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REFERENCE: Vol. 131 No. 145

TITLE: AGRICULTURE, FOOD, TRADE AND CONSERVATION ACT OF 1985

SPEAKER: Mr. ABDNOR; Mr. BENTSEN; Mr. DANFORTH; Mr. DIXON; Mr. DOLE; Mr. DURENBERGER; Mr. EXON; Mr. GRASSLEY; Mr. HATCH; Mr. HELMS; Mr. MELCHER; Mr. MOYNIHAN; Mr. PRYOR; Mr. ZORINSKY

TEXT: The PRESIDING OFFICER. The Senate will now resume consideration of the unfinished business which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1714) to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Dole Amendment No. 904, to amend the Animal Welfare Act, to ensure the proper treatment of laboratory animals.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Goldwater). Without objection, it is so ordered.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

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Mr. HELMS. What is the pending business?

The PRESIDING OFFICER. Amendment 904.

Mr. HELMS. I thank the Chair.

Mr. President, I ask unanimous consent that amendment 904 be laid aside temporarily so that the Senator from Texas [Mr. Bentsen] may call up an amendment.

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

Mr. BENTSEN. I thank the distinguished chairman of the committee.

AMENDMENT NO. 908

(Purpose: To improve the working of U.S. agricultural trade programs and to expand export markets for U.S. agricultural products)

Mr. BENTSEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. Bentsen], for himself, Mr. Cochran, Mr. Pryor, Mr. Burdick, Mr. Ford, and Mr. Symms, proposes an amendment numbered 908.

Mr. BENTSEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 26, between lines 15 and 16, insert a new subsection (c) as follows:

"(c) The United States Trade Representative shall --

(1) review the reports prepared under subsection (a) and any other information available to identify export subsidies or other export enhancing techniques (within the meaning of the agreement on Interpretation and Application of Article VI, XVI, and XXIII of the General Agreement on Tariffs and Trade);

(2) identify markets (in order of priority) in which United States export subsidies can be used most efficiently and will have the greatest impact in offsetting the benefits of foreign export subsidies that --

(A) harm United States exports,

(B) are inconsistent with the Agreement on Interpretation and Application of Article VI, XVI, and XXIII of the General Agreement on Tariffs and Trade,

(C) nullify or impair benefits accruing to the United States under international agreements, or

(D) cause serious prejudice to the interests of the United States and

(3) submit to the Congress and to the Secretary of Agriculture an annual report on --

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(A) the existence and status of export subsidies and other export enhancing techniques that are the subject of the investigation conducted under paragraph (1), and

(B) the identification and assignment of priority to markets under paragraph (2)."

On page 26, line 16, strike out "(c)" and insert in lieu thereof "(d)".

On page 26, line 24, strike "subsection (a)" and insert in lieu thereof "subsections (a) and (c)".

On page 27, line 3, strike out "(c)" and insert in lieu thereof "(d)".

On page 27, line 9, strike "subsection (a)" and insert in lieu thereof "subsections (a) and (c)".

Mr. BENTSEN. Mr. President, this amendment will strengthen the export section of this bill by helping us to better target our responses to foreign export subsidies. I am joined in offering this amendment by the Senator from Mississippi [Mr. Cochran], the Senator from Arkansas [Mr. Pryor], the Senator from North Dakota [Mr. Burdick], the Senator from Kentucky [Mr. Ford], and the Senator from Idaho [Mr. Symms].

This amendment will require the U.S. Special Trade Representative to submit an annual report on the existence of export subsidies or other export enhancing techniques, as defined in the GATT Subsidies Code. This report must also identify and rank order markets in which U.S. export subsidies can be used most efficiently and will have the greatest impact in offsetting subsidies that are harming U.S. interests.

This report will give us a list, certified by STR, of export subsidies that are damaging U.S. agriculture. Anyone who doubts the existence or the status under international trade law of these practices can remove those doubts simply by checking this report.

In addition, the recommendations of the Nation's top trade official will be available for use in guiding any U.S. export subsidy programs. We need to make the most efficient use of our resources in these export subsidy programs, just as we do in every other Government program. Having this report from the Special Trade Representative will help us to do that.

Although the executive branch of Government has awesome discretionary powers for use in dealing with trade problems, the powers have not been used wisely or well in the past. We have not had a real trade policy under Democratic or Republican administrations. Responses to trade problems have been ad hoc and uncoordinated.

Unfortunately, Mr. President, the executive branch's track record on dealing with foreign agricultural export subsidies and other trade barriers is not good. In many cases they have done nothing about barriers to U.S. agricultural exports. In other cases they have tried to do something but have accomplished nothing.

In 1983 Secretary Block announced, with great fanfare, the sale of \$1.5 billion worth of wheat flour to Egypt to counter the European Community's subsidies. It really shook up the EC. They had taken that market away from us by using export subsidies, and we clearly had the clout to take it and other markets back. They were seriously considering negotiating with us about trade barriers and export subsidies on agricultural products.

But all of a sudden, what happened? The EC found that we had the clout, but not the will to use it. The State Department did not want to upset our friends. The Defense Department wanted European countries to live up to their agreements to put cruise missiles and Pershing II's in place so that we could defend them. The USDA was told to back off and the EC was told, "We're sorry we upset you, and we won't let this terrible thing happen again." A good initiative announced with great fanfare was very quietly cosigned to the trash heap after having wasted a bunch of the taxpayers' money.

What has happened since then? Nothing. The EC has cruised merrily along subsidizing their exports. They can do it

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a lot more cheaply now because of the high value of the dollar. They drove U.S. farmers out of our wheat markets with cash subsidies of up to \$80 per ton, or \$2.18 per bushel. Then the U.S. dollar got so high that the EC even tried a sale or two with no subsidies. They are back subsidizing again, but at what are to them very affordable levels.

USDA announced, again with great fanfare, a new export subsidy program last May. The results so far can charitably be described as minimal. We blew our credibility when backed down before, and now it will be twice as hard to get the EC, or anyone else, to take us seriously.

The recent announcement of the filing of a GATT complaint against EC wheat export subsidies is just more shrubbery for the administration to hide behind instead of getting into the fight. The failure to use any of the really serious options available to the President under current law clearly tells the EC that this administration is only looking for a way out of the political mess they are in on the trade issue. It says they are not serious about getting results.

But results are what the United States desperately needs, and it is not just U.S. farmers. EC sugar export subsidies are absolutely destroying the world sugar market. A French farmer is paid 27 cents per pound for his beet sugar. It is then sold, through subsidies, at the current world market price of 4.9 cents. The French farmer has seen the value of land for growing sugar beets go from \$1,000 to \$7,000 per acre. But the depression of the world sugar market through that dumping has cost the Caribbean basin countries billions of dollars. It has probably done just as much to destabilize Central America as the Communist guerrillas have done.

This bill contains some good export provisions that are designed to produce results, not just rhetoric. I commend the Senate Agriculture Committee for recognizing the problems and taking needed steps to deal with them.

This amendment will complement the committee's efforts. It will help see that we use our resources wisely and well, where they will get the most return on our investment. It will help make our export subsidies more effective, and it will add more and better information to the debate on our agricultural trade policy. I urge its adoption by the Senate.

Mr. President, I commend the Senate Agriculture Committee for recognizing this problem and taking the needed steps to try to deal with it. I am appreciative of that. I think this amendment is going to complement the committee's effort. It will help see that we use our resources wisely, that we do not blow them, and that we put them in those areas where we are really having to confront subsidies that are taking crop markets away from the U.S. farmers. It will make those subsidies that we finally are using for exports more effective. And, in all candor, I wish we would both do away with them. But you will never get the other side to do away with it until you take them head on and they understand that we are serious about it. This will help us be more effective in doing it.

I urge the adoption of this by the Senate. I understand that the majority has surveyed it and the minority and feel kindly toward it.

Mr. HELMS. Mr. President, this is a good amendment. If anything it is long overdue. I thank the Senator for his comments about the efforts of the Agriculture Committee. We have a good export title in this bill and this will improve it.

The problem that the Senator has discussed is not some illusory thing or speculative matter. It is real. We are losing jobs; we are losing exports; and we are increasing our deficit day after day.

A couple years ago, I went over to Geneva for the GATT ministerial conference. I was sent by the President. The message that I was to take, and I took as best I could, was that the EC's right to swing its subsidy fist ended at Uncle Sam's nose. I am afraid I overspoke a little bit because it has taken us a couple of years to wake up and smell the coffee with respect to what has gone on.

But I think that throughout this Congress, and certainly among the American people, there is an understanding that free trade is fine, so long as it is fair. But if it is not fair, it is not free.

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The Senator's amendment is a good one and I commend him for it. I am delighted to commend it to the Senate and I accept the amendment.

Mr. BENTSEN. I thank the distinguished Senator, the distinguished chairman of the Agriculture Committee. I share with him the view that I am all for free trade, but you cannot be the only country in the world really trying to exercise it.

Mr. HELMS. The Senator is right.

Mr. BENTSEN. And it is time, frankly, that we have a heavy dose of pragmatism and we should quit apologizing for seeking some self-interest for the United States.

Mr. HELMS. The Senator is absolutely right.

Mr. MELCHER. Mr. President, I commend the senior Senator from Texas [Mr. Bentsen], for presenting a solid amendment, one that we want to accept to provide specific instructions to the U.S. Trade Representative to study and identify those markets where concentrated efforts by the United States need to be taken to offset export subsidies used by foreign countries and to see that it is effective.

The amendment will attempt to expand our markets, and we certainly need to do that. Our foreign agriculture exports have dropped off terrifically, and much to our detriment, causing further surplus in the United States of these commodities, and, therefore, further depressing the price. Like the Senator from Texas, I do not think we can sit idle and watch this export market slip away from us while we have the commodities to sell and need to sell them and have other countries subsidizing their exports.

So the study provided for in the Senator's amendment is an excellent one. On behalf of our side of the aisle, we not only accept the amendment, we are extremely pleased to support the amendment.

Mr. HELMS. Mr. President, I think at this point it might be well to say a few words about the export title in the farm bill which is now before the Senate.

In the first place, the export title expands the Intermediate Export Credit Program to authorize the guarantee of loans and to require the financing or guarantee of such loans in the amount of \$1 billion annually for the next 3 years. The title also requires the Commodity Credit Corporation to make available short-term export credit guarantees in the amount of at least \$5 billion annually for the next 4 years.

Specifically, to combat predatory practices of foreign competitors, such as the Senator from Texas has discussed, the bill requires the Secretary of Agriculture to use at least \$325 million annually for 3 years to directly assist in the export of U.S. commodities adversely affected by the price or credit subsidies or unfair marketing arrangements used by other countries. To add to the effort, the Secretary of Agriculture is required to sell for export at least 150,000 tons of CCC-owned dairy products annually for 3 years.

Then the bill requires the Secretary to use at least \$2 billion of CCC-owned commodities to enhance and encourage export sales of U.S. agriculture commodities during fiscal years 1986 through 1988.

I mention that simply to say that the Senator's amendment fits in well with what the Agriculture Committee is attempting to do, if we can ever get this bill passed and enacted into law.

Mr. President, I suggest we vote on the amendment.

Mr. PRYOR. Mr. President, I am pleased to support the amendment of the Senator from Texas [Mr. Bentsen] and I hope it is adopted by the Senate. This amendment will set up a mechanism for identifying and targeting foreign export subsidies and other unfair trade practices. It will result in the creation of the first central listing of unfair trade practices

that harm our agricultural exports. This listing will make a major contribution to the debate over agricultural policy. If we are to have an effective program to combat unfair foreign trade practices, then we must know what those practices are and how we can best use our own limited resources to combat them.

I think the time is overdue for our Government to "go to bat" for our farmers and to level the playing field of international competition. We have, for too long, allowed our farmers to have the unfair task of having to compete against foreign governments and treasuries, and not against foreign farmers.

This amendment will require the U.S. Trade Representative to report annually on the existence and status of trade barriers. This report will further identify markets in which U.S. export assistance can be used most efficiently and would have the greatest benefit in offsetting unfair foreign subsidies.

Mr. President, this is a "pro-farmer pro-American" amendment that says "enough is enough." Our farmers are the most efficient and productive producers of food and fiber in the world. It's time we allowed them to get on "equal footing" with competitors worldwide.

Mr. ABDNOR. Mr. President, before we do, I seek the floor to support the amendment of the Senator from Texas and to compliment him for his excellent amendment. I just walked into the Chamber. I would like to be listed as a cosponsor, if the Senator does not mind.

Mr. BENTSEN. Mr. President, I am flattered by the statement of the distinguished Senator from South Dakota. I would be delighted to do that. I ask unanimous consent that the Senator from South Dakota be added as a cosponsor.

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

The question is on agreeing to the amendment of the Senator from Texas [Mr. Bentsen].

The amendment (No. 908) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. ABDNOR. Mr. President, I have amendment No. 901 at the desk and I would like to offer it at this time.

Mr. HELMS. Mr. President, I ask unanimous consent that the amendment of the Senator from Kansas be temporarily laid aside so that we may consider the amendment of the Senator from South Dakota.

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

AMENDMENT NO. 901

(Purpose: To revise the study of the Farm Credit System and provide for recommendation for improving such system)

Mr. ABDNOR. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. Abdnor] proposes an amendment numbered 901.

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Mr. ABDNOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment reads as follows:

On page 376, beginning with line 19, strike out all down through line 20 on page 377 and insert in lieu thereof the following:

Sec. 1718. (a) The Governor of the Federal Reserve System, in consultation with the Secretary of Agriculture and the Governor of the Farm Credit System shall conduct a study of methods to ensure the availability of adequate credit, on reasonable terms and conditions, for farmers of the United States.

(b) In conducting such study, the Governor of the Federal Reserve System shall --

(1) evaluate the financial circumstances relative to both lenders and borrowers of farm credit; and

(2) evaluate the structure, performance, and conduct of the Farm Credit System.

(c) Not later than 180 days after the date of enactment of this Act, the Governor of the Federal Reserve System shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report containing the results of the study provided for in this section together with such comments and recommendations for providing a sound and reasonable credit program for farmers as the Governor considers appropriate.

Mr. ABDNOR. Mr. President, the current bill calls for a study of the farm credit system by the Governor of the Farm Credit Administration. With all due respect to the Governor, I do not believe the Agency which has the problem should investigate itself. My amendment would have the chairman of the Board of Governors of the Federal Reserve System perform that study in consultation with the Governor of the Farm Credit Administration and the Secretary of Agriculture.

My amendment would require the Federal Reserve System to evaluate the financial condition of, and the prospects for, both lenders and borrowers of farm credit and evaluate the structure, performance and conduct of the Farm Credit System.

In addition, the Federal Reserve System would provide recommendations to the House and Senate Agriculture Committees, including recommendations of any assistance needed to stabilize the financial condition of the Farm Credit System and to protect the capital that borrowers have invested in the system.

I expect the Federal Reserve System to address the need for the establishment of a fund to be used to insure institutions of the Farm Credit System against loan losses.

The study is to be completed in 180 days.

I must admit, Mr. President, that my nomination of Paul Volcker to do this study was done with mixed feelings. I am very concerned about the degree of sensitivity that Chairman Volcker has with respect to the current economic depression in agriculture. But then I am not comfortable with the attitudes of many Washington officials regarding rural and agricultural problems. However, there is little question that the Federal Reserve System has the resources to do the job within the legislated time frame and, with proper monitoring, can do the job. The agricultural community will be watching.

Mr. HELMS addressed the Chair.

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The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HELMS. Mr. President, we have examined this amendment on this side. Not only do we find it acceptable, but we find it a piece of legislation for which we commend the distinguished Senator from South Dakota. We accept the amendment.

Mr. ZORINSKY. Mr. President, we have no objection to the Chairman of the Board of Governors working with the Secretary of Agriculture and the Farm Credit Administration in ensuring that there is adequate credit available for the Nation's farmers. I do think that the study provisions in the committee-reported bill are not inconsistent with the thrust of the Senator's amendment, and would want to see them retained in the legislation.

Mr. ABDNOR. I thank both the chairman and the ranking minority member for their support. Thank you very much.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 901) was agreed to.

(Later the following occurred:)

AMENDMENT NO. 901 AS (MODIFIED)

The PRESIDING OFFICER (Mr. Cohen). The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, on behalf of Senator Abdnor, I ask unanimous consent that the amendment offered by the distinguished Senator from South Dakota earlier today, amendment No. 901, be modified, which modification I send to the desk. I might add that this has been cleared, as I understand it, on the other side.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The modified amendment is as follows:

On page 376, beginning with line 19, strike out all down through line 20 on page 377 and insert in lieu thereof the following:

Sec. 1718. (a) The Chairman of the Board of Governors of the Federal Reserve System, in consultation with the Secretary of Agriculture and the Governor of the Farm Credit System, shall conduct a study of methods to ensure the availability of adequate credit, on reasonable terms and conditions, for farmers of the United States.

(b) In conducting such study, the Chairman of the Board of Governors of the Federal Reserve System shall --

(1) evaluate the financial circumstances relative to both lenders and borrowers of farm credit; and

(2) evaluate the structure, performance, and conduct of the Farm Credit System.

(c) Not later than 180 days after the date of enactment of this Act, the Chairman of the Board of Governors of the Federal Reserve System shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report containing the results of the study provided for in subsection (a), together with such comments and recommendations for providing a sound and reasonable credit program for farmers as the Chairman considers appropriate.

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(d) The Governor of the Farm Credit Administration shall conduct a study of the need for the establishment of a fund to be used --

(1) to insure institutions of the Farm Credit System against losses on loans made by such institutions; or

(2) for any other purpose that would --

(A) assist in stabilizing the financial condition of such System; and

(B) provide for the protection of the capital that borrowers of such loans have invested in such System.

(e) In conducting such study, the Governor shall --

(1) consider the advisability of using the revolving funds provided for under section 4.1 of the Farm Credit Act of 1971 (12 U.S.C. 2152) to provide initial capital for the fund referred to in subsection (d); and

(2) estimate the amount and level of future assessments levied on institutions of the Farm Credit System that would be necessary to ensure the long-term liquidity of such fund.

(f) Not later than 180 days after the date of enactment of this Act, the Farm Credit Administration shall submit a report containing the results of the study required under subsection (d) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(Conclusion of later proceedings.)

Mr. DIXON. Mr. President, what is the order of business?

The PRESIDING OFFICER (Mr. Symms). The pending question is amendment 904 offered by the majority leader to S. 1714.

Mr. DIXON. Mr. President, I ask unanimous consent that that amendment be temporarily set aside.

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

AMENDMENT NO. 910 AND AMENDMENT NO. 911

Mr. DIXON. Mr. President, I will state for my colleagues that my purpose in making the request is to send two amendments to the desk that I contemplate offering at an appropriate time later this afternoon after the distinguished chairman of the Agriculture Committee, Senator Helms, and the ranking minority member on our side, Senator Zorinsky, have had an opportunity to examine the amendments.

The PRESIDING OFFICER. The amendments will be stated.

The bill clerk read as follows:

The Senator from Illinois [Mr. Dixon] proposes an amendment numbered 910 and an amendment numbered 911.

Mr. DIXON. Mr. President, I send these two amendments to the desk. I do not ask for their immediate consideration.

I ask unanimous consent that the reading of the amendments be dispensed with.

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

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Mr. DIXON. Mr. President, at such appropriate time as the distinguished chairman of the Agriculture Committee and the ranking minority member have had an opportunity to examine these amendments, I wish to bring them up again.

The PRESIDING OFFICER. The amendments will be received and will lie on the table.

Mr. DIXON. I thank the Chair.

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Danforth). Without objection, it is so ordered.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. DIXON. Yes. Of course.

Mr. HELMS. Mr. President, I ask unanimous consent that the pending amendment by the Senator from Kansas be temporarily laid aside so that this amendment may be considered.

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

Mr. DIXON. I thank the distinguished chairman of the committee.

AMENDMENT NO. 911

(Purpose: to express the sense of Congress that new Federal initiatives are needed in the area of research on new or improved food processing or value-added food technologies)

Mr. DIXON. Mr. President, I understand that No. 911 is at the desk. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIXON. I believe I previously asked that we dispense with the reading of the amendment. I believe that was allowed.

The PRESIDING OFFICER. The clerk still needs to report the amendment.

Mr. DIXON. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Illinois [Mr. Dixon] proposes an amendment numbered 911.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 285, between lines 14 and 15, insert the following:

(1) in paragraph (8) --

(A) by striking out "and" at the end of subparagraph (N);

(B) by inserting "and" at the end of subparagraph (O); and

(C) by adding at the end thereof the following:

"(P) research on new or improved food processing or value-added food technologies;"

On page 285, line 15, strike out "(1)" and insert in lieu thereof "(2)".

On page 285, line 17, strike out "(2)" and insert in lieu thereof "(3)".

On page 285, line 19, strike out "(3)" and insert in lieu thereof "(4)".

Mr. DIXON. Mr. President, during this time of great crisis in the agricultural sector of our Nation, we need to focus our efforts on research and technology. Research and the development of new technologies will help us realize our greatest hopes for agriculture. We desperately need to strengthen the scientific base of America's food industry.

Mr. President, the Federal Interagency Research Subcommittee observed in its publication, "Research: Background for 1985 Farm Legislation," that there has been an increasing decline in productivity for food processing over the last 25 years. The report goes on to state that one major cause of poor productivity is the low investment in research and development in the food processing and distribution sector. The report concludes that "improved technologies are badly needed in processing."

For this reason, I am introducing amendments which would include high priority status for food processing or value-added research, and would require the Department of Agriculture to appoint food technologists from accredited or certified departments of food technology to the Joint Council on Food and Agricultural Sciences and to the National Agricultural Research and Extension Users Advisory Board.

The Department of Agriculture has not previously included food science or food processing in its list of 1986 priorities for research, extension, and higher education.

It is vital to recognize that any expansion in research will help our farmers sell their products. I urge support of these important amendments dealing with research and technology.

Mr. President, I ask unanimous consent that a paper prepared by the Institute of Food Technologists entitled, "The Needs of Food Science and Technology Research and Development," be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

THE NEEDS OF FOOD SCIENCE AND TECHNOLOGY R&D -- for a Healthier America

INTRODUCTION

Alarmed by inroads made by foreign food producers and manufacturers, IFT has determined the critical need for a concerted effort to improve the scientific base for America's food industry. A workshop held in November, 1984 delineated R&D requirements (summarized below). Now IFT is presenting this need to Congress and federal agencies, focusing on the 1985 Farm Bill. The major points follow.

Key points: Direct increased federal research support now to:

Broaden the basic science of food properties through fundamental research. This will enable the use of automation in food processing, and enhance food safety and the environmental compatibility of food and agricultural processes.

Develop new and better foods to further improve nutrition and increase the use of farmers' output. Value-added R&D can lead to new uses for raw ingredients -- corn, wheat, soybeans, etc.

BENEFITS AND PAYOFFS

A. Greater scientific depth and sharpened technology can help U.S. food producers compete more successfully with foreign manufacturers.

B. By developing innovative food products, the output of the American farmer can be more fully utilized.

C. Greater value-added of food products will return more tax dollars to federal and state governments.

D. More jobs can be created for American workers.

E. Increased competition and more efficient processes will tend to lower prices to consumers.

F. Enhanced nutrition, developed through research, new food items, and consumer education will tend to improve the wellness of Americans. Over the long term, this can substantially reduce the nation's health care costs.

WORKSHOP THEMES

Two hundred outstanding scientists met last fall with IFT to discern and specify the most critical food science and technology research needs into the next Century.

Their mandate: Define R&D priorities which will restore this country's competitive edge vis-a-vis foreign manufacturers. Determine the research to be done which is essential to maximize nutrition and, thereby, health, and tap the economic potential of enhanced value-added food processing. ("Value-added" is an economists' term to indicate the extent to which a product increases in economic value as it moves through the processing chain. In each step of the process, from raw material to sale to the consumer, the product attains more value. The value is reflected in its initial costs, plus the science, machinery, energy labor, etc. put into it. It is accepted that 80 percent of the value added of food products results from processing.)

MAJOR WORKSHOP FINDINGS

Forty-two program proposals from the IFT Workshop are encompassed in seven major research thrusts. They are directed as follows:

1. Develop innovative technologies to improve processing, and especially integrate value-added research with promising biotechnologies. Develop available science for badly-needed productivity gains in processing. Foster the use of robotics in food industries. (Each one percent improvement in yield -- or increase in productivity -- would return \$1 billion to the economy).

2. Develop scientific techniques which will improve agricultural, food, dairy and meat products. Such research, including genetic engineering, promises quality improvements in both the palatability and nutritive value of foods.

3. Increase scientific understanding of food constituents -- the physical, chemical and biological properties and structures of foods and related materials. Accompany this research with parallel efforts to employ the findings to improve processing, nutrition, food safety, and environmental compatibility.

4. Develop innovative analytical procedures. These must be rapid, nondestructive, simple, continuous, on-line,

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automated and inexpensive. These can help link advances in biotechnology to improvements in food safety, by providing quick and reliable monitoring of processes and properties of foods.

5. Develop better knowledge of mechanisms which control biological activity. To do so will help both the safety of foods and their relationship to the environment.

6. Obtain and evaluate critical data related to health and nutrition, and to chemical and microbial safety.

7. Determine long-term needs for scientifically-trained personnel, and fund programs -- including laboratory facilities -- to meet these needs.

THE PRESENT SETTING

Despite deepening inroads by foreign manufacturers into U.S. markets, research programs within the U.S. Department of Agriculture remain substantially oriented to increased farm production, even in the face of growing surpluses. Currently contemplated programs largely retain this emphasis. What scant post-harvest research exists in these USDA programs (only 15 percent of all budgets) is focused largely on marketing economics, packaging and transportation -- not on food characteristics useful in the marketplace. Further, this proportion has declined steadily over the past 20 years.

The USDA's "Joint Council" and "Users Advisory Board" consist mainly of agricultural production-oriented persons, and their reviews of USDA programs minimally reflect the potential contributions of post-harvest or value-added research. The same is true of the USDA Experiment Station Committee on Organization and Planning.

The 1981 National Agricultural and Food Act (the Farm and Food Act) in its R&D sections contains no mention of food processing or post-harvest technology. Value-added considerations are totally absent. In both proposed legislation (1985 Farm and Food Bill) and recommendations from established groups, emphasis largely remains on trends of the past. Some new emphasis does fall on biotechnology research, but this lacks sufficient consideration of how this science's possible developments can be translated into useful products in the marketplace, domestic or foreign.

Food regulations created to meet old exigencies have the effect of forcing private sector R&D resources into "defensive research," to meet various labelling or safety mandates. This drains R&D resources from the creation both of new and better foods and more internationally competitive technologies.

In both the Agriculture and Health and Human Services departments' nutrition research programs, food scientists and technologists are sparsely represented. Beyond this, there is a need to broaden support for nutrition research, both on nutritive values of foods and nutrient requirements of both the general population and special subgroups for which capability beckons. Better coordination and reduced divisiveness between the two agencies' programs is essential.

IFT RECOMMENDATIONS TO CONGRESS

Based on Workshop findings, IFT testimony before both the House and Senate Agriculture committees made the following recommendations:

Authorize increased R&D funding (by redirecting planned appropriations) earmarked for food science and technology -- through value-added research -- by \$50 million for FY 1986 (and eventually \$275 million per year).

Include more food technologists on the Joint Council on Food and Agricultural Sciences and the Users Advisory Board.

Encourage the USDA (ARS and CSRS) to strongly incorporate food science and technology research in their external programs.

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Separate food science and technology institutionally within ARS and CSRS from marketing economics research.

Bring food regulations up to date, so research funding can be freed to advance science and technology, instead of defending against outmoded and outdated regulatory constraints.

Incorporate active roles for food scientists in DHHS and USDA nutrition programs.

Integrate value-added research into the USDA competitive grants systems.

Recognize the need for scientifically trained food scientists by providing sufficient educational funding and training grants.

NATIONAL SECURITY IMPLICATION

The benefits above speak for themselves; beyond these lies a more fundamental consideration:

The economic health of this nation already has been threatened by foreign assaults at U.S. and overseas markets in steel, autos, electronics. A similar threat now portends in agriculture and foods. If the scientific base for this country's food system is not strengthened soon, fundamental policy decisions will be abrogated to others. Foreign producers will decide what we will eat, and who will produce it. These decisions will profoundly impact our national agricultural policy, our food producers, consumer choices, and ultimately the economic and physiological health of this nation.

IFT feels such matters are too important to be decided in foreign capitals.

Mr. DIXON. Mr. President, I believe amendment No. 911 has been cleared on both sides, both by the distinguished manager of the bill, the chairman of the Agriculture Committee, Senator Helms, and by the distinguished ranking member, the manager on our side, Senator Zorinsky. There were some minor changes made in the amendment. I believe it is now acceptable to both sides.

This amendment expresses the sense of the Congress that new Federal initiatives are needed in the area of research on newer, improved food processing or value-added food technologies.

I believe it has been adequately discussed by the appropriate managers on both sides.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER (Mr. Cochran). The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, it has indeed been discussed and considered. We find it not only acceptable but an excellent amendment. This side approves of it.

I might say, Mr. President, that research to promote value-added products will help create jobs at home and improve the problem of our agricultural surpluses. I believe our agricultural research program should give high priority to this type of research, and I certainly commend the Senator from Illinois for submitting this amendment.

Mr. ZORINSKY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. Mr. President, we have examined the amendment, and believe it has merit. I congratulate the distinguished Senator from Illinois for introducing the amendment, and for his excellent work in drafting the Agriculture Committee farm bill.

I urge adoption of the amendment.

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Mr. HELMS. Mr. President, I ask the distinguished Senator from Illinois whether he struck the words "(such as food irradiation)" on page 1, line 10.

Mr. DIXON. The distinguished manager of the bill is correct. At the request of the distinguished Senator from North Carolina, and others, we struck the words on page 1 "(such as food irradiation)."

On the second page, we corrected the page number in lines 3 and 5 from 295 to 285, so that will be accurate.

Mr. HELMS. I thank the Senator.

Mr. DIXON. I thank the manager.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Illinois.

The amendment (No. 911) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 910

(Purpose: To require the Secretary of Agriculture to appoint two food technologists to the Joint Council on Food and Agricultural Sciences and two food technologists to the National Agricultural Research and Extension Users' Advisory Board)

Mr. DIXON. Mr. President, I have at the desk an amendment numbered 910, I believe. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIXON. I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside for that purpose.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. Dixon] proposes an amendment numbered 910.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 287, line 5, insert "(a)" after the section designation.

On page 287, between lines 8 and 9, insert the following new subsection:

(b) Section 1407(b) of such Act is amended by inserting before the last sentence the following new sentence: "To ensure that the views of food technologists are considered by the Joint Council, two of the members of the Joint Council shall, as determined to be appropriate by the Secretary, be appointed by the Secretary from among distinguished persons who are food technologists from accredited or certified departments of food technology, as determined by the Secretary."

On page 287, between lines 14 and 15, insert the following new subsection:

(b) Section 1408(b) of such Act is amended --

(1) by striking out "twenty-five" in the matter preceding clause (1) and inserting in lieu thereof "27";

(2) by striking out "and" at the end of clause (10);

(3) by striking out the period at the end of clause (11) and inserting in lieu thereof ", and"; and

(4) by adding at the end thereof the following new clause:

"(12) two members who are food technologists from accredited or certified departments of food technology, as determined by the Secretary."

On page 287, line 15, by striking out "(b)" and inserting in lieu thereof "(c)".

Mr. DIXON. Mr. President, may I say to my distinguished friends, the managers of the bill, that this amendment has now been cleared on both sides -- with the Department of Agriculture, and my colleagues, the distinguished chairman of the committee, and the ranking member. They should know that on the first page of this bill, in line 9, after the word "shall" and before the word "be" we have inserted, at the request of both sides and the Department of Agriculture, these words:

* * *, as determined to be appropriate by the Secretary, * * * .

May I say, Mr. President, to my distinguished colleagues, the manager and the ranking member, that this is now cleared, as I understand, on both sides.

The purpose of this amendment is to require the Secretary of Agriculture to appoint food technologists to both the Joint council on Food and Agricultural Sciences and the National Agricultural Research and Extension Users' Advisory Board.

Mr. HELMS. Mr. President, has the Senator completed his remarks?

Mr. DIXON. Yes.

Mr. HELMS. Mr. President, since this amendment has been modified, it is satisfactory to both sides. Therefore, we accept the amendment.

Mr. ZORINSKY. Mr. President, we have examined the amendment on this side. It will improve the committee

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reported bill. We urge its adoption.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 910) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. DIXON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DIXON. Mr. President, I thank the chairman of the Agriculture Committee and the ranking member for their cooperation.

Mr. HELMS. Mr. President, we are awaiting the arrival of the distinguished majority leader [Mr. Dole]. I believe at that time we will be in a position to continue consideration of the animal welfare amendment. Pending that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Mattingly). Without objection, it is so ordered.

Mr. DOLE. Mr. President, I understand we may be near a resolution of the animal welfare amendment on the farm bill. Senator Melcher has been very helpful. We hope we can dispose of that amendment within the next 15 or 20 minutes.

I know the distinguished chairman, Senator Helms, has been here all day, along with Senator Zorinsky, and others, and they are prepared to take up a series of amendments. There are still, as I view it, 30 or 40 possible amendments to the farm bill.

So if Members have amendments that we can dispose of today without votes, the chairman would be pleased to have those amendments brought to the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. EXON. Mr. President, I wish to take the time this afternoon to give the Senate my view of the tremendously important matter before us, known as the farm bill. I anticipate that my colleagues would suspect that the Senator from Nebraska, who has been an advocate of sound farm programs for a long, long time, would have something to say about the importance of the matter, but I cannot overemphasize the crisis situation that affects large segments of agriculture today.

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I wish to take a few minutes of the Senate's time to try to put this into perspective and to place in the Record some information that I think will be very helpful to our colleagues who, I think, are seeking more detailed and understandable information on the seriousness of the matter before us before we proceed, later on this week or next week, on tremendously important amendments that I understand will be offered to this bill.

Mr. President, I simply cannot impress on my colleagues enough the importance of the measure that we are working on today. I only hope that we would recognize in America that the posture that we are in on the bill now is not one to my liking. I would prefer that it had not been brought up as a sort of interim thing. We got hung up on the reconciliation bill so we rushed in and brought up the farm bill to kind of fill in time when we "don't have anything else to do."

I was on the floor when this measure was brought up last week and I heard the discussion then that we may go off this bill if we can get some kind of agreement on reconciliation and this had to be pulled down. I therefore say that the critical matter of agriculture and what is going on and not going on in rural America today is something that is deserving of more and higher priority consideration by the Senate.

I do object to the fact that we are kind of filling in time between agreements being worked out on other measures that are before the Senate at this time.

This bill that we are working on may well decide the fate of a large number of our family farmers across this Nation. This is a heavy responsibility and one which I hope this body will recognize and meet as we proceed in the days ahead with debate and passage of this bill.

I hope we have all heard about how tough things are "down on the farm." I want my colleagues to know those Americans who produce our food are not "crying wolf." Farmers are not asking for a "get rich scheme," they are crying out for survival. They want to be able to pay their bankers. They want to be able to pay their suppliers. They want to be able to provide their families with necessities. The situation is that bad, and it is time we did something constructive.

Agriculture is facing depression such as it has not seen since the 1930's. That is not an overstatement; if anything, it is an understatement.

At least in the thirties, the farmers could see and understand most of their problems. They felt the scorching drought, they saw the dusty winds, and the dust piled high above the fence rows like snow, and they fought the grasshoppers that devoured anything green that dared push through the parched remaining soil. Those farming or ranching in 1985 find themselves fighting to overcome a different kind of plague. Instead of dust, we see a flood of grain weighing heavily on our markets. Instead of grasshoppers, we have excessive interest rates eating away at what little profit there is to be made. Instead of the drought of the 1930's, our farmers today are experiencing a drought in the international marketplace where the export markets of the 1970's have dried to a trickle in the 1980's. Even though the causes are different, the effects are the same. We are truly revising the depression on the farm comparable to that time some 50 years ago.

If the financial collapse facing farmers is not enough to move us to action, look at some other hard, cold facts. Reliable studies show that over the next 5 years the economywide impact of loan losses from agriculture alone could have the following impacts:

Business investment down \$24 to \$38 billion;

Housing starts down 115,000 to 189,000 units;

Real GNP down \$31 to \$49 billion;

Job losses 178,000 to 275,000.

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Mr. President, the chairman of the Senate Agriculture Committee has said this farm bill has serious flaws. I agree. The flaw with this bill is that it will not do enough. I think it is our responsibility to do more, certainly not less.

Mr. President, I also noted this morning that the Secretary of Agriculture is at it again. It seems to this Senator that virtually every time the Senate is about to take up a matter affecting the farmers of this country, the Secretary goes to the public and indicates that the matter in question is veto bait because it is too costly. Of course, he then pulls out his new cost analysis, conveniently revised by his own subordinates, to prove his already dubious argument.

Well, I can say flatly that this Senator is growing increasingly weary with this negative approach. Furthermore, I do not think the Secretary's credibility is enhanced by the continued jockeying of numbers to support his basic premise. As a member of the Senate Budget Committee, I can say that USDA cost analyses for programs have been wrong more times than right. Given this fact, how can the Secretary keep coming back asking us to believe his prediction about the cost of the Senate farm bill.

I also remember, Mr. President, that the Secretary of Agriculture has been wrong, wrong, wrong several times when he testified before the Senate Budget Committee about the projected farm income for the year to come.

Mr. President, we have heard time and time again that this administration has spent billions on agriculture in an effort to improve the overall farm economy only to see it continue to decline. This admission of failure has caused the administration to once again change their philosophy on farm policy. Now they tell us that the real solution to the current depression in rural America is eliminating commodity price supports and turning the family farmers loose on the free market in order that they can export their way out of their financial problems.

I suggest, Mr. President, that instead of turning the farmers loose on the "free market," as Secretary Block recommends, such a policy at this time would be more like turning Faye Ray loose on King Kong. Our farmers would be swept up by the highly controlled international marketplace and would almost assuredly meet certain demise.

Not only has the Secretary of Agriculture trotted out on his veto horse in full gladiator armor over the cost issue, he has also unsheathed his gold-plated veto sword on the subject of farmer referendums.

Last week the President of the United States gave a ringing defense of democracy at the United Nations. I applaud that speech. But what about American farmers right here at home? Why can they not vote on their economic future?

To listen to the administration's claims and threat about cost, you would think a referendum would also be a budget buster. No way, Mr. President. A successful referendum on production controls would save money, and all of the estimators of what it would do to the budget agree on that. And it would raise farm income, which is supposedly what we are trying to do with the farm bill.

That is what this farm bill should be all about, raising farm income. And that is what we must do, or rural America will never see a recovery from the depths of the agricultural depression we are now seeing.

This is the task before us. In the next few days, the Senate will be debating the issue and dealing with amendments. As we work our way through this farm bill, let us remember the goal of raising farm income and keep our eyes on the ball. We must remember that this legislation will set Federal farm policy for 4 years. We had better do the job right.

Mr. President, a tremendously informative booklet has been printed by experts on the subject that we are discussing. Mr. President, it is entitled "A Prelude to the 'Crash of '87'." A key statement in this report, which is well documented by experts in the area, says how cutting AG supports will likely increase rather than decrease the Federal budget deficit.

Mr. President, I recommend the information to my colleagues because in a rather short space of time it indicates, as best any short document can, the serious situation that we are facing.

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Mr. President, I ask unanimous consent that a full copy of "A Prelude to the 'Crash of '87'" be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

A PRELUDE TO THE "CRASH OF '87"

The current "Farm Crisis" is the result of many factors, including surpluses, loss of much of our foreign trade, low prices, substantial farm debt, over production (due primarily to improved farming methods), less political "clout", an uninformed press, and a public interest in reducing the Budget Deficit.

Since 1982 bank regulators and near panic stricken bankers caused by regulators demands have been destroying farm values, farm equities, small town banks, and farm credit agencies, which will soon also decimate the reserves of the F.D.I.C. and add to the growing burdens of the Treasury and the Federal Reserve.

The "Dominoe Effect" of these conditions is spreading like wildfire throughout the "farm states" and in the agriculture dependent areas of other states and is predicted to soon have substantial impact on business, insurance, and banking throughout America.

Cutting Agriculture supports can increase (not decrease) the Federal Deficit.

Every \$1.00 of Farm Foreclosures, Writedowns and Bankruptcies, can likely, eventually, cost the U.S. Treasury \$2.00!!!

THE DOMINOES -- FOR USE IN THE ILLUSTRATION

1. Bank regulators (adverse classifications, write downs, charge offs).
2. Lenders (foreclosures, land and equipment auctions, write downs, charge offs, et al).
3. Farm values plummet.
4. Virtually no buyers for farms and ranches: No cash -- no credit.
5. Small town business in trouble.
6. Small town banks in trouble.
7. Distributors of seeds, pesticides, fertilizers, and farm equipment in trouble.
8. Property tax sources dry up.
9. Farm credit agencies in trouble.
10. FDIC pays losses on small town banks.
11. FDIC staff and travel costs accelerate.
12. Municipalities default on bonded debt and obligations.
13. Electric Power Company bonds default.
14. Land grant colleges and public school system -- income drops, tax base erodes, school bonds and loans default.
15. State income and sales tax revenues decrease.

- 16. Trust funds in Commercial Banks lose value.
- 17. Investment in farm credit agency paper is lost.
- 18. Regional banks lose on bank stock loans, farm and commercial loans.
- 19. Life insurance company investments in farm land and other Ag sector investments go sour and policies lapse.
- 20. Manufacturers of farm equipment and producers of seeds, pesticides and fertilizers lay off workers or go out of business.
- 21. FDIC pays losses on regional banks.
- 22. Investors in bank securities lose.
- 23. Farmers Home Administration Loan Portfolio decimated.
- 24. Money center banks in trouble as Ag chemical and farm machinery manufacturers, correspondent banks, et al fail and municipal bonds default.
- 25. Full scale loss of confidence in U.S. banking system.
- 26. Full scale loss of confidence in U.S. insurance system.

"Please send money, Mr. Baker, we're running out of it here."

The U.S.A. food and agricultural system is the single most important component of the American economy.

This system -- which includes the production, preparation, delivery and sale of edible crops, livestock, textiles, leather and tobacco -- is responsible for about one-fifth of the United States' gross national product (GNP):

	In billions of dollars
Contributors:	
Farm producers	74
Farm input suppliers (tractors, harvesters, equipment, fertilizers, pesticides, pharmaceuticals and services)	178
Manufacturers and processors of food and fibre	135
Distribution (transportation, sales, servicing, etc.) of food and Ag products	240

It provides 21-22 percent of the employment in America:

	Number of workers
Owner-operators and farm workers	3,770,000
Producers of supplies and	4,000,000

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services purchased by farmers
Food processing, transportation
and marketing

16,000,000

It is interesting to note that in the states that have been the largest beneficiaries of "Defense Job Welfare Programs" that land values have increased or have remained reasonably firm.

State	Percent change in farmland values 1981-85	Prime contract awards 1983 (defense jobs welfare) per capital
Texas	+45	\$578
Washington	+3	968
New England	+29	n1 1,102
New York	+1	548
Virginia	+14	1,322
California	0	1,114
Nebraska	-46	103
Montana	-15	148
Iowa	-49	139
Illinois	-42	134
North Dakota	-20	209
South Dakota	-33	61

n1 Mass.

It's not just the \$216 billion of Farm Debt but also the other billions of dollars of municipal government, business, and industry debt related to the Ag sector that is of major concern to bankers and insurance companies.

Government programs and policies directly or indirectly affecting agriculture have a dramatic impact upon the other parts of the food and agricultural industry.

For example, when the net income of farmers drops substantially, as it did from 1979 (\$32.3 billion) to 1983 (\$15.7 billion), the business of input suppliers is drastically affected.

A. Sales of all types of farm machinery fell anywhere in a range of 40 percent (mower conditioners) to 77 percent (four-wheel-drive tractors) from 1979 through mid-1983.

B. Nearly 1,200 farm equipment dealerships closed their doors from 1981 through 1983, a closure rate more than twice the historical average.

C. More than 20,000 machinery manufacturing workers were laid off.

D. The real value of pesticide sales declined by one-third, from \$1.5 billion in 1979 to \$1 billion in 1983, with plants operating at 54 percent capacity.

E. Fertilizer use dropped 18 percent during the same period.

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SOME HISTORY NOT TO FORGET

1. Domestic agriculture has always been the primary source of our food, clothing and shelter, three essentials to our continued existence.

2. Since the Continental Congress first recommended it 208 years ago, "aid to agriculture" has been a major concern of the nation's public policy.

3. This historic concern and support of the nation's food and agricultural system has been a major contributor to the fact that Americans are the best fed and best housed humans on earth -- and at a more reasonable cost than anywhere else in the world. (For example, less than 13% of U.S. personal spending goes for food consumed at home. In Japan it's 21%. In Russia it's 31%).

3. In the 1970's a main concern was that world food needs would outpace production. Many believed -- inside and outside of government -- that the agricultural issue of the future was going to be how to produce enough for a starving world rather than surpluses.

A. Many also believed that the United States was the only country that possessed the potential to expand food production enough to meet world needs.

B. Land was (and was to be) of great value. ("They just weren't making it anymore").

C. During the decade of the 1970's the volume of U.S. exports increased by over 150 percent in response to the growing world demand. This growth in world demand is evidenced by an increase of nearly a third in world grain consumption and a rise in oilseed consumption of over 50 percent. The situation is similar for other major commodities produced in the U.S.

D. During this period colleges and the USDA and others were teaching farmers how to become more efficient; what new equipment to use; how to buy land; and how to borrow the dollars to do so.

E. Federal Agriculture Officials went up and down the land and preached "fence row to fence row farming."

F. Bankers were there to help finance this "growing world wide need". Prior to the Carter grain embargo on Russia, the U.S.A. provided 70% of Russia's needs. Now we're lucky to supply 20%-30% of their needs.

5. The current high value of the U.S. dollar in international trade (which tends to make U.S. Ag products less competitive world wide) has been influenced only very slightly by Federal Agriculture supports (because it contributes so little -- 1-2% to the Federal Budget Deficit.) On the other hand, the quality and quantity of our food products contribute \$20 Billion to the U.S. net Balance of Trade.

6. Bankrupt farmers who are currently being forced to move off the land and into the city add to the unemployment rolls and increase social welfare costs. In past years when farmers "sold out" to their neighbors or others and moved to the city, they had money to live on, to invest in small businesses or securities, or to tide themselves over until productive employment skills could be learned and put to work. Such is no longer the case.

Families who remain on the farm are able to take care of themselves by providing much of their own food, heat and housing costs and to lead a healthy and productive life.

FARM OPERATORS HAVE SPECIFIC UNIQUE NEEDS THAT ARE NOT OFTEN FULLY UNDERSTOOD

1. INVESTMENT CAPITAL REQUIREMENTS. -- Agriculture assets, as a whole, rival those in the manufacturing sector.

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The average capital asset needs per farmer are much higher than that of the average employee in the rest of the economy.

2. Today's commercial farmer is comparable, not to the wage-earner/consumer of the city or suburbs, but to the owner of a small manufacturing operation.

3. The average farmers income is vastly more variable and insecure from year to year than the average wage earner.

4. WORKING CAPITAL REQUIREMENTS. -- Extensive purchasing of supplies and services by farm operators, long before they receive the income from the sale of commodities produced, requires vast sums of operating and investment credit. Our farmers and ranchers have become, as noted, business managers and operators who are, in terms of physical capital, two-and-one-half-times as capitalized as U.S. manufacturers (on a per-worker basis) (without considering the land they own and/or rent for farming.)

BANK REGULATOR ACTIONS -- A BASIC PROBLEM FACING AMERICA

1. Plummeting farm land values today are not due to the "Free Market" at work. The substantial recent drops (40-50-60%) in farm and ranch land values in the farm sector are caused primarily by the "self-destruct" actions of bank regulators and affected lenders.

These actions quickly:

Destroy many lifetimes of building up of farm assets and equity;

Destroy some of the nation's most efficient food producers;

Destroy extensive values of loan collateral;

Destroy (eventually) the actual funds of the depositors in banks that the regulators are trying to protect.

2. When bankers foreclose on commercial business organizations such foreclosures often strengthen other competitive businesses in the area and makes them more profitable.

3. However, when bankers foreclose on farms and ranches, other land and equipment values in the area nearby are rapidly driven downward; farm equities evaporate; bankers foreclose on loans, and the general business and financial structure of the entire area are threatened.

4. The current, near panic foreclosures and write downs occurring in the nation's farm sector are seriously damaging not only the approximate 3,987 farm sector banks, but are also threatening the larger banking and financial structure of the U.S.A.

THE IMPENDING BANKING DISASTER IN NEBRASKA

1. Commerical Banks in Nebraska have a combined net worth of \$1,240,000,000.

2. Nebraska has 62,000 farms and ranches.

3. Their average value is \$500,000.

4. Approximately 1/2 of them owe more than 50% of their value to banks, farm credit agencies, insurance companies and other creditors. Approximately half of this debt is held by commercial banks.

5. Bankers and economists in Nebraska are forecasting that 15-20% of these farms will forced out of business in 1986. 62,000 farms X 15% failures = 9,300 farm failures.

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6. These 9,300 farms at \$500,000 average value totals \$4,650,000,000 in total asset values. The debt of these failed farms is estimated at \$2,500,000,000.

7. If commercial banking's share of this debt is 50%, they are facing \$1,250,000,000 in charge offs, writedowns, et al. All of which, under the best conditions, will threaten much of the capital accounts of Nebraska banking, which have already been weakened.

Continued strong support of the Ag Sector by Congress and the Administration is an essential investment for America. It is a relatively small price to pay to help avoid the "Crash of '87".

A popular feeling is that the U.S.A. now has too much Agriculture production. Some believe also that the U.S. "Welfare State" has "too many" and "too much" of alot of things, i.e. -- defense workers -- lobbyists -- hospitals -- medicare and medicaid rich doctors -- nurses -- non profit groups and associations -- space program workers -- single parents -- unproductive social security and other welfare recipients -- all propped up by huge Federal Government outlays. These outlays represent more than 80% of the Federal Budget -- as compared with the mere 1-2% that is traditionally spent in keeping our "agriculture house" together.

HOW TO HELP AVOID THE "CRASH OF '87"

1. Bank Regulators must take a more long term and historic view of changing farm values and equities and to recognize that their current policies and practices can well trigger the "Crash of '87".

2. Congress should maintain price and other supports through a transition period as a budget saving investment for the future.

3. Remove, for the time being, some farm and ranch land currently in production. Set it aside under government control until this country needs it or until it can be determined how it can be best used to preserve world peace and to feed the 40% of the world that goes to bed hungry every night.

4. Allow banks to hold land as an asset without adverse classification if certain conditions exist (i.e. annual returns exceed cost of funds).

5. Implement aggressive, competitive, skillful foreign trade actions by the Federal Government.

The "Free Market" philosophy is a good one, but there is no such thing in International Agriculture trade. Our foreign competitors don't practice free trade. Their governments are able to meet whatever low prices our agriculture products may sell at.

6. Set up a Bi-Partisan Committee to re-examine and re-establish a "National Food Policy". Also determine what effect Russian and Cuban activities in grain futures is having on U.S. Agriculture. Develop a better way to deliver "Food for Peace" and to provide foreign aid.

7. Have regular meetings at the White House level with the FDIC, Comptroller, Treasurer, Agriculture Dept. and selected Ag Sector Senators and Congressmen. Among other things, determine the actual economic impact on U.S. Banking, Business and Finance and the Treasury of present "Free Market" and Ag Budget cutting philosophies of the Administration.

Mr. EXON. Mr. President, I simply say to the Senate that no bill is more important to not just rural America but also to all America and the continuation of the economic recovery we are seeing taking place today. Some sectors of our economy are at risk unless we can write an acceptable farm bill here in the next few days.

Mr. HELMS. Mr. President, I have listened, as always, with interest to the able Senator from Nebraska. He is my friend, and he is a valuable Member of this body.

I can assure him that the consideration of the farm bill is by no means a fill-in proposition.

I have here, if the Senator would like to see it, the schedule. It indicates that the farm bill was supposed to come up for consideration this past Thursday. We missed that by 1 day, and we are now on it; and the schedule calls for us to be on the farm bill through Wednesday, November 6. That may be a little optimistic or it may not be. We will see.

However, the point is that the distinguished colleague of the Senator from Nebraska [Mr. Zorinsky] and I have been on this floor both Friday and today, pleading with Senators to come and offer amendments to the farm bill. As of this hour, 9 minutes to 4, we have been able to handle 4 amendments out of the 31 I have on my list, on which we had hoped Senators might come and begin earnest debate.

I will not have any comment about whether or not the Senate is a Tuesday through Thursday club. But I agree with the Senator: I think it is time we got down to brass tacks and gave full consideration to the production of a sensible farm bill.

The Senator, in a very gracious way, mentioned my interest in some aspects of the farm bill, and he is right. I believe that I see some serious flaws that simply must be remedied if we are to have legislation that will be meaningful to the farmers of America.

For example, I say to the Senator that in the bill as reported by the Agriculture Committee, the bulk of the target prices are paid to the largest and the wealthiest farmers. The largest 5 percent of the farmers of America get more than 35 percent of the total dollars paid out. That is one of the things I objected to in the consideration of the farm bill in committee. If we are really concerned about the family farmers, the small farmers, then this flaw, as I perceive it to be, must be corrected.

I say to the Senator that less than 20 percent of the \$70 billion this bill will cost the taxpayers will go to farmers in financial distress, meaning that 80 percent of that \$70 billion will go to those farmers that are not in trouble. The subsidies are paid on the basis of how much a farmer grows, not on how much debt or financial stress that farmer is experiencing.

All this, in my judgment, makes the bill too costly.

According to the latest estimate of CBO -- and you may argue with those figures, but they are the figures we ordinarily operate on around this place -- this farm bill will cost \$25 billion more than the budget resolution passed by Congress a month or so ago. That resolution allocated \$34.8 billion for farm commodity and related programs for 3 years, and this bill will cost more than \$60 billion for those programs over the 3-year period and more than \$71 billion over the 4-year period, according to the CBO.

So, these are the questions, I say to my friend from Nebraska -- and he is my friend -- that we must consider; and I hope we can get about it and have some debate. But Ed Zorinsky and I have sat here this morning, since the opening of the Senate, waiting for Senators to come and participate in the debate. As I say, we have handled four relatively minor amendments, and that is all. I doubt that we will do much more than call up one of the substantive amendments before we recess for the evening.

Again, I pay my respects to the distinguished Senator from Nebraska. I will close as I began, by saying that he is an able Member of the Senate, he is my friend, and he has made a valuable contribution.

Mr. EXON. Mr. President, I thank my good friend and colleague from North Carolina for those kind remarks. He is the chairman of the Agriculture Committee, and we depend on him for his understanding of the serious problems we have in agriculture today.

I say to the chairman that I share -- as I know my colleague from Nebraska does -- the fact that this measure is

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somewhat over budget. I am not sure that I can agree fully with the figures that the chairman of the Agriculture Committee cited just now, but I think any reasonable person would have to agree that this is over budget now.

We might go back, as we have from time to time, and argue whether or not that is the right amount, but suffice it to say that it is over budget. What is over budget? There are several ways that can be corrected. We do not necessarily have to correct that in the agriculture budget.

Let us assume, for the sake of discussion, that we would approve the agriculture bill as it came out of the Senate Agriculture Committee by a majority vote. If we were to do that and if CBO or any other forecasting agency said it is over budget, that, in and of itself, is not busting the budget. We would have to make reductions in other parts of the budget to make that up.

I do not mean to say that that is an easy way to dismiss it. I do not mean to say that, therefore, we should not pay any attention to the budget, because I am a member of the Budget Committee. I simply say that I tried to emphasize in my earlier remarks that what we are about here is to write a farm bill that will not cause the Federal Government and the Federal taxpayers to spend even more money because of our penny-wise and pound-foolish actions here on the floor.

My colleague from North Carolina and I have worked together on many things. I would certainly like the opportunity to try to work with him, perhaps to come up with some cost-cutting measures, to direct more of this money to what most of us consider the family-sized farmers. Maybe we can make some sort of savings there.

I believe that the Senator from North Carolina knows -- and I think it was implied in his remarks -- that this Senator was here on Friday all day. I have been here today. I just do not have any amendments at this time. I simply say that the quicker we can start voting on this matter, the better.

I suggest that probably the reason why there is not much more action on the floor of the Senate in this regard right now than there obviously is, to the disappointment of all of us, is the way this measure has been handled.

Certainly the Senate knows that when we went to the farm bill on Thursday night of last week, I believe it was -- I stand corrected on that if that is not the right time, but I believe it was Thursday -- it was clearly indicated that we hoped to get unanimous agreement that we would debate and bring up for the most part noncontroversial amendments on both Friday and again on Monday, that we would not have any votes, that if necessary we would stack these votes on Tuesday. I simply say, and I suspect that the chairman of the Agriculture Committee would agree with me, that when any time you tell the Senate that you are not going to have any votes on Friday and you are not going to have any votes on Monday next, that if we have to require any votes if we should get into anything controversial, then we will put those over and stack them on Tuesday, I suspect that that took a chance of any bite of anyone being here and getting anything done.

It is true that agreement was not entered into but that agreement was proposed.

If there is any lament about the inability to get things done on Friday last and this day, Monday, I would suggest that it was primarily because this matter I think again -- in my opinion, once again I could be wrong -- was one of those filler motives that I do not suspect that we are going to have very much happen on serious voting until Tuesday of next week, if not later.

I, too, wish to say that those who have amendments that are ready now have also been encouraged by this Senator to come over and offer them. At least, we can begin debate to move things forward.

What I am saying is that if we begin debate now, then we are going to save some time that we might wish that we had later on.

It is old story, as the chairman of the Agriculture Committee fully knows, and we went through it on the

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reconciliation bill. We get down to the last few minutes and we have 10 or 15 or 20 Senators who want to come over and offer a major amendment of some kind and there is no time left to debate it. It is not the way we should do business in the Senate and I think that probably my friend from North Carolina would agree with me at least on that statement.

Mr. President, I yield the floor.

AMENDMENT NO. 904 (AS MODIFIED)

Mr. DOLE. Mr. President, on Friday I offered an amendment dealing with animal welfare on the farm bill. I am now advised that, thanks to hard work by the staff on Friday, over the weekend, and today, and with the assistance of the able Senator from Montana [Senator Melcher], and the concurrence by the distinguished Senator from Utah [Senator Hatch], that we now have reached an agreement which I would send to the desk on behalf of myself and the distinguished Senator from Montana [Mr. Melcher], and Senators Heinz, Roth, Stevens, Leahy, Cohen, Stafford, Matsunaga, Simon, Baucus, Ford, Specter, Durenberger, Boschwitz, Goldwater, Bingaman, Zorinsky, Gorton, Burdick, D'Amato, Kasten, Proxmire, Pell, Domenici, Chafee, Moynihan, Mitchell, Murkowski, Evans, Wilson, Stennis, Humphrey, Hecht, Bumpers, Cranston, Metzenbaum, Mattingly, Rockefeller, Thurmond, and Exon.

The PRESIDING OFFICER. The amendment is so modified.

The modified amendment is as follows:

Strike everything after the title and insert in lieu thereof the following:

Sec. . This Act may be cited as the "Improved Standards for Laboratory Animals Act".

Sec. . The Congress finds that --

(1) the use of animals is instrumental in certain research and education for advancing knowledge of cures and treatment for diseases and injuries which afflict both humans and animals;

(2) methods of testing that do not use animals are being and continue to be developed which are faster, less expensive, and more accurate than traditional animal experiments for some purposes and further opportunities exist for the development of these methods of testing;

(3) measures which eliminate or minimize the unnecessary duplication of experiments on animals can result in more productive use of Federal funds; and

(4) measures which help meet the public concern for laboratory animal care and treatment are important in assuring that research will continue t progress.

Sec.. (a) Section 13 of the Animal Welfare Act (7 U.S.C. 2143) is amended --

(1) by redesignating subsections (b) through (d) as subsections (f) through (h) respectively; and

(2) by striking out the first two sentences of subsection (a) and inserting in lieu thereof the following:

(1) The Secretary shall promulgate standards to govern the humane handling, care, treatment, and transportation of animals by dealers, research facilities, and exhibitors.

(2) The standards described in paragraph (1) shall include minimum requirements --

(A) for handling, housing, feeding, watering, sanitation, ventilation, shelter from extremes of weather and temperatures, adequate veterinary care, and separation by species where the Secretary finds necessary for human

handling, care, or treatment of animals; and

(B) for exercise of dogs and for a physical environment adequate to promote the psychological well-being of primates.

(3) In addition to the requirements under paragraph (2), the standards described in paragraph (1) shall, with respect to animals in research facilities, include requirements --

(A) for animal care, treatment, and practices in experimental procedures to ensure that animal pain and distress are minimized, including adequate veterinary care with the appropriate use of anesthetic, analgesic, tranquilizing drugs, or euthanasia;

(B) that the principal investigator considers alternatives to any procedure likely to produce pain to or distress in an experimental animal;

(C) in any practice which could cause pain to animals --

(i) that a doctor of veterinary medicine is consulted in the planning of such procedures;

(ii) for the use of tranquilizers, analgesics, and anesthetics;

(iii) for pre-surgical and post-surgical care by laboratory workers in accordance with established veterinary medical and nursing procedures;

(iv) against the use of paralytics without anesthesia; and

(v) that the withholding of tranquilizers, anesthesia, analgesia, or euthanasia when scientifically necessary shall continue for only the necessary period of time;

(D) that no animal is used in more than one major operative experiment from which it is allowed to recover except in case of --

(i) scientific necessity; or

(ii) other special circumstances as determined by the Secretary; and

(E) that exceptions to such standards may be made only when specified by research protocol and that any such exception shall be detailed and justified in a report outlined under paragraph 7 and filed with the Institutional Animal Committee.

(b) Section 13(a) of such Act is further amended --

(1) by designating the third and fourth sentences as paragraph (4);

(2) by designating the fifth sentence as paragraph (5); and

(3) by striking out the last sentence and inserting in lieu thereof the following:

(6) Nothing in this Act shall be construed as authorizing the Secretary to promulgate, rules, regulations, or orders with regard to the design, outlines, or guidelines of actual research or experimentation by a research facility or Federal research facility: PROVIDED, That the Secretary shall require every research facility to show that professionally acceptable standards governing the care, treatment, and practices on animals are being followed by the research facility during research and experimentation. No rule, regulation, order, or part of this Act may require a research facility to disclose publicly, or to the Institutional Animal Committee during its inspection, trade secrets or commercial or

financial information which is privileged or confidential.

(7)(A) The Secretary shall require, at least annually, every research facility and Federal research facility to report that the provisions of this Act are being followed.

(B) In complying with subparagraph (A), such research facilities shall provide --

(i) information on procedures likely to produce pain or distress in animals and assurances demonstrating that the principal investigator considered alternatives to those procedures;

(ii) assurances satisfactory to the Secretary that such facility is adhering to the standards described in this section; and

(iii) an explanation for any deviation from the standards promulgated under this section.

(8) Paragraph (1) shall not prohibit any State (or a political subdivision of such State) from promulgating standards in addition to those standards promulgated by the Secretary under paragraph (1).

(c) Section 13 of such Act is further amended by inserting after subsection (a) the following new subsections:

(b)(1) The Secretary shall require that each research facility establish at least one Institutional Animal Committee. Each Institutional Animal Committee shall be appointed by the chief executive officer of each such research facility and shall be composed of not fewer than three members. Such members shall possess sufficient ability to assess animal care, treatment, and practices in experimental research as determined by the needs of the research facility and shall represent society's concerns regarding the welfare of animal subjects used at such facility. Of the members of the Institutional Animal Committee --

(A) at least one member shall be a doctor of veterinary medicine;

(B) at least one member shall not be affiliated in any way with such facility other than as a member of the Institutional Animal Committee, shall not be a member of the immediate family of a person who is affiliated with such facility, and is intended to provide representation for general community interests in the proper care and treatment of animals; and

(C) in those cases where the Institutional Animal Committee consists of more than three members, not more than three members shall be from the same administrative unit of such facility.

(2) A quorum shall be required for all formal actions of the Institutional Animal Committee, including inspections under paragraph (3).

(3) The Institutional Animal Committee shall inspect at least semiannually all animal study areas and animal facilities of such research facility and review as part of the inspection --

(A) practices involving pain to animals, and

(B) the condition of animals, to ensure compliance with the provisions of this Act and that pain and distress to animals is minimized. Exceptions to the requirement of inspection of such study areas may be made by the Secretary if animals are studied in their natural environment and the study area is prohibitive to easy access.

(4)(A) The Institutional Animal Committee shall file an inspection certification report of each inspection at the research facility. Such report shall --

(i) be signed by a majority of the Institutional Animal Committee members involved in the inspection;

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(ii) include reports of any violation of the standards promulgated, or assurances required, by the Secretary, including any deficient conditions of animal care or treatment, any deviations of research practices from originally approved proposals that adversely affect animal welfare, any notification to the facility regarding such conditions and any corrections made thereafter;

(iii) include any minority views of the Institutional Animal Committee; and

(iv) include any other information pertinent to the activities of the Institutional Animal Committee.

(B) Such report shall remain on file for at least three years at the research facility and shall be available for inspection by the Animal and Plant Health Inspection Service of the Department of Agriculture and any funding Federal agency.

(C) In order to give the research facility an opportunity to correct any deficiencies or deviation discovered by reason of paragraph (3), the Institutional Animal Committee shall notify the administrative representative of the research facility of any deficiencies or deviations from the provisions of this Act. If, after notification and an opportunity for correction, such deficiencies or deviations remain uncorrected, the Institutional Animal Committee shall notify (in writing) the Animal and Plant Health Inspection Service of the Department of Agriculture and the funding Federal agency of such deficiencies or deviations.

(5) The inspection results shall be available to Department of Agriculture inspectors for review during inspections. Department of Agriculture inspectors shall forward any Institutional Animal Committee inspection records which include reports of uncorrected deficiencies or deviations to the Animal and Plant Health Inspection Service and any funding Federal agency of the project with respect to which such uncorrected deficiencies and deviations occurred.

(c)(1) In the case of Federal research facilities, a Federal Institutional Animal Committee shall be established and shall have the same composition and responsibilities outlined in subsection (b), except that the Federal Institutional Animal Committee shall report deficiencies or deviations to the head of the Federal agency conducting the research rather than to the Animal and Plant Health Inspection Service of the Department of Agriculture. The head of the Federal agency conducting the research shall be responsible for --

(A) all corrective action to be taken at the facility; and

(B) the granting of all exceptions to inspection protocol.

(d)(1) Each research facility shall provide for annual training for scientists, animal technicians, and other personnel involved with animal care and treatment in such facility. Such training shall include instruction on --

(A) the humane practice of animal maintenance and experimentation;

(B) research or testing methods that minimize or eliminate the use of animals or limit animal pain or distress; and

(C) utilization of the information service at the National Agricultural Library, established under subsection (e).

(D) include methods whereby deficiencies in animal care and treatment should be reported.

(e)(1) The Secretary shall establish an information service at the National Agricultural Library. Such service shall, in cooperation with the National Library of Medicine, provide information --

(A) pertinent to employee training;

(B) which could prevent unintended duplication of animal experimentation as determined by the needs of the research facility; and

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(C) on improved methods of animal experimentation, including methods which could --

(i) reduce or replace animal use; and

(ii) minimize pain and distress to animals, such as anesthetic and analgesic procedures.

(f) In any case in which a Federal agency funding a research project determines that conditions of animal care, treatment, or practice in a particular project have not been in compliance with standards promulgated under this Act, despite notification by the Secretary or such Federal agency to the research facility and an opportunity for correction, such agency suspend or revoke Federal support for the project. Any research facility losing Federal support as a result of actions taken under the preceding sentence shall have the right of appeal as provided in sections 701 through 706 of title 5, United States Code.

Sec. . Section 16(a) of the Animal Welfare Act (7 U.S.C. 2146(a)) is amended by inserting after the first sentence the following:

"The Secretary shall inspect each research facility at least once each year and, in the case of deficiencies or deviations from the standards promulgated under this Act, shall conduct such follow-up inspections as may be necessary until all deficiencies or deviations from such standards are corrected."

Sec.. The Animal Welfare Act (7 U.S.C. 2131-2156) is amended by adding at the end thereof the following section:

Sec. 27. (a) It shall be unlawful for any member of the Institutional Animal Committee to release any confidential information of the research facility including any information that concerns or relates to --

(1) the trade secrets, processes, operations, style of work, or apparatus, or

(2) to the identity, confidential statistical data, amount or source of any income, profits, losses, or expenditures of the research facility.

(b) It shall be unlawful for any member of such Committee --

(1) to use or attempt to use to his advantages, or

(2) to reveal to any other person, any information which is entitled to protection as confidential information under subsection (a).

(c) A violation of subsection (a) or (b) is punishable by --

(1) removal from such Committee, and

(2)(A) a fine of not more than \$1,000 and imprisonment of not more than one year, or

(B) if such violation is willful, a fine of not more than \$10,000 and imprisonment of not more than three years.

(d) any person, including any research facility, injured in its business or property by reason of a violation of this section may recover all actual and consequential damages sustained by such person and the cost of the suit including a reasonable attorney's fee.

(e) Nothing in this section shall be construed to affect any other rights that any such person may have, nor shall subsection (d) be construed to limit the exercise of any such rights arising out of or relating to a violation of subsections (a) and (b).

Sec.. (a) Subsection (b) of section 19 of the Animal Welfare Act (7 U.S.C. 2149(b)) is amended --

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(1) in the first sentence by striking out "\$1,000 for each such violation" and inserting in lieu thereof "\$2,500 for each such violation"; and

(2) in the sixth sentence by striking out "\$500 for each offense" and inserting in lieu thereof "\$1,500 for each offense".

(b) Subsection (d) of such section is amended by striking out "\$1,000" and inserting in lieu thereof "\$2,500".

Sec.. (a) Section 2 of the Animal Welfare Act (7 U.S.C. 2132) is amended by adding after subsection (j) the following new subsections:

(k) The term "Federal agency" means an Executive agency as such term is defined in section 105 of title 5, United States Code, and with respect to any research facility means the agency from which the research facility receives a Federal award for the conduct of research, experimentation, or testing, involving the use of animals;

(l) The term "quorum" means a majority of the Committee members;

(m) The term "Federal research facility" means each department, agency, or instrumentality of the United States which uses live animals for research or experimentation;

(n) For purpose of this Act, the term "animal" shall have the same meaning as defined in section 2(j) of the Animal Welfare Act (7 U.S.C. 2132(j)), as redesignated by subsection (b) of this section.

Sec.. Section 14 of the Animal Welfare Act (7 U.S.C. 2144) is amended by changing "section 13" to "section 13 (a), (f), (g), and (h)" wherever it appears.

Sec.. This Act shall take effect one year after the date of the enactment of this Act.

Mr. DOLE. Mr. President, I also have a statement in support of the modification, and I do particularly want to thank the distinguished Senator from Montana who is an expert in this area, a veterinarian himself who understands many of the practical problems involved on both sides, and he has been most helpful along with, as I have indicated, his staff, my staff, the staff of Senator Hatch, and other outside groups who have a direct interest in the legislation, some on each side. I want to also thank Christine Stevens for her tireless efforts on behalf of this legislation.

I think we have a good resolution. I would certainly hope that we could pass this amendment without extensive debate on a voice vote or rollcall vote, whichever. But if there is a rollcall, I would hope that that might be delayed until tomorrow.

ANIMAL WELFARE LEGISLATION

Mr. President, last Friday I brought up as an amendment to the farm bill, S. 1233, a bill I introduced earlier in the session which would modify the Animal Welfare Act.

Similar legislation on animal welfare was introduced during the last session of Congress and hearings were held in both the House and Senate Agriculture Committees. In addition, a great deal of time and effort has gone into drafting legislation which would represent a responsible approach toward ensuring the humane treatment of animals, while taking into consideration the needs of medical research.

FRIDAY MEETING

It was apparent last Friday that there were still a few concerns on the part of the Senator from Utah, and in an effort to accommodate his concerns I instructed staff members to try to work out an agreement on the bill. The Senator from Montana also had language he was interested in incorporating into the amendment. as a result of Friday's meetings, I

believe we reached agreement on any differences which might have existed.

BASIC AGREEMENT

Mr. President, I believe we have taken care of most, if not all, of the questions raised earlier in connection with this legislation, including those that USDA and NIH may have had as well as any questions raised by the medical research community while maintaining the intent of the legislation.

We would maintain exercise for dogs and clarify in report language the intention of this provision as applying on a case-by-case basis. We would include language important to the Senator from Montana dealing with the physical environment for primates. We would clarify that all members of the institutional animal committees are responsible for representing the general community's interest in animal care and treatment; we would also indicate the outside person on the committee is intended to provide representation for the general community's interest in the care and treatment of animals.

The new language would promote uniformity by providing that Federal research facilities establish institutional animal committees with similar responsibilities as outlined previously in the amendment and would leave enforcement up to the head of the Federal facility conducting the research.

We would modify the whistleblower clause by providing for methods whereby deficiencies should be reported.

We would also add language for strengthened trade secret protections as well as other more minor changes.

BROAD SUPPORT

Mr. President, 39 of my colleagues on both sides of the aisle have joined me as cosponsors of this legislation, and I urge its adoption by the full Senate.

Mr. MELCHER. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield to the Senator from Montana.

Mr. MELCHER. Mr. President, I commend the Senator from Kansas, the majority leader of the Senate, for over the past 1 1/2 or 2 years more correctly, working on the necessary amendments for the Animal Welfare Act. It is a basic act that protects laboratory animals and assures humane treatment for them while research is going on. The step that is being taken today in these amendments is indeed a very forward step in the direction of assuring that the continuation of that type of humane treatment for research animals.

I am pleased to join in with the distinguished majority leader in working out the language and I feel confident that the research community will be well-served and certainly the humaneness of the animals has taken a stride forward.

During the last Congress we held hearings on this subject in the Agriculture Committee and heard from representatives of the scientific and animal welfare communities. What we have here is, I think, a fair and reasoned approach which addresses the twin concerns of medical advancement and ensures the humane treatment of animal subjects.

The proposal which is before the Senate today accomplishes two important points. The first is the establishment of Institutional Animal Committees at Federal and private research facilities. These committees will be made up of three or more members, with one member being a doctor of veterinary medicine and one member, not affiliated with the facility in any way, and is intended to represent the general community interests. It is the responsibility of the committee to represent society's concerns regarding animal research subjects.

The second important provision of this proposal, for the first time, requires a physical environment adequate to

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promote the psychological well-being of primates. I have seen the types of cages used in many facilities to house primates. These cages are not much wider than the average shower stall and there is hardly enough room to allow the animal to stand erect. Under the new provisions, I think we are not only providing humane treatment of these animals, but assures more confidence in the results in the experiments they are used in. It is certainly true that the results of our research is directly affected by the physical and psychological health of the subject.

I certainly hope that my colleagues will accept this proposal and that we will be able to hold on to it intact during conference deliberations.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, the distinguished majority leader has described the process by which this compromise agreement has been reached.

This legislation amends the Animal Welfare Act over which the Agriculture Committee has jurisdiction. But most of its implications are directed toward laboratory animal testing procedures under the jurisdiction of the National Institutes of Health and the Labor and Human Resources Committee. Given this overlapping jurisdiction, I believe it was important to accommodate the concerns of Senator Hatch and others who serve on the Labor and Human Resources Committee.

The National Institutes of Health recently adopted policies and published guidelines for recommended care of laboratory animals. There was some concern at the NIH that this legislation might force them to reconsider or amend these guidelines even though they have been applauded by the animal welfare groups. This new agreement would enable the NIH to retain these newly revised and updated policies without having to make any major modifications to reflect the provisions of this amendment.

Senator Melcher also had some justifiable concerns with the fact that this legislation would require the Animal and Plant Health Inspection Service to regulate other Federal agencies. It is my understanding that these concerns have also been resolved in a way that would not greatly affect this agencies resources.

I commend those who have put many long hours toward working out this mutual agreement. I am prepared to accept the amendment on this side of the aisle.

I am prepared to accept the amendment on this side of the aisle.

Mr. ZORINSKY. Mr. President, I am a cosponsor of the underlying legislation and I congratulate the distinguished Senators from Kansas and Montana on working out the accommodation, and I urge my colleagues on this side of the aisle to support the amendment and move for its approval.

Mr. HATCH. Mr. President, Senator Dole and I and our staffs, have had many discussions, over the last several years, concerning the need for legislative action relative to the appropriate and humane use of animals in research. I am pleased to have worked with Senator Dole in these efforts, to define new Federal protections for animals.

Research utilizing laboratory animals remains absolutely essential if we are to achieve advancements in the treatment and cure of diseases and injuries suffered by people and animals today. Nonetheless, I support the development of uniform standards in order that we might have a consistent national policy to assure the appropriate care and use of laboratory animals, while not jeopardizing research needs.

We have already made outstanding progress toward goals as well as increasing understanding and use of viable alternatives to live animal research models. The Office of Technology Assessment report of alternatives to animal use in testing and experimentation which I requested during the last Congress, will be available to us shortly. In addition, the National Academy of Sciences and the Institute of Medicine have jointly undertaken a review of the use of animals in

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biomedical and behavioral research. This initiative was prompted by legislation I introduced, and which the Senate endorsed and is now being supported by Federal agencies and the private sector. Both the OTA and Academy studies have brought together a wide range of opinions and further encouraged constructive dialog on animal welfare concerns.

Beyond promoting public awareness, this congressional interest has produced positive action. Concurrent with the Senate Labor and Human Resources Committee's consideration of NIH reauthorization and following a lengthy public review process, the U.S. Public Health Service strengthened its policy on the humane care and use of laboratory animals and revised the NIH guide for awardee institutions. Now, with the recent passage of the NIH reauthorization bill, H.R. 2409, Congress has given the new Public Health Service policy and procedures a statutory foundation and mandate.

To be certain that the legislation we are now considering did not operate at cross-purposes with H.R. 2409 my staff has worked with Senator Dole's staff to develop the amendment being offered today. It represents a fair consideration of the interests of our respective committees, and I believe the amendment as revised is consistent with policy established in H.R. 2409. This will not require duplicative regulations be developed by the USDA and HHS. In fact, it requires inter agency cooperating in developing new guidelines for animal welfare. Further, I believe we have produced a proposal which provides a consistent national policy in the care and treatment of laboratory animals, one which will not unduly restrict research facilities to conflicting standards and regulations.

To ensure that this is the case, the report accompanying this legislation must clarify any areas of potential confusion. Specifically, the report should reinforce:

First, the Secretaries of the Departments of Agriculture and Health and Human Services will consult with each other to promulgate conforming regulations.

Second, no resulting regulations shall be construed to prescribe methods of research.

Third, research facilities' privileged information or confidential trade secrets, commercial and financial information will be protected.

Fourth, the important role of research facilities' attending veterinarians will be retained in determining the choice and use of anesthetics, analgesics, and tranquilizing drugs and in overseeing exercise of research animals.

Fifth, that the compositions and operation of the Institutional Animal Care Committees established by the two authorities be consistent so that duplicate effort is avoided.

Mr. President, I recommend my colleagues join with Senator Dole and myself and approve this amendment.

IMPROVED STANDARDS FOR LABORATORY ANIMALS

Mr. MOYNIHAN. Mr. President, I rise today to say a few words in support of this proposal, to improve the standards of treatment of laboratory animals, now an amendment to the farm bill. I am a cosponsor of the legislation on which this amendment is based, in this Congress as in the last.

It is time -- perhaps long past time -- to take steps to protect laboratory animals and to encourage the use of alternative research methods whenever possible. We know abuse exists in the laboratory, and that it can be stopped.

No one questions the need for animal research. In some cases, no alternative methods exist; without continued research, we would have little hope of conquering Parkinson's disease, or heart disease, or cancer. But I ask, When there are no substitutes for experiments on live animals, can we not be certain that the animals be treated with care and humanity? I believe we can, and at least 34 of my colleagues agree. I contend that we must.

This amendment would ensure that animals necessary for research receive fair and humane treatment, and that their discomfort is kept to an absolute minimum. It also would establish a central information center in the National

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Agricultural Library, where results of past animal experimentation will be available to the research community. The ready availability of this information would encourage researchers to pause before beginning new experiments, perhaps to discover that someone else has already learned what they seek to know.

Mr. President, as continued animal research is essential to the progress of efforts to protect human health, so the improved standards for laboratory animals amendment is the least we can do to ensure the animals receive humane care and treatment. I urge my colleagues to join me in support of this proposal.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 904), as modified, was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, again I thank my colleagues and chairman of the committee and the ranking Democratic Member, Senator Zorinsky, who has been a cosponsor, an original cosponsor. There may be additional Senators who would like to be cosponsors.

Mr. President, I share the frustration I have heard by both the chairman and by both Senators from Nebraska. I think the only way we are going to complete this bill is to stay in late starting tomorrow evening.

Once Senators start to offer amendments, then I think we will have some action, and hopefully disposition of this bill very quickly. Very quickly could mean several days. It is a very important bill. There are a number of titles.

As the Senator from Nebraska pointed out, we are talking about a 4-year program, something we have to focus on.

I would be happy to discuss at some later time a little variation I have been working on. I used to call it flexible parity. It passed the Senate in 1977. We are now calling it the TOP program, target option program[TOP].

We will be discussing that with colleagues on both sides of the aisle in the next few days. It will save some money. It will protect primarily the middle-income farmers, and we would hope we might be able to stimulate some interest.

I thank the Chair.

Mr. DANFORTH. Mr. President, no one who has traveled recently through rural America, and particularly the farm communities of the Midwest, can doubt the importance of the legislation we are considering today.

Here in Washington, we see only the numbers that quantify the crisis in American agriculture. They tell us that farmers today receive 12 percent less for their products than they did 4 years ago, when Congress last debated omnibus agricultural legislation. During the same period, farm exports fell by almost one-fifth. With falling prices and declining sales, net farm income dropped by \$3 billion over these years, despite unprecedented Federal outlays.

When agricultural income falls, the impact extends beyond farmers themselves. More and more rural banks are being pushed toward insolvency by debtor repayment problems and low land values. With less money for capital investments, farmers defer major purchases, spreading the agricultural recession. Farm machinery manufacturers alone have laid off 80,000 workers in the past 5 years. Across the board, statistics show that things are bad and getting worse.

But numbers cannot communicate the personal toll of this crisis. Talk with a farmer who is losing not just his business, but his family home and way of life. Walk down the main street of a town like Trenton, MO, where empty

storefronts bear silent witness to economic distress. Listen to men and women who have seen the growth of stress-related family violence in their community.

The legislation we are considering today cannot solve these problems overnight, but it can be a first step toward revitalization of the agricultural economy.

The 1985 farm bill will send a message to farmers, providing a framework for their business decisions. We must be sure that the message is one of long-term recovery and not of political expediency. Again and again, farmers have told us that they do not want Federal bailout; they want a consistent, fair, and predictable agricultural policy. That is precisely what this legislation should give them.

Three elements of the committee's bill are particularly important.

First, a major step has been taken in the area of commodity loans. Under the Agricultural Act of 1949, the USDA received permanent authorization to issue nonrecourse loans, using commodities as collateral. Since then, these loans have provided a source of interim farm financing, have reduced supply and price fluctuations, and have supported commodity prices.

But the loan rates near or above market prices, forfeitures have increased dramatically, leading to high Federal expenditures and threatening to reduce the United States to a residual supplier in international markets. When the world price is below the loan rate, farmers default on their loans, abandoning the marketplace and allowing foreign suppliers to meet demand at the prevailing price. Current policies provide foreign governments and producers with precisely the certainty they need to undercut American producers and capture an increasing share of international trade.

I believe there are better ways of protecting farmers against low prices than by maintaining unreasonably high loan rates. By gradually aligning loan rates to market conditions while retaining deficiency payments and other efficiently targeted income-support programs, export competitiveness can be increased without devastating American farmers or necessitating unreasonable Federal expenditures. S. 1714 begins this process; it recognizes what commodity loans do well and what they do poorly, and takes a step forward for agricultural producers.

Second, S. 1714 announces a new determination to compete dollar for dollar, bushel for bushel, with other exporting nations. We cannot afford to allow foreign trade practices to drive our farmers out of international markets, particularly at a time of depressed global demand. One out of every three farm acres in this country is now planted for export, and this may rise to one of two by the end of this century. American farmers can compete in the world marketplace, and Government should do everything in its power to be sure that they have a fair chance.

This bill encourages agricultural exports by expanding such existing programs as intermediate credit and direct export assistance. Recognizing that inequitable trade practices have injured American farmers, it requires that the U.S. trade representative develop specific recommendations for reducing foreign trade barriers and expanding American exports. The committee's bill maintains the effectiveness of export and food assistance programs by strictly limiting the application of cargo preference requirements, which will cost the Department of Agriculture more than \$100 million this year.

Third, S. 1714 includes important new conservation provisions. The welfare of American farmers is inseparable from the condition of their land. Representing a State that is particularly vulnerable to soil erosion, I am acutely aware of the need for strong conservation measures. In every State, mismanagement of fragile lands endangers agricultural productivity and environmental stability. By supporting strong "sodbuster" and "swampbuster" language, the Senate can make a lasting contribution to what must be a continuing effort.

Some lands are so prone to erosion that they need even more stringent protection. In 1982, 26 million acres, or just 6 percent of total cropland, accounted for 41 percent of all sheet and rill erosion, the most serious forms of soil loss. With the conservation reserve provisions of S. 1714, Congress has an opportunity to remove such highly erodible lands

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from intensive production for up to 15 years, and to encourage responsible management of these lands thereafter.

Of course, this program would entail new Federal expenditures. But the proposed conservation reserve would initiate a new era in conservation policy, one in which the risks of abusing fragile lands are given full weight in farm legislation. In addition, the costs of establishing a conservation reserve would be significantly offset by the elimination of CCC payments which would otherwise be made on reserve acreage. According to the Soil Conservation Service, a 25 million acre reserve would, given current conditions, actually save \$4.6 billion over its lifetime when alternative CCC payments are considered.

The major flaw in S. 1714 is budgetary. The bill is at least \$9 billion over budget for the first 3 years, and perhaps as much as \$25 billion over. Those of us who have been promising farmers that we would help them by reducing the Federal deficit simply cannot vote for agricultural programs that make a mockery of those promises. Most farmers do not want a budget-busting bill, and we should not pass one.

Reducing farm outlays will not be easy, particularly at this time, but we would be doing farmers a grave disservice if we fail to exercise reasonable restraint. One thing is certain about farm programs -- how we spend is just as important as how much.

Finally, Mr. President, it is important to note that no matter what form this legislation takes, it will not end our responsibility to rural America. I have already mentioned the importance of reducing the Federal deficit, which hurts farmers at every state of production, from loans to international sales. Agricultural credit is another problem which will remain after we enact this legislation. Export issues, tax reform, rural development, and other matters will continue to affect the welfare of this Nation's farmers. It is our responsibility to give them prompt and judicious consideration. To do less would be to betray the promise offered by this bill.

Mr. DURENBERGER. Mr. President, this is the second in a series of speeches this Senator will give each day the Senate debates the 1985 farm bill. As the Senate continues the debate, I think it is important that it not lose sight of what a farm bill represents -- an economic master plan for a \$1 trillion industry and the rural way of life it sustains. And our primary responsibility in this debate is to keep that way of life alive.

During the course of the next 10 days, the Senate will complete action on over 100 amendments, most of which will increase or decrease loan rates, target prices, acreage reduction programs and the \$50,000 payment limitation. I hope my colleagues will take the time to sift through the rhetoric which traditionally accompanies such amendments and take a look at the bottom line against which everything which we do here should be judged -- will it help rural America?

It is not often, Mr. President, that I pledge my unyielding support for an industry. After all, one never likes being called a tool of industry. But agriculture is more than an industry -- it is an essential part of the fabric of American life. It has produced more than just food and fiber, Mr. President; it has been the source of long enduring American values. The American farmer is the most productive, hardworking, unselfish, and compassionate worker in the world; he has made us the envy of all nations. But the American farmer is in trouble. And, if we fail to take immediate, corrective action, we will also find ourselves in trouble as well. In today's comments, I would like to focus the Senate's attention on the financial condition of the American farmer.

In a March 1985 study entitled "The Current Financial Condition of Farmer and Farm Lenders," the Department of Agriculture acknowledged the obvious -- that:

The financial conditions of many farmers and farm lenders have deteriorated significantly;

Large supplies and weak demand have squeezed farm income and reduced the net worth of farmers;

Many farmers face insufficient cash-flow, declining asset values, problems of access to credit, forced liquidation, foreclosure and bankruptcy;

Farm financial stress is transmitted to farm lenders through loan delinquencies and losses, inadequate security for loans, and in some cases, insolvency and failure of lending institutions.

How and why did this come about? The report went on to note that the current distress among farmers and farm lenders is rooted in the inflationary period of the 1970's and adjustments from the excesses of that period to sharply different economic circumstances in the 1980's. Throughout the 1970's farmers faced rapidly expanding exports, accelerating inflation and low to negative real interest rates. Farmers responded by borrowing heavily to invest in new capital equipment, to adopt new production technologies, and to purchase increasingly expensive farmland. Farm debt rose more than 10 percent a year. Yet, farmland values rose even faster, providing the economic rationale as well as the security for farmers and lenders to expend and roll over debt. Debt/asset ratios of farms declined over the 1970's.

By the early 1980's, the report went on to note, the factors which had given rise to the expansion had reversed direction. A worldwide recession weakened international markets; the value of the dollar rose rapidly against major currencies, further dampening export demand; and inflation was slowed by stringent control of monetary growth. Real interest rates, which had been low or negative through the 1970's, jumped to unprecedented levels of 8 to 10 percent. Farm commodities in foreign and domestic markets were plentiful to sustain the prices that had prevailed during the 1970's, causing commodity prices and farmers incomes to drop significantly. Land values, which depend on both current farm income and prospects for future income growth, also began to decline. The 1970's debt levels became unsustainable. Expansion minded farmers were pushed steadily and speedily toward insolvency. Cautious farmers, whose only fault was bad weather, were also subjected to financial stress.

Mr. President, after making those reflections, the report went on to make some statements of fact which are frightening in their own right, but even more so when one considers that they are based on information which dates to January 1984. The report noted that farmers' equity and lenders' security are reflected by the debt/asset ratio and net worth of farm businesses. Cash-flow indicates the amount of short run net cash income from all sources that a farm can use to service debts after meeting family living needs; that is, it indicates repayment capacity of the farm business.

Available data, now 18 months old, on the severity of farm financial problems summarized in summary table 1, suggest the following:

At current interest rates and levels of net returns in farming, farms with debt/asset ratios of over 40 percent are likely experiencing cash shortfalls. Farms with debt/asset ratios of over 70 percent are almost certain to have serious cash shortfalls.

Some 243,000 farms -- 11.1 percent -- have debt/asset ratios from 40 to 70 percent and owe one-third of all farm debt.

As many as 143,000 farms have debt/asset ratios above 70 percent. These farms make up only 6.6 percent of all farms but owe almost one-fourth of all farm debt.

In short, Mr. President, 17 percent of farmers having debt-to-asset ratios which would result in their being classified highly leveraged or very highly leveraged, hold 56 percent of all farm debt. That adds up to \$300,000 of debt for 386,000 farmers, a debt load that might not be serviceable with price supports at twice the current level.

The report further broke the debt level down to classes of farmers, placing special emphasis on farms with sales of \$50,000 to \$500,000 annually. These farms, totaling about 679,000, are recognized by the Department as the mainstream of fairly sized commercial agriculture. In a sobering commentary, the Department noted that:

Over one-quarter of these farms, owing 36 percent of all farm debt, face some degree of financial stress.

That 30,000 farms, owing 6.5 percent of all farm debt, had debt/asset ratios in excess of 100 percent and were insolvent.

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Another 34,000 farms, holding 7.5 percent of all farm debt, had debt-to-asset ratios in excess of 70 percent and were rapidly moving toward insolvency.

An additional 114,000 farms, holding 22 percent of all farm debt, were classified as highly leveraged and faced serious financial problems.

In what must rate as the most underrated comment of the year, the authors of the report further went on to explain that if the situation in early 1984 is extended to early 1985, the available data suggest that one-third of all family size commercial farms, owing almost one-half of all farm debt will have some degree of financial difficulty.

For example: 43,000 farms owing more than their assets are worth, will be technically insolvent; 50,000 farms, owing 11 percent of all debt, will be moving rapidly toward insolvency; 136,000 farms, owing 26 percent of all debt, will have serious financial problems, but will be able to survive a few more unfavorable years.

Mr. President, what troubles this Senator is that, if anything, the situation which existed in early 1984 has deteriorated substantially. If I recall correctly, in early 1984 market prices for wheat, corn, and soybeans were rising in the aftermath of the PIK Program and the 1984 drought. Since that time, however, prices have fallen sharply, with corn dropping from \$3.40 bushel in March 1984 to \$2 in October 1985, beans dropping from \$8 bushel in March 1984 to \$5 in October 1985, feeder cattle dropping from \$61 hundredweight in March 1984 to \$49 hundredweight in October 1985, and hogs have gone from \$49 hundredweight in March 1984 to \$40 hundredweight in October 1985.

Mr. President. In conclusion, I will end my comments today with the simple statement that 240,000 struggling farmers need not go out of business. If members of the Senate are willing to do so, I am confident we can find a way to restructure the farm debt which is strangling the life out of rural America. If we give farmers a chance, they will vindicate our faith in them as they have time after time. But the key is to take steps to protect farm income and give farmers a chance to make it through this difficult period.

Mr. HELMS. Mr. President, I inquire of the distinguished majority leader as to his wishes with respect to the farm bill. I see no Senator on the floor and know of no Senators on their way to offer amendments. I wonder what his wishes would be about continuing the consideration of the farm bill today.

Mr. DOLE. As I indicated earlier, I know both managers, Senator Helms and Senator Zorinsky, have been urging Members to come to the floor. Apparently they are not coming.

We will be in early tomorrow morning. We will be in late tomorrow night, until 9 or 10 o'clock. I think once it starts, once Members understand that the push is on and the rollcall bells are ringing, we will have amendments, so I do not see any reason to stay on this legislation.

SUBJECT: EXPORT TRADE (89%); RESEARCH (79%); LEGISLATIVE BODIES (79%); GOVERNMENT GRANTS & SUBSIDIES (79%); EXPORT PROMOTION (79%); EXPORT CREDIT INSURANCE (59%); EXPERIMENTATION & RESEARCH (59%); TRADE TREATIES & AGREEMENTS (59%); AGRICULTURAL EXPORT & IMPORT CONTROLS (59%); RESEARCH & DEVELOPMENT (59%); EXPORT PRICES (59%); AGRICULTURAL SUBSIDIES (59%); INTERNATIONAL TRADE LAW (59%); AGRICULTURAL MARKETING (59%); FOOD MFG (59%); TREATIES & AGREEMENTS (59%); AGRICULTURE (59%); LEGISLATION (59%); INTERNATIONAL TRADE FINANCING (59%); AGRICULTURAL LENDING (59%); AGRICULTURAL LAW (59%); FOOD INDUSTRY (59%); FOOD & BEVERAGE (59%); FOOD SCIENCE & TECHNOLOGY (59%); AGRICULTURE DEPARTMENTS (59%); COMMODITIES TRADING (59%);