but this grim scenario is of America. An America haunted by the specter of an ever growing number of hungry, malnourished children living in poverty. Facing this growing problem should be one of our number one priorities in the Congress. The Food Stamp Program is one small step toward setting our priorities straight. It is a step we must take -- the modest increases in the Food Stamp Program are of vital importance.

Doesn't it make good sense to provide modest increases now in order to prevent much greater expenditures in the future? Of course it does. The increases in deductions provided for in the bill will be of great help to the working poor -- people struggling to get ahead. By providing a greater deduction for child care expenses, for example, single mothers will find it easier to get a job and become self-supporting.

The increases in benefits and expansion of deductions outlined in H.R. 2100 for the Food Stamp Program are

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modest. Yet these modest increases are vital to our effort to respond to the growing problem of hunger and poverty in this country. Times are changing and we must be flexible enough to respond to those changes in a positive fashion. These increases in benefits and deductions will provide much needed relief to poverty stricken families -- especially single mothers struggling make a better life for their families. We cannot turn a cold shoulder on the pressing needs of these people. By supporting these modest increases we are making a sound investment in the future of this Nation. I again urge my colleagues to oppose any amendments seeking to eliminate or limit the increases in the Food Stamp Program provided for in H.R. 2100.

Mr. de la GARZA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. Durbin] having assumed the chair, Mr. Bonior of Michigan, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2100) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to continue food assistance to low-income persons, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, had come to no resolution thereon.

SUBJECT: AGRICULTURAL MARKETING (89%); GRAIN FARMING (79%); FARMERS & RANCHERS (79%); REFERENDUMS (79%); RURAL DEVELOPMENT (59%); AGRICULTURAL EXPORT & IMPORT CONTROLS (59%); AGRICULTURAL INCOME (59%); AGRICULTURAL PRICES (59%); CIVIL RIGHTS (59%); AGRICULTURE (59%); EXPORT TRADE (59%); IMPORT TRADE (59%);