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Senate

(Legislative day of Tuesday, September 5, 1995)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, we begin the work of this week with the affirmation of the psalmist, ''The Lord is my strength and my shield; my heart trusted in Him, and I am helped; therefore my heart greatly rejoices.''—Psalm 28:7. Thank You for the joy we experience when we receive Your unqualified grace and unlimited goodness. Your joy is so much more than mere happiness that is dependent on circumstances and the attitudes of others. When we allow You to fill us with Your love, an artesian joy floods our minds and hearts. We remember times when we trusted You and You helped us, and joy bursts within us. With Your joy we can face difficulties, deal with impossible situations, and endure the most frustrating problems. You are the source of our strength for the tasks of this day, wisdom for the decisions of this week, and encouragement for the challenges ahead of us. You know what we need before we ask You, and You guide us to ask for what is Your will for us. May the joy we experience with You radiate on our faces and be expressed in our attitudes. This is the day You have made; we will rejoice and be glad in it. In the name of our Lord, who brought us joy. Amen.

SCHEDULE

Mr. MURKOWSKI addressed the Chair.

The PRESIDENT pro tempore. The able Senator from Alaska is recognized.

Mr. MURKOWSKI. Good morning, Mr. President. On behalf of the leader, and for the information of all Senators, this morning there will be a period for morning business until the hour of 10 a.m.

Immediately following morning business, the Senate will begin consideration of H.R. 1976, the Agriculture Appropriations bill.

The majority leader has indicated that Senators are expected to offer their amendments to the bill. However, no rollcall votes will occur before 5:15 p.m. today.

Members are also alerted that the Senate will complete action on the welfare reform bill tomorrow, with rollcall votes on the welfare reform bill beginning at approximately 2:45 p.m. on Tuesday.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for up to 5 minutes each.

AN INVASION OF PRIVACY

Mr. MURKOWSKI. Mr. President, I would like to speak this morning relative to an incident that occurred last Tuesday, and I think, if I recall correctly, the senior Senator from West Virginia also had such an incident which, to me, amounted to a certain invasion of privacy.

Last Tuesday, Mr. President, I was leaving my home to walk to my car and, as I rounded the corner, a neighbor asked me why someone was videotaping our block. I smiled at her and said, ''Well, I have no idea.'' As I came around the corner, I was confronted by a news crew from an organization called ''A Current Affair.'' As I attempted to walk toward my car, I found that there was a request for an interview. I said, ''We have a number of votes and I am sorry, but I have to go to work.'' As I proceeded to walk toward my car, I was confronted not only with the microphone and a cameraman, but somebody carrying the cord and a couple of other people and, I assume, a director.

I said, ''I am sorry, but if you want an interview I would be happy to accommodate you at my office.''

Well, as I began to get closer and closer to the car, I finally became aware that there was a question that was forthcoming, and it was, ''Why have you voted against the highway bill?'' I said, ''You have the wrong Senator. I have no jurisdiction over highways. You must want somebody else.'' I was thinking of TRENT LOTT who lives next door. But clearly they were not after TRENT LOTT; they were after me.

The next question was, ''Senator, why did you vote against the highway funding legislation and vote for logging roads?'' I responded by saying, ''You really do not know anything about logging roads,'' and I went to my car and I closed the door and they said, ''Well, you have some stock in one of the logging companies in Alaska.'' I responded by saying, ''No, I do not have that stock,'' closed the door and backed out.

Then I found that later on in the day this organization from ''A Current Affair'' had contacted my stockbroker after we had released a public statement, and I will have that printed in the RECORD, relative to the disposal of some of my holdings in natural resource stocks.

They had the gall to suggest that perhaps my broker had predated or backdated the letter, indicating the actual date on which I sold my stock.

Now, Mr. President, we are all victims of living in a glasshouse in our particular business, but I find this kind of activity a personal affront to my own integrity and my own personal affairs.

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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Nevertheless, I think that we are all subject to this kind of harassment from time to time, but I did want the RECORD to note the circumstances surrounding this particular event.

As a consequence, Mr. President, of allegations concerning private holdings that I have had in various resource companies that I have held for a number of years—some for as many as 40 years have been held in my family—and criticism associated with that, when I first came to this body I declared all my personal holdings.

There was criticism from some that I should sell those holdings because I did have small amounts in organizations such as Chevron Corp., James River, Louisiana Pacific, RTZ, Champion International.

Then I moved the shares into a blind trust, Mr. President, and moved my assets into a blind trust. Then I was criticized for hiding my assets.

Again, after a short period of time, having placed my assets in a blind trust, I released them and have publicly disclosed all of them ever since.

As a consequence, Mr. President, I have absolutely nothing to hide about my personal investments. I try to invest in my home State of Alaska, developing resources and creating jobs. I think that is probably the best evidence of my commitment to my State of Alaska.

All my interests are disclosed publicly, and the fact that a producer from ''A Current Affair'' thinks they bear some kind of additional public disclosure, why, they are certainly welcome to that conclusion.

The bottom line, evidently, Mr. President, is that ''A Current Affair'' intends to do some kind of exposé on logging in my State. I have had my press secretary cooperating with them, giving them the names of knowledgeable people in Alaska and Sitka, Ketchikan that they can contact with regard to the specifics of any question regarding logging in our State on public lands.

Mr. President, for the RECORD I supply a statement from my broker to be printed in the RECORD dated July 20, 1995, verifying the following securities were sold on July 17, 1995, covering Champion International, Chevron Corp., James River, Louisiana Pacific, and RTZ. The value of those stocks at the time they were sold was $57,272.89.

I also ask unanimous consent that it be printed in the RECORD that these stock holdings were sold 4 days prior to the introduction of legislation covering the Southeast Alaska Jobs and Community Protection Act which proposes to expand the timber harvest in the Tongass National Forest. These were done prior to any substantive action occurring on the opening of the Arctic National Wildlife Refuge oil exploration development or before my committee, the Committee on Energy and Natural Resources, subsequently took up the debate on the mining reform legislation.

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

LEGG MASON WOOD WALKER, INC.,
Alexandria, VA, July 20, 1995.

Re Account number, name of Frank H. Murkowski and Nancy G. Murkowski.

Senator FRANK H. MURKOWSKI,
Washington DC.

DEAR SENATOR MURKOWSKI: This is to verify that the following securities were sold on July 17, 1995 from the above account.

Security	Shares	Amount
Champion Intl Corp	100	$5,638.30
Chevron Corp	324	15,307.79
James River Corp	395	10,532,13
Louisiana Pacific	750	20,068.87
RTZ Corp PLC ADR	100	5,725.80
Total		57,272.89

Sincerely,

LAWRENCE D. BERBERIAN,
Vice President, Investments Retirement Plan Consultant.

MURKOWSKI VERIFIES HE SOLD ALL NATURAL RESOURCE STOCKHOLDINGS BEFORE INTRODUCING TONGASS BILL

WASHINGTON.—In response to a request from one of the tabloid TV programs, A Current Affair, Alaska Sen. Frank Murkowski today released proof that as he announced more than a month ago, that he had sold all of his stock in natural resouce firms before introducing forestry-related legislation concerning the Tongass National Forest in Southeast Alaska.

Murkowski, chairman of the Senate Energy and Natural Resources Committee, July 17 sold all of his stock holdings in five companies that deal with natural resource issues: one energy company, three timber-related companies, (only one having operations in Alaska) and one mining company. The sale came four days before Murkowski introduced the Southeast Alaska Jobs and Community Protection Act and before any substantive action occurred on either opening of the Arctic National Wildlife Refuge to oil exploration/development or before his committee substantively took up debate of mining reform legislation.

''I've never been asked before in a cordial fashion whether I sold my stock in all these companies. Since I have now been asked, the answer is yes I did months ago to prevent ridiculous media speculation from interferring with substantive debate over a number of vital national resource policy issues,'' said Murkowski.

''Normally I would follow proper Senate procedures and not unveil my stock transactions, until my annual May financial disclosure statement. But given the level of unresearched and incorrect media reports this summer, it probably is better to release this information now,'' said Murkowski, who added that these sales in no way lessen his commitment to invest in Alaska-related firms whenever possible.

''My goal still is to invest in companies that provide jobs and make investments in Alaska. That is what I can do as an individual to help Alaska's economy and the creation of jobs which always has been my guiding investment principle,'' said Murkowski.

Murkowski has responded repeatedly through his press office to a producer from the program A Current Affair giving them the appropriate contacts in Alaska so they can gain factual comments on the Tongass. The Senator announced in Sitka Aug. 12 and Ketchikan Aug. 13 that he had disposed of some stock. Today, Murkowski released to the public the same information he gave to the program to confirm that the sales took place before he introduced the Tongass legislation.

Mr. MURKOWSKI. To make a long story short, Mr. President, I no longer hold any resource development-type stocks in my personal portfolio and feel that I have acted appropriately with regard to full disclosure on my personal assets. I believe that there is no conflict of any kind other than the effort to proceed with responsible development in my State of Alaska relative to jobs, the economy, and the economic contribution Alaska can make as a resource-rich State to our overall economy in this Nation.

I am proud of my personal efforts to abide by the Senate rules and the rules of disclosure. Again, I somewhat resent being ambushed on my way to work last Tuesday.

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

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the quorum call be rescinded. I will speak as in morning business for 4 or 5 minutes.

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

REIMBURSING MEMBERS' COSTS AT CHARITABLE EVENTS

Mr. MURKOWSKI. Mr. President, sometimes this body resembles, at least to me, perhaps ''The Gang That Couldn't Shoot Straight.'' Let me share an example from Alaska relating to Senate passage of new restrictions on the acceptance of gifts by Senators, which was recently adopted by this body.

In crafting this new rule, we were certainly shooting at the Senate's past practices, where some Members inappropriately did accept gifts from lobbyists. Unfortunately, the target that we actually hit with our shots were the charities that had committed absolutely no wrongdoings, unless trying to raise money from time to time for the needy is now, somehow, inappropriate in this body.

First, let me make it clear that I fully support the new rule limiting gifts to Senators from any one source to $100 and making all gifts over $10—whether they be lunch or a fruit basket—count against the limit. Through that limit, the Senate has gone a long way to end the public perception that lawmakers give special favors to those who take us to lunch or take us to dinner or whatever.

But the new rule contains a glaring inconsistency and a level of hypocrisy that leaves a sour taste in my mouth. The chief problem is that under the measure we now have adopted, private parties would not be able to reimburse Members for the costs of transportation and lodging to a charitable event. But Senators still would be permitted to be privately reimbursed if

they travel to a fundraising event, in Hollywood or San Francisco or Florida, for another Senator, and they could receive reimbursement for lodging—a clear inconsistency. We cannot do it for charity; but we can do it for politics.

Some suggest that politics is our business and that is why we should be allowed to continue to do it. But charity is also a worthy cause. Every Senator has, at one time or another, made a campaign appearance for his party or another member of his party. But the Senate now has created a system where politicians can travel all over this country attending political fundraisers and be reimbursed for travel and lodging but cannot be reimbursed for participating in charity events. This means the Senator can accept travel, lodging and dinner in some plush spot, elbow to elbow, on occasion, perhaps, with lobbyists, if he or she is raising money for a political group but cannot be reimbursed for participation in a charity event.

The source of funds for both charity and political events is often the same, donations of lobbyists and political action committees. The irony is that inside the beltway, charities still will be able to encourage the participation of business executives with the presence of Senators as a lure, but the charities in the distant States such as mine, in Alaska, will be shut out of the means to raise funds for worthy causes such as breast cancer detection screening.

Last year my wife, Nancy, and I were the honorary chairs of a charity fishing tournament held outside Ketchikan, AK. The tournament raised $150,000 for the Breast Cancer Detection Center of Fairbanks. Money for the center was used to pay for a new mammography machine. The center, founded in 1976 by my wife and a group of Fairbanks women, provides free or reduced-cost breast cancer examination for about 2,200 women a year on average. Over the years, women from 81 Alaska villages have benefited from these tests.

This year, we proceeded with a second event at a place called Waterfall, near Ketchikan. We raised approximately $210,000 and were able to give the Breast Cancer Detection Center of Alaska $200,000 to allow them to order a mobile mammogram unit, which will be traversing the highways of Alaska next spring. It will be able to be utilized on the ferry systems and by barge systems and will be brought into the remote villages. This is a van, equipped with a mammography machine. It will also be able to be transported by the Air National Guard into some of the 220 rural villages in my State.

This unit is going to be vital to preserve the health of Alaska's women, including many Native women. I might add, the State's breast cancer mortality is the second highest in the Nation. One in eight Alaska women will develop breast cancer, with about 50 a year dying from that disease. Breast cancer screening can reduce this rate by some 30 percent.

My clear preference would have been to allow Senators to continue to come to this charity event, events approved previously by the Senate Ethics Committee to guarantee that they were legitimate charities. It seems to me, when Congress attacks charity events while leaving big loopholes for political travel, it simply puts us all in the bull's eye, furthering the public's growing skepticism toward public officials.

The gift rule and related lobbying reform legislation that the Senate has approved overall are certainly good steps to restore public confidence in the Senate and Congress. But why shoot down legitimate charities? Mr. President, that is just what we have done.

I thank the Chair and yield the floor.

I thank my colleague for allowing me this extra time.

TRIBUTE TO FAYE BROWN

Mr. HEFLIN. Mr. President, I want to take a moment to commend and congratulate Faye Brown, who will be retiring from the bankruptcy administrator's office in Birmingham at the end of this month. She has been a fixture at the bankruptcy court and administrator's office for many years.

Faye graduated from Dale County High School in Ozark, AL; in 1950 and attended Howard College, now Samford University, graduating in 1954. From 1966 to 1971, she served as the personal secretary to Judge Robert S. Vance. In 1972, she was appointed deputy clerk for the bankruptcy court.

From 1979 to 1985, Faye was the secretary to Judge Stephen B. Coleman, Chief Judge of the United States Bankruptcy Court for the Northern District of Alabama. In 1985, after Judge Coleman's retirement, she became the asset closing clerk for the bankruptcy clerk's office, serving there for the next 7 years. In 1992, she obtained her current position and the one from which she is retiring this month, that of bankruptcy analyst.

Faye Brown has done an outstanding job over the many years of her career. In many ways, she is the institutional memory of her office, and knows the in's and out's of the bankruptcy court as well as anyone, and her expertise and dedication will be sorely missed. I congratulate her for a job well done and wish her all the best for a long, healthy, and happy retirement. It is surely well-earned.

POW-MIA RECOGNITION DAY

Mr. SIMPSON. Mr. President, on Friday, I joined with the Members of this body, and with all the citizens of our Nation, in commemorating the American service members who are missing in action and whose fates yet remain unknown.

Our Nation honored those who are missing, both for their service and for their sacrifice.

We acknowledged the shared loss inflicted upon all of us when young men and women are sent to war and do not return to us. We expressed our understanding of the terrible frustration, and, yes, even the anger, energized in us by the fact that the fates of those American service members remain unknown.

We restated our sacred obligation to take every reasonable step to obtain the fullest possible accounting for those still missing.

We endorsed anew our national commitment to recover and identify the remains of the honored dead.

Yes, it is so important to honor our missing service members. And it is necessary to ever remember our obligations, both to them and to their families.

Yet it is also important to acknowledge that there are practical and realistic limits to what can ever be learned. There are mysteries that will remain forever unsolved in this world.

We do our Nation's service members no justice if we fail to take every single reasonable step to recover them when they are lost from our midst. But we do them no honor—yes, we even dishonor them—if we are to allow their loss to become an albatross forever about the necks of our caring countrymen.

Mr. President, Friday our Nation paused to commemorate our missing in action, including members of my own family in World War II. Today, and every day, we must remember their service and their sacrifice. And today, and every day, our Nation can continue to honor them by ensuring that America remains wholly committed, at home and abroad, to the freedoms they fought to preserve forever.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the impression will not go away: The $4.9 trillion Federal debt stands today as a sort of grotesque parallel to television's energizer bunny that appears and appears and appears in precisely the same way that the Federal debt keeps going up and up and up.

Politicians like to talk a good game—and ''talk'' is the operative word—about reducing the Federal deficit and bringing the Federal debt under control. But watch how they vote. Control, Mr. President. As of Friday, September 15, at the close of business, the total Federal debt stood at exactly $4,962,989,568,088.23 or $18,839.59 per man, woman, child on a per capita basis. Res ipsa loquitur.

Some control, isn't it?

Mr. DOLE. Mr. President, is the leader time reserved?

The PRESIDING OFFICER. Yes.

TRIBUTE TO RUTH ANN KOMAREK

Mr. DOLE. Mr. President, I rise today to recognize a valued member of my staff whose length of service to me

and the people of Kansas is nothing short of remarkable. Ruth Ann Komarek has just completed her 30th year of working for me. That is three, zero, Mr. President.

A native of Ellinwood, KS, Ruth Ann came to my office from the Federal Bureau of Investigation in 1965, while I was still serving in the House of Representatives. She made the transition with me to the Senate in 1968, and she has been hard at work ever since.

Ruth Ann serves as my office manager and supervisor of my mail operation, a mammoth task to say the least. Virtually every letter, fax, postcard, and package that comes into my office passes through her hands. That represents thousands upon thousands of pieces of correspondence every week. She gets each one where it needs to go and tries to make sure that every Kansan who writes to me gets a timely response.

Ruth Ann also spends a lot of time keeping the rest of the staff—especially the interns—in line. New staffers learn that her gruff exterior hides a heart of gold and a great sense of humor, but after she has laid down the law and made them earn their way.

I am proud to recognize Ruth Ann Komarek for all her hard work for me, the Senate, and for Kansas. I look forward to her continued service in the coming years.

Mr. DOLE. Mr. President, I would like to take a moment to commend my colleague from New Hampshire, Senator JUDD GREGG, for the Medicare Improvement and Choice Care Provision Act which he introduced last week.

The Medicare Program has received a great deal of attention in the last year, particularly since early April when the Medicare trustees report stated that the Medicare Program will become insolvent in just 7 years.

Mr. President, Senator GREGG and all Republicans took this report very seriously. But, as anyone who has worked on this issue knows, to ensure the solvency of this program is going to require a great deal of commitment on the part of Congress and the administration.

Our goal is very simple—to preserve, strengthen, and protect the Medicare Program. Today 37 million disabled and elderly Americans rely on Medicare for their health care. For their sake and for the millions of Americans who will rely on this program in the future, we need to take action.

And that is exactly what Senator GREGG has done. The bill that he has introduced not only preserves and protects the current Medicare Program, it also strengthens the program to move it successfully into the 21st century.

Mr. President, as I have said many times in this Chamber, the United States has the best health care system in the world. There is no other nation that compares to the quality of care delivered by our providers, our technology, and our innovation. Although Medicare has provided invaluable health care services to millions and millions of Americans, in some areas it has not kept pace with many of the advances in health care delivery enjoyed by the private sector.

The bill introduced by Senator GREGG restructures Medicare so that its beneficiaries receive the same range of choices and possibilities that those with private insurance receive today. At the same time, it leaves traditional Medicare completely in place for those Medicare beneficiaries who are happy with the care and services they receive today.

Mr. President, Senator GREGG deserves a great deal of credit for the leadership he has demonstrated on this very complex issue. As Congress is about to begin a very serious debate on Medicare reform in the coming weeks, the work of Senator GREGG will no doubt be an invaluable benefit.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business, extended, is now closed.

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

The PRESIDING OFFICER. Under the provisions of the order, the hour of 10 o'clock having arrived and passed, the Senate will now proceed to consideration of H.R. 1976, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1976) making appropriations for agriculture, rural development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1996, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

H.R. 1976

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1996, and for other purposes, namely:

TITLE I

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed $75,000 for employment under 5 U.S.C. 3109, **[**$10,227,000**]** *$12,801,000*, of which **[**$7,500,000**]** *$10,000,000, to remain available until expended,* shall be available for InfoShare: *Provided,* That not to exceed $11,000 of this amount, along with any unobligated balances of representation funds in the Foreign Agricultural Service shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost benefit analysis, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of the section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, **[**$3,948,000**]** *$3,814,000*.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $25,000 is for employment under 5 U.S.C. 3109, $11,846,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $5,899,000.

CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $4,133,000: *Provided,* That the Chief Financial Officer shall reinstate and market cross-servicing activities of the National Finance Center**[**: *Provided further,* That none of the funds appropriated or otherwise made available by this Act shall be used to obtain, modify, re-engineer, license, operate, implement, or expand commercial off-the-shelf financial management software systems or existing commercial off-the-shelf system financial management contracts, beyond general ledger systems and accounting support software, at the National Finance Center until thirty legislative days after the Secretary of Agriculture submits to the House and Senate Committees on Appropriations a complete and thorough cost-benefit analysis and a certification by the Secretary of Agriculture that this analysis provides a detailed and accurate cost-benefit analysis comparison between obtaining or expanding commercial off-the-shelf software systems and conducting identical or comparable software systems acquisitions, re-engineering, or modifications in-house**]**.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $596,000.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture *under 40 U.S.C. 486*, for programs and activities of the Department which are included in this Act, $110,187,000, of which

$20,216,000 shall be retained by the Department for the operation, maintenance, and repair of Agriculture buildings: *Provided,* That in the event an agency within the Department should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account. In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, $25,587,000, to remain available until expended; making a total appropriation of $135,774,000.

ADVISORY COMMITTEES (USDA)

For necessary expenses for activities of advisory committees of the Department of Agriculture which are included in this Act, **[**$800,000**]** *$650,000*: *Provided,* That no other funds appropriated to the Department in this Act shall be available to the Department for support of activities of advisory committees.

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), *and* section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, $15,700,000, to remain available until expended: *Provided,* That appropriations and funds available herein to the Department for Hazardous Waste Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Personnel, Operations, Information Resources Management, Civil Rights Enforcement, Small and Disadvantaged Business Utilization, Administrative Law Judges and Judicial Officer, Disaster Management and Coordination, and Modernization of the Administrative Process, $27,986,000, to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: *Provided,* That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, including programs involving intergovernmental affairs and liaison within the executive branch, **[**$3,797,000: *Provided,* That no other funds appropriated to the Department in this Act shall be available to the Department for support of activities of congressional relations**]** *$1,764,000*.

OFFICE OF COMMUNICATIONS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, $8,198,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, as amended, $63,639,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, as amended, including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed **[**$95,000**]** *$125,000* for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95–452 and section 1337 of Public Law 97–98*: Provided, That funds transferred to the Office of the Inspector General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as a participating agency, as an equitable share from the forfeiture of property in investigations in which the Office of Inspector General participates, or through the granting of a Petition for Remission or Mitigation, shall be deposited to the credit of this account for law enforcement activities authorized under the Inspector General Act of 1978, as amended, to remain available until expended*.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, $27,860,000.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service and the Cooperative State Research, Education, and Extension Service, $520,000.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, **[**$53,131,000**]** *$53,526,000*: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, $81,107,000: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL RESEARCH SERVICE

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100, **[**$705,610,000**]** *$707,000,000*: *Provided,* That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed $250,000, except for headhouses or greenhouses which shall each be limited to $1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed $500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or $250,000, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further,* That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That the foregoing limitations shall not apply to the purchase of land at Beckley, West Virginia: *Provided further*, That not to exceed $190,000 of this appropriation may be transferred to and merged with the appropriation for the Office of the Under Secretary for Research, Education and Economics for the scientific review of international issues involving agricultural chemicals and food additives: *Provided further*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law: *Provided further*, That all rights and title of the United States in the property known as USDA Houma Sugar Cane Research Laboratory, consisting of approximately 20 acres in the City of Houma and 150 acres of farmland in Chacahula, Louisiana, including facilities and equipment, shall be conveyed to the American Sugar Cane League *Foundation*: *Provided further*, That all rights and title of the United States in the Agricultural Research Station at Brawley, California, consisting of 80 acres of land, including facilities and equipment, shall be conveyed to Imperial County, California: *Provided further*, That all rights and title of the United States in the Pecan Genetics and Improvement Research Laboratory, consisting of 84.2 acres of land, including facilities and equipment, shall be conveyed to Texas A&M University: *Provided further*, That the property originally conveyed by the State of Tennessee to the U.S. Department of Agriculture, Agricultural Research Service, in Lewisburg, Tennessee be conveyed to the University of Tennessee.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, $30,200,000, to remain available until expended (7 U.S.C. 2209b): *Provided,* That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including [$166,165,000] *$171,304,000* to carry into effect the provisions of the Hatch Act (7 U.S.C. 361a–361i); [$20,185,000] *$20,809,000* for grants for cooperative forestry research (16 U.S.C. 582a–582–a7); [$27,313,000] *$28,157,000* for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222); [$31,930,000] *$40,670,000* for special grants for agricultural research (7 U.S.C. 450i(c)); [$11,599,000] *$9,769,000* for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)); [$98,165,000] *$99,582,000* for competitive research grants (7 U.S.C. 450i(b)); [$5,051,000] *$5,551,000* for the support of animal health and disease programs (7 U.S.C. [195] *3195*); [$1,150,000] *$500,000* for supplemental and alternative crops and products (7 U.S.C. 3319d); *$500,000 for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended;* $475,000 for rangeland research grants (7 U.S.C. 3331–3336); $3,500,000 for higher education graduate fellowships grants (7 U.S.C. 3152(b)(6)), to remain available until expended (7 U.S.C. 2209b); $4,350,000 for higher education challenge grants (7 U.S.C. 3152(b)(1)); $1,000,000 for a higher education minority scholars program (7 U.S.C. 3152(b)(5)), to remain available until expended (7 U.S.C. 2209b); $4,000,000 for aquaculture grants (7 U.S.C. 3322); [$8,000,000] *$8,112,000* for sustainable agriculture research and education (7 U.S.C. 5811); *$9,207,000 for a program of capacity building grants to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee University, to remain available until expended (7 U.S.C. 2209b);* and [$6,289,000] *$10,686,000* for necessary expenses of Research and Education Activities, of which not to exceed $100,000 shall be for employment under 5 U.S.C. 3109; in all, [$389,172,000] *$418,172,000*.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For establishment of a Native American institutions endowment fund, as authorized by Public Law 130–382 (7 U.S.C. 301 note.), $4,600,000.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension, and teaching programs of the Department of Agriculture, where not otherwise provided, $57,838,000, to remain available until expended (7 U.S.C. 2209b).

EXTENSION ACTIVITIES

Payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative extension work under the Smith-Lever Act, as amended, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93–471, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, [$264,405,000] *$272,582,000*; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, [$59,588,000] *$61,431,000*; payments for the pest management program under section 3(d) of the Act, $10,947,000; payments for the farm safety program under section 3(d) of the Act, [$2,898,000] *$2,988,000*; payments for the pesticide impact assessment program under section 3(d) of the Act, $3,363,000; payments to upgrade 1890 land-grant college research, extension, and teaching facilities as authorized by section 1447 of Public Law 95–113, as amended (7 U.S.C. 3222b), [$7,664,000] *$7,901,000*, to remain available until expended; payments for the rural development centers under section 3(d) of the Act, [$921,000] *$950,000*; payments for a groundwater quality program under section 3(d) of the Act, [$10,897,000] *$11,234,000*; payments for the agricultural telecommunications program, as authorized by Public Law 101–624 (7 U.S.C. 5926), [$1,184,000] *$1,221,000*; payments for youth-at-risk programs under section 3(d) of the Act, [$9,700,000] *$10,000,000; payments for a Nutrition Education Initiative under 3(d) of the Act, $4,265,000*; payments for a food safety program under section 3(d) of the Act, [$2,400,000] *$2,475,000*; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, [$3,241,000] *$3,341,000*; payments for Indian reservation agents under section 3(d) of the Act, [$1,697,000] *$1,750,000*; payments for sustainable agriculture programs under section 3(d) of the Act, $3,463,000; *payments for rural health and safety education as authorized by section 2390 of Public Law 101–624 (7 U.S.C. 2661 note, 2662), $2,750,000;* payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321–326, 328) and Tuskegee University, [$24,708,000] *$25,472,000*; and for Federal administration and coordination including administration of the Smith-Lever Act, as amended, and the Act of September 29, 1977 (7 U.S.C. 341–349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. [301n] *301 note*), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [$6,181,000] *$10,998,000*; in all, [$413,257,000] *$437,131,000*: *Provided,* That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, Agricultural Marketing Service, and the Grain Inspection, Packers and Stockyards Administration, $605,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426–426b); and to protect the environment, as authorized by law, [$333,410,000] *$329,125,000*, of which $4,799,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: *Provided,* That in fiscal year 1996, amounts in the agricultural quarantine inspection user fee account shall be available for authorized purposes without further appropriation: *Provided further,* That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further,* That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious diseases or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts: *Provided further,* That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year 1996 the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, *modernization,* and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and

acquisition of land as authorized by 7 U.S.C. 428a, [$12,541,000] *$4,973,000*, to remain available until expended.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $90,000 for employment under 5 U.S.C. 3109, [$46,662,000] *$46,517,000*, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701).

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $58,461,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided*, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Appropriations Committees.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than $10,451,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

In fiscal year 1996, no more than $23,900,000 in section 32 funds shall be used to promote sunflower and cottonseed oil exports as authorized by section 1541 of Public Law 101–624 (7 U.S.C. 1464 note), and such funds shall be used to facilitate additional sales of such oils in world markets.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of [1956] *1946* (7 U.S.C. 1623(b)), [$1,000,000] *$1,200,000*.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $25,000 for employment under 5 U.S.C. 3109, [$23,058,000] *$23,289,000*: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Not to exceed $42,784,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: *Provided*, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Appropriations Committees.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, [$450,000] *$440,000*.

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, the Poultry Products Inspection Act, as amended, and the Egg Products Inspection Act, as amended, [$540,365,000] *$568,685,000*, and in addition, $1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1017 of Public Law 102–237: *Provided*, That this appropriation shall not be available for shell egg surveillance under section 5(d) of the Egg Products Inspection Act (21 U.S.C. 1034(d)): *Provided further*, That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Consolidated Farm Service Agency, Foreign Agricultural Service, and the Commodity Credit Corporation, $549,000.

CONSOLIDATED FARM SERVICE AGENCY

SALARIES AND EXPENSES

For necessary expenses for carrying out the administration and implementation of programs [delegated to the Consolidated Farm Service Agency by the Secretary under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994] *administered by the Consolidated Farm Service Agency*, [$788,388,000] *$805,888,000*: *Provided*, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: *Provided further*, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: *Provided further*, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed [$500,000] *$1,000,000* shall be available for employment under 5 U.S.C. 3109.

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101–5106), [$2,000,000] *$3,000,000*.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, $100,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government: *Provided further*, That this amount shall be transferred to the Commodity Credit Corporation: *Provided further*, That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), $2,000,000, to remain available until expended.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, [$585,000,000] *$610,000,000*, of which $550,000,000 shall be for guaranteed loans; operating loans, [$2,300,000,000] *$2,450,000,000*, of which $1,700,000,000 shall be for unsubsidized guaranteed loans and $200,000,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $750,000; for emergency insured loans, $100,000,000 to meet the needs resulting from natural disasters; and for credit sales of acquired property, [$22,500,000] *$21,696,000*.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, [$28,206,000] *$34,053,000*, of which $20,019,000 shall be for guaranteed loans; operating loans, [$91,000,000] *$111,505,000*, of which $18,360,000 shall be for unsubsidized guaranteed loans and $17,960,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $206,000; for emergency insured loans, $32,080,000 to meet the needs resulting from natural disasters; and for credit sales of acquired property, [$4,113,000] *$3,966,000*.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [$221,541,000]

$227,258,000, which shall be transferred to and merged with the following accounts in the following amounts: [$208,446,000] *$214,163,000* to ''Salaries and Expenses''; $318,000 to ''Rural Utilities Service, Salaries and Expenses''; and $171,000 to ''Rural Housing and Community Development Service, Salaries and Expenses''.

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act, as amended, such sums as may be necessary, to remain available until expended (7 U.S.C. 2209b).

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 1996, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed (estimated to be $10,400,000,000 in the President's fiscal year 1996 Budget Request (H. Doc. 104–4)), but not to exceed $10,400,000,000, pursuant to section 2 of the Act of August 17, 1961, as amended (15 U.S.C. 713a–11).

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

For fiscal year 1996, the Commodity Credit Corporation shall not expend more than $5,000,000 for expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961: *Provided*, That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation in this Act.

TITLE II

CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, $677,000.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed $100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, [$629,986,000] *$637,860,000, to remain available until expended (7 U.S.C. 2209b)*, of which not less than $5,852,000 is for snow survey and water forecasting and not less than $8,875,000 is for operation and establishment of the plant materials centers: *Provided*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed $250,000: *Provided further*, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974, as amended (43 U.S.C. 1592(c)): *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f) in demonstration projects: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service *(16 U.S.C. 590e–2)*.

RIVER BASIN SURVEYS AND INVESTIGATIONS

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1006–1009), $8,369,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $60,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001–1008), $5,630,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, [and only high-priority projects authorized by the Flood Control Act (33 U.S.C. 701, 16 U.S.C. 1006a),] in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001–1005, 1007–1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), and in accordance with the provisions of laws relating to the activities of the Department, $100,000,000, to remain available until expended (7 U.S.C. 2209b) *(of which $15,000,000 shall be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented)*: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93–205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010–1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451–3461), $27,000,000, to remain available until expended (7 U.S.C. 2209): Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses $6,325,000, to remain available until expended, as authorized by that Act.

COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

For necessary expenses for carrying out a voluntary cooperative salinity control program pursuant to section 202(c) of title II of the Colorado River Basin Salinity Control Act, as amended (43 U.S.C. 1592(c)), to be used to reduce salinity in the Colorado River and to enhance the supply and quality of water available for use in the United States and the Republic of Mexico, $1,000,000, to remain available until expended (7 U.S.C. 2209b), to be used for the establishment of on-farm irrigation management systems, including lateral improvement measures, for making cost-share payments to agricultural landowners and operators, Indian tribes, irrigation districts and associations, local governmental and nongovernmental entities, and other landowners to aid them in carrying out approved conservation practices as determined and recommended by the Secretary, and for associated costs of program planning, information and education, and program monitoring and evaluation.

[WATERSHED SURVEYS AND PLANNING

[For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001–1009), $14,000,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $110,000 shall be available for employment under 5 U.S.C. 3109.

[CONSERVATION PROGRAMS

[For necessary expenses, not otherwise provided for, in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451–

3461), to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, and for carrying out a voluntary cooperative salinity control program pursuant to section 202(c) of title II of the Colorado River Basin Salinity Control Act, as amended (43 U.S.C. 1592(c)), to be used to reduce salinity in the Colorado River and to enhance the supply and quality of water available for use in the United States and the Republic of Mexico, to be used for the establishment of on-farm irrigation management systems, including related lateral improvement measures, for making cost-share payments to agricultural landowners and operators, Indian tribes, irrigation districts and associations, local governmental and nongovernmental entities, and other landowners to aid them in carrying out approved conservation practices as determined and recommended by the Secretary, and for associated costs of program planning, information and education, and program monitoring and evaluation, $36,000,000, to remain available until expended (7 U.S.C. 2209, 16 U.S.C. 590p(b)(7)): *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.]

WETLANDS RESERVE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the wetlands reserve program pursuant to subchapter C of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837), [$210,000,000] *$77,000,000*, to remain available until expended: *Provided*, That the Secretary is authorized to use the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of carrying out the wetlands reserve program.

CONSOLIDATED FARM SERVICE AGENCY

AGRICULTURAL CONSERVATION PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act approved February 29, 1936, as amended and supplemented (16 U.S.C. 590g–590o, 590p(a), 590p(f), and 590q), and sections 1001–1004, 1006–1008, and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501–1504, 1506–1508, and 1510), and including not to exceed $15,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, [$75,000,000] *$50,000,000*, to remain available until expended (16 U.S.C. 590o), for agreements, excluding administration but including technical assistance and related expenses (16 U.S.C. 590o), except that no participant in the agricultural conservation program shall receive more than $3,500 per year, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community, or where a participant has a long-term agreement, in which case the total payment shall not exceed the annual payment limitation multiplied by the number of years of the agreement: *Provided*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetlands Types 3 (III) through 20 (XX) in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other conservation materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out approved farming practices as authorized by the Soil Conservation and Domestic Allotment Act, as amended, as determined and recommended by the county committees, approved by the State committees and the Secretary, under programs provided for herein: *Provided further*, That such assistance will not be used for carrying out measures and practices that are primarily production-oriented or that have little or no conservation or pollution abatement benefits: *Provided further*, That not to exceed 5 percent of the allocation for the current year's program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Natural Resources Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Natural Resources Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 percent may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That not to exceed [$11,000,000] *$15,000,000* of the amount appropriated shall be used for water quality payments and practices in the same manner as permitted under the program for water quality authorized in chapter 2 of subtitle D of title XII of the Food Security Act of 1985, as amended (16 U.S.C. 3838 et seq.).

CONSERVATION RESERVE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the conservation reserve program pursuant to the Food Security Act of 1985 (16 U.S.C. 3831–3845), $1,781,785,000, to remain available until expended, to be used for Commodity Credit Corporation expenditures for cost-share assistance for the establishment of conservation practices provided for in approved conservation reserve program contracts, for annual rental payments provided in such contracts, and for technical assistance.

TITLE III

RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR RURAL ECONOMIC AND COMMUNITY DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Economic and Community Development to administer programs under the laws enacted by the Congress for the Rural Housing and Community Development Service, Rural Business and Cooperative Development Service, and the Rural Utilities Service of the Department of Agriculture, $568,000.

RURAL COMMUNITY ADVANCEMENT PROGRAM

For the cost of direct loans, loan guarantees and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, and 86 Stat. 661–664, as amended; and 42 U.S.C. 1485 and 1490(a), $528,839,000, to remain available until expended, to be available for loans and grants for rural water and waste disposal and solid waste management grants, new construction of section 515 rental housing, direct loans and loan guarantees for community facilities, loan guarantees for business and industry assistance, and grants for rural business enterprise: Provided, That the costs of direct loans and loan guarantees, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That of the total amount appropriated, $20,044,000 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103–66: Provided further, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1996, they shall remain available for other authorized purposes under this head: Provided further, That of the total amount appropriated, not to exceed $4,500,000 shall be available for contracting with the National Rural Water Association or an equally qualified national organization for a circuit rider program to provide technical assistance for rural water systems: Provided further, That of the total amount appropriated, not to exceed $20,000,000 shall be available for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants under section 306(c).

In addition, for administrative expenses necessary to carry out direct loans, loan guarantees, and grants, $58,051,000, of which $57,614,000 shall be transferred to and merged with ''Rural Housing and Community Development Service, Salaries and Expenses''; ''Rural Utilities Service, Salaries and Expenses''; and ''Rural Business and Cooperative Development Service, Salaries and Expenses''.

RURAL HOUSING AND COMMUNITY DEVELOPMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Rural Housing and Community Development Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, as amended, title V of the Housing Act of 1949, as amended, and cooperative agreements, [$42,820,000] *$50,346,000*: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $500,000 may be used for employment under 5 U.S.C. 3109.

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, as amended, to be available from funds in the rural housing insurance fund, as follows: [$2,250,000,000] *$2,700,000,000* for loans to section 502 borrowers, as determined by the Secretary, of which $1,700,000,000 shall be for unsubsidized guaranteed loans; $35,000,000 for section 504 housing repair loans; $15,000,000 for section 514 farm labor housing; $150,000,000 for section 515 rental housing; $600,000 for site loans; and [$35,000,000] *$42,484,000* for credit sales of acquired property[: *Provided*, That notwithstanding section 520 of the Housing Act of 1949, the Secretary of Agriculture may make loans under section 502 of such Act for properties in the Pine View West Subdivision, located in Gibsonville, North Carolina, in the same manner as provided under such section for properties in rural areas].

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, [$118,335,000] *$212,790,000*, of which $2,890,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, $14,193,000; section 514 farm labor housing, $8,629,000; section 515 rental housing, $82,035,000[, provided the program is authorized for fiscal year 1996]; and credit sales of acquired property, [$6,100,000] *$7,405,000*.

[In addition, for the cost (as defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans under a demonstration program of loan guarantees for multifamily rental housing in rural areas, $1,000,000, to be derived from the amount

made available under this heading for the cost of low-income section 515 loans and to become available for obligation only upon the enactment of authorizing legislation.]

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [$385,889,000] *$389,818,000*, of which [$372,897,506] *$376,860,000* shall be transferred to and merged with the appropriation for ''Rural Housing and Community Development Service, Salaries and Expenses''.

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, as amended, [$535,900,000] *$540,900,000*; and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, That of this amount not more than $5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed $10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That agreements entered into or renewed during fiscal year 1996 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated.

SELF-HELP HOUSING LAND DEVELOPMENT FUND

For the principal amount of direct loans, as authorized by section 523(b)(1)(B) of the Housing Act of 1949, as amended (42 U.S.C. 1490c), $603,000.

For the cost of direct loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, $31,000.

[COMMUNITY FACILITY LOANS PROGRAM ACCOUNT

[(INCLUDING TRANSFERS OF FUNDS)

[For the cost of direct loans, $34,880,000, and for the cost of guaranteed loans, $3,555,000, as authorized by 7 U.S.C. 1928 and 86 Stat. 661–664, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall remain available until expended for the disbursement of loans obligated in fiscal year 1996: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $200,000,000 and total loan principal, any part of which is to be guaranteed, not to exceed $75,000,000: *Provided further*, That of the amounts available for the cost of direct loans not to exceed $1,208,000, to subsidize gross obligations for the principal amount not to exceed $6,930,000, shall be available for empowerment zones and enterprise communities, as authorized by Public Law 103–66: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1996, they remain available for other authorized purposes under this head.

[In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $8,836,000, of which $8,731,000 shall be transferred to and merged with the appropriation for ''Salaries and Expenses''.]

VERY LOW-INCOME HOUSING REPAIR GRANTS

For grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, $24,900,000, to remain available until expended.

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to eligible nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), $10,000,000, to remain available until expended.

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), $12,650,000, to remain available until expended (7 U.S.C. 2209b).

SUPERVISORY AND TECHNICAL ASSISTANCE GRANTS

For grants pursuant to sections 509(f) and 525 of the Housing Act of 1949, $1,000,000.

RURAL COMMUNITY FIRE PROTECTION GRANTS

For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95–313), [$1,000,000] *$3,000,000* to fund up to 50 percent of the cost of organizing, training, and equipping rural volunteer fire departments.

COMPENSATION FOR CONSTRUCTION DEFECTS

For compensation for construction defects as authorized by section 509(c) of the Housing Act of 1949, as amended, $495,000, to remain available until expended.

RURAL HOUSING PRESERVATION GRANTS

For grants for rural housing preservation as authorized by section 552 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98–181), $11,000,000.

RURAL BUSINESS AND COOPERATIVE DEVELOPMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Rural Business and Cooperative Development Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, as amended; section 1323 of the Food Security Act of 1985; the Cooperative Marketing Act of 1926; for activities relating to the marketing aspects of cooperatives, including economic research findings, as authorized by the Agricultural Marketing Act of 1946; for activities with institutions concerning the development and operation of agricultural cooperatives; and cooperative agreements; [$9,520,000] *$9,013,000*: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not exceed $250,000 may be used for employment under 5 U.S.C. 3109.

[RURAL BUSINESS AND INDUSTRY LOANS PROGRAM ACCOUNT

[(INCLUDING TRANSFERS OF FUNDS)

[For the cost of guaranteed loans, $6,437,000, as authorized by 7 U.S.C. 1928 and 86 Stat. 661–664, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such sums shall remain available until expended for the disbursement of loans obligated in fiscal year 1996: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of guaranteed loans of $500,000,000: *Provided further*, That of the amounts available for the cost of guaranteed loans including the cost of modifying loans, $148,000, to subsidize gross obligations for the loan principal, any part of which is guaranteed, not to exceed $10,842,000, shall be available for empowerment zones and enterprise communities, as authorized by Public Law 103–66: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1996, they remain available for other authorized activities under this head.

[In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $14,868,000, of which $14,747,000 shall be transferred to and merged with the appropriation for ''Salaries and Expenses''.]

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

[For the cost of direct loans as authorized by the rural development loan fund (42 U.S.C. 9812(a)) for empowerment zones and enterprise communities, as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993, $4,322,000, to subsidize gross obligations for the principal amount of direct loans, $7,246,000.]

For the cost of direct loans, $17,895,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans of $30,000,000: Provided further, That through June 30, 1996, of these amounts, $6,484,000 shall be available for the cost of direct loans, for empowerment zones and enterprise communities, as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993, to subsidize gross obligations for the principal amount of direct loans, $10,870,000.

In addition, for administrative expenses necessary to carry out the direct loan programs, $1,476,000, of which $1,470,000 shall be transferred to and merged with the appropriation for ''Salaries and Expenses''.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, $12,865,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, $3,729,000.

In addition, for administrative expenses necessary to carry out the direct loan program, [$584,000] *$724,000*, which shall be transferred to and merged with the appropriation for ''Salaries and Expenses''.

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901–5908), [$5,000,000] *$10,000,000* is appropriated to the alternative agricultural research and commercialization revolving fund.

[RURAL BUSINESS ENTERPRISE GRANTS

[For grants authorized under section 310B(c) and 310B(j) (7 U.S.C. 1932) of the Consolidated Farm and Rural Development Act to any qualified public or private nonprofit organization, $45,000,000, of which $8,381,000 shall be available through June 30, 1996, for assistance to empowerment zones and enterprise communities, as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993, after which any funds not obligated shall remain available for other authorized purposes under this head: *Provided*, That $500,000 shall be available for grants to qualified nonprofit organizations to provide technical assistance and training for rural communities needing improved passenger transportation systems or facilities in order to promote economic development.]

RURAL TECHNOLOGY AND COOPERATIVE DEVELOPMENT GRANTS

For grants pursuant to section 310(f) of the Consolidated Farm and Rural Development

Act, as amended (7 U.S.C. 1932), [$1,500,000] *$1,500,000, of which $1,300,000 may be available for the appropriate technology transfer for rural areas program.*

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELEPHONE LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: 5 percent rural electrification loans, $90,000,000; 5 percent rural telephone loans, $70,000,000; cost of money rural telephone loans, $300,000,000; municipal rate rural electric loans, [$500,000,000] *$550,000,000*; and loans made pursuant to section 306 of that Act, $420,000,000, to remain available until expended.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), as follows: cost of direct loans, $35,126,000; cost of municipal rate loans, [$54,150,000] *$59,565,000*; cost of money rural telephone loans, $60,000; cost of loans guaranteed pursuant to section 306, $2,520,000: *Provided*, That notwithstanding [sections 305(c)(2) and] *section* 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, [$29,982,000] *$32,183,000*, which shall be transferred to and merged with the appropriation for ''Salaries and Expenses''.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During fiscal year 1996 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be $175,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), [$770,000] *$5,023,000*.

In addition, for administrative expenses necessary to carry out the loan programs, [$3,541,000] *$6,167,000*.

DISTANCE LEARNING AND MEDICAL LINK GRANTS

For necessary expenses to carry into effect the programs authorized in sections 2331–2335 of Public Law 101–624, $7,500,000, to remain available until expended.

[RURAL DEVELOPMENT PERFORMANCE PARTNERSHIPS PROGRAM

[(INCLUDING TRANSFERS OF FUNDS)

[For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, $435,000,000, to remain available until expended, to be available for loans and grants for rural water and waste disposal and solid waste management grants: *Provided*, That the costs of direct loans and loan guarantees, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That of the total amount appropriated, not to exceed $4,000,000 shall be available for contracting with the National Rural Water Association or other equally qualified national organization for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That of the total amount appropriated, not to exceed $18,700,000 shall be available for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C: *Provided further*, That of the total amount appropriated, $18,688,000 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103–66: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1996, they shall remain available for other authorized purposes under this head.

[In addition, for administrative expenses necessary to carry out direct loans, loan guarantees, and grants, $12,740,000, of which $12,623,000 shall be transferred and merged with ''Rural Utilities Service, Salaries and Expenses''.]

SALARIES AND EXPENSES

For necessary expenses of the Rural Utilities Service, including administering the programs authorized by the Rural Electrification Act of 1936, as amended, and the Consolidated Farm and Rural Development Act, as amended, [$19,211,000] *$18,449,000*, of which $7,000 shall be available for financial credit reports: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $103,000 may be used for employment under 5 U.S.C. 3109.

TITLE IV

DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Consumer Service, [$440,000] *$540,000*.

FOOD AND CONSUMER SERVICE

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751–1769b), and the applicable provisions other than [section 17] *sections 17, 19, and 21* of the Child Nutrition Act of 1966 (42 U.S.C. 1772–1785, and 1789); [$7,952,424,000] *$7,952,610,000*, to remain available through September 30, 1997, of which [$2,354,566,000] *$2,354,752,000* is hereby appropriated and $5,597,858,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided*, That up to $3,964,000 shall be available for independent verification of school food service claims[: *Provided further*, That $1,900,000 shall be available to provide financial and other assistance to operate the Food Service Management Institute.

[Notwithstanding any other provision of law, no funds other than provided in this Act may be available for nutrition education and training and the Food Service Management Institute.]

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $3,729,807,000, to remain available through September 30, 1997: *Provided*, That for fiscal year 1996, $20,000,000 that would otherwise be available to States for nutrition services and administration shall be made available for food benefits: *Provided further*, That $4,000,000 from unobligated balances for supervisory and technical assistance grants may be transferred to and merged with this account: *Provided further*, That up to $6,750,000 may be used to carry out the farmers' market nutrition program from any funds not needed to maintain current caseload levels: *Provided further*, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program*: Provided further, That on or after July 1, 1996, any funds recovered from the previous fiscal year in excess of $100,000,000 may be transferred by the Secretary of Agriculture to the Rural Community Advancement Program and shall remain available until expended: Provided further, That none of the funds provided in this Act shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) (as in effect on September 13, 1995).*

COMMODITY SUPPLEMENTAL FOOD PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), including not less than $8,000,000 for the projects in Detroit, New Orleans, and Des Moines, $86,000,000 to remain available through September 30, 1997: Provided, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program: Provided further, That twenty percent of any Commodity Supplemental Food Program funds carried over from fiscal year 1995 shall be available for administrative costs of the program.

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011–2029), [$27,097,828,000] *$28,097,828,000*: *Provided*, That funds provided herein shall remain available through September 30, 1996, in accordance with section 18(a) of the Food Stamp Act*: Provided further, That $1,000,000,000 of the foregoing amount shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations*: *Provided further*, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That $1,143,000,000 of the foregoing amount shall be available for nutrition assistance for Puerto Rico as authorized by 7 U.S.C. 2028.

[COMMODITY ASSISTANCE PROGRAM

[For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c(note)), section 204(a) of the Emergency Food Assistance Act of 1983, as amended, and section 110 of the Hunger Prevention Act of 1988, $168,000,000, to remain available through September 30, 1997: *Provided*, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program: *Provided further*, That none of the funds in this Act or any other Act may be used for demonstration projects in the emergency food assistance program.]

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)),

section 4(b) of the Food Stamp Act (7 U.S.C. 2013(b)), and section 311 of the Older Americans Act of 1965, as amended (42 U.S.C. 3030a), **[**$215,000,000**]** *$217,250,000*, to remain available through September 30, 1997*: Provided, That notwithstanding any other provision of law, for meals provided pursuant to the Older Americans Act of 1965, a maximum rate of reimbursement to States will be established by the Secretary, subject to reduction if obligations would exceed the amount of available funds, with any unobligated funds to remain available only for obligation in the fiscal year beginning October 1, 1996.*

For necessary expenses to carry out section 110 of the Hunger Prevention Act of 1988, $40,000,000.

THE EMERGENCY FOOD ASSISTANCE PROGRAM

For making payments to States to carry out the Emergency Food Assistance Act of 1983, as amended, $40,000,000: Provided, That, in accordance with section 202 of Public Law 98–92, these funds shall be available only if the Secretary determines the existence of excess commodities: Provided further, That none of the funds in this Act or any other Act may be used for emergency food assistance program demonstration projects.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, **[**$108,323,000**]** *$107,215,000*, of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law*; and $750,000 shall be available for investing in an automated data processing infrastructure for the Food and Consumer Service*: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $128,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), **[**$123,520,000**]** *$124,775,000*, of which $5,176,000 may be transferred from Commodity Credit Corporation funds, $2,792,000 may be transferred from the Commodity Credit Corporation program account in this Act, and $1,005,000 may be transferred from the Public Law 480 program account in this Act: *Provided,* That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392).

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701–1715, 1721–1726, 1727–1727f, 1731–1736g), as follows: (1) $291,342,000 for Public Law 480 title I credit, including Food for Progress programs; (2) $25,000,000 is hereby appropriated for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act and the Food for Progress Act of 1985, as amended; (3) $821,100,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) $50,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title III of said Act *and shall be financed from funds credited to the Commodity Credit Corporation pursuant to section 426 of Public Law 103–465*: *Provided,* That not to exceed 15 percent of the funds made available to carry out any title of said Act may be used to carry out any other title of said Act: *Provided further,* That such sums shall remain available until expended (7 U.S.C. 2209b).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct credit agreements as authorized by the Agricultural Trade Development and Assistance Act of 1954, as amended, and the Food for Progress Act of 1985, as amended, including the cost of modifying credit agreements under said Act, $236,162,000.

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, as amended, to the extent funds appropriated for Public Law 480 are utilized, $1,750,000.

SHORT-TERM EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than $5,200,000,000 in credit guarantees under its export credit guarantee program for short-term credit extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 202(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).

INTERMEDIATE-TERM EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than $500,000,000 in credit guarantees under its export credit guarantee program for intermediate-term credit extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 202(b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM–102 and GSM–103, $3,381,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which not to exceed $2,792,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Foreign Agricultural Service, and of which not to exceed $589,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Consolidated Farm Service Agency.

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; $904,694,000, of which not to exceed $84,723,000 in fees pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act may be credited to this appropriation and remain available until expended: *Provided,* That fees derived from applications received during fiscal year 1996 shall be subject to the fiscal year 1996 limitation: *Provided further,* That none of these funds shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701.

In addition, fees pursuant to section 354 of the Public Health Service Act may be credited to this account, to remain available until expended.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, **[**$15,350,000**]** *$8,350,000*, to remain available until expended (7 U.S.C. 2209b).

RENTAL PAYMENTS (FDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313 for programs and activities of the Food and Drug Administration which are included in this Act, $46,294,000: *Provided,* That in the event the Food and Drug Administration should require modification of space needs, a share of the salaries and expenses appropriation may be transferred to this appropriation, or a share of this appropriation may be transferred to the salaries and expenses appropriation, but such transfers shall not exceed 5 percent of the funds made available for rental payments (FDA) to or from this account.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

For necessary payments to the Farm Credit System Financial Assistance Corporation by the Secretary of the Treasury, as authorized by section 6.28(c) of the Farm Credit Act of 1971, as amended, for reimbursement of interest expenses incurred by the Financial Assistance Corporation on obligations issued through 1994, as authorized, $15,453,000.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed $25,000 for employment under 5 U.S.C. 3109; **[**$49,144,000**]** *$54,058,000*, including not to exceed $1,000 for official reception and representation expenses: *Provided,* That the Commission is authorized to charge reasonable fees to attendees of Commission sponsored educational events and symposia to cover the

Commission's costs of providing those events and symposia, and notwithstanding 31 U.S.C. 3302, said fees shall be credited to this account, to be available without further appropriation.

FARM CREDIT ADMINISTRATION

ADMINISTRATIVE PROVISION

SEC. 601. (a) For purposes of the administration of chapter 89 of title 5, United States Code, any period of enrollment under a health benefits plan administered by the Farm Credit Administration prior to the effective date of this Act shall be deemed to be a period of enrollment in a health benefits plan under chapter 89 of such title.

(b)(1) An individual who, on September 30, 1995, is covered by a health benefits plan administered by the Farm Credit Administration may enroll in an approved health benefits plan described under section 8903 or 8903a of title 5, United States Code—

(A) either as an individual or for self and family, if such individual is an employee, annuitant, or former spouse as defined under section 8901 of such title; and

(B) for coverage effective on and after September 30, 1995.

(2) An individual who, on September 30, 1995, is entitled to continued coverage under a health benefits plan administered by the Farm Credit Administration—

(A) shall be deemed to be entitled to continued coverage under section 8905a of title 5, United States Code, for the same period that would have been permitted under the plan administered by the Farm Credit Administration; and

(B) may enroll in an approved health benefits plan described under sections 8903 or 8903a of such title in accordance with section 8905A of such title for coverage effective on and after September 30, 1995.

(3) An individual who, on September 30, 1995, is covered as an unmarried dependent child under a health benefits plan administered by the Farm Credit Administration and who is not a member of family as defined under section 8901(5) of title 5, United States Code—

(A) shall be deemed to be entitled to continued coverage under section 8905a of such title as though the individual had, on September 30, 1995, ceased to meet the requirements for being considered an unmarried dependent child under chapter 89 of such title; and

(B) may enroll in an approved health benefits plan described under section 8903 or 8903a of such title in accordance with section 8905a for continued coverage on and after September 30, 1995.

(c) The Farm Credit Administration shall transfer to the Federal Employees Health Benefits Fund established under section 8909 of title 5, United States Code, amounts determined by the Director of the Office of Personnel Management, after consultation with the Farm Credit Administration, to be necessary to reimburse the Fund for the cost of providing benefits under this section not otherwise paid for by the individual's covered by this section. The amount so transferred shall be held in the Fund and used by the Office in addition to the amounts available under section 8906(g)(1) of such title.

(d) The Office of Personnel Management—

(1) shall administer the provisions of this section to provide for—

(A) a period of notice and open enrollment for individuals affected by this section; and

(B) no lapse of health coverage for individuals who enroll in a health benefits plan under chapter 89 of title 5, United States Code, in accordance with this section; and

(2) may prescribe regulations to implement this section.

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1996 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 665 passenger motor vehicles, of which 642 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902).

SEC. 703. Not less than $1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, and July 28, 1954, *and* (7 U.S.C. 427, 1621–1629), and by chapter 63 of title 31, United States Code, shall be available for contracting in accordance with said Acts and chapter.

SEC. 704. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed $2,000,000: *Provided,* That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 705. New obligational authority provided for the following appropriation items in this Act shall remain available until expended (7 U.S.C. 2209b): Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, and integrated systems acquisition project; *Consolidated Farm Service Agency, salaries and expenses funds made available to county committees;* and Foreign Agricultural Service, middle-income country training program.

New obligational authority for the boll weevil program; up to 10 percent of the screwworm program of the Animal and Plant Health Inspection Service; Food Safety and Inspection Service, field automation and information management project; funds appropriated for rental payments; funds for the Native American institutions endowment fund in the Cooperative State Research, Education, and Extension Service, and funds for the competitive research grants (7 U.S.C. 450i(b)) shall remain available until expended.

SEC. 706. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 707. Not to exceed $50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94–449.

SEC. 708. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 709. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

SEC. 710. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of space rental and related costs in excess of the amounts specified in this Act; nor shall this or any other provision of law require a reduction in the level of rental space or services below that of fiscal year [1994] *1995* or prohibit an expansion of rental space or services with the use of funds otherwise appropriated in this Act. Further, no agency of the Department of Agriculture, from funds otherwise available, shall reimburse the General Services Administration for payment of space rental and related costs provided to such agency at a percentage rate which is greater than is available in the case of funds appropriated in this Act.

SEC. 711. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 712. [None] *With the exception of grants awarded under the Small Business Innovation Development Act of 1982, Public Law 97–219, as amended (15 U.S.C. 638), none* of the funds in this Act shall be available to pay indirect costs on research grants awarded competitively by the Cooperative State Research, Education, and Extension Service that exceed 14 percent of total Federal funds provided under each award.

SEC. 713. Notwithstanding any other provisions of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 714. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 1996 shall remain available until expended to cover obligations made in fiscal year 1996 for the following accounts: the rural development loan fund program account; the Rural Telephone Bank program account; the rural electrification and telecommunications loans program account; and the rural economic development loans program account.

SEC. 715. Such sums as may be necessary for fiscal year 1996 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 716. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c; popularly known as the "Buy American Act").

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any

contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 717. Notwithstanding the Federal Grant and Cooperative Agreement Act, marketing services of the Agricultural Marketing Service may use cooperative agreements to reflect a relationship between Agricultural Marketing Service and a State or Cooperator to carry out agricultural marketing programs.

SEC. 718. PROHIBITION ON USE OF FUNDS FOR HONEY PAYMENTS OR LOAN FORFEITURES.—Notwithstanding any other provision of this Act, none of the funds appropriated or otherwise made available by this Act shall be used by the Secretary of Agriculture to provide for a total amount of payments and/or total amount of loan forfeitures to a person to support the price of honey under section 207 of the [Agriculture] *Agricultural* Act of 1949 (7 U.S.C. 1446h) and section 405A of such Act (7 U.S.C. 1425a) in excess of zero dollars in the 1994, 1995, and 1996 crop years.

SEC. 719. None of the funds in this Act may be used to retire more than 5 percent of the Class A stock of the Rural Telephone Bank.

SEC. 720. None of the funds appropriated or otherwise made available by this Act may be used to provide benefits to households whose benefits are calculated using a standard deduction greater than the standard deduction in effect for fiscal year 1995.

SEC. 721. None of the funds made available in this Act may be used for any program, project, or activity when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any applicable Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

[SEC. 722. None of the funds made available in this Act shall be used to increase, from the fiscal year 1995 level, the level of Full Time Equivalency Positions (whether through new hires or by transferring full time eqivalents from other offices) in any of the following Food and Drug Administration offices: Office of the Commissioner, Office of Policy, Office of External Affairs (Immediate Office, as well as Office of Health Affairs, Office of Legislative Affairs, Office of Consumer Affairs, and Office of Public Affairs), and the Office of Management and Systems (Immediate Office, as well as Office of Planning and Evaluation and Office of Management).

[SEC. 723. None of the funds made available in this Act may be used to provide assistance to, or to pay the salaries of personnel who carry out a market promotion program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) that provides assistance to, the U.S. Mink Export Development Council or any mink industry trade association.]

SEC. 724. None of the funds appropriated or otherwise made available by this Act shall be used to enroll in excess of 100,000 acres in the fiscal year 1996 wetlands reserve program, as authorized by 16 U.S.C. 3837.

SEC. 725. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries of personnel who carry out an export enhancement program (estimated to be $1,000,000,000 in the President's fiscal year 1996 Budget (H. Doc. 104–4)) if the aggregate amount of funds and/or commodities under such program exceeds $800,000,000.

SEC. 726. None of the funds made available in this Act shall be used to pay the salaries of personnel to provide assistance to livestock producers under provisions of title VI of the Agricultural Act of 1949 if crop insurance protection or noninsured crop disaster assistance for the loss of feed produced on the farm is available to the producer under the Federal Crop Insurance Act, as amended.

SEC. 727. None of the funds appropriated or otherwise made available by this Act shall be used to enroll additional acres in the Conservation Reserve Program authorized by 16 U.S.C. 3831–3845: Provided, That 1,579,000 new acres shall be enrolled in the program in the year beginning January 1, 1997.

SEC. 728. DISASTER ASSISTANCE FOR INSECT DAMAGE TO 1995 COTTON CROP.—(a) IN GENERAL.—Notwithstanding any other provision of law, such sums as may be necessary, not to exceed $41,000,000, of funds of the Commodity Credit Corporation shall be available, through April 15, 1996, to producers of the 1995 crop of cotton that was adversely affected by insect damage under terms and conditions determined by the Secretary of Agriculture.

(b) ADDITIONAL ASSISTANCE.—Any assistance provided under subsection (a) shall be in addition to any assistance provided under Public Law 103–354 or any other provision of law.

SEC. 729. None of the funds appropriated or otherwise made available by this Act may be used to develop compliance guidelines, implement or enforce a regulation promulgated by the Food Safety and Inspection Service on August 25, 1995 (60 Fed. Reg. 44396): Provided, That this regulation shall take effect only if legislation is enacted into law which directs the Secretary of Agriculture to promulgate such regulation, or the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry receive and approve a proposed revised regulation submitted by the Secretary of Agriculture.

This Act may be cited as the ''Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996''.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, this bill proposes fiscal year 1996 funding for the Department of Agriculture, the Food and Drug Administration, the Commodity Futures Trading Commission, and expenses and payments of the farm credit system. As reported, the bill recommends total new budget authority for this new fiscal year of $63.8 billion. This is $5.2 billion less than the fiscal year 1995 level. It is $2.6 billion less than the President's fiscal year 1996 budget request. But it is $1.2 billion more than the level recommended in bill passed by the House of Representatives.

One interesting thing to observe about this bill is that over 63 percent of the funds proposed to be appropriated in this legislation for the Department of Agriculture will go to funding the Nation's domestic food assistance programs. I can recall, when I was first honored by being given the opportunity of chairing this subcommittee in 1981, the majority of the funds appropriated to the Department of Agriculture for its activities went to funding support activities for production agriculture—reimbursements to the Commodity Credit Corporation, for example, for net realized losses; funds for agriculture research; for soil and water conservation; for rural development. And included in these activities were, of course, the food and nutrition programs such as the Food Stamp Program, Women, Infants, and Children Program; the School Lunch Programs, elderly feeding programs, commodity distribution programs, a wide variety of domestic food assistance programs.

But, today, we have seen a trend which has now reached a point where the clear majority of the funding required by the Department of Agriculture is for the food and nutrition programs rather than for traditional agriculture programs. So, as we discuss and consider any amendments that Senators will offer to this bill, we must keep in mind that we are doing our part in this bill to meet the challenge of deficit reduction, in trying to control the growth of spending at the Federal level.

We have $5.2 billion proposed in this bill, less than the amount of budget authority in this fiscal year. I think it is a clear illustration of the commitment of this subcommittee to fulfill the commitment that we have all made in the budget resolution to get better control over our spending practices at the Federal level and to meet the challenge of balancing the budget under the plan to do so over the next 7 years.

To compare the 63 percent level of funding of domestic food programs in this bill with previous years, in this fiscal year those funds total 58 percent of the budget authority in this bill. Including congressional budget scorekeeping adjustments and prior-year spending actions, this bill recommends total discretionary spending of $13.310 billion in budget authority and $13.608 billion in outlays for fiscal year 1996. These amounts are consistent with the subcommittee's discretionary spending allocations.

As a result of these constraints of allocation and the budget resolution assumptions and directions, few funding increases are recommended in this bill for any programs and activities under the jurisdiction of the subcommittee. Most programs are funded at or below this current fiscal year level.

There is one significant program increase provided in this bill, a $260 million increase for the WIC Program, the Women, Infants, and Children Program. This is the same as contained in the bill passed by the House. This increase is necessary if we are going to maintain the 1995 WIC caseload levels during the next year.

Other discretionary spending increases include an additional $17.9 million for rural housing rental assistance to meet the estimated costs of contract renewal and servicing requirements; an increase of $42.9 million to continue the efforts of the Food Safety and Inspection Service to assure the safety of our Nation's food supply; a $5.1 million net increase in rural housing loan program authorizations; a $50 million increase in farm operating loans; and a $33 million increase for the food donations program on Indian reservations. Except for rural housing, all of these increases fall well below the increased levels requested by the President in the

budget submission we received this year.

There are funds in the bill for agriculture research and extension programs. In my judgment, the $1 billion—a little over $1 billion—appropriated for these activities are funds well invested. We are confronted right now with a real challenge in the production agriculture area because of increased competition from overseas, producers in the international marketplace.

We are confronted with new challenges of pest management, of trying to improve yields while at the same time preserving in a more aggressive way our soil and water resources. To accomplish all of that, and to still make it possible for farmers to operate profitably, we have to invest in upgrading and maintaining our modern technological advantage.

That is the key to the future productivity of our Nation's farmers. That is the key to the realization of the expectations of the American people to have an adequate supply of reasonably priced food and consumer products. So that is why this part of the bill, in my view, is so important.

I wish we had the ability under the constraints of the budget and our allocation to appropriate more money for these purposes. Much of this research is done in Agriculture Research Service facilities throughout the country. These are Department of Agriculture-operated research facilities such as here in the Washington area, in Beltsville, MD, and throughout the country. Other research is done through the Cooperative State Research, Education, and Extension Service account that is funded in this bill, where funds are made available to university and college-research facilities and other sponsoring entities, where funds are matched by the Federal Government to help pay the costs of important research in the agriculture food production and related areas of concern.

So although the $1.025 billion for agriculture research and extension program activity is $22 million less than this current year's level and $17 million less than the President's request, it is $30 million more than recommended in the House-passed bill. So, in conference we will have a challenge to negotiate what we hope will be an increase in the allocation of funds for these purposes.

For extension activities, the bill provides $2 million less than the current year's level. But that level of funding is still $24 million over the House bill level.

For farm credit programs, the bill provides $3.2 billion in loan levels, which is an increase of $174 million from the House-recommended level.

The bill also recommends funding for a new Rural Community Advancement Program. We have recommended the consolidation of funding for seven rural development grant and loan programs under one account, consistent with the Senate Agriculture Committee's actions on these programs.

Senators will remember that we have just completed authorizing a reorganization of the Department of Agriculture. This has principally been driven by the leadership of the distinguished Senator from Indiana [Mr. LUGAR] who, as the ranking Republican member of the Agriculture Committee a few years ago, strongly urged our committee to pressure the administration to embark upon a reorganization program. As a matter of fact, current law authorized many of the steps that were urged to be taken by Senator LUGAR, and others, in this area.

But the administration wanted the Congress involved because obviously there were controversies. There were differences of opinion about how far to go, how much to change, which offices to close, how to consolidate regional offices, and where the new offices would be relocated—a wide range of controversial and political hot potato-type issues which the Senate Agriculture Committee worked on very hard.

Senator LEAHY was chairman when our effort began and now, under the chairmanship of Senator LUGAR with Senator LEAHY as ranking member, we are monitoring. We are monitoring the reorganization effort to ensure that, first of all, it is consistent with the new authorities for reorganization granted by the Congress to the President and the administration and that it also is undertaken in a way that makes the Department more efficient and saves money and cuts down the costs that are unnecessary—in many areas, where there has been duplication and overlapping—unnecessary expenditures of funds.

So this bill we are presenting today carries forward some of the principles contained in the Department of Agriculture Reorganization Act and emphasizes consolidation for the purpose of improving delivery of services as well as the efficiency of the Department of Agriculture.

So we spell out in this bill the consolidation of funding for some of these programs so that our bill will reflect the changes and the efforts that have been made or proposed by both the administration and the Congress.

The administration proposed to consolidate a number of programs that we disagreed with them about—their total number was 12 programs—into something called the rural performance partnership initiative. But our proposal consolidates only 7 programs, and represents a reduction of 15.9 percent from the current appropriations level versus the House bill, which proposes a 17.7-percent reduction.

One thing that we were concerned about—I will have to be candid with Senators—is that the administration was suggesting almost a block-grant-type approach to the administration, that they could then allocate to State administrators and give them a wide range of discretion without oversight authority in the Congress for how these programs were to be administered.

I think it would be an abrogation of congressional responsibility if we went along with that recommendation as I understood it. We are for giving more flexibility to managers and administration officials, but we are not prepared at this point to just simply send a lump sum appropriation to the Department of Agriculture and say, ''Why don't you use this any way you think is appropriate.''

We are here in a representative capacity for the States, and on the House side for individual citizens, and we have a role to play in this. We are taking that role very seriously. So in our oversight hearings and in the hearings we had in the beginning of this year, where administration officials came to testify about their proposals and how the funds that we would appropriate would be needed, we questioned them very carefully about their intentions in using these funds and how they would shift funds from one activity to another based on local situations.

So what I am saying is that we are in favor of consolidation, we are in favor of giving managers more authority than they may have been given in the past in the strict categories of funding, but we are not willing to turn loose completely of our responsibilities to monitor carefully the administration of these programs and the expenditure of these funds for rural development activities. Rural water and sewer system projects and loans to help build infrastructure facilities in areas that are economically disadvantaged are all a part of this effort. Housing programs, which have been given less than the funds we think are needed by the other body, are also very important.

There are a lot of unmet needs in many parts of the country in this area of concern. In my State of Mississippi, we hope to continue to have a very aggressive effort by the Federal agencies in that State to help improve the economic opportunities of those who live in the small towns and rural communities, opportunities for jobs, opportunities to enjoy a standard of living that will be attractive rather than so unattractive that people are forced to move into the cities. We think that is bad public policy, to see the rural communities deteriorate to such a point where they are uninhabitable and folks do not want to live there anymore.

That is a real problem we face, and we are trying to do something about that in the way we are funding programs in this legislation. States have responsibilities, too. Of course, the private sector does. But we have in this bill some special efforts that we hope will provide incentives for economic activity in rural areas and small towns. We are going to continue to monitor the administration's activities to be sure they are working.

For discretionary conservation programs, the bill recommends $6 million

more than the House level. It also provides $2.9 billion in total rural housing loan authorizations. This is $457 million more than the House level and $146 million more than the President's request. So we are committed in this legislation to doing something about rural housing.

The other agencies that are funded in this bill, as I mentioned at the outset, include the Commodity Futures Trading Commission, the Food and Drug Administration, and expenses of the Farm Credit Administration.

We trust that the funds proposed to be appropriated for these agencies meet the needs of these agencies. There is always a request for more funding than we are able to provide because we are cutting spending, and we have to remind those who come to testify before our committee that this applies to everybody. There is very little opportunity to provide increases. I have highlighted some of the increases. But it is very rare to see any account in this bill that is funded above the current level of funding. However, the bill does allow increases in funding for some FDA activities, food and drug activities, supported by the authorized Prescription Drug Act, and mammography facilities inspection user fee collections.

This, incidentally, is the same amount as recommended by the other body.

The bill also provides a $1 billion Food Stamp Program reserve which was not recommended by the House. The administration strongly urged the inclusion of a reserve, and traditionally there has been a reserve to allow for unforeseen activities, economic problems, natural disasters which would cause an emergency need for food stamps that might run the program above the expected level of funding. The administration wanted us to appropriate $2.5 billion, but we think the amount we have in the bill will be sufficient to protect the continuation of benefits in the event of any unexpected rise in program participation levels.

In addition, the bill provides $20.5 million above the House level for the Consolidated Farm Service Agency as well as $10 million for InfoShare. This is the Department's project to integrate its information systems, to improve service delivery to those who depend upon farm and rural service agency activities.

Most of the money in this bill—80 percent—is required to be appropriated under the mandates of Federal law. Only 20 percent of the total amount funded in this bill is discretionary. And so when Senators are looking at this bill and they are saying, well, we can add money or we can take money out, you are only going to be able to suggest amendments to 20 percent of the total $63.8 billion contained in this bill. The other funds that are appropriated are required to be spent by law. We do not have any choice. That is why it is important for us to continue our efforts on the second track of changing the law in many areas so that the future requirements for funding will be less than they are today in those areas in which Congress decides to make changes. If we are going to get to that balanced budget figure in 7 years, we are going to have to make changes not only in the appropriations of funds as these bills come up but, more importantly, in the requirements of law that force Congress to spend money every year. So this bill contains 80 percent mandatory expenditures.

To conclude, Mr. President, almost all agriculture and rural development programs have been reduced below current levels to meet the subcommittee's lower discretionary spending allocations. Further cuts in spending limitations have been necessary to offset the few increases that are provided in the bill.

Mr. President, it has been a distinct pleasure and privilege for me to continue to have the honor of working with the distinguished ranking member of the subcommittee, Senator BUMPERS of Arkansas.

He is my neighbor. He is my friend. He has been my colleague now in the Senate for 16 years. I have been here 16 years. I think he was elected to the Senate the same year I was elected to the House.

So we have been here for long enough, I suppose, to know the accounts and to know and understand the needs of our States. And this bill reflects a consensus of Republican and Democratic interests as represented on our subcommittee. And I believe that the bill represents a balanced and responsible level of funding recommendations within the limited resources available to this subcommittee.

I urge my colleagues to support this legislation. I know there may be some differences of opinion on specific items in the bill. But if there are, I hope Senators will bring them up. If they have amendments, we will be glad to consider them. We hope to be able to complete action on this bill tomorrow. And under the unanimous-consent agreement, there will not be any votes on any amendments today before the hour of 5:15 p.m.

I also want to thank all the members of the subcommittee who have helped us develop this legislation. We had a lot of hearings. We had an opportunity to look at the President's budget request. Other requests that Members have suggested we considered. We have tried to be fair with everybody. And I hope that Senators will agree and also agree that this bill does recommend an investment of funds and an allocation of available resources that will help sustain our effort to continue to be the most productive agriculture economy in the world. We have a lot at stake in maintaining this ability, not only to feed and clothe our own citizens here in the United States, but to use this great resource as an economic benefit to create jobs through the sale of agriculture commodities and foodstuffs throughout the world.

We are the largest economic exporter of food commodities in the world. This year we are going to bring into our economy a total of about $50 billion that would represent the value of exports that have been generated by our farm and food industries. So there is a tremendous amount depending upon the support activities that we have funded in this bill. So I hope Senators will support the legislation. And we would appreciate it very much, if you do have amendments, to please bring them to the floor and let us debate them today, complete our debate on as many as we can so we can pass the bill tomorrow.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, first, I want to thank my distinguished colleague from Mississippi, Senator COCHRAN, chairman of this subcommittee, for his very kind and generous remarks directed toward me. And I would like to reciprocate by saying that this committee has always been marked by a lot of conciliation and cooperation. I chaired the subcommittee for a couple of years. I did my very best to collaborate and cooperate with Senator COCHRAN when he was ranking member. And we have had that kind of relationship. And I think the Senate would be well served if every committee chairman and ranking member could stand on the floor and honestly say that they have had fine cooperation with each other.

That is not to say that Senator COCHRAN and I have agreed on every jot and tittle in the bill. We have not. But considering the limitations under which he has been laboring, namely, what we call the 602(b) allocation, I think he has performed an outstanding—an outstanding—job of cutting this budget dramatically in accordance with the 602(b) allocation and yet funding programs that both he and I believe are absolutely critical to rural development and agriculture in this country.

Some $40.2 billion, or 63 percent, of the total funds in this bill go to funding the Nation's domestic food assistance programs: food stamps, national school lunch program, elderly feeding programs, supplemental feeding programs for women, infants and children, usually described as the WIC program. Everybody believes—it is a strange thing—I must say this, some of the social programs which have fallen into disrepute around here and everybody wants to cut has not been true of the WIC program. Everybody knows that if a poor pregnant woman does not get a decent protein diet, the child is going to be brain deficient. And everybody knows that for virtually pennies that can be curbed and eliminated. And the WIC program is designed to make sure that poor pregnant women get a decent diet because we all benefit from that.

I might digress just a moment to say, Mr. President, that everybody in this world was not so favored as I was. I chose my parents very well. A lot of people have not had that opportunity. And so this idea of, ''Smell me, why can't everybody be rich and beautiful like me?'' has come into too much vogue in the U.S. Congress.

There are an awful lot of people who never had a chance from day one. And some of these programs that everybody thinks were put in over the past years, starting with Franklin Roosevelt, were done just on a whim and caprice or to get votes—there is enough of that to make that characterization credible—but people should realize that these programs were designed to fulfill a purpose. Why does anybody think we have Social Security?

Incidentally, now I am not here just to deliver a moral sermonette this morning, but just to make a few points I do not think hurts occasionally. Why do you think we have Social Security? I am not going to belabor the point. Everybody knows why we have Social Security. It is because parents were oftentimes sort of thrown on the mercy of society because their children either would not or could not take care of them.

So Franklin Roosevelt very wisely decided everybody is entitled to a little dignity in their old age. And that is the reason it is easily the most popular social program that has ever been developed in this country. And now it is not particularly a social program because it is self-funding.

And why is it we have food stamps, which is within the jurisdiction of this committee? We have food stamps because we made a conscious decision in about 1972 that we did not want any child in this country going hungry.

I just returned from a trip abroad which included Mongolia. I notice that the First Lady visited Mongolia about a week after some of us were there. You always learn more on those trips than you think you are going to. Ulaanbaatar, the capital of Mongolia, which is struggling to democratize, which needs our help, has 4,000 children under 10 years of age on the streets. And they die in the wintertime. Strangely enough, that city's motto is ''The coldest capital in the world.'' They need a new PR agent. I cannot imagine anybody wanting to visit a city because it is the coldest city in the world as a capital city.

But my wife Betty, who has spent her life in children's programs, got extremely concerned about that when we got there and discovered that. And she went to some of the facilities where they care for children. And she said these children—they have a central heating system there, which serves virtually the whole city. Can you imagine—can you imagine being dependent on one gigantic pipe to heat an entire city? Well, anyway, these children live in those pipes in the wintertime, but even so they die in great numbers. They are cast out by their families, abandoned by their families through no fault of their own.

In this country, we decided in 1972 that we did not want street children, we did not want any child to suffer from lack of food. So that is the reason we have food stamps.

I use those illustrations simply because they are two of the most powerful I can think of. But back to the WIC Program, we have fully funded WIC, as long as I can remember in this committee, whether the Republicans or the Democrats are in charge. The Senator from Mississippi has very consciously and nobly made sure that that program was fully funded in this budget.

Mr. President, while we have an awful lot of money in this budget, the amount that the chairman and the committee has to deal with is very small by comparison. Out of $60 billion plus in the bill, virtually all of it is entitlements, such as food stamps—$28 billion this year, with a $1 billion reserve. The President wanted a $2.5 billion reserve. That simply is not possible within the framework of the amount of money with which we had to deal. Of the $60 billion plus this committee deals with, only $13.6 billion is available to us in outlays; that is, the money that will actually be spent in 1996. So we met our allocation. We cut in places where it hurts.

The President says he will veto the House bill, for reasons I am not going to belabor here. I do not believe the President will veto this bill, though he has voiced some concerns.

So, Mr. President, having said all of those things, I would be remiss if I did not say there is one thing that still troubles me about the bill and the only really serious disagreement—and this is a friendly disagreement with my distinguished chairman—and that is the Market Promotion Program.

Both the House and Senate have funded the Market Promotion Program, I believe, at $110 million. The House put $110 million in, and that is what the Senate bill has. Senator BRYAN and I will attempt to strike that from this bill at some point during the deliberation on it.

Again, I am not going to belabor that except simply to say I have always—no, not always, I think I may have supported this once or twice—but for the past 3 or 4 years, I have been very much opposed to the Market Promotion Program because it gives money to the biggest corporations in America to help them sell not wheat, not corn abroad—we have $2 billion in export incentives now, this is only $110 million. This helps McDonald's, for example, introduce the Big Mac around the world.

I do not know what McDonald's sales are. My guess would be somewhere between $10 billion and $15 billion a year. My question is, why on Earth should we be subsidizing McDonald's? Why should we be subsidizing Gallo Wine, another company not exactly a pauper? There are literally hundreds of corporations on the list, and virtually every one of them are quite able to do these things on their own.

I just simply cannot support that. Last year, we got beat badly. I think we got 36 votes last year—37. We only got 37 votes last year to kill this program. So it seems to me well and healthy. The phones are ringing off the wall now by the companies who enjoy the few million bucks they get out of that program every year.

It is an amazing thing, is it not, how everybody knows exactly when these appropriations bills are coming up. This morning, I watched an ad by the Boeing Corp. It shows all these children in the classroom talking about how wonderful space is, shown intermittently with people space walking. It just so happens that the space station is on the agenda this week. So all these ads start flooding television, and I know that my efforts to kill the space station are probably dead on arrival.

When I think about how we had to labor over this bill to provide money for wastewater and drinking water for rural areas, and as we cut education unbelievably, and as we cut welfare unbelievably, as we are now proposing to cut the earned income tax credit, which I think is one of the best programs to deal with welfare we have ever invented, and then I see us headed toward a $94 billion—$94 billion—to throw something into space that we might use to go to Mars. Forget all that medical science research. The Russians have had space stations up for 20 years. If they have gotten anything out of it, they have very carefully guarded it. Nobody knows what it is.

We have been sending shuttles up for as long as I can remember now, and what have we gotten out of it? I noticed this week they developed some tools that they say will work to put the space station together.

I do not want to do the space station debate here. I am simply saying that the deficit is the No. 1 problem in the country, and everybody wants to do something about it, including yours truly. I have been standing back there at my desk since I have been in the Senate saying that. It is a question of priorities. We do not need the space station; we need to educate our children. We do not need the Market Promotion Program; we need to build water and sewer facilities for our rural people under the heading of rural development. We need it for Head Start.

This morning when I went downstairs, Betty was sitting with a man who used to be the dean of the department of public health at Harvard, Howard Hyatt. Over the years, because of Betty's activities in the immunization programs and the peace movement, she got to know Dr. Hyatt. He is secretary of the American Academy of Arts and Sciences. So I got a chance to visit with him for about 30 minutes before I came to work.

He says the American Academy of Arts and Sciences have a lot of projects going, but one of their new ones is literacy. That does not sound very sexy; everybody talks about literacy. But what they want to do, of course, is to develop a program, as they are doing in a pilot program in Boston right now, to try to develop early intervention, which is the key to everything. If a child cannot read, the child has not a dog's chance.

So I told him I would try to help. That is what Head Start is all about, early intervention, teaching children to read.

Mr. President, one of the things trendy in this country is everybody wants to jump on agriculture. You read all those stories lately about how terrible agriculture is and how much they suck out of the Federal Treasury. The truth of the matter is, the American farmers still produce food for the American consumers at a smaller price than any nation on Earth. Happily, commodity prices are at a point now where these subsidies do not amount to nearly as much as they used to, but everybody wants to do away with them. We produce rice in our State and we will ship it to Japan for $250 a ton. The Japanese farmers get $900 a ton for growing rice in their own country.

Mr. President, I understand that Senator REID has an amendment and will be here shortly to offer it. I hope that during the course of the day, we can dispose of some of these amendments, start voting on them at 5:15 this afternoon, and finish this bill no later than tomorrow.

Again, my sincere thanks and congratulations to Senator COCHRAN for the magnificent job he has done under unbelievably difficult circumstances.

I yield the floor.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Arkansas for his kind remarks and for his help and hard work in putting together this legislation.

When we presented this bill to the full Committee on Appropriations, a number of committee amendments were adopted and approved at that point. I am going to propose a unanimous-consent request that these committee amendments be considered and agreed to, en bloc, with some exceptions which will include two amendments that we adopted, one of which had to do with an earmark of funds that would be available to the Secretary of Agriculture for additional and supplemental disaster assistance and, in addition, to the catastrophic crop insurance benefits that are available to agriculture producers. During the full committee markup, Senator KERREY of Nebraska indicated that he would offer an amendment to strike that provision. So that is exempted from this request.

There is also a provision in the bill dealing with a regulation promulgated by the Department of Agriculture relating to the labeling of frozen poultry products. One or more of the Senators from California will offer an amendment on that subject. So that amendment is exempted from this proposal.

With that explanation, Mr. President, I ask unanimous consent that the committee amendments to H.R. 1976 be considered and agreed to, en bloc, with the exception of the portion of the committee amendment appearing on page 83, line 4, down through and including line 2 on page 84, provided that no points of order are waived thereon, and that the measure, as amended, be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

So the committee amendments were considered and agreed to, en bloc, with the exception of the committee amendment beginning on page 83, line 4, through page 84, line 2.

Mr. COCHRAN. Mr. President, I hope Senators will—as suggested by the distinguished Senator from Arkansas—come to the floor now and offer amendments. We will be happy to debate them and consider them.

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

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

PRIVILEGE OF THE FLOOR

Mr. BUMPERS. Mr. President, I ask unanimous consent that Phil Schwab, a congressional fellow in the Democratic leader's office, be granted floor privileges during floor consideration of the agriculture appropriations bill.

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

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent that the pending committee amendment be temporarily laid aside.

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

AMENDMENT NO. 2685

(Purpose: To prohibit the use of any funds appropriated under this act for Board of Tea experts)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nevada [Mr. REID], for himself and Mr. BROWN, proposes an amendment numbered 2685.

Mr. REID. 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:

At the appropriate place, insert the following:

SEC. . BOARD OF TEA EXPERTS.

None of the funds appropriated under this Act may be used for the salaries or expenses of the Board of Tea experts established under section 2 of the Act entitled ''An Act to prevent the importation of impure and unwholesome tea'', approved March 2, 1897 (21 U.S.C. 42).

Mr. REID. Mr. President, I have heard my friend, the senior Senator from Arkansas and ranking member and comanager of this bill, on many occasions stand on this floor and talk about things he has done or tried to do over the years that keep coming back. Well, this amendment takes second fiddle to none of the amendments that the Senator from Arkansas has offered.

Mr. President, 2 years ago, I offered an amendment to do away with a tea tasting board. The amendment passed. Everyone thought the tea tasting board was history. Wrong. This organization, which was founded and formed in 1897, is back with a vengeance. How? No one seems to know. But it is back spending taxpayers' money tasting tea.

Mr. President, this amendment is offered on behalf of myself and Senator BROWN of Colorado. I would like the RECORD to reflect that.

Mr. President, when I offered this amendment 2 years ago, there was general acceptance that this was the right thing to do. Why? Because it does not seem appropriate anymore that we need people to swish tea around in their mouth to determine if the texture is right and the taste is just right. This is an anachronism that should have gone out right after the turn of the century. Yet, with the new century fast approaching, they are still swishing tea.

I have learned in recent months that my efforts to eliminate the Board of Tea experts somehow was lost in the bureaucratic shuffle that takes place during the conference held on this bill and that takes place in the bowels of the Agricultural Department.

There is no reason for this tea tasting board. The reason people are upset with Government is because of things like this. You would think that a group of gentlemen and ladies working together would have had the courtesy to say, ''Senator REID, we are going to keep the Tea Tasting Board; we do not care what you do on the floor.'' But rather than do that, they sneak around in the dark of the night in some office room here in Washington and figure out a way to thwart the will of Congress.

My amendment passed both bodies 2 years ago, but the Board is still here. This is the reason people are upset about Government.

Is there a single human being in the United States that favors a tea tasting board or the Board of Tea experts? Is there anybody that favors this? The answer is no, unless you are one of the tea tasters. There is no reason for this. Yet, we are spending a couple hundred thousand dollars a year of taxpayers'

money having people meet in some fancy office room and swish tea around in their mouth.

I see no reason, Mr. President, why those in this country who enjoy drinking tea need someone else to tell them what tastes good. I guess I should not feel as upset as I am, because I have to tell you, these tea tasting people have resiliency. When I was a little kid, we would chase lizards, grab a lizard and sometimes jerk off the tail by mistake. But it did not matter, the tail grew back.

These tea-tasting people are just like the lizards. You grab them and jerk something off and they are right back.

I repeat, I should not feel alone because President Nixon tried to get rid of the tea-tasting board. They outsmarted him. He was not easy to outsmart.

I tell you, Mr. President, as long as I am here, I am going to stand and talk about this board of tea experts and tell the American people what an absolute waste of taxpayers' money it is to have them spend $200,000 a year swishing tea around in their mouths so they can get their expenses paid for a little jaunt to wherever they hold this event every year.

The tea expert board was created as part of the Tea Import Act of 1897. I did not make a mistake. I did not say 1987, I said 1897. There are six outside experts and there is even a person from the FDA that comprises this board.

They are supposed to set standards for tea. As part of their duties, of course, they taste this tea. As I have indicated, Mr. President, the cost of this is about $200,000 a year. The industry brags that they offset this by about $70,000 a year with some fee they charge the tea importers.

This might not seem like a lot of money when we talk about billions of dollars every year. This is the kind of thing that causes people to lose their good feeling about government.

No matter how often you stamp this insect out, it comes back. Nobody wants them. We have to do away with this.

Now, I think that probably the Food and Drug Administration and other organizations may need to set some standards on tea. I hope so. Just like they set standards on other things that are imported. But a tea-tasting board? A Board of Tea experts? I think the only tea party we need is a congressional tea party to once and for all drown the organization. Put it out of its misery. There is not anybody in the United States that is going to stand up and cheer for the Board of Tea experts. It seems inappropriate and, I think, morally reprehensible to expend moneys from the Treasury for a program like this.

Mr. President, I always try to do things the right way. Maybe what we should do is have a vote on this. I have the exact words of the Senator from Arkansas—the exact words. ''I have some very good news indeed for the Senator from Nevada. I am not about to stand here and defend an appropriation for a tea-testing board. We will accept his amendment.''

Well, maybe what we need to do is get a vote on this thing. When the managers of a bill, I learned a long time ago, say they will accept an amendment, I think that is usually the way to go but maybe what we need to do is have 100 Senators walk up here and vote on this tea-testing board and maybe that will send a bigger message to the House and maybe to these people in the Agriculture Department that there are certain things we need to get rid of.

Now, Mr. President, I have worked on other things that are really hotly contested and debated issues. The wool and mohair subsidy; that was an issue that had some merit on both sides. I acknowledge that.

As the Senator from Mississippi and the managers of this bill know, either on this bill or at some subsequent time, I am going to do some work on the sugar subsidy. There are merits on both sides of that. I understand that.

The same on the peanut subsidy. Although I think we should get rid of the sugar subsidy and peanut subsidy, there is at least an argument that can be made for those programs. No one is going to get on the floor and defend a Board of Tea experts.

Mr. President, I think we should have a vote on this. I think we should walk in here and rather than have this just accepted, I think we will have a vote on this, whether the U.S. Senate really sincerely wants to send a message to the Agriculture Department that we ought to get rid of this. We want to send a message to the Federal Government generally, these are the kinds of programs that are wasteful and we need not spend taxpayers' money on them.

When we are cutting personnel to our National Park System, when we are debating how much we are going to hurt agriculture, when we are talking about Medicare cuts, can we not cut, once and for all, the tea-tasting board?

Mr. President, I understand the unanimous-consent request that was granted last Friday that we will have votes at a later time. On this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, as the Senator discussed his amendment, I recalled that we had this issue before the Senate, as he said, 2 years ago. My recollection is that we agreed at that time that there should not be any Federal funds appropriated by the Congress for this Board of Tea experts, and we specifically included language in the bill that prohibited any funds appropriated in the legislation be used for that purpose.

I am told, as we were sitting here trying to recall the exact details of that, that the FDA does have some responsibility, under its authority to inspect imported foodstuffs, to determine whether they are safe for human consumption. There is some authority for them to inspect imported foods, and this is an imported consumable food, but that no funds would be used that were appropriated especially for paying expenses of this Board of Tea experts. Our recollection is that industry decided that they would provide the funds to carry out the work that was being done.

I thought that is what was being done. We are checking with the FDA right now to get a reaction from that agency and to find out exactly what their side of the story is. Are they using funds we are appropriating after we have specifically prohibited the use of Federal funds for that purpose?

I want to know the answer to that because I agree with the Senator from Nevada, if we have legislated a prohibition on the use of appropriated funds and this agency continues to use funds that are not authorized, we need to know about it. We need to get somebody up here to answer to that.

I am sympathetic with the amendment the Senator is offering. I urge the Senate approve it.

If, in fact, they are not using appropriated funds, I do not see any point in kicking a dead mule. We could bring the dead mule in here and have all 100 Senators line up here and come kick it if that would make us all feel better, but I do not see any point in going through that. I do not see any need for voting on it if it is not happening and they are not using the appropriated money. I sympathize with the Senator and appreciate his bringing it to the floor of the Senate.

Mr. REID. Mr. President, I appreciate the manner in which the Senator from Mississippi has responded. I could not agree more. The information we have is until recently the American taxpayers directly paid more than 60 percent of the Board's $200,000 annual cost.

In 1993, the cost was shifted to the American Tea Consumers by raising the fee of 3.5 percent per hundred weight of tea imported to 10 cents. Nonetheless, the taxpayers continue to fund the salary of the chief tea taster, maintain the Federal tearooms, and other related activities. That is what the taxpayers should not be involved in.

I am all for the Food and Drug Administration making sure that the tea that is very popular in this country is safe and is good to drink. But, Mr. President, we have coffee, we have all other kinds of programs that the FDA is involved in, and we do not believe we need a board of coffee experts.

I accept what the Senator has said. If it can be shown, of course, they are not doing this—which I think will be hard to show, because vouchers have already been expended—I will be happy to withdraw my request for a recorded vote. I really think Senator BROWN and I have

something to say, and that is let us stop this. This is outrageous.

I appreciate the support of the managers of the bill.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I, like the Senator from Mississippi, thought we put this thing to bed 2 years ago. I may be mistaken. These things have a way of resurrecting themselves, even when Senators think they have taken care of it. But I think the vote, if there is a rollcall vote, will be 100 to zip to discontinue this program, or at least discontinue any Federal taxpayers' money being used in it.

I hope either way the Senator will vitiate his request for the yeas and nays because rollcalls take 20 to 30 minutes. My guess is, the way we compute costs of the operation of this body, the rollcall vote will take up almost enough time to cancel out any savings we get by torpedoing the Tea Board. So I hope the Senator will think about that during the day and possibly vitiate his request for the yeas and nays, because I can assure him, every single Senator in the U.S. Senate feels the same way he does.

Mr. REID. Mr. President, let me respond to the managers of this bill. The only reason we need a rollcall vote is so the Senate is on record strongly supporting this amendment. I have the greatest confidence in the Senator from Mississippi and the Senator from Arkansas. I do not know of two more qualified people to handle an appropriations bill, especially an agriculture appropriations bill, than these two distinguished Senators.

Therefore, based on the statements that they just made and regardless of what we find out during the course of the day from our staffs, which I think will confirm basically what I have stated here today—but based on the assurance they will do everything they can to make sure the conference language is very clear that the Federal Government should no longer be involved in the Board of Tea tasting experts, if they need one let it be paid for out of the private sector, I withdraw my request for a recorded vote.

I also believe each time 100 Senators come over here with staff and everything, it costs the taxpayers money and we should not do that needlessly.

So based upon what they have just stated here on the Senate floor, I ask unanimous consent my request for a recorded vote on the amendment now before the Senate be withdrawn.

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

The Senator from Mississippi.

Mr. COCHRAN. I thank the distinguished Senator from Nevada not only for his decision to vitiate the yeas and nays on his amendment, but for his kind comments about the managers of the bill and our efforts to manage this bill for the Senate. He is a good friend and one of the best friends I have in the Senate. I admire and respect him. We continue to enjoy working with him on matters of mutual concern that come before the Senate.

Mr. President, I do not know we have adopted the amendment. We probably need to do that.

If there is no further debate, we ask the amendment be agreed to.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2685) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, we do know of a number of amendments Senators intend to offer to this legislation. We hope we can proceed to consider them in an orderly way. It would be a shame to have periods of time when we do not have amendments being debated or considered by the Senate during today and then wait until tomorrow and everybody wants to offer their amendments tomorrow just before we are going to vote on final passage.

So I encourage Senators to come to the floor now, as Senator REID from Nevada has done, to present their amendments and let us dispose of the amendments or at least debate them, and if we need to have record votes then we will order record votes. We could have a record vote—I know at least one is ordered under the agreement, maybe two; one, at least, after 5:15 today. Then the other votes, if they are needed, will occur tomorrow. We have an order already entered for two amendments to be voted on, and final passage of the welfare reform bill tomorrow at 2:45. There is a period of time tomorrow set aside for concluding remarks on welfare reform.

So as Senators can see, we need to make progress today so we can complete action on this bill and all amendments to it, if at all possible, by noon tomorrow. That was our commitment to the majority leader when we were authorized to take this bill up today, and that is why we began on the bill at 10 o'clock, so Senators could come and offer their amendments and have them debated today. So we hope Senators will cooperate with the managers of the bill in that regard.

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. DASCHLE. 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. 2686 TO COMMITTEE AMENDMENT ON PAGE 83, LINE 4, THROUGH PAGE 84, LINE 2

Mr. DASCHLE. Mr. President, on behalf of Senators KERREY and KOHL, I send an amendment to the desk and 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. DASCHLE), for Mr. KERREY, for himself and Mr. KOHL, proposes an amendment numbered 2686 to committee amendment on page 83, line 4, through page 84, line 2.

Mr. DASCHLE. 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 83, strike line 4 through line 15;

On page 43, line 17; strike $528,839,000 and insert in its place $563,839,000;

On page 52, line 18; strike $17,895,000 and insert in its place $22,395,000;

On page 52, line 24; strike $30,000,000 and insert in its place $37,544,000;

On page 55, line 1; strike $1,500,000 and insert in its place $3,000,000.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the amendment be laid aside until later today.

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

Mr. DASCHLE. 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. DOLE. I ask unanimous consent that further proceedings under the quorum call be dispensed with.

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

Mr. DOLE. Mr. President, let me indicate to my colleagues that we are on the Agriculture appropriations bill. The managers are available, ready to do business, but nobody is coming forth with amendments. So I urge my colleagues on both sides of the aisle to bring over their amendments. Senator COCHRAN is here. Senator BUMPERS is available. They are ready to do battle or do business, whichever.

We need to finish six appropriations bills before October 1. As I have also indicated, if we finish the six appropriations bills, there is a possibility we will have a recess period for 5 days, which I hope will be an incentive to some of my colleagues to speed up the process.

So, after this bill tomorrow, of course, we will vote on the historic welfare reform bill at probably about 3:30, after disposing of a couple other amendments. But we would like to complete action on the ag appropriations bill by noon tomorrow and then move to another appropriations bill, possibly foreign operations, which we think we could finish in a day and a half. And then it gets a little more difficult. But my view is, with the cooperation of everyone with the managers, we could complete action, say, by September 30, a week from Saturday, probably with a Saturday session.

We probably would not finish all the conference reports, but at least have completed action on the appropriations

bills. That would help avoid what some have referred to as a train wreck because we could continue the Government with a continuing resolution. It would not be a very—we can do that quite easily.

On behalf of the managers, I want to make a plea to my colleagues on both sides of the aisle that they are here, they are ready for business, and we would like to complete action on this bill by noon tomorrow. Thank you.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 2687 TO COMMITTEE AMENDMENT ON PAGE 83, LINE 4, THROUGH PAGE 84, LINE 2

(Purpose: To eliminate the Board of Tea Experts)

Mr. BROWN. Mr. President, I rise to offer an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 2687 to committee amendment on page 83, line 4, through page 84, line 2.

At the appropriate place in the amendment insert the following:

(a) None of the funds appropriated or made available to the Federal Drug Administration by this Act shall be used to operate the Board of Tea Experts and related activities.

(b) The Tea Importation Act (21 U.S.C. 41 et seq.) is repealed.

Mr. BROWN. Mr. President, I am not sure the amendment makes it clear, but I ask unanimous consent that this be considered as an amendment to the committee amendment that is before the body at this point.

Mr. President, I know the body has already discussed the tea-tasting board. The distinguished chairman of the Appropriations Subcommittee has correctly pointed out we no longer fund in the ag bill the cost of their activities, at least in terms of their per diem.

As I understand it right now, the per diem of $50 a day is now paid for by the tea-tasting experts themselves. In addition, they pay their own cost of travel and living expenses going to and from Washington to perform their duties.

But, Mr. President, there also exists in our Federal law a requirement for the Food and Drug Administration to pay for the employees that sample the tea. And that is what this amendment gets at. It gets at that cost that is mandated by the Tea Importation Act by repealing it.

Thus, this amendment will not only forbid the paying of the salaries by the FDA employees, but will also repeal the Tea Importation Act. Mr. President, this is a significant step because it says a lot about our commitment as a country to competition.

Currently, the Tea Importation Act can be used to keep out a product from the United States. In effect, what it does is give to the industry the ability to determine what quality is allowed to come into the United States, rather than our consumers. The fundamental question Members will have to ask themselves is whether or not it is the Government's responsibility, through the tea-tasting board of experts to determine what tea is allowed to come into this Nation and which ones these experts should exclude.

I have great faith and confidence in the ability of consumers in this country to determine for themselves what tea they like and what they do not like. As a matter of fact, it seems ludicrous that in this day and age that we should have delegated to a Government board or agency the ability to decide which tea is permissible to enter into the Nation.

So this amendment is quite straightforward. It forbids the FDA to pay for the employees or eliminates from the bill the ability to pay for the employees that FDA is required to hire. It also repeals the Tea Importation Act.

Mr. President, some will say there is danger to consumers here. Someone could get a bad cup of tea if this amendment is adopted. Indeed, Mr. President, I suspect that is true. It is also possible whether this Board exists or not. But this, more than anything, is an effort to bring competition to our economy and eliminate artificial barriers to trade and to competition.

Moreover, it says a lot about what we envision the purpose is of the Federal Government's role. Those who think the Federal Government should have an all-pervasive role will want to retain those people who gather periodically to taste tea from around the world at Government expense, at least for the employees' salary. But others will think that Americans are competent and capable enough to decide what tea they want.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. KYL). Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, if the Senator has completed his statement and yields the floor, let me say we already this morning had an opportunity to talk about this issue during the discussion of the Reid amendment, the amendment offered by the distinguished Senator from Nevada. We discussed during the pendency of his amendment the fact that 2 years ago an amendment was adopted on the floor of the Senate prohibiting the use of any appropriated funds to pay the expenses or the costs of this so-called Tea Board.

It was our understanding at the time that FDA, as part of its responsibility to inspect imported food consumables, had a role to play in determining the fitness for human consumption of imported tea because it was an imported consumable product, and that was the justification Congress was given when inquiries were submitted to the agency about this program and the need for these funds.

It was the sense of the Senate at that time, and we debated the issue then and we agreed, that there should be in the legislation a prohibition against the use of funds to pay the costs of this Tea Board, this expert Board of persons, one of whom had to be employed under this law the Senator from Colorado talks about to serve on this board.

I have no quarrel whatsoever with insisting upon the language that has previously been approved by Congress on this subject. We have inquired already this morning about the reaction of the FDA to accepting the language offered by the Senator from Nevada earlier today. We have accepted that amendment. It has been approved by the Senate on a voice vote. He, likewise, had asked for the yeas and nays and agreed to vitiate the yeas and nays. I do not know of anybody who is going to vote against the amendment.

I certainly am not going to defend the continued use, if it is going on, of federally appropriated funds for the so-called tea tasters that the Senator from Nevada and the Senator from Colorado have brought to our attention again.

I do not know what the reaction of the distinguished Senator from Arkansas to this amendment would be. The only thing that is new in this amendment that was not contained in the Reid amendment is the repeal of a legislative enactment which is spelled out in the amendment offered by Senator BROWN.

I hope that we will refrain from using this appropriations bill as a vehicle for the adoption of amendments that strike out previously enacted legislation. This is not a bill to rewrite farm legislation, Food and Drug Administration authorities, or any other legislative enactment. It is not appropriate on this bill to revisit the body of Federal law on a number of different subjects, including the authorization for this so-called inspection or tea board.

So I hope that Senators will not get the idea that since I am not opposing this amendment that I agree that it is the thing to do, to take up proposals to repeal certain previously enacted laws by the Congress.

I know there are Senators who want to make changes in different kinds of farm program language. I hope that Senators will resist offering those on this bill and wait until we have the farm bill on the floor, wait until the Agriculture Committee has completed its review of all laws on the subject of production agriculture and food inspection and the like. If there are amendments that should be made to existing laws on those subjects, it seems to me the best practice would be to wait until we have that bill on the floor and offer the amendments at that time to that legislation.

This bill appropriates money to fund the programs, it does not write the authority to fund the programs. So we are not talking in this amendment about a funding level, except to say,

and I agree with the Senator, that we should prohibit the use of funds appropriated in this bill to carry out the activities described in the Senator's amendment.

So with that caveat, I suggest that we accept the amendment. I hope the Senator will consider vitiating the yeas and nays. I do not know of any Senator who would vote against this. Maybe it is controversial, but I do not think it is controversial to me. I think the Senator is on the right track, and we ought to do what he says.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, this is somewhat different than the Reid amendment that was offered earlier in the day in this respect: It does repeal the underlying act which the distinguished chairman from Mississippi has just outlined for the Senate, one other thing in terms of cost.

The Reid amendment eliminated the salaries for the Board of Tea experts. It did not eliminate the funding of the salaries of the staff. I am advised that the FDA's field force expanded by 6.9 direct FTE's in support of the Tea Importation Program. The average cost is $6,000 per FTE, and the program cost the agency approximately $52,500. That was in fiscal year 1994. So it is slightly different than the Reid amendment in that it repeals the underlying Tea Tasters Act and it also eliminates funding for the staff, which the Reid amendment did not.

I very much appreciate the distinguished chairman's support of the amendment. In light of that, I ask unanimous consent to withdraw my request for the yeas and nays.

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

Mr. BROWN. Mr. President, I ask unanimous consent that Senator ABRAHAM be added as a cosponsor.

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

Mr. COCHRAN. Mr. President, one other caveat, if the Senator has completed his statement. We have inquired of the Food and Drug Administration what requirements of law, if any, might be repealed by this amendment related to their obligation to inspect on the basis of determining the fitness for human consumption of imported consumable products. And we are advised that the FTE's, the staff hours that are used for this purpose, are directly related to the obligation of the FDA to certify the fitness for human consumption of imported foodstuffs. So I am told that is their reaction. So that is not the sole purpose of the employees who are described by the Senator from Colorado, to see whether or not the tea tastes good. That has been the big issue.

It sounds kind of ridiculous that people are telling us whether tea tastes good or not. Anybody can decide whether or not something tastes good. That is not what we are suggesting ought to be protected in terms of any statutory language that may be affected by this amendment.

But if we find that there is a legitimate responsibility to determine whether or not imported foodstuffs will be dangerous for human consumption by citizens of the United States, that is another matter. I hope, as we proceed with the consideration of this issue, whether it is in the markup of the agriculture legislation this year, the rewriting of the farm bill, or wherever else we might have to consider this, that we keep in mind that the FDA is not in the business, or should not be in the business, of just determining whether food tastes good, but whether it is dangerous, whether it has potential harm or consequences. I think we do want to keep in place the authority for those determinations.

Having said that, I think the Senator knows what he is doing, and he is not trying to put anybody in jeopardy of contaminated imported tea. We will make sure that, as we review this statutory language, either on this or other legislation, we keep in mind that important consideration.

The PRESIDING OFFICER. Is there further debate on amendment No. 2687?

Mr. COCHRAN. Mr. President, I am told Senator BUMPERS, the distinguished manager on the Democratic side of the legislation, wishes to express his views on this amendment. So if the distinguished Senator will permit me, I ask unanimous consent that we set aside, temporarily, this amendment so that he may proceed to offer whatever other amendments he may wish to offer at this time; or if he would like to debate this issue further, that we proceed to do that. I would not want to go to a vote on the amendment until the Senator from Arkansas has had an opportunity to be heard.

Mr. BROWN. Mr. President, I thank the Senator for that. Certainly that is appropriate. There are a couple of points I thought might be worthy of making.

This underlying act was passed originally in 1897. It is nearly a century old. Perhaps its length of time says something about the need to take a fresh look at it. The language of the act talks about the purity and quality and fitness of imported tea. Largely, purity and quality, it strikes me, are consumer decisions, not decisions appropriate for the Government.

Certainly, the chairman hits the nail on the head when he says the FDA has a responsibility to make sure that we do not have poisonous foodstuffs harming consumers, and that function, I think, is clearly established under other sections of the law.

Right now, only about 1 percent of the 209 million pounds of tea imported every year is currently rejected due to bad quality. But, Mr. President, I think what is important here is the potential of an industry abusing this kind of law to discourage price cutting and to restrict competition when there is a glut on the market.

Mr. President, the first and only term that I served in the Colorado State Senate was a wonderful experience. In 1973, I got a chance to observe human nature. Colorado had a statute on its books that provided for the testing of plumbers. The State of Colorado wanted to make sure, I guess, that there were not any unqualified plumbers preying on the public. So they would test plumbers for their ability to perform services. On a regular basis, of the plumbers that applied, 90 to 95 percent would pass the exam. Sometimes 100 percent passed. It was not a terribly tough exam.

Colorado, like Arizona and Mississippi, had gone through years of growth. There were always jobs for plumbers in the State. Many came in from out of State. I think they were drawn not only by Colorado's beautiful environment but, I think and suspect, by the job availability as well.

But there was a downturn, as Members will recall, in 1973 and 1974. In 1974, the passage rate on the exam dropped. All of a sudden, plumbers coming into the State, instead of 90 to 95 percent passing, some 70 to 80 percent flunked the exam. What caused this dramatic drop in the qualifications of plumbers? Was it the degradation of their abilities? No. It was a surplus of plumbers within the State. The fact was, what they did was they used a Government board to test and determine who is qualified for admittance into the State in the profession of plumbing as a way of eliminating competition. So when prices were in the process of dropping, they used the Government tool that had been handed them as a way of eliminating new competition.

Leaving this tea tasters statute on the books gives the industry a handle to use against someone who might try to cut prices. It leaves the industry a handle they might use against somebody who would flood the market and reduce prices for the consumer and increase competition.

I think that concept, as well as that fear, that concern—we, the Government, ought to be about protecting and helping the consumer, not endangering the consumer, which is what has drawn me to offer this amendment. It is not just the waste of money under current circumstances. I guess in 1994, we mentioned $253,500. It is not just that waste of money. It is the concept that we would place in the hands of an industry the ability to restrict or penalize people who might reduce the ability to bring in a product, to reduce prices, and provide options for the consumer.

It seems to me that we need to be very wary about items that reduce competition. There is the potential that this statute could be abused in a difficult market. That is why I think repealing the underlying statute is so important, not just for the cost, not just because of the concept of what Government should and should not do, but because of the potential abuse of

this statute in an anticompetitive fashion.

Mr. President, I yield the floor.

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. COCHRAN. 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. COCHRAN. Mr. President, I have conferred with Senator BUMPERS' staff and also conferred with the legislative committee staff that has jurisdiction over the Food and Drug Administration in this specific legislation which is the subject of the amendment of the Senator from Colorado.

It is our understanding there is no objection from the legislative committee to accepting this amendment.

Under the status of the debate, as I understand it, while the yeas and nays were requested and the yeas and nays were ordered, a unanimous-consent order was entered to vitiate the yeas and nays if we were going to accept it on a voice vote.

We are prepared now to accept the amendment on a voice vote and we are prepared to proceed to that.

The PRESIDING OFFICER. Is there further debate on amendment 2687?

The question is on agreeing to the amendment.

The amendment (No. 2687) was agreed to.

Mr. BROWN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2688 TO COMMITTEE AMENDMENT ON PAGE 83, LINE 4 THROUGH PAGE 84, LINE 2

(Purpose: To prohibit the use of appropriated funds to carry out the peanut program)

Mr. BROWN. Mr. President, I rise to offer an amendment and ask for its immediate consideration.

Mr. President, I ask this be considered as an amendment to the committee amendment.

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

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 2688 to the committee amendment on page 83, line 4 through 84, line 2.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . PEANUT PROGRAM.

(a) IN GENERAL.—None of the funds made available under this Act may be used to carry out a price support or production adjustment program for peanuts.

(b) ASSESSMENT.—The Secretary of Agriculture may charge producers a marketing assessment to carry out the program under the same terms and conditions as are prescribed under section 108B(g) of the Agriculture Act of 1949 (7 U.S.C. 1445c–3(g)).

Mr. BROWN. Mr. President, this amendment is different than the previous amendment. What it does is deal with the expenditures for administrative costs for the peanut program. It does not attempt to modify or repeal the underlying program itself.

The reason I do not attempt to repeal the underlying program is because, as I understand it, the Agriculture Committee is diligently reviewing the peanut program and will have recommendations. My understanding is that those recommendations are in effect necessitated by the fact that the passage of the NAFTA agreement has opened up our market which is a protected market, in which peanuts sell for significantly higher amounts in the United States than they do overseas.

NAFTA has opened that market up for competition from Mexico. Mexico has a significant ability to produce peanuts and produce them at world market prices dramatically lower than United States market prices.

The change in the peanut program will be essential. I expect we will be seeing the Agriculture Committee move on that in a diligent fashion.

My amendment is less ambitious in its scope. What it simply suggests is that the administrative costs of the program should not be paid for by the taxpayers of this country, but it does empower the Secretary of Agriculture to charge producers a marketing assessment to carry out the program under the same terms and conditions as prescribed under the law.

What it does is shift from the taxpayers the cost of administering this program over to the people who benefit by this program.

It seems to me that this amendment is fair and reasonable. The savings, we are advised, is in the neighborhood of $2 million for this year, a potential savings of $11 million over 5 years should this apply in future years.

I would be remiss if I do not note that the cost to the consumers of this country and to the taxpayers of this country of the peanut program itself is many, many times beyond that.

I am advised that the peanut program costs the American taxpayers $120 million a year. Let me repeat that: $120 million a year. That is not peanuts.

This peanut program has placed us in a situation where the taxpayers get hit for $120 million a year, to support a program that is then priced significantly above the world market.

The costs to the American taxpayers for peanuts is not just the $120 million a year. It is the American consumer that really pays the price.

Estimates from a GAO report in 1993 indicate that the cost to the consumer could range between $300 million and $500 million a year.

What we have is a very unusual agriculture program. The peanut program is much different than most other programs, but not all. In effect what this peanut program does is makes us uncompetitive in the world market, gouges American consumers for between $300 and $500 million a year, and impacts the Treasury by $120 million a year for the program itself.

This amendment is modest. All it does is talk about saving the $2 million of administrative costs. Mr. President, it is $2 million we ought to save.

Farmers in America are the most competitive farmers in the world. They are productive. They are creative. They are efficient. The areas where the Americans are not competitive, the areas where the American economy has fallen behind the rest of the world are areas where we have not had vigorous competition. Areas where we do have vigorous competitions, we compete and we outcompete anyone in the world.

While this is a modest move, I look forward with great interest to the actions of the Agriculture Committee in dealing both with the cost for consumer and the cost for the general treasury.

I think this amendment sends a signal. It sends a signal of our commitment to begin to respect the taxpayers with regard to a program that has clearly outgrown its usefulness.

I suspect this will be controversial, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, let me say that my concerns at this early point in the debate on this amendment surround the fact that we are working in the Agriculture Committee at this time and a meeting is called for this week to consider changes in existing farm legislation, including proposals to modify and reform the peanut program.

I have introduced legislation, for example, that seeks to reduce the overall costs of these programs, but to do so in a way that does not undermine the ability of farmers to continue to produce efficiently and operate at a profit, but how to go about downsizing the expenses of agriculture programs and still maintain that ability to produce what we need in our country, the food and fiber needs, to meet those needs and to still have a sufficient amount to export to contribute to our overall economic health is a big challenge.

I do not think we will be able to adopt incremental change on an appropriations bill that modifies this or any other commodity program that will achieve the goal in a coherent, rational, and orderly way.

This may be an excellent amendment in terms of improving the efficient administration of this program. But I would hate to see us adopt this amendment and have it undermine or in any way adversely affect the effort that we are making for comprehensive reform of agriculture programs in the legislative subcommittee. So that is the concern that I want to raise at this point.

I know there are others who may have more experience and are more of

an expert in the understanding of the workings of the peanut program and how this particular amendment might affect the administration of the peanut program, but I express that concern, still hoping that we can fulfill the commitment that we have made to reduce the costs of these programs.

I know the Congressional Budget Office, for example, has estimated that the reforms I have suggested in my bill to reform the peanut program could achieve savings of over $300 million over 7 years. This amendment will reduce the cost of the program somewhat. But if we adopt this amendment and then we ask CBO to analyze the effect of the Cochran bill, that is going to have a negative effect. And in our overall effort at comprehensive reform and meeting the targets of reconciliation, we could actually be penalized in our efforts to reform the farm bill by adopting amendments like this one in an appropriations bill. Then we might have to cut other programs, nutrition programs, school lunch program, other farm programs, in order to make up the difference.

So I am hopeful the Senate will take that into account and consider that as we look at this amendment.

Mr. COVERDELL. Mr. President, as I understand it, the Brown amendment would address the commodity program that deals with peanuts, and it would assess peanut growers throughout the United States for the theoretical administrative costs of the program, or approximately $2 million a year.

Mr. President, this program is over 60 years old. It has been the focus of intense, deliberate, significant debate and discussion within the Agriculture Committee. The Senator from Mississippi, who is here on the floor with us, has been very instrumental in managing the vast array of details related to this program.

And to come into the appropriations process ad hoc and intervene into that process, in my judgment, is inappropriate, and intrudes in a very, very intense process to try to deal with this program and all those Americans that are affected by it and all the complexities. It does not need ad hoc intervention. It does not need ad hoc amendments. I welcome the Senator, who is not a member of this committee, to come forward and work with us with his suggestions. But this is not the way to manage this intensely complicated program.

So I rise against the amendment. I rise against its appropriateness. This is not the place for it. In fact, it will only make more complicated and difficult that which we are trying to do.

Now, Mr. President, I wish I could say that all U.S. programs were producing the kind of economic impact and social good that this program represents. In the United States, the program represents $1.2 billion in annual farm revenue, 150,000 U.S. jobs, $200 million in annual exports, and $6 billion in annual economic impact.

I mentioned a moment ago that the program is about 60 years old. All of the farm community and rural communities that are affected over this extended period of time obviously have become ingrained with the program.

The reach of the program goes beyond those that are directly involved with growing. The reach of this program, over the lengthy period of time which it has existed, now reaches into the financial community, the agribusiness community, the agricultural equipment community, and represents thousands and thousands of jobs and is an economic stabilizer in communities that have suffered immensely over the last 25 or 30 years and continue to suffer from economic decline.

I do not suppose any of us here, if we were designing the program, would design it the way it is today. But those of us who have inherited it have also inherited a social responsibility to the communities affected by it.

Seventy-five percent—Seventy-five percent—of the counties involved in producing this commodity in the United States have a poverty level in excess of 20 percent. These are hard-hit communities. These are communities that have suffered many of the changes that have been occurring when we move from rural to urban.

Most people I hear around here talk about their grave concern about rural America. I hear it everywhere I go. This is where, as they say in my part of the country, the rubber hits the road, because we are talking about a Government partnership, much of rural America represented by this program where changes that are not thought through can create massive—massive—economic instability. They not only affect immensely the health of the family farm in these communities, they affect the financial integrity of the loaning institutions and they affect significantly the extended economic suppliers of the industry.

There are some counties in my State if you just turn the switch off tomorrow will be out of business, flat out of business. These are people who were playing under the rules that were designed by this Government, as I said, over a 60-year period, and they have been playing by those rules.

Having said that, let me say that I take my hat off to this community that surrounds this commodity. I came here a little over 2 years ago. Everybody already knew we were going to be paying a lot of attention to these programs, because this is an era of change.

These people came to the table. Over the last 2 years, they have been working with their Senators, with the Agriculture Committee, and they have been endeavoring to represent and be a part of change. They have proposed and they have stood behind significant reforms in this commodity program. But they do want to be treated responsibly. They do want to be treated as partners. They do want us to appreciate that this arrangement was put in place by this Government, not them. And they do not want it dealt with in an ad hoc way. They want it to be dealt with as the good Senator from Mississippi has been doing.

I see my colleague from Alabama has come to the floor. The Senators from North Carolina, Texas, and Virginia have produced reforms that are no net cost to the Government. Those reforms will result in a 30-percent loss of income in the farm communities that I represent, but they have supported those kinds of reforms.

Throughout the process, they have been willing to discuss how it can be changed to make it satisfactory to the taxpayer, to the Federal Government and to the economic fragility of these communities. I think they have done so in good faith. I have become an admirer of the dedication to finding a way to make this program satisfactory to the American taxpayers, satisfactory to the producer, and satisfactory to the communities that are represented by this.

I have to say, Mr. President, that I have been struck by the dictionaries we find in Washington. I heard it a lot in the Agriculture Committee. When we talk about something we are doing in urban America, we often talk about our ''investment.'' Somehow, when we get over to the rural communities, that word becomes ''subsidy.'' When it is a Federal program that is working on the economic viability of rural America, that is a subsidy, but if we are talking about building bridges and roads to deal with the issues in urban America, that is an investment.

Both are investments. We are talking about the economic viability of vast rural regions in our country that have very high poverty rates. Of all the various programs that I have viewed, there are very few I have ever seen that cost so little, that produce so many jobs and so much economic good. That is sort of a rarity here, but that is what I see in this program. Not that it is perfect, and we have all acknowledged that and we are all working to change, but that ought to be done in the committee. That ought to be done by the people with the expertise. That ought to be done in good faith with the people that have come to the committee and said, ''We are willing to sit down and work out compromises, and we are willing to do things to lower the burden on the American taxpayer.''

It should not be done ad hoc in a frittering manner that destabilizes the entire effort that we have been about for the last 2 years. This should be done in the farm bill.

I commend all those Senators for the time they have expended on behalf of trying to reach an appropriate compromise. I commend the communities, as I said earlier, for their willingness to work, and I rise in opposition, in closing, to ad hoc management of a very complicated program that affects thousands of Americans in our country.

Mr. President, I yield the floor and suggest the absence of a quorum.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. Will the Senator from Georgia withhold?

Mr. COVERDELL. Certainly.

Mr. COCHRAN. Mr. President, I want to say I think the distinguished Senator from Georgia has really given a very eloquent, accurate, and persuasive statement about why this amendment should be rejected. There is no doubt about it; he is a very insightful Senator, and he has come to the Agriculture Committee with a great deal of good common sense and judgment which shows very clearly during his discussion of this amendment.

We are dealing with an appropriations bill. We are at work, on the other hand, trying to reform all of the commodity programs so that we can make them more cost effective, we can make them respond to the challenge of deficit reduction, but at the same time maintain stability in the agriculture sector and the capability for the future, and that is the most productive country in the world.

It is an enormously important sector of our economy, and to start nitpicking on this bill with these programs, like this peanut program that the Senator describes, we are running a great risk. It may sound good, it may make some feel good to vote for a change like this that is being recommended, but it is not going to serve the economic interests of our country as a whole and certainly not those regions of our country that are involved in this program.

I commend the Senator for his eloquent statement and his hard work as a member of our Agriculture Committee. I hope the Senators who heard him will pay attention and vote like he suggests—vote ''no'' on this amendment.

The PRESIDING OFFICER. Is there further debate on amendment No. 2688?

Mr. BUMPERS. 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. BROWN. 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. 2688, AS MODIFIED

Mr. BROWN. Mr. President, I ask unanimous consent at this time to modify my amendment on the peanut program.

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

The amendment (No. 2688), as modified, is as follows:

At the appropriate place, insert the following:

SEC. . PEANUT PROGRAM.

(a) IN GENERAL.—None of the funds made available under this Act may be used to pay the salaries and expenses of USDA employees who carry out a price support or production adjustment program for peanuts.

(b) ASSESSMENT.—The Secretary of Agriculture may charge producers a marketing assessment to carry out the program under the same terms and conditions as are prescribed under section 108B(g) of the Agriculture Act of 1949 (7 U.S.C. 1445c–3(g)).

Mr. BROWN. Mr. President, the modification is the product of the diligent work of the senior Senator from Alabama, and thanks to him a drafting error was spotted and corrected. The language that is in the modification makes it clear that this deals only with the administrative costs.

Mr. President, I will read the language that has been added, as it stands, to the modification.

None of the funds made available under this act may be used to pay the salaries and expenses of USDA employees who carry out the price support or production adjustment program for peanuts.

The following paragraph on assessments, which remains exactly as it was in the original amendment, is simply an ability to, through assessments, raise that money that the taxpayers have provided to pay for the salaries and expenses of USDA employees who administer the program.

Mr. President, as I say, this is intended to save about $2 million a year. It is not a substitute in any way for the changes in the peanut program which will be necessitated regardless of Members' feelings about the program. Those changes will be necessitated by NAFTA and the new competition of peanuts from the Mexican market. But it is, I believe, a step in the right direction to ask the people who benefit by the program to at least pay the administrative costs and not stick the taxpayers with that cost.

Mr. President, I believe this measure will be controversial. It is my understanding there are other Members who want to address it. I understand that the manager of the bill would prefer that the measure to be voted on tomorrow.

So I yield the floor.

Mr. HEFLIN. Mr. President, as I understand it, the distinguished Senator from Colorado has modified the amendment to apply to only administrative costs, of which there are about $2 million, and that there would be an assessment charged against the producers to carry out the program.

I am sure that the peanut program is controversial and that many programs are controversial. Agriculture programs are controversial, and under the Department of Agriculture every agricultural program is carried out and administered by the Department of Agriculture. Are we going to say that the wheat program, therefore, which is carried out and administered by the Department of Agriculture, if we were to follow the same concept, that on the wheat program there ought to be an assessment against the wheat producers relative to the administration of the wheat program?

If we stop and think about other programs, does this mean that if you carry this philosophy out, the Social Security recipients, therefore, should pay an assessment to the Government for carrying out the Social Security program? Or the Medicare Program? Does this mean that the recipients in this program ought to be assessed the costs to carry out and administer the program?

You could go on with every conceivable program that the Government has that therefore this philosophy would be relative to. Or the same concept could be applied in regard to Senators. Should Senators, therefore, in order to have an accounting system for receipt of their salaries be assessed fees for the Government to carry out that program or to administer that program?

I do not agree with this overall philosophy, and I just point out questions pertaining to it.

I will have a good deal more to say about this later on, but I do want to point out right now that the concept of charging the producers of a program an assessment to administer the program is rather unusual and, if we start it, it ought to be applied across the board to every conceivable program—the orange juice program, the corn program, every program, wherever you are going to do it.

And then there are also other people in the chain that are recipients of a program such as, in the peanut program, the shellers, and then there are the market people, the manufacturers that use it—all of these people who are in effect beneficiaries of a program that ought to be considered rather than just the farmer. We have had a situation where we are looking at farmers today in some of the sections of the country who have had terrible disasters, and I just do not think this is the proper time to be doing something like this.

Overall, the peanut program has cost the taxpayers a relatively small amount of money over the period of time it has been in existence—sometimes as prices go up and prices go down because of market conditions or, on the other hand, because of weather conditions like drought and other things, but in the last 10 years, the peanut program has averaged out costing the Government an average of $13 million a year. And I do not think any other farm program has been operated as economically and at as little cost to the Government over a like period of time in history.

It will vary. It has gone up sometimes, and then there have been years in which actually the peanut program has made the Government money.

So I think when we look at this matter of saving $2 million, it certainly calls for a concept, and if we are going to look at it in some equitable and fair way across the board, we ought to consider all other programs. But the major thing is that here we are, as the chairman of the subcommittee, the Senator from Mississippi, has mentioned in a situation where this week we go to

markup relative to a farm bill, and various and sundry approaches may be offered and considered there. I think, therefore, it is premature at this time to be considering it. Certainly, the Agriculture Committee ought to be given an opportunity to look at this before we move forward in this regard.

I yield at this point and will have something else to say later.

Mr. BROWN. Mr. President, first of all, I want to extend my thanks to the distinguished Senator from Alabama. I believe he was off the floor working on another matter when I extended my thanks the first time. But I appreciate his reviewing the amendment and pointing out the need for corrective language, and we have adopted that through a modification. I very much appreciate his kindness and his indulgence in helping to have the amendment accurately brought forward. And by that I do not mean necessarily it says what the Senator would like it to say, but I do mean that he was very helpful in making sure it represented what my wishes were to offer to the body.

Mr. President, the Senator quoted the $13 million a year cost for the peanut program. The $120 million cost that I had used in the Chamber was the estimate we had gotten from the Congressional Budget Office for 1995. I believe the Senator was talking about was historic costs. I think both figures are correct and I think it is perfectly appropriate for him to point out the historic cost. That is a reasonable and balanced way to look at it.

Mr. President, he also raised an important point. If this program is to cover its own administrative costs, why not the wheat program? While he was too kind to say it, we produce a lot of wheat in Colorado, and that is a fair question. In my mind—and certainly this is not meant to speak for all the Members, but in my mind this peanut program is different. It is different in that we maintain a price of peanuts in this country that is significantly higher than the world market.

Most of our programs and most of our products in the United States sell for the lowest price in the world. We have the most efficient, productive, creative agriculture of any nation on the face of the Earth, and it shows in our prices. Consumers in America enjoy low prices for farm commodities. Our price for products, including wheat, sets the base.

That is, Europe and Japan not only import wheat, but by importing it they pay more than American consumers because of the costs involved in shipment. People around the world pay a higher price for wheat generally than we do in the United States, so the wheat program goes to a different focus. It does go to market stabilization which is thought to be of help for the consumer. Certainly the wheat program is a program that merits debate at the appropriate time.

At least in my mind, however, the wheat program is a dramatic and different program than the peanut program. Why? It is dramatically different because the peanut program is designed to market our peanuts at a significantly higher price in the world market. That has a dramatically different effect upon consumers and producers than the wheat program that does not attempt to have a significantly higher price for wheat in America than we have in the world market.

Nevertheless, I think the Senator's point is a valid one, and it goes to the heart of the amendment. Should the taxpayers pay for the administrative costs and which ones should the users?

It had been my understanding that, indeed, in Social Security and Medicare the cost of administration was borne by the taxes levied that go into a trust fund, and we are asking to check that right now. I certainly will want to make that point clear for the RECORD. I think the Senator is right to raise that issue. He does come to the heart of this amendment. That is the suggestion that the roughly $2 million a year cost of administering this program, that markets a commodity at significantly above the world prices, be borne by the participants.

Mr. President, I yield the floor.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I am a supporter of the wheat program. I did not necessarily mean to be picking Colorado. I have always supported the wheat program. I think it is a good program. But there are some distinctions between the wheat program and the peanut program relative to the cost of Government, as there are with a number of commodities.

Basically, the peanut program has a loan rate. That loan rate allows for farmers to—in bad times when the price is low or when there are weather conditions and such—put their product that they have produced into a loan. And then the CCC can take it out of the loan and set it. They have to pay interest on it when they do, or else the Government can, of course, have a nonrecourse loan and can sell it on the world market.

But the wheat program and most commodities have a greater cost rather than just the loan. That is the target price or deficiency payment. And there is no deficiency payment, there is no target price in peanuts at all. I think sometimes we have misunderstood various farm programs and other things also. But the peanut program does not have the deficiency payments at a great number. I am a supporter of the farm programs that allow for the target prices and allow for the deficiency payment. But I do make that distinction, the distinction being raised about that at this time.

So we will be discussing it further.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I know there may be other Senators who want to speak on this amendment. I have expressed my concerns already. We have heard from the distinguished Senator from Alabama. It is likely that we will be able to vote on this tomorrow, rather than today. There are other amendments that we know will be offered today and debated. We can dispose of those amendments.

Because we have had a pretty full discussion of this suggested change in the bill, I am going to ask unanimous-consent that we set aside this amendment and proceed to take another amendment up for consideration that the Senator from Colorado will offer. So I make that unanimous consent request to set aside the amendment temporarily.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I rise to add to the record with regard to the debate on the peanut amendment. I would ask, while that amendment is not presently before us, that I be allowed 60 seconds in which to address the peanut amendment.

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

Mr. BROWN. Mr. President, in the discussion on the peanut amendment, the question was raised as to whether or not this, asking users or beneficiaries of a program to pay the administrative costs, was appropriate or not and whether or not it was done in other areas, and myself and others had speculated about the social security fund. I am advised that indeed, the administrative costs for the Social Security program do indeed come from the fund. I think some of the confusion may come in that the discretionary spending is considered part of funding that comes under the discretionary caps for the budget function. But indeed, the source of the money is from the fund itself.

I yield back, 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. BROWN. Mr. President, I ask unanimous consent that the quorum call be rescinded.

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

AMENDMENT NO. 2689 TO COMMITTEE AMENDMENT ON PAGE 83, LINE 4, THROUGH PAGE 84, LINE 2

(Purpose: To prohibit the use of appropriated funds to administer tobacco grading and inspection, tobacco price support, quota, and allotment functions)

Mr. BROWN. Mr. President, I rise to offer an amendment to the committee amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 2689 to the committee amendment beginning on page 83, line 4.

At the appropriate place in the amendment, insert the following:

SEC. . PRICE SUPPORT AND GRADING AND INSPECTION OF TOBACCO.

(a) IN GENERAL.—None of the funds made available under this Act may be used to pay the salaries or expenses of the employees of the Department of Agriculture to grade or inspect tobacco or to administer price support functions for tobacco.

(b) ASSESSMENT.—The Secretary of Agriculture may charge producers a marketing assessment to grade or inspect tobacco and to administer the price support functions under the same terms and conditions as are prescribed in the Agricultural Act of 1949 (7 U.S.C. 1445–1 and 1445–2).

Mr. BROWN. Mr. President, this amendment calls for the tobacco program to be no net cost to the American taxpayer. Some Members will say, ''I thought it was already a no net cost.''

Indeed, there was legislation offered in 1982 that came under the heading of ''no net cost'' for the tobacco program. And yet, Mr. President, some Members may be surprised to learn that did not cover all of the costs of the program. That no-net-cost concept is a good one and one that this amendment attempts to complete.

But left out of the legislation in 1982 was an effort to cover the administrative cost that involves maintaining the price support and both the grading and inspection of tobacco. So administration of the program, grading and inspecting of tobacco, are still an expense to the taxpayers.

Mr. President, it is one thing to be upset about tobacco smoking in this country and urge people not to use the product or suggest that perhaps the FDA ought to regulate it and extend additional regulations. But, Mr. President, it is quite another thing to tax the American citizen to pay for a product that we turn around and then urge them not to use. Good common sense indicates that we should not subsidize a product that we think is harmful to people and that they should not use. I am one who believes that this country is all about freedom, and to the maximum extent possible, we ought to maximize people's freedom to choose.

So I have not been one that wants to outlaw all forms of tobacco or follow other circuitous routes that simply eliminate that choice. I think all Americans agree that our children should not consume tobacco products. But for adults, while we would all have strong feelings about the subject and many of us feel that we would be better off without tobacco, I am not one who wants to ban it. But, Mr. President, I am one who wants to have the tobacco producers pay for the cost of their own program.

It makes no sense to tax working men and women of this country to subsidize a product and then turn around and tax them to urge people not to use a product they have just subsidized. That makes no sense at all. That is what this amendment is all about. It simply says that when tobacco producers say they have a no-net-cost program, that it is in fact a no-net-cost program.

So this amendment does two things. One, it makes it clear that there will be no taxpayers' funds appropriated in this bill that will be used to pay the salaries and expenses of Department of Agriculture employees to grade or inspect tobacco or to administer the price support functions for tobacco.

Second, Mr. President, it makes it very clear that the Secretary has the ability to assess producers a marketing assessment for these functions. So it gives the Secretary a way to carry out these functions, but at the expense of the producers, not at the expense of the taxpayers.

Mr. President, some will note that the Secretary already has the ability to levy an assessment for this program. Indeed, the Secretary does. I added that assessment section so there could be no doubt that there would be no question but that the Secretary could levy it for this purpose. I think it is arguable one way or another that he already has the authority to levy this assessment. But it seemed to me clarity was a virtue in this circumstance. So we go the extra mile to make sure it is clear that he has the ability to raise funds for this purpose.

But, Mr. President, the American men and women who pay our taxes cannot understand why in the world we would have Government functions that work to opposite purposes, why in the world we would subsidize a product which our Government turns around and tells us is hazardous to their health and urges people, at taxpayers' expense, not to consume it.

This amendment, I think, adds consistency to our functions. It adds some consistency in the way we spend taxpayers' money.

Mr. President, it is my impression this will be a controversial amendment; that there will be other Members who wish to voice their concerns and objections about it. I hope there may be others who may want to say a good word or two on its behalf. So I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, if the Senator has completed his statement.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I am confident there are Senators who wish to be heard on this amendment before we vote on it. I am also sure that it is probable that this vote will be postponed until tomorrow. But I hope that those who do want to speak on the amendment will come to the floor and do that so we can complete our debate on the amendment and leave to tomorrow the vote on the amendment, if that is the will of the Senate.

There have been, of course, in the past, amendments similar to this that have been before the body, so it is not a new issue. We have debated this from time to time. I am confident that there are arguments that can be made on the other side and will be by Senators who are experts in this program.

From the point of view of the managers of the bill, though, I would say that this is another example of an effort to modify with legislative language, in effect, programs that are now under consideration and review by the Agriculture Committee. We have this week a markup scheduled on commodity program changes that are designed to meet the challenge of the budget reconciliation and resolution that was adopted by the Congress to reduce the cost of the programs under the jurisdiction of all the legislative committees.

This is under the jurisdiction of the Agriculture Committee, and it may very well be that changes are going to be directed or recommended by the Agriculture Committee in this program. I do not know the extent to which this amendment, if it is adopted, will affect those comprehensive changes that may be recommended by the Agriculture Committee.

When we were talking about the peanut amendment that the distinguished Senator had offered, I mentioned that I had included the peanut program in a proposal that I have submitted to the committee which is designed to reform that program and reduce the costs of the program over time. I know that if we adopt the peanut amendment as proposed by the Senator from Colorado, it would reduce the savings that are now estimated by CBO to be attributable to the farm bill I am proposing.

There may be other Senators who have suggestions to make in the Agriculture Committee about the tobacco program. I do not know the extent to which this amendment would affect those projected savings. But I do know that there will be some effect, and the question before the Senate is whether we ought to adopt amendments such as this, knowing that they are going to be legislative in nature and will encroach on the jurisdiction of the Agriculture Committee. So I voice that concern as a concern that applies not only to this amendment but other amendments like it.

I discourage Senators who do have changes in legislative language and suggest that it would be more appropriate and in better keeping with the way we should do business here in the Senate to bring those up when the legislative committees' bills are on the floor—or bring them up in the committees of jurisdiction, even better, so those committees can review these suggestions.

I respect very much the Senator from Colorado. He is one of the best minds in

the Senate. He is a Senator who has always been on the lookout for ways to improve the efficiency of Government programs and reduce unnecessary costs. He is a leader in achieving results. Again, he is showing his ability to carefully analyze Federal programs and look for ways that we can improve them in terms of their efficiency. The savings of taxpayers' dollars that will result from the changes are quite obvious. This is another example which shows his diligence and his ability in this regard. So I commend him for his continued efforts to do what he is trying to do. I applaud that effort.

Having said that, I hope that if Senators do want to comment on the legislation and the proposed amendment, they will come to the floor to do so, and I will put in a quorum call to ascertain whether we do have Senators who want to speak further on this amendment at this time.

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. LEAHY. 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. LEAHY. Mr. President, I understand there is nobody at the moment waiting to bring up any amendments so I ask unanimous consent that I be able to proceed as in morning business.

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

TRIBUTE TO CAL RIPKEN, JR.

Mr. LEAHY. Mr. President, a couple weeks ago, like many others, I had the opportunity to be in Camden Yards to see a most extraordinary baseball game when Cal Ripken broke Lou Gehrig's record. I remember as a child thinking that the Gehrig record might never be reached, never be broken.

For me, the fact that I could be there with my son, Kevin, to watch that game, was really one of the highlights of this or any other year.

In watching, I could not help but think that Cal Ripken reflected the best of all people who get up and go to work every day in all fields. Whether it is the nurse who is there for the evening shift on a weekend, the person who shows up at the police department and goes to work to protect all of us, the teacher who is there teaching our children, the men and women of the Senate staff who are here—sometimes long after we Senators are able to go home—every day working for the best of our country, and on and on.

In this case I also think credit should be given to Peter Angelos and those who own the Orioles. Earlier this year when there was talk of replacement teams, they stood fast and said there would be no replacement team for the Orioles. Nothing would be done to cut into Cal Ripken's record. Indeed, they did not.

I also think that two things came as a result of that. One, it sent a signal to baseball that there are some owners and some players who care more for the game than care for the disgraceful dance that has gone on the past year, the dance of charges and countercharges and strikes and lockouts that resulted in the cancellation last year of the World Series.

Second, by doing that, I believe it helped bring to an end the strike and it also gave baseball an evening of glory that it has not had for so long. It really did not become a question of whether the Orioles won or lost that night. It turned out they did win with Cal Ripken hitting a home run. It was a chance for people to unite around this country and say there are so many good things in baseball, and to go back to the basics of it. I hope Cal Ripken's accomplishment does help.

As Kevin and I sat there, we watched the different people—Joe DiMaggio sitting a few feet from us, the President, the Vice President, and others just to the other side of us, but what united us was not the well-known people but that baseball fans of all sort throughout that field and throughout the country could share in a magnificent achievement.

VERMONT'S FINEST, SOFTBALL CHAMPIONS

Mr. LEAHY. Mr. President, I recently had a chance to watch some of the best softball I have ever seen.

I saw the Vermonters, who make up my own team, play in the semifinals and then the finals and then win the softball championship.

I was out there Saturday in 95-degree heat, blistering sun, and I watched these young men and women from my office's team and I thought: That is real sportsmanship.

Then, the next day the final championship was fought between Vermont and New Hampshire.

In a league with 120 teams, the idea that the Senate softball championship this year came down to teams from New Hampshire and Vermont is ironic.

You have to understand we are both northern New England States, and the baseball season is rather short in northern New England. Our children grew up with hockey sticks and skates and skis—and have to squeeze their baseball in between those light May snow showers and the September autumn chill that stings the hands of all children who make contact with ball and bat.

But there we were.

The Thundering Herd, the talented granite-like team of Senator BOB SMITH's office had not been beaten all year. But neither had Vermont's Finest. Vermont's Finest, we say with no hint of modesty, is the name of our softball team.

The game went back and forth, only to be tied at the end of seven innings. Vermont scored two runs in the top of the eighth and shut the Herd down to seal the victory and the championship.

We were led by Montpelier's Maggie Whitney, who played second base but should be turning double plays with Cal Ripken, Jr. St. Albans' Jamie Horan has a black eye and a 500-foot home run to show for the series. Beebe Plain's Mike Lawson won rookie of the year honors while representing the smallest town in Vermont with glove and lumber.

And the list of contributors is endless. Big Ed Pagano, our oak tree at first; Tom ''Stonewall'' Cosgrove, anchoring third on a nearly broken ankle—an ankle, incidentally, we heard snap as he hit home plate. He would not allow it to break until he scored that run. Paul ''The Enforcer'' Johnson, who with aging star J.P. Dowd provided key hitting and veteran leadership. Norwich's Regen O'Malley and UVM grad Kara Calaca-Mottola were anchors behind the plate. And our own tank commander, that stalwart marine, Bill Delaney, had more than a few key hits.

Rookies David East and Narric Rome were vital to the team effort.

Vivian Cocca pitched as gutsy a series of games as we have seen in years.

Special honors have to go to our player-coach Brady Burgess, the solid, taciturn hunk of granite, a native of Lincoln, VT, who grew up dreaming of one day holding the Senate trophy aloft. I am sure this is a dream he had as a 3-year-old. He batted, fielded, and led his team to an impossible series of victories.

The loyal bench jockeys were Brattleboro's Jenny Backus, the purple-shorted Kevin ''Scooter'' McDonald, and the pride of St. Johnsbury, Zima-drinking Amy Rainone.

And the whole team was aided by their biggest fan and 5-year-old batboy, Walter Albee, who occasionally let his aging baby boomer, semi-yuppie father play.

We have to tip our caps to a few teams. First, our friendly rivals the Vermont Saps, from my good friend JIM JEFFORDS' office, who had what we call a ''rebuilding year'' this year but will no doubt be in the playoffs next year as they have been.

Second, our tough but honorable rivals from the MCCAIN-MCCONNELL team. It seems one of us is always knocking off the other to get to the mountain top.

Third, our friends on Senator MIKULSKI's team. In the past 5 years, we have each won the championship twice and will be glad to be keeping it in the family.

Finally, to the Thundering Herd from New Hampshire—that the two New England teams made it to the top of the heap is a testament to traditional Yankee values of team play, strength, and hard work. I say to my friends from New Hampshire, they will be first in the Nation when Dixville Notch goes to the polls at midnight. You almost made it first in the Nation in softball,

and we expect to see you again next year.

Mr. President, we joke a little bit about this, but I think some of the most pleasant moments that I spent this year have been watching the softball team play—pleasant, because I know how hard the men and women who work for the Senate, who support all of us, do work, Republicans and Democrats alike. It is the men and women here who so make the Senate the place it is and can be. And they are the ones who make it possible for Americans to have hope in us.

There are 100 Senators. None of us would be able to do our job without people, ranging from those who guard the doors of this Chamber to those who report our proceedings, to those who handle the bills as they go through, and to all the others—those who make the electricity work, to those who help us write the legislation. I sometimes joke we are merely constitutional impediments to the staff. The truth of the matter is, we are, all of us, better—Republicans and Democrats alike—because of the selfless work of the men and women here in the Senate.

When I see them have a chance to play softball and enjoy themselves, I think how lucky we are to have them here. I have to tell all those in my office, I could not be more proud than I was watching them play in these championship games.

Mr. President, I see the distinguished Senator from Mississippi on the floor. When I started speaking there was nobody seeking recognition. He is the manager of this bill. Is he seeking recognition? If not, I have one more item to go to.

Mr. COCHRAN. No. Please proceed.

BIPARTISAN BUDGET SUMMIT NEEDED NOW

Mr. LEAHY. Mr. President, 2 weeks ago I called for a summit between Congressional leaders and the President to avoid a Government shutdown when the next fiscal year starts on October 1.

Since then, the House and Senate have passed a couple more appropriations bills and the administration has threatened more vetoes.

I was encouraged, however, by last week's meeting between congressional leaders and the President that we may yet avoid a budget train wreck which will force the Government to shutdown. The President and congressional leaders were right to get together to discuss a continuing resolution to fund the Government beyond October 1.

I hope last week's meeting signals a start to rational negotiations to solve the current budget impasse. We need to build on the positive signals sent by both sides to reach a compromise.

That is why I renew my call for a bipartisan summit now—before the budget crisis. We need to sit down now to hammer out our differences.

Resolving differences is the essence of governing. Let us get together, the leaders of both parties, and work together to make our Government work.

I fear that few of our leaders have considered what happens if Congress and the President fail to reach an agreement and force the Government to shut down. Make no mistake about it—shutting down the Government will bring serious consequences.

First, shutting down the Government because Democrats and Republicans cannot agree on the budget will accomplish nothing except adding more scorn of our political system. This partisan fighting for just the sake of a headline is exactly what Vermonters believe is wrong with our present system. I believe this scorn will be fully justified if we do not work out our differences before forcing the Government to close.

Second, and more importantly, shutting down the Government will have serious effects on the lives of millions of Americans.

The most immediate effect of a shutdown will be the furloughing of Federal employees. The only exceptions from furloughs under a Government shutdown are Presidential appointees, uniformed military personnel, and Federal civilian employees rated ''essential.''

In 1990, the nonpartisan General Accounting Office estimated that 319,541 Federal Government employees out of 741,653 would be furloughed—about 43 percent of the Federal Government work force—during a Government shutdown.

Imagine the effect on those hundreds of thousands of employees and their families who are facing the prospect of an unknown period of unemployment. These are hard-working people who struggle like millions of other Americans to balance their checkbook each month.

We should not hold their households hostage to our inability to provide a workable Government budget for all Americans.

So let us keep in mind that when we contemplate a shutdown, we are talking about punishing hard-working families, not faceless bureaucrats, as some would lead us to believe.

What would be the effects if 43% of our Government workers are not allowed to go to work?

The GAO surveyed Government agencies in 1990 to find out the answer to that question. Each agency estimated that a Government shutdown would severely damage their effectiveness.

The Environmental Protection Agency, for example, estimated that ''all environmental protection services would be shutdown.'' Do we really want to leave our environment at risk to score political points over a Government shutdown?

The Food and Drug Administration estimated under a shutdown ''there would be no work on applications for new drugs and devices.'' Do we really want to put the benefits of new science and technology on hold to score political points over a Government shutdown?

The Social Security Administration estimated that under a shutdown ''no new applications for Social Security or Medicare eligibility would be taken or inquiries answered.''

Do we really want to make our senior citizens wait to score political points over a Government shutdown?

The Department of Justice estimated that a shutdown would delay trials and weaken its ability to supervise the Federal parolee caseload. Do we really want to slow down our criminal justice system to score political points over a Government shutdown?

The Department of Veterans Affairs estimated that under a shutdown ''there would be approximately 37,000 unanswered telephone calls per day and approximately 5,000 cancelled interviews per day.'' Do our veterans really deserve this kind of treatment to score political points over a Government shutdown?

Perhaps the most lasting effect of a Government shutdown will be the wasted millions of taxpayer dollars.

At a time when the President and Congress are dedicated to eliminating unnecessary Government spending, pouring money down a Government shutdown rathole makes absolutely no sense. Shutting down the Government will make it harder to balance the budget—not easier—because lost revenue from a shutdown will simply add to our deficit.

The GAO estimated in its 1990 report that a 3-day closing would cost the Government millions of revenue dollars.

The Interior Department, for example, would lose $30 million in revenue during a 3-day shutdown, and the Treasury Department would lose a whopping $420 million. A longer shutdown would lose millions more. Do we really want to waste taxpayer money to score political points over a Government shutdown?

Closing the Government, even for a short time, carries serious consequences. It would rightfully heap scorn on our political system.

It would impair the effectiveness of necessary Government services, which many Americans depend on every day. And it would waste millions of taxpayer dollars.

Let us stop this fiscal insanity. Let us build on last week's bipartisan meeting and call a bipartisan budget summit.

It is time for our leaders to start acting responsibly. It is time for our leaders to start using some common sense. It is time for a bipartisan summit on the budget.

Mr. President, I yield the floor.

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

The Senate continued with the consideration of the bill.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I understand that we have some amendments that have been offered and are pending now on this agriculture appropriations bill which is the business before the Senate.

AMENDMENT NO. 2686

One of these amendments that was set aside for debate for later today was one offered by the distinguished Democratic leader in behalf of Senators KERREY and KOHL. That amendment would strike a provision of the bill that was added as a committee amendment appropriating funds for use as disaster assistance to supplement the benefits provided by catastrophic insurance to disaster victims. The reason the committee approved this amendment was because we have seen throughout the South this year some very serious damage in the cotton fields of Alabama, Georgia, Mississippi, Texas, Tennessee, and Arkansas as well.

As a result of massive infestations of tobacco bud worms and beet army worms, and other pests in the cotton crops in these States, it has been hard to estimate the exact amount of damage done because harvesting has not occurred in many of the areas where we know the devastation is severe. So dollar amounts are simply estimates at this point. But one estimate that we saw in my State of Mississippi alone indicates that over 160,000 acres of cotton have been damaged at a loss of over $100 million.

The reason the committee thought it was important to provide some additional benefits is that the catastrophic crop disaster insurance program is not sufficient to help farmers in this situation. And many of them are not going to be able to plant crops next year, and some are not going to be able to stay in business unless something is done to help them.

We have already seen this last week a request from the Governor of Mississippi transmitted to Secretary of Agriculture Glickman asking for disaster declarations in many of these counties in our State which will make available emergency production loans. These loans will be at reduced rates of interest—I am told at about 3.75 percent interest—and would be available as emergency loan benefits, if the damage assessment reports justify the declaration and approval of the declaration by the Secretary of Agriculture.

One difficulty that we are encountering, though, is that the early estimates are proving to be much less than what the damages are turning out to be because of these massive infestations of pests.

It is certainly a concern to me that the Senators from Nebraska and Wisconsin are urging the Senate to overturn this provision in our bill. We had hoped that the Senate and the House also would respond to this crisis situation and be generous—as generous as the budget permits and as generous as our rules permit—to provide some additional assistance to these disaster victims.

I am urging the Senate to approve the committee amendment that provides this crop disaster assistance money. The Senate should also know that I have introduced separate legislation to authorize the Secretary, if he deems that additional disaster assistance is justified, to ask for additional appropriations.

That legislation has been introduced here in the Senate. It has been introduced in the House in the companion bill which is sponsored by Congressman ROGER WICKER and Congressman BENNIE THOMPSON of Mississippi. Our entire delegation was invited to a meeting at the offices of the Mississippi Farm Bureau federation in August to hear firsthand the reports of cotton producers and those who were familiar with the situation—immunologists, an economist from the Mississippi Extension Service at Mississippi State University who was familiar with the facts. And, after hearing all of the information, it became very clear to me that we needed to respond both here in Washington and at every level of government to try to help overcome the effects of this serious disaster.

It is one of those situations where it appeared that we were going to have a very good and productive cotton crop throughout the country this year. But all of a sudden, because of the excessive hot weather, hotter than usual, dryer than usual, and an enormous infestation of these insects and pests that almost overnight the complexion of the cotton crop this year was changed. Producers began trying to find out what kinds of control measures could be effective to deal with this problem. Some of them spent huge amounts on chemical applications that they were told by experts could help deal with this disaster only to find out that the money was really wasted. Hundreds of thousands of dollars have been spent by many farmers in our State to try to deal with and control these pests. And much of that money has been wasted.

There are many cotton fields in our State which will not even have a cotton picker put in the fields. They will not even try to harvest the cotton because it is just not there to pick. So total losses in many of our counties have been sustained.

I am going to ask, Mr. President, to put in the RECORD an estimate that has been compiled from various sources, including the Mississippi Department of Agriculture, the Texas Extension Service, the Alabama Extension Service, and the National Cotton Council. The States of Tennessee, Arkansas, Texas, Mississippi, Georgia, and Alabama are covered in this report.

I ask unanimous consent, Mr. President, that this estimate of cotton losses due to the tobacco bud worm be printed in the RECORD.

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

COTTON LOSSES DUE TO THE TOBACCO BUDWORM

State	Acres—Abandoned and reduced yield	Loss in millions of dollars
Mississippi	160,000	100
Texas (in lower Rio Grand and southern Rolling Plains	500,000	200–400
Alabama	400,000	155
Tennessee	150,000	50–75
Arkansas	100,000	20
Georgia	300,000	75
North Carolina		Negligible
South Carolina		Negligible

Sources: Mississippi: MS Department of Agriculture; Texas: Texas Extension Service; Alabama: Auburn Extension Service; Tennessee: National Cotton Council; Arkansas: National Cotton Council; North Carolina: National Cotton Council; South Carolina: National Cotton Council; and Georgia: National Cotton Council.

Mr. COCHRAN. Mr. President, the estimates not only identify the acreage that has been abandoned and which will have reduced yields due to this infestation, but also the translation in losses in terms of millions of dollars in my State of Mississippi. It is a $100 million estimate. But just this week, when I was home in Mississippi this weekend, the newspaper carried a story with new crop loss estimates that have been compiled from throughout the South. It shows that even higher estimates than had earlier been expected are now justified on the basis of the losses that are occurring.

We have on our hands, Mr. President, one of the worst disasters in the cotton industry that anyone can remember. Our committee decided that it would be important to make available some additional funds which the Secretary of Agriculture could use to supplement the benefits of the Catastrophic Crop Insurance Program.

The Catastrophic Crop Insurance Program is a new program. Farmers were told, when this program was approved, that it would be a substitute for the usual disaster assistance benefits that have occasionally been made available when disasters struck the agriculture sector, and that the amounts of the benefits would be about the same that they would normally get; to qualify for the catastrophic crop insurance, you would be charged $50, and that would be a processing fee.

I remember when I first heard about it, I said to the Department of Agriculture people who were briefing us, ''That's too good to be true—$50. You buy this insurance and it provides the same benefits that the Federal Government has been making available as disaster benefits on an ad hoc basis when they thought it was justified.'' I was assured that is what the promise was.

What has happened, as we get down to the real details and we find out what the benefits are of this so-called Catastrophic Crop Insurance Program, we are finding out it does not provide the same coverage that historic disaster assistance programs have provided.

Previous disaster programs traditionally provided coverage at 60 percent of

historic yields at 65 percent of the market price. This new catastrophic coverage is 50 percent of historic yield at 60 percent of the market price.

That may not sound like a great deal of difference, but it is. It is a substantially different program that is now being made available to disaster victims.

I know that one reason for the change and one reason for the adoption of the new Crop Insurance Program was to provide a predictable level of benefit when an agriculture disaster struck, and if farmers were not satisfied that that was enough, they would be encouraged thereby to buy additional coverage. They would buy up to another level of protection on their own. But a lot of farmers have not done that, for varying reasons. Some misunderstood the benefit package that catastrophic insurance provided; some were, frankly, convinced that the additional insurance was too expensive for what they would probably get from it as benefits; and there may have been other reasons. There has always been a question about how the yields are calculated and whether the yields were too high or too low, whether they were individual yields or countywide basis yields. There have been a lot of problems with crop insurance, and everybody knows that.

I raise this issue now, and I know it will be debated later by those who are trying to strike this money from the bill, so Senators will be on notice that we are probably going to have to vote on this amendment. Unlike other disasters that have been occasioned by flood or bad weather, this is a disaster that actually resulted in farmers going out and spending money to try to prevent it on their own, trying to apply what they hoped would be new chemicals that were promised to work and did not or did not work well enough to justify the enormous expenses that farmers went to to protect themselves.

Here they were. It was just weeks away from these bolls ripening and producing the cotton for harvest when they noticed that these bolls were being infested with bud worms and army worms and other pests.

One part of the story is good news, and that is that in many parts of our State, the delta region particularly, the cotton had gotten to the stage of development where it was not affected by the worms, and so we are not talking about every area of our State being equally devastated by this problem. But we do have many areas of our State where there are total losses and many areas where the yields are not nearly what they were expected to be. It is disheartening and it truly is a disaster of enormous proportions. So I hope the Senators who are resisting this effort to provide additional assistance will reconsider.

The amount of money in the bill for this purpose is about $40 million, and Senator KERREY's amendment will strike that money. We hope that the Senate will vote against it.

I am going to ask unanimous consent, Mr. President, to put in the RECORD some additional supporting documentation on this, specifically an article that I talked about that was in the paper this weekend which more clearly describes the seriousness of the situation and the enormous losses that are occurring in Mississippi and elsewhere as a result of this cotton crop disaster.

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

[From the Clarion-Ledger, Sept. 17, 1995]

GROWERS PICK TOUGH YEAR FOR MORE COTTON

STARKVILLE.—Cotton yields will not be what many growers dreamed of when they increased Mississippi's crop by 100,000 acres to take advantage of stronger prices.

Higher than normal insect pressure and excessive heat have taken their toll.

''Preliminary yields do not look good,'' said Will McCarty, extension cotton specialist at Mississippi State University.

The Sept. 1 crop report from the U.S. Department of Agriculture brought bleak news on the expectations for Mississippi's crop.

''The September report estimates 480,000 fewer bales of cotton for Mississippi than the August report predicted,'' McCarty said. ''The pounds per acre expectation dropped 158 pounds. I can't remember the crop reporting service ever dropping us that much in one month.''

The cotton specialist said the news could get worse as the season finishes.

''There is no doubt that the severe, continuous heat in July, August and early September has taken a heavy toll on the crop,'' McCarty said.

Blake Layton, extension entomologist at MSU, said the state had faced the risk of catastrophic tobacco budworm numbers for several years because of high levels of insecticide resistance.

''The extremely high numbers in 1995 turned that risk into reality,'' Layton said. ''This risk will exist again next year because we still will have problems with insecticide resistance. Severe winter temperatures will help reduce the danger.''

The entomologist said because of the cyclic nature of these insects next year hopefully will be less severe.

''We seldom have two back-to-back years of insect populations at these levels of a pest like this,'' he said.

Layton said natural predators and parasites increase with high numbers of an insect and help knock the numbers back down. He said the damage to the 1995 crop is done. Growers are no longer applying insecticides as the tobacco budworms prepare to overwinter in the ground.

In Forest County, where cotton is a new crop, growers are anxious to harvest and see the bottom line.

''We're one of the few counties that haven't had tobacco budworm problems, but we've had everything else—bollworms, beet armyworms, yellow-striped armyworms and even loopers,'' said Lee Taylor, Forest County agricultural agent. ''Last fall's eradication efforts helped keep boll weevils from becoming a factor this year.''

Taylor said growers turned to cotton as marketing of soybeans and corn became less attractive. He said 1995 has been a good year for cotton.

Otis Davis, Madison County agent, said growers began harvesting cotton slightly earlier because of the dry conditions. The drought is causing lighter seeds and smaller bolls.

''Insects were a tremendous expense to growers throughout Madison County,'' Davis said. ''Cotton prices probably will entice growers to return to cotton again next year.''

Growers throughout the southeast continue to await word on disaster assistance from the federal and state governments as a result of tobacco budworm damage.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I ask unanimous consent that I be allowed to address the Senate as if in morning business.

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

INDEPENDENT STATUS FOR THE FAA

Mr. INHOFE. Mr. President, last month I introduced a bill that would give the FAA independent status. As a matter of fact, when I introduced it, I read a speech as if I were giving it. It was really a speech that was given 20 years ago by Barry Goldwater, and Barry Goldwater's speech was a lengthy one, one that outlined the problems in 1975 that had occurred since the FAA had gone under the Department of Transportation back in 1967. He talked about the procurement problems and the personnel problems that are very unique to the FAA.

Oddly enough, it was 20 years ago that Barry Goldwater made that speech, and I talked to him the other day and he said, ''I hope we will be able to do it now.''

I am talking about a life-and-death issue as a commercial pilot, I guess the last active commercial pilot in Congress. I have experienced having our lives in the hands of those controllers down there, and it is very significant that we do give them the independent status that Barry Goldwater was seeking back in 1975.

I really believe if we could do that, we could effect enough savings to actually prevent having to raise fees and having to raise taxes as is being considered right now in another bill, and as also is being suggested by the President.

On August 9, the chairman of the Appropriations Committee made a statement in the Chamber, and he said, ''The FAA tells us if they could have this kind of operational flexibility''—now we are talking about independent status, free from the bureaucracy of the DOT, free from the procurement guidelines and the personnel guidelines—''they believe they could cut as much as 20 percent out of the procurement budget'' from what they are spending today.

Now, this is significant because that happens to be approximately the amount that historically has been contributed to the FAA for operations from the general revenues. And I suggest to you that my bill does not give

the FAA the power to increase fees indiscriminately. I suggest, if we do that such as is suggested in the McCain bill, instead of streamlining their bureaucracy, they would merely raise fees.

I will read from the McCain bill the portion I am talking about. It says, ''to establish a program of incentive-based fees for services to improve the air traffic management system performance and to establish appropriate levels of cost accountability for air traffic management services provided by the FAA.''

So, Mr. President, I have a lot of respect for Mr. Hinson, David Hinson, who is the Administrator of the FAA. I think he is one of the few real good appointments that this President has made. And I think that if anyone could streamline his bureaucracy, it would be David Hinson. But I suggest to you that the words that I recall that Ronald Reagan made way back in 1965 when he said, ''There is nothing closer to immortality on the face of this Earth than a Government program once devised,'' that is exactly what we are faced with now. A bureaucracy never, as long as it has the ability to raise funds, is going to streamline their operation.

So I hope that we will be able to consider my bill very seriously. And I suggest there are about several million pilots out there that are concerned about this also. I think it would be very difficult to go out right now and tell the pilots, who are paying an average of about $2,320 in various costs each year—for a small four-passenger airplane in addition to that, they are paying the gas tax—to go out and tell these pilots that in 1990 we raised your gas tax and we raised it again in 1993, and now we are going to start raising your fees.

So, Mr. President, this can be done without increasing fees and taxes. My bill will do that. I am going to be urging the passage of this legislation.

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

The Senate continued with the consideration of the bill.

ARS FACILITY AT EL RENO, OK

Mr. NICKLES. Mr. President, I rise to express my concern with the Senate committee's designation of the primary ARS laboratory at El Reno, OK, as a ''worksite.'' Upon a thorough evaluation of the Fort Reno facility, it remains clear that this primary station remains an important and valuable resource for the agricultural community of the Midwest.

Fort Reno's 7,000 contiguous acres, numerous existing structures, including buildings and fences and valuable on-site personnel resources, make it a unique asset and an ideal location to direct and administer research.

A large amount of work at Fort Reno is dedicated to closing the forage gaps in livestock production systems common to the Great Plains States by experimenting in forage alternatives to native pasture and winter wheat pasture.

Fort Reno's regional value is visible in their cooperative efforts with ARS stations in Booneville, AR, and Bushland, TX, to solve the problems caused by cattle raised on fescue pastures in the eastern-third of the United States. Fort Reno's research on the resistance of tropical cattle breeds of fescue fungus problems continues to hold valuable promise.

In addition, Fort Reno many years ago established watershed research locations on several pastures to collect runoff and evaluate the environmental impact of agricultural waste, chemicals, and sediment generated by various grazing systems. Current plans call for an evaluation of this long-term data and an expansion of the program to larger, system-size watersheds. This information will be very valuable as non-point source pollution reduction goals are expanded in the Clean Water Act reauthorization.

As a primary research facility, these are just several examples of progress being made at Fort Reno and a demonstration of the facility's continuing contributions to the agricultural community of the Midwest.

I know the committee is aware that the House of Representatives maintains full funding for the ARS station at Fort Reno in their fiscal year 1996 Agriculture appropriations bill. In light of the important research and existing nature of the Fort Reno site, I continue to strongly support full funding for primary research at Fort Reno.

Mr. COCHRAN. Senator NICKLES, I am aware of your strong interest in the ARS facility at El Reno, OK, and share your support for the agricultural research conducted there.

The valuable work being conducted at the Fort Reno's facility is indeed unique and I recognize the importance of continuing research at the site. As this issue is revisited by a House-Senate conference committee, I will work to maintain this valuable research asset.

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

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

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. COCHRAN. Mr. President, there has been a unanimous-consent agreement worked out in connection with the handling of an amendment to the appropriations bill. The amendment is a committee amendment.

The Senator from California, Senator BOXER, for herself and Senator FEINSTEIN—and maybe others—has offered to strike that amendment. In connection with that, I propose the following:

I ask unanimous consent that at 10:30 a.m. on Tuesday, the Senate resume consideration of the excepted committee amendment regarding chickens, and there be 2 hours to be equally divided between Senators BOXER and COCHRAN or their designees.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I further ask that immediately following the vote on passage of H.R. 4, as amended, the Senate resume H.R. 1976, and there be 4 minutes for debate on the committee amendment, to be equally divided in the usual form, to be followed by a vote on or in relation to the committee amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Arkansas and all Senators for permitting us this unanimous-consent agreement.

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

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

Mr. DORGAN. Mr. President, I ask unanimous consent to speak as if in morning business for 5 minutes.

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

SALE OF PMA'S

Mr. DORGAN. Mr. President, on Wednesday, the Senate Energy Committee will be meeting their reconciliation targets by debating a proposal offered by the Chair which includes, among other things, something most people have not heard much about. It is called the sale of the PMA's. Almost nobody knows what that means—the sale of SWAPA or WAPA or the PMA's.

Well, there are a lot of ideas ricocheting around the Chambers of the House and the Senate these days. Many are labeled ''reform,'' ''change,'' ''new,'' ''bright.'' The fact is some of these ideas are old ideas dressed in new clothes that have been bad for years. This is one of them. The notion that we should sell the power marketing agencies in order to raise some short-term dollars in the short run and lose dollars every year thereafter makes no sense at all.

Let me describe for people who do not have any idea what this means what the consequences are and what PMA's are. In my State of North Dakota, some 40 years ago, they decided to try to harness the Missouri River because it was causing a lot of problems. Spring flooding would come and the old Missouri would snake out in a dozen different directions and cause enormous flooding all the way down to Kansas City and elsewhere, and so they decided we needed to harness the Missouri River. So we built a series of dams under the Pick Sloan plan. One of the dams was built in North Dakota called the Garrison Dam. It dammed up a half million acres of water behind it. Communities that used to exist are now under water and have been for years. It created a dam in order to prevent flooding, and one of the benefits of creating that dam is that they put in turbines and the water runs through those turbines and generates electricity. The promise was that if you in North Dakota will be willing to play host to a flood that comes and stays forever, so that downstream they can play softball in the evening, light the city park and not worry about flooding—if you will play host to a flood that comes and stays forever on a half a million acres in order to help folks downstream, we will give you some benefits. One of these benefits is that you will be able to generate low-cost regional electricity and send it around in a way that will benefit folks in the region who are using electricity.

So our people said, ''Well, that sounds like something we would be willing to do,'' and we did. The Pick Sloan program went forward and the dam was built and the flood was created and we generate electricity. That promise of low-cost electricity for our region is a promise that has been kept over the years.

Now, the Garrison Dam that generates that electricity with all the turbines and the water running through that is owned by the public. It is owned by the Government. And so are the transmission lines and the dam through which that electricity flows in order to provide benefits to people who are using their electricity on farms, in cities, in businesses. Those facilities, the dam and the transmission lines, are owned by the Government. It is a public facility owned by the Federal Government.

In our region of the county, it is called WAPA, Western Area Power Administration. It is the way we take public power generated from the dam and distribute it regionally for the benefit of the people in our region because we promised them if they would accept a flood that came and stayed, we would give them some low-cost electricity as part of the benefit, part of the payment.

Well, some years ago, there was a plan that was developed to cut Government waste—some of you remember it—called the Grace Commission. Peter Grace headed the Grace Commission. It had a lot of good ideas. In fact, about two-thirds of the ideas in the Grace report were eventually adopted—a lot of good ideas, but like anything else that has a menu of ideas, some were genius and some were dumb.

One of the dumb ideas, in my judgment—using a pejorative term—in the Grace report was to sell our dams that generate hydroelectric power.

All the way back to the Grace report, we had this goofy notion that if we would sell the dams so that those who would buy these dams and the hydroelectric facilities could reprice the electricity to market rate, that would surely be a good thing for the Government. But, of course, that did not get much traction throughout the 1980's.

Some of the Grace report did because some of it made sense and some of it just did not make any sense at all. This was part that did not make any sense, so it never got done. However, in recent years, there were calls to sell the power marketing agencies—Southwest, SWAPA, WAPA, three of them, four of them actually, one of which is being sold—sell the power marketing agencies.

Well, it comes from people who, I suppose, have two motives now. One is they do not think the public ought to own anything—get it in private hands so it can be priced at whatever the highest price is. That is the philosophy of some. And the second philosophy by some is let us solve the budget problem today by selling assets.

In order to accomplish that philosophical purpose, they had to change the rules this year—the first year ever in which they changed the rules—to allow you to sell an asset and show a reduced deficit.

Would it not be interesting to have a family budget like that? You say, well, we will meet our yearly expenses by selling the car, then the house, then the yard.

Well, we had a rule against that in Congress, for good reason, because people who thought much about it understood what everybody knows: you do not solve your fiscal problems by selling your assets. At least you do not solve your operating budget deficit problems by selling your assets.

But this year, it is different. This year, the majority party says our budget is going to change. We are going to change that little old rule so you can sell assets and therefore show a lower operating budget deficit.

Well, there is one inevitable truth about selling the power marketing agencies. And that is this: Every single year they bring money into the Federal Government from the sale of this electricity. Every single year we get streams of hundreds of millions of dollars from the sale of this electricity from the hydroelectric facilities.

Now, if you sell them, what would be the budget impact? The budget impact in the first couple years would be—you would get the money for the sale, would you not? So you show some more money coming in because you sold them. Then what happens every year after that? Every single year after that you have a loss. The Federal Government would not be getting the money it used to get and not getting the money that it expected to get.

This is so symbolic of the way fiscal policy exists around here. Sell an asset, use it to say you are going to deal with an operating budget deficit. Sell an asset and get some money now despite the fact that in the long term by selling the power marketing agencies you lose money. You lose money every single year in the long term because the income stream that used to come in will no longer come in.

Now, we are going to meet on Wednesday in the Energy Committee to deal with this reconciliation requirement. And you know, I am just not moderate on the question of whether we should sell the power marketing agencies. The answer is no; under no condition should we sell the power marketing agencies.

Some say, let us let the customers buy them on a preferential basis. The power marketing agencies are part of a long-term promise that philosophically ought not be abridged or violated. We ought not, for short-term purposes, construct a mechanism here in budgetary policy that is just pound-foolish in every respect—that will bring some money in in the short term by doing something that is fundamentally unsound and philosophically wrong and that in the long term will increase the Federal deficit.

This is to me both philosophically important, because I believe there are certain public principles involved in the public ownership of these assets, and it is also important from a fiscal policy standpoint. And when we meet on Wednesday, I intend to be one of those on the Energy Committee that says, I do not support and will not support the sale of the power marketing agencies.

There are a lot of good ideas running around this Chamber. I embrace many, support many, and stand to speak for many. But when I see an old idea masquerading as a new idea, that is in fact a bad idea for this country, it is time to blow the whistle and say, ''Enough; no more.'' I do not know where the votes are on Wednesday, but I hope we can defeat this.

I say to those who wonder what the consequences might be, well, in my State, North Dakota—a very small State, 640,000 people—if they sell the power marketing agencies and have people bid on them so we get some short-term money in, what will happen is we will have short-term money in the front end and it will cost us higher budget deficits in the long term, and about 200,000 North Dakotans will pay higher electric rates.

It makes no sense at all. It violates the promise that exists as a result of the construction of these facilities.

And in my judgment, this Congress would do well to decide to stand on principle and not entertain any longer the idea of selling the power marketing agencies.

Mr. President, I know there will be a substantial amount of debate and discussion about this in the Energy Committee on Wednesday, and I hope that when the dust settles, we will find a way to defeat this proposal.

RESTRUCTURING THE FARM PROGRAM

Mr. DORGAN. Mr. President, let me address one other quick item as long as no one is seeking the floor. A group of us just had a press conference about an hour ago to introduce a piece of legislation that calls for restructuring the Farm Program. That is not very important to most people if you are not involved in farming or do not live in a rural county or do not live in a rural State. It may not matter to you what kind of a Farm Program this country has. But if you are a family farmer trying to raise some kids and raise a crop and keep things together and make a decent living, the question of whether this country has a Farm Program is critical to your survival.

We have two different approaches to the Farm Program these days: One embodied in the most recent budget that says, let us cut $14 billion out of the agricultural function, that says we should increase defense spending, build star wars, but we cannot afford a decent farm program; let us cut $14 billion. The President, by contrast, said, let us cut $4 billion.

Well, I accept that Agriculture should have some budget cuts and I supported budget cuts in the past for them. They have taken more than their share in the past than they should have, but more is to come. But not $14 billion, $4 billion to $4.2 billion the President suggested is in the range that makes some sense.

But what is interesting to me is that now that this budget requirement is out there, one which I do not support by the way, we are discovering that the chairs of both committees in the House and the Senate in the agricultural area cannot write a farm plan. They cannot get a consensus on a farm plan. They cannot find 10 votes in the Senate committee for a farm plan apparently, because they paint themselves in a corner with a $14 billion budget deficit reduction number in agriculture. You cannot write a decent farm plan with that.

Some say, well, we have a new approach called the freedom to farm bill. The freedom to farm bill, as my colleague, TOM HARKIN, said, is the ''welcome to welfare'' bill that disconnects in every single way an opportunity to have a long-term price support that is beneficial to family size farms.

I will not apologize for a minute to anybody for believing that investing in family farmers with a safety net that makes sense is worthwhile for this country. Nobody in this Chamber ever ought to stand up and claim to be pro-family if you are not pro-family farmer. Nobody under any condition ought to talk about being pro-family unless they are willing to stand for the interests of maintaining a network of family farms in this country. That is where the nurturing and caring and sharing and the kind of development of family values in this country has always begun for 200 years and rolled across this country to our small towns and cities.

The fact is, it makes a difference in our future whether we have an inventory of agri-factories producing America's food or whether we have families out there living on the land where the yard light is on at night and sending kids to school and buying tractors in town. It makes a difference the kind of agriculture we have.

Family farm-based agriculture is critically important to this country's future. I know a group of us introduced legislation today that says you can create a better farm program and save money if you simply disconnect from the giant agri-factories and decide to focus a targeted price support on the family size farms.

People say, ''What is a family-size farm?'' I do not know the answer to that. We do not have a statistical definition of a family size farm. But we do not have enough money anyway, so you try to layer in the best price support you can for the first increment of production; and the effect of that is to provide the bulk of the benefits to family sized operations.

Now, we hope in the coming 3 or 4 weeks, in the time that is critical for the future of the new 5-year farm bill, that we can find a critical mass between Republicans and Democrats, all of whom, hopefully, will come together to get a network of family farms in this farm bill. And we hope we can do that.

There are some in this Congress who are willing to wave the white flag of surrender and say, ''We give up. It cannot be done.'' What they do is consign rural counties in this country to economic despair and economic depression. My home county lost 20 percent of its population in the 1980's and 10 percent in the first half of the 1990's. It is shrinking like a prune. The current farm program does not work. And it is not going to help a thing by deciding to surrender and pass something called a freedom to farm act, which, as I said, is nothing more than a welcome to welfare act.

There is a better way to do this. Senator DASCHLE, myself, Senator CONRAD, Senator EXON, Senator HARKIN, and others introduced legislation today that we think puts us on the road, the right track, to deal with this country's farm problems. I hope all Members of the Senate will be able to review it and consider it as we evaluate what direction this country takes with respect to farm policy in the coming 5 years.

Mr. President, I yield the floor.

I make the point that there is not a quorum.

The PRESIDING OFFICER (Mr. ABRAHAM). The clerk will call the roll.

The legislative 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. Without objection, it is so ordered.

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

The Senate continued with the consideration of the bill.

Mr. DOLE. Mr. President, let me again remind my colleagues on both sides of the aisle, the managers of the Agriculture appropriations bill are on the floor. They have been on the floor throughout the day.

There are Members here who have amendments who, for some reason, are holding back offering those amendments. Let me repeat what I tried to indicate this morning, that if we can complete action on the six remaining appropriations bills this week and by the 30th of next week, by next Saturday, a week from this coming Saturday, we would, I think, be prepared to take the next week off, plus Columbus Day.

That is if we complete action on the appropriations. I do not mean complete the conference but complete action in the Senate Chamber so that either will be ready for conference as soon as we return.

We are trying to avoid the so-called train wreck come October 1, which I think can be avoided fairly easily.

I know some of my colleagues are around but they just have not come to the floor. It is very difficult for the managers to proceed with the bill.

If we finish this bill, this will be No. 8 out of 13. Then we will move to another appropriations bill, hopefully do three this week and three next week. But the managers of the bill cannot move unless they have the cooperation from Members.

Members sometimes are hard to move, but if you intend to offer an amendment to this bill, I would say to my colleagues on both sides of the aisle, please cooperate. We are only trying to accommodate the requests of many, many Senators the week of October 1. But we cannot accommodate those Senators unless we have the cooperation of all of our colleagues. There will be a vote sometime this afternoon, about 5:30.

Mr. COCHRAN. If the distinguished leader would yield, I can say that we are trying to reach an agreement on a vote at a time certain later this afternoon, certainly not before 5:30.

There is an indication that we could have a debate and a vote on the promotion program amendment which would be offered by the Senator from Nevada and the Senator from Arkansas, but that vote could occur as late at 8 o'clock, we are told.

We are trying to work out an agreement on what our options are. We would like to have a vote later this evening.

Mr. DOLE. Third reading would be one option. Can we go to third reading?

Mr. COCHRAN. I do not think that is appropriate since we have amendments where the yeas and nays have been ordered but we agreed that the votes will not occur until tomorrow.

We have two amendments by Senator BROWN from Colorado where the yeas and nays have already been ordered. We also have an agreement that has been entered into regarding an amendment by the Senator from California, Senator BOXER, where the vote will occur tomorrow afternoon after we have completed action on the welfare bill.

So we have made progress. Senators have cooperated. We do have outstanding amendments, and we appreciate your suggestion that those Senators who do want to offer amendments come and offer them and talk about them, and we will have a vote on one tonight and stack the rest of the votes for tomorrow.

Mr. DOLE. In addition, if they have an amendment, it may be some of the same Senators that had asked me about that first week in October. So I will keep that in mind when they come around the next time.

Mr. BUMPERS. Mr. President, in relationship to the discussion, I think Senator BOB KERREY has an amendment that is supposed to be on the floor at 5:30 to debate the amendment.

The distinguished chairman of the committee has suggested that we vote on the committee amendment, but I am also told that the committee amendment contains not only the disaster relief as proposed by the chairman, but also the provision that Senator BOXER objects to.

We could bifurcate.

Mr. COCHRAN. We would not want to vote on the one relating to the poultry issue that Senator BOXER is interested in, only that relating to the disaster assistance for cotton farmers.

Mr. BUMPERS. Frankly, I think it is important we tell people we are going to start voting sometime after 5:15, that we start voting. I am hoping we can vote either on the Kerrey amendment or the committee amendment.

Senator BOB KERREY is supposed to be on the floor at 5:30. If he is, we will work out an agreement. If he wants to vote right then, first, that is fine. It is fine with the chairman. Then we will vote on that part of the committee amendment.

Mr. COCHRAN. We do not have to vote on both of them.

Mr. BUMPERS. That is right.

Mr. DOLE. Or we could vote first and then hear the amendment.

Mr. BUMPERS. In any event, I hope we start voting here. Senator COCHRAN and I have waited patiently here all day long with not some grace, but, in any event, we have been here.

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

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

Mr. BROWN. Mr. President, I ask unanimous consent that I be allowed to vitiate the yeas and nays on my amendment No. 2689.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 2689, AS MODIFIED

Mr. BROWN. Mr. President, I now will modify my amendment, provided the amendment has been delivered to the desk, and ask that it be considered as an amendment to the bill, not the committee amendment as previously.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. Mr. President, reserving right to object, I will not object.

The PRESIDING OFFICER. The Chair will indicate that this does not require unanimous consent.

Mr. FORD. I understand the Chair. The Senator has the right to modify his amendment without asking unanimous consent. I will not object.

The amendment (No. 2689), as modified, is as follows:

At the appropriate place in the bill, insert the following:

"It is the Sense of the Senate that the current statute establishing the Tobacco Marketing Assessment, which raises revenues used solely for deficit reduction purposes and not in any manner to offset the costs of the tobacco program, should be amended to require that the current assessment be set at a level sufficient to cover the administrative costs of the tobacco program."

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. FORD. I thank the Chair.

Mr. President, let me express my appreciation to the Senator from Colorado for his working with Members this evening in order to arrive at what we think is a reasonable conclusion to his desire. I think and hope that it will reach what he is attempting to reach without having a confrontation. He has been very gentlemanly about it, and I do appreciate it. I hope that and believe that both sides will accept his amendment now and that we can move on to other amendments.

I thank the Chair. I thank the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I want to extend my thanks to both Senators from Kentucky; Senator FORD, who is here, and has been so helpful. I might say that the Senator was expanding on the information that I got from the Congressional Budget Office, which was not clear, that the tobacco program has people who are paid for their grading and inspection already. I think that needs a clarification, and the RECORD should clearly reflect it.

I think it is also appropriate to note the existence of a payment to reduce the deficit which has been made by the program. This amendment's clear policy is that this ought to be approved—no-cost-to-the-Government provision—that it makes it clear in drafting the new farm program, or revising the existing farm program, that both the deficit reduction effort, as well as the administrative costs, which my amendment was concerned with, ought to all be completely paid for. I think that this is very helpful in that regard.

I yield the floor, Mr. President.

The PRESIDING OFFICER. Without objection, amendment No. 2689, as modified, is agreed to.

So, the amendment (No. 2689), as modified, was agreed to.

Mr. BROWN. Mr. President, I rise to offer an amendment and ask unanimous consent to set aside the pending committee amendment so it may be offered to the underlying bill.

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

AMENDMENT NO. 2690

(Purpose: To limit the use of funds by the Department of Agriculture to activities that do not interfere with the primacy of State water law)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 2690.

Insert at page 84, between line 2 and line 3:

SEC. 730. None of the funds available in this Act shall be used for any action, including the development or assertion of any position or recommendation by or on behalf of the Forest Service, that directly or indirectly results in the loss of or restriction on the diversion and use of water from existing water supply facilities located on National Forest lands by the owners of such facilities, or result in a material increase in the cost of such yield to the owners of the water supply; *Provided:* nothing in this section shall preclude a mutual agreement between any agency of the Department of Agriculture and a state or local governmental entity or private entity or individual.

Mr. BROWN. Mr. President, this amendment has been improved by the helpful suggestions of the Senator from Arkansas.

What it is meant to do is address a rather unusual occurrence that happened several years ago; that is, water supplies, drinking water being delivered from reservoirs in the mountains of Colorado, being delivered to the cities on the plains which crossed Federal ground.

The Forest Service at one point had suggested that literally the cities

would have to forfeit a third, a half, a tenth, some portion of their water to be allowed to get a renewal of the existing permit to cross Federal ground. This was ironic because some of those permits predated the existence of the Forest Service itself.

This approach was taken by the Forest Service, localized in Colorado, and not, at least at that point, in other States, thankfully, by other departments of the Federal Government. You can imagine this would cause enormous chaos. There is a law and body of case law that relates to this and recognizes States rights in this area.

Let me emphasize, Mr. President, this phenomenon occurred where there was no change whatsoever anticipated in the use of the water or the means of transiting the Federal ground at all. All of us understand that there are important laws on the books that grant broad authority and grant new permits to either use or cross Federal ground. But this phenomenon had occurred at a point where they were talking about simply renewing an existing permit with no change whatsoever. The policy literally called into question then the water rights throughout almost all of the State.

As a matter of fact, if followed in other States, it could have endangered not only water rights throughout the entire West but property rights for States and citizens and municipalities throughout the entire Nation because, of course, once one is allowed to extract or extort concessions based on renewal of an existing permit without any changes, almost every city in the Nation has some vulnerability.

This, I think, makes the policy clear that that kind of extortion will not take place.

I want to thank both the Senator from Mississippi and the Senator from Arkansas for their help in crafting this limitation.

Mr. COCHRAN. Mr. President, I congratulate the distinguished Senator from Colorado for his amendment and for his successful negotiation of the amendment with the administration. We are happy to recommend the approval of the amendment and hope the Senate will support it.

Mr. BUMPERS. Mr. President, let me just echo the words of the distinguished Senator from Mississippi. The Senator from Colorado and several communities in Colorado have a very difficult problem in renewing easements and rights-of-way on municipal water supplies which cross Federal lands. Those are up for renewal.

I happen to come down very strongly on the human needs side when issues like this arise. It is not that there are not other problems that can and should be addressed in order to accommodate the future of those lines for the benefit of both parties, and that is the reason I personally favor and the administration favors the provision in this amendment that as long as both parties voluntarily agree to changes which are beneficial to both, that is fine. But frankly, the Federal Government and Forest Service should not have the right to be arbitrary or capricious in renewing these rights-of-way which are critical to the very existence of some of these communities.

The Senator from Colorado has my gratitude for offering it, and I am happy that we were able to work out this language. We have no objection to the amendment.

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

The amendment (No. 2690) was agreed to.

Mr. BROWN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. BUMPERS. 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. PRESSLER. Mr. President, I ask unanimous consent that the quorum call be dispensed with.

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

Mr. PRESSLER. Mr. President, I ask unanimous consent to speak for 5 minutes as in morning business.

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

Mr. PRESSLER. Thank you, Mr. President.

MISLEADING ADS TO SENIOR CITIZENS

Mr. PRESSLER. Mr. President, there have been a number of ads run on television and newspapers regarding senior citizens programs in my State of South Dakota and, I understand, around the country. These ads are very misleading. They wrongly allege if current plans by the majority in Congress are carried out, certain people will not be able to get care for Alzheimer's disease or nursing care or medical treatment. These are scare tactics.

In my own case, I have taken great interest in senior citizens. In fact, my father, unfortunately, died of Alzheimer's disease. I have an Alzheimer's foundation. I am active on the board of the Alzheimer's association nationally and in my State. I have been a champion of senior citizens. I am very concerned about their welfare. That is why I was concerned greatly when Medicare's trustees—a majority being members of President Clinton's own cabinet—declared earlier this year that Medicare would go bankrupt unless we do something about it—we who hold responsibility.

A general plan to protect and preserve Medicare has been put forth by those courageous enough to be involved with it. I serve as a member of the Finance Committee, and I have been a part of the development of this plan. Our plan would not cut Medicare, but would slow its rate of increase from about 10 percent a year, which is well above inflation, to about what President Clinton once called for 2 years ago, about 6 percent, twice the inflation rate.

Now, Mr. President, it seems strange to me that all these baseless ads imply—and they list me by name in my State—that Senators who are trying to save Medicare are somehow forgetting senior citizens and people with Alzheimer's disease. I resent that deeply. As one who had a father die of Alzheimer's disease, I will not take a back seat to anyone regarding the care of senior citizens. I also do not intend to sit idly by and let Medicare go bankrupt. Nor will I allow our fiscal house be dismantled in order to protect well-intentioned, but wasteful or inefficient Government programs. We cannot go around promising everybody everything.

We have a huge deficit that threatens our children's future. We also have a Medicare system its trustees' have predicted will go broke if we do not do something about it. We can save Medicare by reforming Medicare. We can save Medicare by finding greater efficiencies, and eliminating waste, fraud and abuse. It means we have to use new telecommunication methods and other medical technologies to lower costs. It means we have to encourage greater choice in the kinds of medical services available to seniors, which would also lower costs. We can do all these things and more without cutting Medicare, but by slowing its growth rate in order for Medicare to be there for seniors well into the next century. And that is very appropriate.

Now, we should take a look at who is running these ads, at least in my State and maybe around the country. Who is disseminating this false information?

First of all, one of the sets of ads is being funded by the American Federation of State, County and Municipal Employees. Of course, one wouldn't know that by listening or reading the ads, because the ads are being run under a different name, the so-called Save America's Families Coalition. Another is run by the so-called American Health Care Association. I think that there should be truth in advertising here. Who are really behind these ads and what is there agenda?

Let me say that I know there are many sides to American politics. However, more and more, ads are being run on television and the radio and in the newspapers by front groups that try to hide the true source. It is hard to know by the disclaimer exactly who is behind these ads.

And so, Mr. President, I would say as one who comes from a family who has seen the tragedy of Alzheimer's disease firsthand that I am very, very concerned. I am concerned about our Nation's seniors. I have fought for our

seniors from the very first day I took office as a U.S. Congressman. And I will continue to fight for them as a member of the Senate Finance Committee. My resolve is stronger than ever. Our first priority for seniors is simple: to preserve and protect Medicare. I have just come from a meeting working on a comprehensive plan to save Medicare. I would hope that instead of running Medi-''scare'' ads, these liberal special interest groups would offer real solutions to what President Clinton and every Member of Congress believes is a very severe problem. I would like to see their ideas, their plans specifically.

All of us will have to stand on the Senate floor soon and vote up or down on these issues within the next few weeks. At that time, our views and our votes will be known. Before that occurs, I hope all those behind the current ad campaigns will step forward and join in a constructive effort to save Medicare. This issue is too important for our seniors, and they deserve a constructive dialogue and debate.

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

I suggest the absence of a quorum.

Mr. FORD. Mr. President, would the Senator from South Dakota withhold that motion?

Mr. PRESSLER. Yes, I will.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. FORD. I ask unanimous consent that I might proceed as in morning business for 2 minutes.

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

HEALTH CARE

Mr. FORD. Mr. President, I understand where my friend from South Dakota comes from. But there is part A and part B under Medicare. Part A, we talk about the trustees and their reports. They gave us two reports. One is a $136 billion surplus today in part A; but in 7 years it will be down to minus $6 billion. Under part B, there is $17 billion in surplus today; and 7 years from now it will be $25 billion in surplus.

The President has put out that he would want $89 billion in part A to make Medicare solvent for 10 years, and he has asked for a little bit more to make Medicare solvent. We agree with the problems of solvency. The President has three members on the board of trustees, or the commission, that reports to all of us annually. And so we have given a proposal. We do not want to take $270 billion out over 7 years. We do not want to cut another $240 billion out of Medicaid.

So when you look at that, the reduction in the budget comes out of health care—comes out of health care. And something, in my opinion, has to be wrong when we are looking at children to be hurt, we are looking at the elderly to be hurt. And yet the headline in the Nashville Tennessean is, ''The GOP Plan Has Coddled the Rich and Socked It to the Poor.'' That is big 2-inch headlines across the banner of that newspaper.

So when you say we have not given a program, it is out there. It is out there. And we are not scaring our old folks. We are trying to protect them. So, a little bit—a little bit is a whole lot better than trying to reach a tax cut. $240 billion is a figure we all want to remember—$245 billion. That is a tax cut. When you cut the expenditure of Government to balance the budget, that is one thing. And we are all for that. I am for it. But then you say you want to give a tax cut, that means you have got to cut more.

So the problem now is not balancing the budget; the problem now is $245 billion that will be a tax cut. If we can get around to not using that or not giving it to the ultrarich, I think the balanced budget and the programs would go through very smoothly.

There is no big argument about making Medicare solvent, no argument at all, but it is giving a $245 billion tax cut to the most wealthy in this country while you take a big hunk out of Medicaid.

And I see the Alzheimer's patients under Medicaid, I see the Alzheimer's patients under Medicare. There are a lot of people in this Chamber that probably can use Medicare. I am of that age, others of that age. But the problem results in a $245 billion tax cut. If we did not have that, we would not have the problem. The ads would not be running. We would already have the appropriations bills out. We would be waiting for the conference to come back. We probably could meet our deadline of October 1 for the budget.

I understand my time is probably up, and I thank the Chair for his friendly greetings.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

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

The Senate continued with the consideration of the bill.

Mr. CHAFEE. Mr. President, I want to take this opportunity to thank the managers of the bill for the increase that they have given to the WIC Program. I think the WIC Program is an outstanding program, and I think it is worthwhile. Its value has been evidenced by the fact that the distinguished managers of the bill have given it a very nice increase for the upcoming year.

So I want to thank the senior Senator from Mississippi and the senior Senator from Arkansas for the additions to the WIC Program which they provided in this legislation.

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

Mr. COCHRAN. Mr. President, will the distinguished Senator please withhold?

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me just thank the Senator from Rhode Island for his generous comments and his support for the provisions of the bill which he described. It is very difficult in this time of diminishing access to funds under our allocation and budget resolution to keep this caseload up to the existing level. It has been done with the full cooperation of the other members of the subcommittee.

We recognize that it is an important program. It is a program that saves money, I think, in terms of health care costs and learning deficiencies that would occur were it not for the proper nutrition at these ages.

So I appreciate very much the Senator noticing the hard work that was put in on this subject.

Mr. CHAFEE. Mr. President, what the WIC Program is, for those who do not know, it is a nutrition program, as the distinguished senior Senator from Mississippi said, a nutrition program for women, infants, and children.

Furthermore, invariably, at least in my State, it takes place in a setting where you might say it is one-stop shopping, where a mother can come and her infant child will be cared for and, in addition, can get some nutrition advice from experts.

As the distinguished Senator from Mississippi said, this is really proven out to be a money saver in the long run. If we can keep these infants healthy and get them off to a good start, savings to the Nation in the form of medical care are very, very significant in the long run.

So I am happy this was able to be worked out the way it was.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. COCHRAN. Mr. President, we were successful in getting Senators to cooperate in identifying the amendments that remain to be offered to this bill. We are prepared now to seek unanimous consent to limit the amendments on the bill to those which we will read. These have been cleared on both sides of the aisle.

I now ask unanimous consent that the following amendments be the only

remaining amendments in order to H.R. 1976, other than the pending amendments; that they be offered in the first or second-degree; if a committee amendment still remains to be amended, any first-degree amendment be subject to relevant second degrees:

A Stevens budget for Assistant Secretary of Natural Resources amendment; a managers' package; two Cochran relevant amendments; a McCain funding for travel colleges; Domenici on scoring; Abraham on advisory committees; Senator BINGAMAN requiring USDA energy savings initiatives; Senators BOXER and FEINSTEIN on chickens, fresh and frozen regulations; Senator BRADLEY, two relevant amendments; Senator BRYAN, one to eliminate the Market Promotion Program and three relevant amendments; Senator BUMPERS, two relevant amendments; Senator BYRD, relevant amendment; Senator CONRAD, an amendment to establish a United States-Canadian review on water in North Dakota, ARS potato research laboratory and a relevant amendment; Senator DASCHLE, two relevant amendments; Senator DODD, two relevant amendments; Senator DORGAN, a United States-Canadian study on Devil's Lake; Senator FEINGOLD, a rural development amendment and one on research grants; Senator HARKIN, food stamps amendment; Senator KERREY, cotton disaster assistance funds amendment; Senator KERRY of Massachusetts, prohibit Market Promotion Program, mink export amendment, and a relevant amendment; Senator KOHL, two relevant amendments plus an amendment on rural development grants; Senator LAUTENBERG, two relevant amendments; Senator LEAHY, an amendment to restore livestock feed assistance and an alternative development amendment; Senator LEVIN, Michigan special research grant amendment and a relevant amendment; Senator REID, sugar program amendment and two relevant amendments.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I have just been advised that Senator FORD would like to be added as having one relevant amendment. Otherwise, we have no objection to the list as read by the chairman.

Mr. COCHRAN. Mr. President, I ask that my UC be amended, as pointed out by the Senator from Arkansas, and to add a Gorton relevant amendment, plus a Gregg relevant amendment and, as modified, I so ask unanimous consent.

The PRESIDING OFFICER. Is there objection to the unanimous consent agreement, as modified? Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I thank the distinguished manager on the part of the minority for his cooperation and all Senators for cooperating to identify these amendments.

Let me say now that if we called for the regular order, which I am prepared to do, as I understand it, the amendment of the Senator from Nebraska, Senator KERREY, which was offered earlier in the day by Senator DASCHLE on his behalf, would be the pending business. Parliamentary inquiry. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BUMPERS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending amendment is No. 2688 offered by the Senator from Colorado to the committee amendment.

Mr. BUMPERS. That is the amendment on the peanut subsidy?

The PRESIDING OFFICER. That is correct.

Mr. BUMPERS. Just to refresh my own understanding of this, what was the question and answer of the distinguished Senator from Mississippi as to what the regular order was?

The PRESIDING OFFICER. Amendment No. 2686, the amendment offered by the Democratic leader on behalf of the Senator from Nebraska.

Mr. COCHRAN. I call for the regular order.

AMENDMENT NO. 2686

The PRESIDING OFFICER. Amendment No. 2686 is the pending question.

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

Mr. COCHRAN. I have not yielded the floor. Do I have the floor?

The PRESIDING OFFICER. Yes.

Mr. COCHRAN. Mr. President, the purpose of coming to this amendment in the regular order is that this amendment was the first offered today by the distinguished Democratic leader on behalf of the Senator from Nebraska and the Senator from Wisconsin, with the understanding that it would be taken up later in the day. It is later in the day. We have told Senators that we would not have a vote on this bill until 5:30. We now have reached that point and beyond. I have spoken against the Kerrey amendment, and for the committee amendment, which is the subject of the Kerrey amendment.

The Kerrey amendment seeks to strike the committee amendment which contains funds—$41 million—for disaster assistance for cotton producers, which have been hard hit this year by a massive infestation of beet army worms, tobacco budworms, and unusually dry weather, which has exacerbated a very difficult situation throughout the South and Southwest.

I notice that the Senator from Nebraska has come to the floor now to speak to the amendment. I am prepared to yield the floor and permit whatever time he may need to discuss his amendment. I hope that we can then vote on his amendment, or a motion to table his amendment. I am prepared to move to table his amendment and ask for the yeas and nays, but I am not going to do that if he wants to speak to that amendment now.

Before I yield for that purpose, I wonder if we can agree on a time certain, for the benefit of all Senators, on a motion to table the Kerrey amendment.

I am hopeful that the Senator could agree to take no more than 10 or 15 minutes. I think I spoke for about 10 minutes. Most Senators know what this is all about. If additional time is needed, I am happy to consider that, along with the interests of other Senators. I know Senators have made plans for other activities tonight. They thought they were going to vote at 5:30. I wonder if the Senator can tell us what his needs would be in terms of time to debate this amendment. I will be happy to yield to the Senator to respond, without losing my right to the floor.

Mr. KERREY. Mr. President, I say to the distinguished Senator from Mississippi, there are others who have told me they want to speak. I just arrived here. I am not sure how many others have actually come to speak in favor of this amendment. I personally can get by easily with 10 or 15 minutes. I wonder if the Senator would mind making it 30 minutes, and I will be prepared to yield it back if nobody else shows up. It may be necessary at this point, since some Members have been waiting and know what time the vote was going to be scheduled, to give them time to get here. As far as the amount of time I require personally to speak on this amendment, 10 or 15 minutes would be all I would need.

Mr. COCHRAN. I thank the Senator. Let me see if this is suitable to Senators.

I ask unanimous consent that we vote on or in relation to the Kerrey amendment at 6:30.

The PRESIDING OFFICER. Is there objection to that unanimous-consent request?

Is the time to be divided in the usual fashion? Does the Senator wish to specify a division of time?

Mr. COCHRAN. Under the usual form, and that no other amendment would be in order to the amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. KERREY. Mr. President, this is a fairly straightforward amendment. I must say I offer it with some reluctance. The distinguished Senator from Mississippi and the distinguished ranking member from Arkansas have done an excellent job with the agriculture appropriations bill and in staying open to suggestions and staying open to preferences of individual Members.

However, this $41 million appropriation for cotton really does put us on a slippery slope, Mr. President. Last year, when we set in motion the enhanced crop insurance program, the promise was that crop insurance was to be to replace ad hoc disaster programs. That was the promise. If we begin today, less than a year later from putting that program into place, saying, well, here is a case we can make, there is no question—and I do not argue with the distinguished Senator from Mississippi that the disaster and tragedy affecting cotton producers is meritorious. However, we said that instead of

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

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

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

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

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

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

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

I hope colleagues understand that I do not offer this amendment as a consequence of radical disagreement or objection to what the chairman and ranking member are doing. They have done an exceptional job of putting this bill together. I offer it as a consequence of believing very strongly that our policy ought to continue with crop insurance. If it is demonstrable that crop insurance does not work—and there are many problems still with that—and it is demonstrable that it does not work, we should abandon the crop insurance program and go back to year in and year out politically deciding in Congress how it is that we are going to allocate resources for the disaster program.

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

MEDICARE

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

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

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

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

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

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

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

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

In this case, most of the retirement and health care. Imagine, 67 percent. Their capacity to invest in equipment, their capacity to invest in employees, their capacity to invest in things that maintain their base of sales is substantially reduced as a result.

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

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

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

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

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

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

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

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

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

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

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

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

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

Mr. KOHL. I thank my colleague from Nebraska.

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

The Senate continued with consideration of the bill.

AMENDMENT NO. 2686

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

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

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

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

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

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

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

If this provision becomes law, each of us will feel compelled to push for ad hoc disaster assistance payments for crop losses every time our farmers have losses. And our short-lived experiment in fiscal responsibility will have failed.

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

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

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

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

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

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

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

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

But, as it has turned out, the coverage that is being made available is substantially less than that which had been provided under disasters that had been experienced in the past. What makes this disaster different is that farmers, upon seeing the prospective devastation in their crops, began adding more pesticides, getting clearance through the EPA for emergency clearance of new kinds of insecticides to try to cope with this menace. And even with the expenditures of huge sums of money, in some instances, it did not work and cotton crops were devastated. Many of those who suffered from this disaster will not be able to gin a single bale of cotton. There are many who have suffered huge yield losses.

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

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

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

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

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

good, was going to produce a good crop up until just a few weeks ago.

So I am suggesting that we look with a sympathetic heart upon the situation that we find ourselves in today and approve this committee's recommendation that these funds be made available if the Secretary thinks they can be used and that it is justified. And I hope he will find it is justified.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. KERREY. Mr. President, I have two arguments in response to the distinguished Senator from Mississippi.

One, if we authorize the Secretary of Agriculture to provide disaster assistance for cotton, any Members who vote no on this amendment are going to find themselves at some point faced with another crop with a comparable disaster, saying, ''Can you do what you did for cotton last year?'' That is what is going to happen. There is no question in my mind. It has already happened to me. People have come to me. Just like the Senator said, people misunderstood what the catastrophic program was. They have come to me and said, ''We thought this thing covered more. We did not look at the fine print. They told us it was something different, and now I have a disaster. Can you provide ad hoc disaster relief on top of the crop insurance we expected to be there?''

My answer has been, ''No, we have to work with crop insurance or let us get rid of it. If you do not like the crop insurance program and you want to go to Congress year in and year out when there are disasters and try to get money appropriated, let us do that. Let us just assume the program will not work.'' I think it can work, if the administration will appoint a corporate board of directors.

Second, as to this catastrophic coverage, part of the problem here is that there are Government employees who attempted—in our judgment, too quickly—to assume responsibility that they knew what this bill was about and could inform people.

The law is very clear. It is not like this thing is ambiguous. For former ASCS employees, who were describing what this program was, to misunderstand this one, it requires a pretty substantial stretch of the imagination to figure out how they did. Because it says right in the bill that catastrophic coverage is only going to cover 50 percent loss in yield on an individual yield or area yield basis, indemnified at 60 percent of the expected market price.

So the coverage was never intended to provide full coverage against disasters. It was always intended as a floor and that the individual who was out there trying to make a judgment should have to buy up. We have subsidized insurance available. They could pay more and buy up and get more coverage. The misunderstanding is in part a consequence of our wanting to maintain a system where the Government itself is operating the insurance program.

So I hope, for reasons cited, Members will look very carefully at this. It is a difficult amendment because the distinguished Senator from Mississippi is very persuasive and very well liked and has put together an awfully good piece of legislation. But I promise Members they will find, if they vote no on this amendment, that they will have a difficult time voting no in the future.

Mr. KOHL. Mr. President, I offer a brief comment. We might as well be voting up or down on this amendment. I think it is a mistake to say, ''Let us leave it up to the Secretary of Agriculture.''

If you leave it up to him, he is going to do it. He is going to do it because that is the way things work. He has to live every day with the distinguished head of the subcommittee, Senator COCHRAN. He has to deal with him on many matters all the time. He is not going to let this interfere. I am not being critical of him or Senator COCHRAN. It is just the way things work. So this decision to leave it up to him, we might as well say let us vote it because that is the way it will work.

So I think we ought not to misunderstand what the nature of this amendment is and the nature of what Senator COCHRAN is requesting. It is really should we or should we not authorize the payment of $41 million? Because that is exactly the way it will work. Of course, Senator KERREY and I are suggesting it is an inappropriate thing to do.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 10 minutes.

Mr. COCHRAN. I am prepared to yield back the remaining time.

I yield back the remainder of my time.

I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator seek to have the vote at this time rather than at 6:30?

Mr. COCHRAN. I am prepared to vote. I think everybody is. I ask unanimous consent that we proceed with the vote.

The PRESIDING OFFICER. Is there objection?

Mr. KERREY. Reserving the right to object, I want to make sure, since we notified Members earlier that it was 6:30. I do not want to have somebody get tied up in traffic. It is pretty lousy traffic out there. I would hate to notify everybody that it will be at 6:30, and then to yield 10 minutes. It seems like that may be a problem.

Mr. COCHRAN. Mr. President, we all understand that, if you do not use the time and yield it back, the vote could occur earlier.

Mr. KERREY. Mr. President, unless there is some personal information that somebody is going to have trouble getting here, I am not prepared to object.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi to lay on the table the amendment of the Senator from Nebraska. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New York [Mr. D'AMATO], the Senator from New Mexico [Mr. DOMENICI], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Texas [Mr. GRAMM], and the Senator from Pennsylvania [Mr. SPECTER] are necessarily absent.

Mr. FORD. I announce that the Senator from South Dakota [Mr. DASCHLE], the Senator from Nebraska [Mr. EXON], the Senator from California [Ms. FEINSTEIN], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Maryland [Mr. SARBANES] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 37, nays 53, as follows:

[Rollcall Vote No. 439 Leg.]

YEAS—37

Abraham	DeWine	McCain
Akaka	Frist	McConnell
Ashcroft	Gorton	Moynihan
Bennett	Hatch	Murkowski
Bond	Heflin	Nunn
Breaux	Helms	Pryor
Brown	Hutchison	Shelby
Bumpers	Inhofe	Simpson
Burns	Inouye	Stevens
Campbell	Johnston	Thurmond
Chafee	Kyl	Warner
Cochran	Lott	
Coverdell	Mack	

NAYS—53

Baucus	Grams	Moseley-Braun
Biden	Grassley	Murray
Bingaman	Gregg	Nickles
Boxer	Harkin	Packwood
Bradley	Hatfield	Pell
Bryan	Hollings	Pressler
Byrd	Jeffords	Reid
Coats	Kassebaum	Robb
Cohen	Kempthorne	Rockefeller
Conrad	Kennedy	Roth
Craig	Kerrey	Santorum
Dodd	Kerry	Simon
Dole	Kohl	Smith
Dorgan	Lautenberg	Snowe
Feingold	Leahy	Thomas
Ford	Levin	Thompson
Glenn	Lieberman	Wellstone
Graham	Lugar	

NOT VOTING—10

D'Amato	Faircloth	Sarbanes
Daschle	Feinstein	Specter
Domenici	Gramm	
Exon	Mikulski	

So, the motion to lay on the table, the amendment (No. 2686) was rejected.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the motion was rejected.

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

The motion to lay on the table was agreed to.

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

The amendment (No. 2686) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, the majority leader has authorized me to announce that this was the last vote today. We do have a number of other amendments, though, under the agreement which we could consider and discuss tonight, and if recorded votes are required, we could have those votes occur tomorrow. We already have under an agreement an amendment on poultry regulations that is set for a time certain tomorrow under the agreement.

There is an amendment offered by the Senator from Colorado, Senator BROWN, on the peanut program that has the yeas and nays ordered, which will occur tomorrow. Other amendments are identified in this agreement which we could take up this evening and dispose of, some of them on voice vote maybe.

We are prepared to consider all the amendments tonight if Senators will be here to offer them. So I encourage those who do have amendments to present them, offer them, let us discuss them and dispose of them, if we can. If rollcall votes are required, we will have those votes tomorrow.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I have been told that Senator BRYAN will be here within a minute or two to offer an amendment on the Market Promotion Program. It is an amendment he will offer on behalf of both of us.

I ask unanimous consent that, since he is on his way and prepared to offer the amendment, his amendment be the next amendment in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum. I withhold that, Mr. President.

Mr. STEVENS. Mr. President, I would like to engage my good friend, the senior Senator from Mississippi, in a colloquy concerning potato production in Alaska.

Potatoes are one of the very few cash crops that can be grown successfully in Alaska because of the short growing season and cool weather. Because of the extreme climatic conditions in my State, most potato cultivars produced in the lower 48 States are not successful in Alaska. While the potatoes grow, they do not produce tubers for production in future years. However, the Canadians have experimented with some new varieties and have enjoyed tremendous results. Unfortunately, the Department's potato research program has not focused on the unique needs in extreme Arctic climates like Alaska.

The Alaska Department of Agriculture has proposed a plan to use its clean environment for breeding these Canadian potato tubers for use in Alaska as well as West Virginia, New York, Colorado, and Maine. A clean breeding environment is required to prevent disease, but the Department already has a facility which can be used. Approximately $120,000 would be required to cover additional operational expenses.

The State of Alaska's facility is the only State-operated plant materials center in the United States, and will be the only potato cultivar center in North America when the British Columbia facility closes down its operation. The Alaska Materials Center successfully handles 120 northern climate varieties of potatoes, and has been virus free for its entire 10 years of operations. This center has the potential to provide disease-free stock for the other 400 varieties of potatoes grown in North America.

The Senate Agriculture Appropriations Subcommittee provided $707 million for the Agriculture Research Service including a number of increases to address specific agricultural issues. The Senate report includes specific language directing the Agriculture Research Service to work with the National Potato Council to address disease problems in the lower 48 States.

Since the Agriculture Research Service is already engaged in potato research, I ask the chairman of the subcommittee whether the necessary funds could be provided to produce the Canadian potato for use in cold climates in the United States in addition to the work it will do this year on addressing disease problems in the lower 48 States?

Mr. COCHRAN. As the Senator from Alaska noted, the subcommittee did address the potato disease issue, but was not aware of the unique problem in Alaska. I am pleased to learn that a tuber has been developed that would be successful in Alaska, and agree that the Service should address this unique need of cold-climate States.

Mr. STEVENS. I thank the chairman.

Mr. COCHRAN. 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. BRYAN. 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. COCHRAN. Mr. President, I wonder if the Senator will yield for the purpose of trying to establish an agreement on time on this amendment.

Mr. BRYAN. I would be pleased to do so. With respect to this amendment that the distinguished floor leader is aware of, Senator BUMPERS and I will want to have some time tonight and just a small amount tomorrow before the vote. It is not our purpose to prolong this. I would be willing to agree, subject to the agreement of the Senator from Arkansas, to an hour on this amendment, to be divided equally.

Mr. COCHRAN. Would 10 minutes tomorrow before the vote be sufficient?

Mr. BRYAN. Let me inquire of the Senator from Arkansas.

Mr. COCHRAN. The Senator from Arkansas has indicated that he agrees to that.

I ask unanimous consent that there be 1 hour, equally divided, on the amendment to be offered by the Senators from Nevada and Arkansas tonight, and then tomorrow, 10 minutes before the vote on or in relation to this amendment, equally divided.

Mr. BRYAN. Would the Senator be willing to make that 15 minutes, equally divided?

Mr. COCHRAN. Mr. President, I so modify my request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Nevada is recognized.

Mr. BRYAN. The Senator is always gracious in accommodating his colleague, when I suspect that the Senator may not agree with the thrust of the enlightened Bryan-Bumpers amendment that is just about to be unveiled on the floor.

AMENDMENT NO. 2691

(Purpose: To eliminate funding for the Market Promotion Program)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nevada [Mr. BRYAN], for himself and Mr. BUMPERS, proposes an amendment numbered 2691.

Mr. BRYAN. 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 65, line 18, before the period at the end, insert the following: "*: Provided further*, That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623)".

Mr. BRYAN. Mr. President, if I told the Members of the Senate that there is a program that has cost the American taxpayers a billion dollars, much of that money going to the largest corporations in America, and that there is no evidence it works, in this time of budget constraints, one would think that Members of this body on both sides of the political aisle would say, "Senator, show me where that is; that is one cut that surely we can agree to."

Mr. President, you would be wrong if you made that assumption. If I further

asserted that there is a program which is currently slated in this budget proposal at $110 million, that has been denounced by such groups as the Cato Institute, the Progressive Policy Institute, the Heritage Foundation, the National Taxpayers Union, the Center for Science in the Public Interest, Citizens against Government Waste, Citizens for a Sound Economy, the Concord Coalition Citizens Council, the Competitive Enterprise Institute, surely, Mr. President, you might think this is an arrangement that has been made in Heaven, and we should have those on the right and those in the political center all in agreement that a program costing the American taxpayers $110 million ought to be eliminated.

Mr. President, you would be wrong, because this program continues to survive. If I put this in the context that at a time when this Congress is cutting money for the National Park Service, school-to-work programs, vocational education, elderly housing, and countless hundreds of other programs that help needy Americans, who help us to advance our abilities to enjoy public recreational facilities in America, that would make it even all the more unbelievable that there is a program out there that survives.

This program, Mr. President, not only survives, but earlier this year when we were considering the supplemental budget, it was increased from an $85 million to a $110 million program.

By now I suppose some are saying, ''Tell me, Senator, what is this program? What is this program that seems to survive when those who are thoughtfully considering the function and role of the Federal Government, both in the center and on the right, all agree that it ought not to exist? It has cost us $1 billion that goes to some of the wealthiest corporations in America. Tell me what this program is. Let me have a chance to cast my vote to kill it.''

This program, Mr. President, is the Market Promotion Program. As the distinguished occupant of the chair knows, because he has been supportive over the years in our efforts, this is a program that continues to survive and, as I say, even prosper in this, a year when budget austerity is supposedly the order of the day.

Let me tell you some of the companies that receive this money. For fiscal years 1993 and 1994, here are some of the companies that have received taxpayer funds for the Market Promotion Program.

Before stating exactly what these companies have received, I think a word of explanation about this program: Ostensibly, presumably, the underlying premise of this program is that by providing taxpayers' dollars to advertising budgets of companies that deal with the overseas promotion of American agricultural products, that somehow—somehow—that will increase our agricultural exports.

I acknowledge, Mr. President, that is a noble goal. I am fully supportive of efforts to increase our agricultural exports overseas.

This is a program that is part of a larger budget picture in which, as the General Accounting Office has pointed out, the entire Federal Government spends about $3.5 billion annually on export promotion—$3.5 billion.

While agricultural products account for only 10 percent of total U.S. exports, the Department of Agriculture receives and spends about $2.2 billion, or 63 percent of the total.

I do not believe that it can be argued that we are being unnecessarily penurious in providing money to promote agricultural products abroad. The Department of Commerce, by way of contrast, spends about $236 million annually on trade promotion.

Let me return to the beneficiaries of this program.

Your tax dollars are going to some of the largest and most successful corporations in America to be added to their advertising budgets. Here is an example of the kind of companies that receive this generous largess from the Federal taxpayers.

Ernest & Julio Gallo. Fine products. I can attest to that. Mr. President, $7.9 million go to Gallo wines to assist in their advertising budgets. Now, certainly Ernest & Julio Gallo, great success stories, ought to be able to finance, without the benefit of Federal tax dollars, their own advertising programs.

The Dole people, $2.4 million; Pillsbury, the little doughboy, $1.75 million; Tysons Food, the chicken people, $1.7 million; M & M/Mars, $1.5 million.

Let me say, lest the thought be that somehow the Senator from Nevada is picking on programs that do not have any recipients or beneficiaries in his State and, therefore, it is kind of easy for him to take a cheap shot at others, I remind my colleagues that more than 2 years ago on the floor this Senator took the lead in eliminating an equally outrageous program, the wool and mohair subsidy, in which there are a number of Nevada ranchers that received this largess, as I characterize it, for a period of some 39 years, from 1954 to 1993. I led the charge to eliminate that abomination in our Federal expenditure system.

I point out that M & M/Mars has a factory in Las Vegas, a wonderful product. They are not, in my judgment, entitled to get into the American taxpayers' pocket for $1.5 million.

Campbell soups, $1.1 million; Seagrams, $793,000; Hershey, $738,000; Jim Beam whiskey, $713,000; and Ralston Purina, $443,000. Mr. President, this is only a part of the $110 million that has currently been appropriated to go to companies of this size. It is an outrage.

The General Accounting Office has examined this program and done a study to assert its effectiveness. Let me share with my colleagues what its conclusions are.

It goes on to say that there are many problems with the MPP program, the Market Promotion Program, one of which is that there is no strategic planning. The USDA lacks overall guidance or priorities. To date, listen to this, there is no solid measure of success or a way to evaluate how the money is spent.

I think that is a pretty compelling argument, Mr. President, to eliminate the program. Moreover, it is not clear who should get the funds. There are no strict guidelines about the size or type of company that will receive these funds. I have mentioned some of the larger corporations. But in addition to those that are depicted, McDonald's, the hamburger people, Sun Maid, Welch's, among others, are also some of the largest recipients of this funding.

I think the American taxpayers, when shared sacrifice appears to be the clarion call of the day, want to ask themselves why are corporations of this size not being asked to do their bit in reducing the level of Federal expenditures? A sacrifice that simply requires them to say, ''Look, we are not going to take Federal taxpayers' dollars to supplement our own advertising accounts. We will do that job on our own. Nobody knows better than we do how to market. Nobody knows better how to advertise our programs and our products than we do. We do not need and we are not going to accept Federal dollars.''

This program continues on. Moreover, as the GAO concluded, ''There is no proof that these funds do not simply replace funds that would already have been spent on advertising anyway.''

Let me make that point clear: In effect, what the GAO is saying is that there is no way in which they can assert that this $7.9 million that Ernest & Julio Gallo, the group on the top of the list for fiscal year 1993 and 1994, has not simply slid dollars out of the corporation treasury that would have gone to the advertising budget and just simply said, look, we will release those with $7.9 million that the Federal Government is going to give us and direct that $7.9 million down the profit line to be distributed to the shareholders of that company. In effect, this program, like its predecessor, the TEA—the Targeted Export Assistance Program—has become a convenient source of free cash for wealthy businesses to help pay for their overseas advertising budgets.

Mr. President, I argue forcefully and implore my colleagues, whatever their previous voting record may have been—is it not time to eliminate this program? Whatever its justification may have been in the past, is this not a new era? I compliment Members on both sides of the aisle who have taken the lead to support a budget amendment to the Constitution, to require the President of the United States to submit a balanced budget and the Congress to require a balanced budget. I am a supporter of that effort.

I support the target of 2002 or 2003, whatever it might be, to achieve that balanced budget. Presumably, these kinds of pronouncements herald a new era of Government spending in Washington.

But, if we allow these kinds of programs, corporate welfare, pork for the wealthiest corporations in America, to continue, what kind of message do we send to the American people? I will tell you. The message is, it is business as usual. If you are a big corporation and have influence in high places and have access to the right kind of people, even though we are cutting the programs for the poor, the elderly, and those who do not have influence in high places in Washington—but these programs can be protected.

These are good citizens, good corporate citizens. They make important contributions in their communities and in this country, I am sure. I would think they would be shamed and embarrassed to reach out there at a time when we are trying, struggling to balance this budget.

I offer no criticism of my colleagues who have had to wrestle with some of these tough decisions in the money committees. It is not easy. I may disagree with them on some of their priorities. But it is difficult. There is no magic wand that can be waved. We cannot simply say let us eliminate fraud, waste, and abuse and we can balance the budget. It requires tough and hard decisions.

Nobody has encouraged the Congress to do this more than some of the leading business people in America, the kind of people who are chief executive officers for these companies. I think they ought to stand up and say, ''You know, you are right. We ought to do our share, too. From here on out we will simply pay for our own advertising budget. You return those dollars—$110 million—you return those to the Treasury and let us let that money be used to help reduce the deficit.''

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I do not know what year this is in my crusade to torpedo this program. The Senator from Nevada and I—I think this is the third year we have teamed up. But, if I am not mistaken, I was opposed to the program even before that.

Though I yield to nobody in the Senate in my commitment to a viable agricultural economy—but, when I think of all the long-winded, endless speeches that are made on the floor of the U.S. Senate about welfare deadbeats, which we are going to vote on tomorrow; we are talking about eliminating the earned income tax credit, which is the greatest antiwelfare provision we have ever adopted—we are talking about cutting it dramatically. We are cutting funds for the arts, the humanities. We are cutting public broadcasting. We are cutting education. We are at least $3 billion short on child care. We are talking about cutting Medicare $270 billion between now and the year 2002, and cutting Medicaid, health care for poorest of the poor, by $240 billion over the next 7 years.

And here is a piece of corporate welfare, unexcelled—I want to say in the history of this Senate. I have not been here quite that long, so I am reluctant to make that claim. But you think about the U.S. Government subsidizing, really in small amounts, by their standards, something to advertise their product abroad so they can export more.

I look at this chart, prepared by the Senator from Nevada. I see Ernest & Julio Gallo, Seagrams, Jim Beam—of the top 10 companies here, three of them alcoholic beverages. Even though this is a $110 million program this year, in the past it has been bigger, and we put in a total of $85 million to advertise alcoholic beverages abroad.

Can you see Ernest & Julio Gallo advertising to the Italians why they should drink American wine? To the French why they should drink American wine? What are we doing, giving Ernest & Julio Gallo $8 million? I think that is a privately held company—my guess is it is probably a $5 or $10 billion corporation.

McDonald's? I do not know what McDonald's annual sales are. I guess they are probably approaching the $15 billion mark, and we give them $3 or $4 million? That is probably less than one-tenth of 1 percent of their advertising budget, and we say, ''Sic 'em, tiger, go advertise Big Mac and McNuggets all over the world.'' Not only are the amounts we give piddling amounts, the General Accounting Office says there is no relevance to the amount of money we give them and the results. So why do we continue with this?

How does a U.S. Senator go home and talk to a hometown Chamber of Commerce and tell them, ''If you just reelect me, I will spend my money as though it were yours?''

If you let that Senator and me go before that same Chamber of Commerce, I promise you, they will threaten to impeach him before it is over, for squandering $110 million on such programs as this.

People are supposed to graduate from this program, too, did you know that? I think, as we lawyers say, ''since the memory of man runneth not,'' nobody has ever graduated. They just keep hanging on.

Mr. President, one thing that is a little painful about this is there are some big corporations who have big presences in my State who get this money. And it always saddens me, it always saddens me to go to the floor and attack something that is at least mildly beneficial to some of the corporate citizens in my State.

You know, not only is this an utter waste of the $110 million, $12 million goes to foreign corporations. They are not even American corporations. You know, I am not xenophobic about my nationality. But what on Earth are we doing spending $12 million on foreign corporations so they can advertise abroad?

Not only is this an absolute, utter waste; not only do we have no business putting $110 million into the pockets of these gigantic corporations in America when we are cutting the most vulnerable among us, poorest of the poor—even cutting education, the elderly through Medicare, the poor through Medicaid, the poor through the earned income tax credit—and then just knowingly hand out $110 million—not only is it corporate welfare, it is wrong.

And it is not only morally wrong, it is wrong for the U.S. Senate to be picking winners and losers. There are other wineries. I have a few wineries in my State that would like to have a little of that Ernest & Julio Gallo money. Who decided to give it to Ernest & Julio Gallo instead of some of the wineries in my State? Tyson Foods, as big as they are, we have 11 major integrated poultry companies in my State. You know we are big in that business, No. 1.

When it comes to even the whiskey business, who decides that Jim Beam and Seagrams are the two brands that should be advertised abroad? I am not picking on them. If I were in their company and I saw this money lying around and I knew I could get a piece of it by simply applying for it, I would probably apply.

Of the battles fought in the 20 years I have been in the Senate, there have been a couple of others that I feel as strongly about as this one. But I cannot tell you how wrong I feel this is. I do not feel this is just an economic matter. I feel it is utterly, absolutely indefensible, and we ought to stop it.

I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, the Market Promotion Program has as its objective meeting foreign competition, boosting agricultural exports, strengthening farm income, and creating American jobs.

Every billion dollars in agriculture exports helps create nearly 20,000 jobs. Nearly 1 million Americans today have jobs that are dependent upon U.S. agricultural exports. Exports this year from the United States into the international marketplace are expected to reach almost $50 billion in value. Farmers and ranchers, as well as American workers, are the real beneficiaries of this program.

The arguments on the other side that are being made tonight would have you believe that corporate America is the beneficiary, that certain specific companies—they mentioned Gallo Wine, and McDonald's—are the beneficiaries of these programs. It is the American working man and woman, the American citizen, who benefits when our economy is strong, when we compete in the international marketplace and

when we sell more of what we produce in overseas markets than we import. We need to do a better job.

We have a trade deficit right now. We are confronted with some new rules under the Uruguay round of GATT, under other trade agreements that heighten and make more competitive the international marketplace, heighten competition between the European Community, for example, and the United States. It involves other countries, too, who are competing for their share of this international market—Canada, Australia, and the Asian countries, that are emerging as strong competitors in many of these industries.

So what does the Market Promotion Program really do? It gives the money to associations of those who market products. The U.S. Poultry and Egg Council is just one example. When Senators were talking about McDonald's getting this money, I have a memo in here that talks about that point. This is a memorandum from the president of the Poultry and Egg Export Council, U.S.A. They say specifically:

> Our council has used MPP to help McDonald's sell more American chicken but not to promote McDonald's. The facts are that McDonald's franchises in other countries are foreign owned and operated. They are under no obligation to buy U.S. poultry or eggs, and can readily find lower-priced (and lower-quality) product in those countries. But by allowing McDonald's to apply for and receive funds under MPP requires their franchises to be entirely supplied with U.S. products. The point is we are not promoting McDonald's. We are getting McDonald's to advertise U.S. chicken and eggs, and it has been quite effective. In fact, the State of Arkansas has likely benefited more from this activity than any other State.

So what we learned by getting the facts from the Poultry and Egg Export Council is that it was this council that applied for and received funds under the Market Promotion Program, not McDonald's. The council was allocated the funds to promote U.S. poultry and egg products in the international market. McDonald's uses poultry and eggs in its outlets, but they do not have to use U.S. poultry and eggs in overseas outlets.

That is the whole point. But because this program has been helpful, we have sold more U.S.-produced and processed poultry and eggs in overseas markets that we would otherwise would not have sold, they tell us in this memo, without this program.

They mentioned the wine industry. I happened to find out the other day—and here is an interesting fact to contemplate—that the European Union spends more on wine exports, subsidizing, encouraging the export, than the United States currently spends for all commodities under the Market Promotion Programs. The number is $89 million just for wine exports from the European Union. That is why when you would go into a grocery store around here, or anywhere where wines are sold, and you look at the French wines or some of the other European wines, you are amazed at how low the prices are compared to the domestic wines. That is why.

The European Union governments are putting their money together, and they are expanding their share of the market aggressively by reducing those prices to American consumers. This is the biggest market in the world.

So foreign companies and foreign countries are joining forces as they have never done before to try to capture a larger share of this market. Who suffers? Well, our consumers enjoy lower prices because of this competition with lower priced products. But our domestic food and beverage industries, our poultry producers, those who are involved in agriculture production, are having a hard time meeting this competition on a price basis because we do not subsidize these industries as they sell in this market. And we have a small amount available under legislation that authorizes funds to be made available to help promote the sale of U.S. farm commodities and U.S.-packaged foods and other commodities that are eligible under this program.

As the competition becomes keener under these international agreements, more and more countries, more and more industries are going to be competing and doing it more aggressively.

The GATT Agreement under the Uruguay round changes does not outlaw or abolish or make illegal subsidies. It makes changes in which subsidies are to be used and which cannot be used. It talks about trade-distorting subsidies. But we are finding that Canada, Australia, the European Union certainly, are building their funds to embark upon much more aggressive marketing programs and promotion programs than they ever have before.

Here we are being asked tonight to abandon ourselves, to say to the U.S. Government, ''Quit helping U.S. industry, quit helping U.S. farmers, quit helping U.S. ranchers promote the sale of what they are producing in the international marketplace.''

I think we ought to wait a minute and not be stampeded by arguments like we are helping corporate America with welfare benefits. This is helping those who are working in the poultry industry in Arkansas, in Mississippi, and in other places.

They are not targeting McDonald's for benefits. We are seeing these funds used to promote a wide range of activities in the international market.

I was looking at a list of these firms and these associations. And these groups of farmers, many of them are cooperatives. The National Cotton Council has a memo here which talks about the impact of this program in promoting the sale of cotton and cotton fiber throughout the country. ''Value added creates jobs.'' And they are talking about the fact that some of these funds are used in name-brand advertising.

Most of the money is used for generic advertising of American commodities. But they find that the best way in some markets to ensure increased export sales of U.S.-grown-and-produced commodities is through branded promotions. This is what the studies have shown. This is what the experience shows.

And so those who criticize the program on that basis are ignoring the success that the program has enjoyed in using branded promotion. But even so, 40 percent of the funds for branded promotions involved small businesses. The market promotion program, we are told by the experts at the Department of Agriculture and those who participated in the program, has served as an incentive to buy American-grown-and-produced agriculture commodities and related products. Without MPP, companies in overseas markets would likely buy from often subsidized foreign sources rather than from the United States.

So those who are making clothes in Asia, they do not have to buy U.S. cotton. They can buy cotton that is produced in Uzbekistan or the Sudan or any number of countries around the world where cotton is grown and sold. And they are trying to sell it at prices less than we can sell it. And if we can convince them through the advertising of facts about the quality of our product that it is better, it is longer lasting, it is more durable, it is more comfortable if you have clothes made with U.S. cotton, then we are going to sell more. But if we sit on our hands and we do not promote what is good about American products and what is good about American agriculture, nobody is going to know about it. We know about it. But we have to be aggressive and we have to promote and protect our job interests, our economic interests, in this competitive international market.

So to criticize the program and say let us just abolish it —that is what this amendment does. They did not say let us just reduce it or let us change it in some way. Let us just abolish it. That is what this amendment says. I think it is shortsighted. I think it misses the point. I think it fails to recognize the successes we have had in the past and the importance of our continuing an aggressive marketing strategy on behalf of our farmers and ranchers, those involved in these food industries and clothing industries where U.S. agricultural commodities are used.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Mississippi reserves the remainder of his time.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. BRYAN. Mr. President, I thank the Chair.

Not to belabor the point, my colleague from Mississippi and I—I think it is fair to say we have a disagreement on the value of this program. I know the hour is late, but I hope that a number of Senators' offices are still tuned in.

One of the best articles that I have read on this MPP program was printed recently in the Los Angeles Times, Sunday edition, June 25, 1995. I think it is a matter of about seven or eight pages. I implore my colleagues, or at least their staff, just read that article. Just read that article. It quotes both those who support the program and those who criticize it.

My good friend from Mississippi mentions the good folks at McDonald's, the hamburger people. Let me just say to him and the rest of my colleagues, I enjoy a Big Mac. I am a hamburger man. In fact, just this summer while we were on tour through our State I ran across a McDonald's manager who had a McDonald's tie on. It shows the Big Mac, the French fries. I said, ''I've got to have that tie.'' I am a Big Mac kind of a guy. So my comments are not directed with any sense of malice or hostility, but simply as one trying to do justice to the American taxpayer.

McDonald's, the hamburger people, are good folks. I wish I had been as smart as Ray Kroc. And I wish I had been that smart to put together this impressive enterprise. Most folks of this generation think it has gone on forever. It has lasted only about 40 years, and it has been an incredible success. I pay great tribute to the entrepreneurship and the vision of folks that thought, ''By golly, we can change the fast food business in America,'' and we can do it in a way that McDonald's has been eminently successful. Let me comment on the success. And I know my distinguished colleague who joins me in arms, the Senator from Arkansas, may want to add his comments, also.

McDonald's, which has received $1.6 million in this program since 1986—that is when the Targeted Export Assistance Program, which is the progenitor to MPP, was in existence; it is the same program essentially—has received $1.6 million. Remember, this is to supplement one's advertising account.

McDonald's had a net profit in 1994 of $1.224 billion—$1.224 billion. You know, whether you are to the left of Mao Tsetung or to the right of Genghis Khan, wherever you fit yourself on the political scale, if you accept the premise that Federal tax dollars are finite, they are not inexhaustible, there ought to be some priorities.

How, good Lord, can you say, McDonald's with a net profit of $1.224 billion ought to be able to get into this program? You know what they spent in 1994 in advertising? $694.8 million. And yet the American taxpayer is supplementing the good folks of McDonald's who make those great hamburgers and French fries that so many of us enjoy.

Let me just give you the cumulative impact of this. The top corporate recipients of this money from 1986 to 1994: Sunkist Growers, $76,375,000. In a different era and in a different context the great Senator Everett McKinley Dirksen used to say, ''A million here, a million there. Before long you will be talking about real money.'' Let me suggest, Mr. President, to our colleagues that $76 million is more money than 99.9 percent of the people in America will ever see in their lifetime—ever see.

The Blue Diamond Growers, they do not do too badly, $37,338,000. Sunsweet Growers, $22 million. I am rounding these numbers off. And our good friend, Ernest & Julio Gallo, the winery folks—this was not an aberration, this 1993–1994 number; they have this program down; whoever is doing this good work for them obviously deserves a lot of credit—they have gotten $23 million since 1986. Sun-Maid Growers of California, $12 million; Tyson Foods, $11 million; Pillsbury Company, $11 million.

I do not quarrel with the proposition that my good friend from Mississippi argues when he says, look, we do need to support American agricultural promotions. But, Mr. President, not in this fashion, not when there is not one scintilla of objective evidence where GAO and other groups can make the proposition stick that this is a program that works.

Moreover, its premise is flawed: Money to supplement advertising budgets that ought to be the responsibility of the private sector, for branded products, some of the largest companies not only in America but in the world at a time when we are desperately struggling to balance this budget.

My friend from Arkansas used the word ''indefensible,'' and I think that sums it up.

Mr. President, I ask unanimous consent that this article appearing in the Los Angeles Times, June 25, 1995, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, June 25, 1995]

THANK YOU FOR YOUR SUPPORT

(By John M. Broder and Dwight Morris)

No other government program may generate such universal scorn as an obscure Agriculture Department office that pays highly profitable agribusiness concerns millions of dollars a year to promote Sunsweet prunes in Taiwan, low-shelf Gallo wines in Europe, Chicken McNuggets in Singapore, Kentucky whiskey in Scotland and bull semen in South America.

But as Congress prepares to chop away at billions of dollars in spending for health care, space exploration and school lunches, the USDA's Market Promotion Program is gliding through the budget process unscathed, enjoying bipartisan congressional and White House support despite years of controversy over its worth.

In fact, during the debate this spring over $16 billion in cuts from the current federal budget, Congress voted to increase the program's funding by almost 30%, from $85 million to $110 million.

The MPP's defenders say that's a piddling sum for a program that helps American farmers compete against heavily subsidized producers in Japan, Europe and elsewhere.

Its opponents, ranging from the Heritage Foundation on the right to Ralph Nader on the left, vilify the program as pure pork (almost literally—the U.S. Meat Export Federation got $7.2 million in 1994) and an example of corporate welfare at its worst.

The General Accounting Office, the investigative arm of Congress, calls the program poorly run and of questionable value; the Congressional Budget Office perennially lists it among the prime candidates for extinction.

And year after year, the Market Promotion Program survives, championed most actively by California lawmakers, who gave birth to the program a decade ago and who receive campaign contributions from the California fruit, nut and wine producers that are among the program's prime beneficiaries.

The MPP, originally designed as a response to the unfair trade practices of other governments, has grown over the years into a program that provides a lucrative bounty for producers of everything from soup (Campbell Soup Co., $515,651 in 1994) to nuts (the California Pistachio Commission, $1.15 million).

Early critics derided the program as ''walking-around money for Californians,'' because it was sponsored by then-Sen. Pete Wilson (now California governor) and then-Rep. Leon E. Panetta (now White House chief of staff) to help the state's producers get a place at an agricultural aid trough long dominated by the big corn, wheat and soybean farmers of the Midwest and Great Plains.

As the program grew, it took in growers, processors and shippers in all 50 states and virtually every congressional district—which helps explain its ability to survive in difficult fiscal times. Its tenacity also bears testimony to how difficult it will be to bring the $1.5-trillion federal budget into balance, despite new bipartisan zeal to do so.

Programs that serve powerful constituencies and enjoy well-financed corporate support—from subsidies for corps to tax breaks for oil and gas drilling—are among the most entrenched parts of the federal budget, having resisted repeated efforts to repeal them. These benefits amount to an estimated $50 billion a year, or about a tenth of the discretionary portion of the budget.

Farm programs have proved particularly resistant to budget surgery, combining as they do the romantic appeal of the family farmer, the political clout of a major industry and their importance to the economies of many states and communities. Add to that the bogymen of subsidy-happy Japanese and Europeans—whose government backing is often cited as a reason to keep U.S. farm programs—and the durability of costly undertakings such as the MPP becomes understandable.

''Everything about this program is wrong. We should junk this disastrous program and save the taxpayer some money,'' said Sen. Richard H. Bryan (D-Nev.), a longtime MPP foe who represents one of the least agriculture-dependent states in the union. ''The amount of our national debt does not give us the luxury to fund this fatally flawed program that has no proven benefit for American agriculture.''

In the end, the way this collision of forces affects the range of federal subsidies will help determine whether the overall budget-balancing campaign is successful this time around—and also whether the pain inflicted is judged to have been borne fairly across society.

Gus Schumacher, head of the USDA's Foreign Agricultural Service, which oversees the MPP, defends the program. He notes that the European Union spends more each year to promote overseas sales of French, German and Italian wines than the U.S. government spends on all of its agricultural advertising.

Schumacher describes the subsidy as an inexpensive weapon in the international competition in high-value agricultural products, which is the fastest-growing sector in global trade.

''This is not the time to get weak-kneed about American agricultural exports,'' Schumacher said. ''It's time to stand up to our competitors. What are we supposed to do, unilaterally disarm?''

Schumacher acknowledged that corporate giants such as E & J Gallo Winery Inc., Sunkist Growers Inc. and Dole Food Co.—all California-based—and Pillsbury Co., Tyson Foods Inc. and others have received millions of dollars from the government over the years to supplement their own very large advertising budgets. But, he said, critics forget that the grapes, prunes, tangerines, flour and chickens marketed by big agribusiness are grown by thousands of small farmers across the country.

William K. Quarles, Sunkist's vice president for corporate relations, defended the MPP as an appropriate response to foreign competitors, who spend far more than the United States on agricultural promotion. Sunkist uses the program to increase its advertising in countries—particularly those in Asia—it as already targeted as fruitful markets, not to pry open new countries, he said.

''The federal program acts as a multiplier to what we would be doing,'' Quarles said. ''In all the countries we're in, we would be doing some advertising, but with federal monies we increase that advertising and create additional demand.''

He also said Sunkist is required to match the federal funds on a dollar-for-dollar basis and that its exports create jobs in California for thousands of packers, pickers, truckers, and longshoremen,

The participating corporations have made sure they have a receptive audience for their side of the story. Since 1984, Springdale, Ark.-based Tyson has contributed more than $988,000 to political campaigns through its political action committee and through direct contributions by its executives. Executives of Modesto-based E & J Gallo poured more than $750,000 into federal campaigns over the same period.

Over the past decade, the 10 largest Market Promotion Program recipients have also made political contributions totaling $166,000 to Rep. Vic Fazio (D-West Sacramento) and $105,000 to Rep. Robert T. Matsui (D-Sacramento), both key supporters of the program.

The General Accounting Office and other critics say the big food companies can afford to promote their own products and that the government has no business spending the public's money to reimburse them.

Bryan noted that McDonald's Corp.—which received $1.6 million in MPP funds from 1986 to 1994—had a $1.224-billion net profit in 1994 while spending $694.8 million on advertising worldwide.

Similarly, ConAgra Inc.—which sells the Chung King, Wesson, Butterball, Swift, Armour, Banquet and Swiss Miss brands, among others—received $826,000 in MPP funds from 1986 to '94, a pittance compared to its advertising budget last year of $200 million.

''How in God's world do we justify spending taxpayer dollars to supplement this program?'' Bryan asked. ''This is a company that is large, it is successful, and they can effectively handle their own advertising and promotion budget.''

Similar fulminations come from Nader's Center for Study of Responsive Law, the libertarian Cato Institute, the Heritage Foundation, Citizens Against Government Waste, the Progressive Policy Institute—even the Marin Institute for the Prevention of Alcohol and Other Drug Problems, which objects to the program because it underwrites overseas advertising for beer, wine and whiskey.

But a ConAgra spokeswoman said the company participates in the promotion program because it allows a testing of the waters in markets that it otherwise could not afford to enter.

''We have never lobbied on behalf of this program, but we do believe it serves an important purpose,'' said Lynn Phares, ConAgra's vice president for public relations. ''It opens expanding markets for products that would not have the money spent on them. If more hot dots are sold in Korea, that benefits not just the company that is the conduit (ConAgra), but the corn growers and hog producers that create the product.''

For its part, the nonpartisan GAO has tired of issuing reports detailing the program's flaws.

''It's such an easy target,'' sighed Allan I. Mendelowitz, director of international trade issues for the GAO.

Several years ago, the GAO discovered, the MPP financed a $3-million advertising campaign in Japan for the California Raisin Board, featuring the animated dancing raisins that were such a hit in the United States.

It bombed.

The campaign's theme song, ''I Heard It Through the Grapevine,'' couldn't be translated into Japanese, so it ran in English and was therefore incomprehensible to most viewers, according to the GAO. The shriveled dancing figures disturbed Japanese children, who thought they were potatoes or chunks of chocolate. The characters' four-fingered hands reminded television viewers of members of criminal syndicates, whose little fingers are cut off as an initiation rite.

If all that wasn't enough, the Raisin Board couldn't even get its product onto store shelves during the promotion period.

The board's goal was to sell 900 tons of raisins in Japan during the campaign; exports during the period reached a little more than half that. And the U.S. government spend $2 in promotion costs for every dollar's worth of raisins that reached Japanese store shelves.

The California Prune Board has a mixed record in using federal money to try to open new markets for its fruit. The California prune has made substantial inroads in Britain, even though the dried fruit still has what the board delicately describes as an ''image problem'' in that country arising from ''the laxative stigma and the forced consumption of poor-quality prunes during childhood.''

Rich Peterson, Prune Board executive director, said advertising efforts on the California prune's behalf over the past decade have helped increase sales by 45% in Britain, 75% in Italy and 108% in Germany—all against stiff competition from heavily subsidized French prunes.

''That wouldn't have been possible without MPP funding,'' Peterson said. ''The prune industry on its own would not have had resources to launch the campaigns we've been able to mount.''

The board spends roughly $1 million a year in MPP funds to produce generic promotions for California prunes, and private funds such as Sunsweet Growers Inc. of Yuba City, Calif., spend millions more. Advertising focuses on prunes as a healthful snack, Peterson said, rather than on their gastrointestinal benefits.

''We don't do dancing prunes,'' Peterson said. ''There's no cutesy stuff for the prune.''

It's a different story in Asia. Prunes have been well-received by the health-conscious Japanese, but the Taiwanese have rejected them as an inferior version of the popular, though expensive, Chinese black date. The Clinton Administration has consistently supported the MPP, proposing to spend $100 million a year on it for the next five years. Officials argue that as the new General Agreement on Tariffs and Trade requires governments to cut direct subsidies to farmers, it is crucial to maintain strong marketing efforts that are legal under the trade pact. But critics insist that the money should be spent on more productive programs rather than on subsidizing the advertising of rich marketing cooperatives such as Sunsweet, Sunkist and Sun-Maid.

''I do not believe any member of this body should be able to keep a straight face and support some of the measures we are voting for when we cannot kill a program like MPP that is a pure subsidy for some of the biggest corporations in America and abroad,'' Sen, Dale Bumpers (D-Ark.) said in a fruitless effort to kill the program earlier this year.

Times researcher Gary Feld contributed to this report.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me make just a few closing comments in opposition to this amendment. According to the Department of Agriculture's estimates based on their studies of the program, every $1 that we have spent in the Market Promotion Program has translated into $16 in additional agricultural exports.

The Foreign Agriculture Service recently released its studies evaluating the effectiveness of the program, and that study concludes that the 25-fold increase in export promotion activities for U.S. high value food exports, made possible by MPP and its predecessor, the Targeted Export Assistance Program, strongly supported the 300-percent increase in exports of those products since 1986 and was the leading factor in increasing the U.S. share of the world consumer food market. That is persuasive evidence. I do not see how you can ignore that. If you are trying to decide whether you vote for this amendment to abolish the program or not, this was a study that was done to assess the effectiveness of this program.

It works. It means more U.S. jobs. It means more U.S. agriculture products being exported throughout the world. It is good for America. It is good for American citizens.

All regions of this country, the United States, have benefited from the program. It is not just a program that singles out one commodity area or one region.

According to this same Foreign Agriculture Service study, the employment and economic effects of MPP are clear. With two-thirds of the jobs supported being off the farm—that is, manufacturing, transportation, and service industries—the other third were jobs on the farm. They have analyzed it in that respect.

Recently, the Department of Agriculture presented us some specific examples of the program's effectiveness, and I want to bring them to the attention of the Senate.

Last year, a new regulation by the Japanese Government requiring that poultry products be identified by country of origin actually helped sales of U.S. poultry, as a result of a campaign conducted by the U.S.A. Poultry and Egg Export Council under this program.

The council had spent $167,000 in MPP funds to conduct joint promotions with 12 chain stores in Japan. The stores affixed the U.S. stickers saying ''U.S. poultry, U.S. regs,'' to product packaging, displayed point of purchase materials and devoted greater portion of shelf space to U.S. poultry products. By the end of the promotion, the 12 chains reported total sales of over 110 tons of U.S. commodities. A year after the program, the stores continue to use these labels.

There are other examples. MPP funds helped the processed potato products industries who reached a record $485 million in sales last year. They nearly doubled the level of just 5 years ago. U.S. pear growers and exporters were able to sell more than $73 million last year, their highest level ever. The emerging market in Russia is becoming the United States fourth largest meat market. Canned salmon from Alaska is being sold in the United Kingdom. U.S. hard wood products are being exported. There are a number of other success stories in greater and greater quantities because of the thoughtful use of these funds.

Mr. President, new GATT trading rules are opening markets throughout the world. We are encountering new opportunities, and we must expand our efforts, we must increase the aggressive way we are going after our share of these new markets, competing effectively where we can. And because of the openness of these markets, they are increasingly competitive, and other countries are enjoying these opportunities, too.

So reducing or eliminating, which is what this amendment would do, the Market Promotion Program at this time in the face of continued and increasing foreign competition would be tantamount to unilateral disarmament, and I am against it and I am arguing against it. The impact would be felt throughout our economy in terms of lower exports, reduced economic activity and fewer jobs. I do not think we want that.

I urge my colleagues to oppose this amendment.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I recognize our time has expired. I ask unanimous consent that I be permitted to proceed for up to 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Arkansas has 2 minutes.

Mr. BUMPERS. Mr. President, when you consider the mood of the country, which everybody recognizes is pretty hostile and very volatile, most of it directed at the U.S. Congress and the people who occupy this Chamber and the one down the hall, most people do not understand what this Market Promotion Program is. But it is the very epitome of what people are upset about.

I cannot fathom our continuing a program such as this. We spent $2 billion a year helping companies export—$2 billion—and here we put $110 million in for not just these corporations listed on this chart but dozens and dozens of other corporations, all of whom are quite capable of fending for themselves—the biggest in America.

Can you imagine McDonald's spending $60 million or $80 million a year on advertising and us giving them $3 million to advertise Big Mac in Russia or wherever? What kind of nonsense is this?

This is one of those issues that if every single American were required to listen to the debate on this issue, I promise you, this $110 million would be torpedoed in a megasecond. People would be appalled if they knew this sort of thing went on and particularly in light of the people we are cutting.

I still believe in helping people. I believe in what de Tocqueville talked about, an enlightened self-interest. I said it on this floor a hundred times. We ought to help people who want to make it and are reaching for the first rung on the ladder. We are passing a lot of legislation here that guarantees a lot of people who would like to have a chance, for example, to go to school on the GI bill like I did. I would not be standing here if it were not for the GI bill.

I ask unanimous consent for an additional 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BUMPERS. My brother made it pretty big in the corporate world. He would never have made it. We came from very poor circumstances. So, yes, I believe in helping people. I do not believe in helping people who do not want to help themselves. But I can tell you a little help from time to time from the Federal Government pays rich dividends, and we ought to be spending where it pays rich dividends. We ought not to be spending it on dancing raisins in Japan that scared half the children of Japan out of their wits. It was in English, and they did not understand any of it. Little shriveled raisins—they thought they were aliens. That was $3 million worth of scaring Japanese children. I could go on with the horror stories. I am not going to belabor it. About everything that needs to be said has been said.

I want to point out again that we are spending $2 billion on export enhancements right now. Why are we adding this piddling amount for the biggest corporations in America? If the people on this list right here—which is a lot longer than that list—cannot fend for themselves, this country is in more trouble than I thought it was. I am here to help people who cannot fend for themselves and who need and deserve help. This $110 million—I am not asking you to put it anyplace else. Put it on the deficit. You could not find a better place to put it.

I yield the floor.

Mr. COCHRAN. Mr. President, I think we have discussed this issue fully tonight, and we will have an opportunity to conclude debate tomorrow morning before voting on the amendment. I am prepared to move on to other subjects.

I yield the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. COCHRAN. Mr. President, in connection with the unanimous-consent agreement, in which we listed all amendments that were in order to the bill, I need to add an amendment for Senator BENNETT of Utah, which would be a relevant amendment.

I ask unanimous consent that the Bennett amendment be added to the list of amendments in the agreement.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, we understand that there is now an agreed-upon list. We will consider these amendments as they are called up tomorrow. Some have agreements on them in terms of time available for debate and time for recorded votes that will occur, and the yeas and nays have been ordered on some of the amendments. On others, we hope we can work them out as they are called up. We may be able to agree to some of these. We hope Senators will be here tomorrow and be prepared to work quickly as we try to wrap-up consideration of this bill.

I understand that no other Senators intend to come to the floor tonight to offer amendments. So we are prepared to wrap up the business of the Senate tonight and go out for the evening.

MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak therein for up to 5 minutes each.

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

THE REPUBLICAN RECONCILIATION PACKAGE

Mr. PELL. Mr. President, in a statement on the Senate floor last week, I indicated I would oppose any reconciliation instructions that hurt students. I said it was time that we took students out of harm's way.

Unfortunately, the reconciliation package we will consider on Wednesday does precisely the opposite. It harms students and their families. Three-quarters of the cuts in this package will be borne by students and their families.

For the first time, institutions of higher education would be charged a fee of 2 percent of the total amount of money borrowed by students, and parents of students, at each institution. While this fee could not be directly passed on to students, institutions of higher education would have to find the money somewhere. I greatly fear that the result could be a reduction of institutional student aid, or cutbacks in educational programs and student support services. Clearly, a change of this magnitude harms students and their families.

Increasing the interest rate on parents loans comes at a time when middle-income families are increasingly hard-pressed to make ends meet and help pay for their children's college education. This harms students and their families.

Decreasing the interest subsidy during the grace period from 6 to 4 months hits students when they have just finished their college education and are looking for a job. This harms students and their families.

Capping the direct loan program at 30 percent ensures that no new schools will enter the program and that students at these institutions will not be able to benefit from this program. It also removes an incentive to improve the regular guaranteed loan program. Advancements such as improved services to the student and better, more favorable interest rates could well disappear. This would harm students and their families.

The series of changes affecting lenders, holders, and guaranty agencies could well endanger the stability and viability of the current program. For instance, more lenders might leave the program. Thus, we could well have fewer lenders at a time when more are needed because of the proposed 30 percent cap on direct lending. This would jeopardize access to loans by all students, and would harm students and their families.

I intend to oppose these instructions. To make such draconian changes just to save money is not, in my opinion, prudent public policy. It would be far better to put a tax cut in harm's way and to spare students.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting a withdrawal and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE NATIONAL EMERGENCY WITH ANGOLA—MESSAGE FROM THE PRESIDENT—PM 80

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

I hereby report to the Congress on the developments since March 26, 1995, concerning the national emergency with respect to Angola that was declared in Executive Order No. 12865 of September 26, 1993. This report is submitted pursuant to section 401(c) of the National Emergencies Act, (50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

On September 26, 1993, I declared a national emergency with respect to Angola, invoking the authority, *inter alia*, of the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) and the United Nations Participation Act of 1945 (22 U.S.C. 287c). Consistent with United Nations Security Council Resolution 864, dated September 15, 1993, the order prohibited the sale or supply by United States persons or from the United States, or using U.S.-registered vessels or aircraft, of arms and related materiel of all types, including weapons and ammunition, military vehicles, equipment and spare parts, and petroleum and petroleum products to the territory of Angola other than through designated points of entry. The order also prohibited such sale or supply to the National Union for the Total Independence of Angola (''UNITA''). United States persons are prohibited from activities that promote or are calculated to promote such sales or supplies, or from attempted violations, or from evasion or avoidance or transactions that have the purpose of evasion or avoidance, of the stated prohibitions. The order authorized the Secretary of the Treasury, in consultation with the Secretary of State, to take such actions, including the promulgation of rules and regulations, as might be necessary to carry out the purposes of the order.

1. On December 10, 1993, the Treasury Department's Office of Foreign Assets Control (''FAC'') issued the UNITA (Angola) Sanctions Regulations (the ''Regulations'') (58 Fed. Reg. 64904) to implement the President's declaration of a national emergency and imposition of sanctions against Angola (UNITA). There have been no amendments to the Regulations since my report of March 27, 1995.

The Regulations prohibit the sale or supply by United States persons or from the United States, or using U.S.-registered vessels or aircraft, of arms and related materiel of all types, including weapons and ammunition, military vehicles, equipment and spare parts, and petroleum and petroleum products to UNITA or to the territory of Angola other than through designated points. United States persons are also prohibited from activities that promote or are calculated to promote such sales or supplies to UNITA or Angola, or from any transaction by any United States persons that evades or avoids or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive order. Also prohibited are transactions by United States persons, or involving the use of U.S.-registered vessels or aircraft, relating to transportation to Angola or UNITA of goods the exportation of which is prohibited.

The Government of Angola has designated the following points of entry as points in Angola to which the articles otherwise prohibited by the Regulations may be shipped: Airports: Luanda and Katumbela, Benguela Province; Ports: Luanda and Lobito, Benguela Province; and Namibe, Namibe Province; and Entry Points: Malongo, Cabinda Province. Although no specific license is required by the Department of the Treasury for shipments to these designated points of entry (unless the item is destined for UNITA), any such exports remain subject to the licensing requirements of the Departments of State and/or Commerce.

2. The FAC has worked closely with the U.S. financial community to assure a heightened awareness of the sanctions against UNITA—through the dissemination of publications, seminars, and notices to electronic bulletin boards. This educational effort has resulted in frequent calls from banks to assure that they are not routing funds in violation of these prohibitions. United States exporters have also been notified of the sanctions through a variety of media, including special fliers and computer bulletin board information initiated by FAC and posted through the Department of Commerce and the Government Printing Office. There have been no license applications under the program.

3. The expenses incurred by the Federal Government in the 6-month period from March 25, 1995, through September 25, 1995, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Angola (UNITA) are reported to be

about $170,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel) and the Department of State (particularly the Office of Southern African Affairs).

I will continue to report periodically to the Congress on significant developments, pursuant to 50 U.S.C. 1703(c).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 18, 1995.*

REPORT ON THE NATIONAL EMERGENCY WITH IRAN—MESSAGE FROM THE PRESIDENT—PM 81

The PRESIDENT OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

I hereby report to the Congress on developments concerning the national emergency with respect to Iran that was declared in Executive Order No. 12957 of March 15, 1995, and matters relating to Executive Order No. 12959 of May 6, 1995. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) (IEEPA), and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa–9(c). This report discusses only matters concerning the national emergency with respect to Iran that was declared in Executive Order No. 12957 and matters relating to Executive Order No. 12959.

1. On March 15, 1995, I issued Executive Order No. 12957 (60 Fed. Reg. 14615, March 17, 1995) to declare a national emergency with respect to Iran pursuant to IEEPA, and to prohibit the financing, management, or supervision by United States persons of the development of Iranian petroleum resources. This action was in response to actions and policies of the Government of Iran, including support for international terrorism, efforts to undermine the Middle East peace process, and the acquisition of weapons of mass destruction and the means to deliver them. A copy of the order was provided to the Congress by message dated March 15, 1995.

Following the imposition of these restrictions with regard to the development of Iranian petroleum resources, Iran continued to engage in activities that represent a threat to the peace and security of all nations, including Iran's continuing support for international terrorism, its support for acts that undermine the Middle East peace process, and its intensified efforts to acquire weapons of mass destruction. On May 6, 1995, I issued Executive Order No. 12959 to further respond to the Iranian threat to the national security, foreign policy, and economy of the United States.

Executive Order No. 12959 (60 Fed. Reg. 24757, May 9, 1995) (1) prohibits exportation from the United States to Iran or to the Government of Iran of goods, technology, or services; (2) prohibits the reexportation of certain U.S. goods and technology to Iran from third countries; (3) prohibits transactions such as brokering and other dealing by United States persons in goods and services of Iranian origin or owned or controlled by the Government of Iran; (4) prohibits new investments by United States persons in Iran or in property owned or controlled by the Government of Iran; (5) prohibits U.S. companies and other United States persons from approving, facilitating, or financing performance by a foreign subsidiary or other entity owned or controlled by a United States person of transactions that a United States person is prohibited from performing; (6) continues the 1987 prohibition on the importation into the United States of goods and services of Iranian origin; (7) prohibits any transaction by any United States person or within the United States that evades or avoids or attempts to violate any prohibition of the order; and (8) allow U.S. companies a 30-day period in which to perform trade transactions pursuant to contracts predating the Executive order.

In Executive Order No. 12959, I directed the Secretary of the Treasury to authorize through licensing certain transactions, including transactions by United States persons related to the Iran-United States Claims Tribunal in The Hague, established pursuant to the Algiers Accords, and other international obligations and United States Government functions. Such transactions also include the export of agricultural commodities pursuant to preexisting contracts consistent with section 5712(c) of title 7, United States Code. I also directed the Secretary of the Treasury, in consultation with the Secretary of State, to consider authorizing United States persons through specific licensing to participate in market-based swaps of crude oil from the Caspian Sea area for Iranian crude oil in support of energy projects in Azerbaijan, Kazakhstan, and Turkmenistan.

Executive Order No. 12959 revokes sections 1 and 2 of Executive Order No. 12613 of October 29, 1987, and sections 1 and 2 of Executive Order No. 12957 of March 15, 1995, to the extent they are inconsistent with it. A copy of Executive Order No. 12959 was transmitted to the President of the Senate and Speaker of the House by letter dated May 6, 1995.

2. In its implementation of the sanctions imposed against Iran pursuant to Executive Order No. 12959, the Office of Foreign Assets Control (FAC) of the Department of the Treasury has issued 12 general licenses and 2 general notices authorizing various transactions otherwise prohibited by the Executive order or providing statements of licensing policy. In order to ensure the widest dissemination of the general licenses and general notices in advance of promulgation of amended regulations, FAC published them in the Federal Register on August 10, 1995 (60 Fed. Reg. 40881). In addition, FAC disseminated this information by its traditional methods such as electronic bulletin boards, FAX, and mail. Copies of these general licenses and general notices are attached to this report.

General License No. 1 described those transactions which were authorized in connection with the June 6, 1995 delayed effective date contained in Executive Order No. 12959 for trade transactions related to pre-May 7 trade contracts. General License No. 2 authorized payments to or from Iran under certain circumstances and certain dollar clearing transactions involving Iran by U.S. financial institutions. General License No. 3 authorized the exportation of certain services by U.S. financial institutions with respect to accounts held for persons in Iran, the Government of Iran, or entities owned or controlled by the Government of Iran. General License No. 3 also contained an annex identifying 13 Iranian banks and 62 of their branches, agencies, representative offices, regional offices, and subsidiaries as owned or controlled by the Government of Iran. General License No. 4 authorized (1) domestic transactions involving Iranian-origin goods already within the United States except for transactions involving the Government of Iran or an entity owned or controlled by the Government of Iran, and (2) transactions by United States persons necessary to effect the disposition of Iranian-origin goods or services located or to be performed outside the United States, provided that they were acquired by that United States person in transactions not prohibited by the order or by 31 C.F.R. Part 560, that such disposition does not result in the importation of these goods or services into the United States, and that such transactions are completed prior to August 6, 1995. General License No. 5 authorized the importation into the United States of information and informational materials, confirmed the exemption of such information from the ban on exportation from the United States, and set forth a licensing policy for the exportation of equipment necessary to establish news wire feeds or other transmissions of information. General License No. 6 authorized the importation into the United States and the exportation to Iran of diplomatic pouches and their contents. General License No. 7 provided a statement of licensing policy for consideration, on a case-by-case basis, to authorize the establishment and operation of news organization offices in Iran by U.S. organizations whose primary purpose is the gathering and dissemination of news to

the general public. General License No. 8 authorized transactions in connection with the exportation of agricultural commodities pursuant to pre-May 7 trade contracts provided that the terms of such contract require delivery of the commodity prior to February 2, 1996. General License No. 9 authorized import, export, and service transactions necessary to the conduct of official business by the missions of the Government of Iran to international organizations and the Iranian Interests Section of the Embassy of Pakistan in the United States. General License No. 10 provided a statement of licensing policy with respect to transactions incident to the resolution of disputes between the United States or U.S. nationals and the Government of Iran in international tribunals and domestic courts in the United States and abroad. General License No. 11 authorized the exportation of household goods and personal effects for persons departing from the United States to relocate in Iran. General License No. 12 authorized the provision of certain legal services to the Government of Iran or to a person in Iran and the receipt of payment therefor under certain circumstances.

General Notice No. 1 described information required in connection with an application for a specific license to complete the performance of pre-May 7 trade contracts prior to August 6, 1995 (except with respect to agricultural commodities as provided by General License No. 8). General Notice No. 2 indicated that the Department of the Treasury had authorized the U.S. agencies of Iranian banks to complete, through December 29, 1995, transactions for U.S. exporters involving letters of credit, which they issued, confirmed, or advised prior to June 6, 1995, provided that the underlying export was completed in accordance with the terms of General License No. 1 or a specific license issued to the exporter by FAC. General Notice No. 2 also noted that the U.S. agencies of the Iranian banks were authorized to offer discounted advance payments on deferred payment letters of credit, which they issued, confirmed, or advised, provided that the same criteria are met.

3. The Iranian Transactions Regulations, 31 CFR Part 560 (the ''ITR''), have been comprehensively amended to implement the provisions of Executive Orders No. 12957 and No. 12959. The amended ITR were issued by FAC on September 11, 1995 (60 Fed. Reg. 47061–74) and incorporate, with some modifications, the General Licenses cited above. A copy of the amended regulations is attached to this report.

4. In consultation with the Department of State, FAC reviewed applications for specific licenses to permit continued performance of trade contracts entered into prior to May 7, 1995. It issued more than 100 such licenses allowing performance to continue up to August 6, 1995.

5. The expenses incurred by the Federal Government in the 6-month period from March 15 through September 14, 1995, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Iran are approximately $875,000, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), the Department of State (particularly the Bureau of Economic and Business Affairs, the Bureau of Near Eastern Affairs, the Bureau of Politico-Military Affairs, and the Office of the Legal Adviser), and the Department of Commerce (the Bureau of Export Administration and the General Counsel's Office).

6. The situation reviewed above continues to involve important diplomatic, financial, and legal interests of the United States and its nationals and presents an extraordinary and unusual threat to the national security, foreign policy, and economy of the United States. The declaration of the national emergency with respect to Iran contained in Executive Order No. 12957 and the comprehensive economic sanctions imposed by Executive Order No. 12959 underscore the United States Government's opposition to the actions and policies of the Government of Iran, particularly its support of international terrorism and its efforts to acquire weapons of mass destruction and the means to deliver them. The Iranian Transactions Regulations issued pursuant to Executive Orders No. 12957 and No. 12959 continue to advance important objectives in promoting the nonproliferation and antiterrorism policies of the United States. I shall exercise the powers at my disposal to deal with these problems and will report periodically to the Congress on significant developments.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 18, 1995*.

REPORT ON THE NATIONAL EMERGENCY WITH UNITA—MESSAGE FROM THE PRESIDENT—PM 82

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the emergency declared with respect to the National Union for the Total In dependence of Angola (''UNITA'') is to continue in effect beyond September 26, 1995, to the Federal Register for publication.

The circumstances that led to the declaration on September 26, 1993, of a national emergency have not been resolved. United Nations Security Council Resolution 864 (1993) continues to oblige all Member States to maintain sanctions. Discontinuation of the sanctions would have a prejudicial effect on the Angolan peace process. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to UNITA.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 18, 1995*.

MESSAGES FROM THE HOUSE

At 12:55 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1670. An act to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 1670. An act to revise and streamline the acquisition laws of the Federal Government, to reorganize the mechanisms for resolving Federal procurement disputes, and for other purposes; to the Committee on Governmental Affairs.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1449. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report on rescissions and deferrals dated August 1, 1995; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, Committee on the Budget, Committee on Agriculture, Nutrition and Forestry, Committee on Banking, Housing and Urban Affairs, Committee on Commerce, Science and Transportation, Committee on Environment and Public Works, Committee on Finance, Committee on Foreign Relations, Committee on the Judiciary, and to the Committee on Labor and Human Resources.

EC–1450. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the OMB Sequestration Update Report for fiscal 1996; referred

jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, Committee on the Budget, Committee on Agriculture, Nutrition and Forestry, Committee on Armed Services, Committee on Banking, Housing and Urban Affairs, Committee on Commerce, Science and Transportation, Committee on Energy and Natural Resources, Committee on Environment and Public Works, Committee on Finance, Committee on Foreign Relations, Committee on Governmental Affairs, Committee on the Judiciary, Committee on Labor and Human Resources, Committee on Rules and Administration, Committee on Small Business, Committee on Veterans' Affairs, Committee on Indian Affairs, Select Committee on Intelligence and the Special Committee on Aging.

REPORTS OF COMMITTEES SUBMITTED DURING RECESS

Pursuant to the order of the Senate of January 4, 1995, the following report was submitted on September 15, 1995, during the recess of the Senate:

By Mr. SPECTER, from the Committee on Appropriations, with amendments:

H.R. 2127: A bill making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1996, and for other purposes (Rept. No. 104–145).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 977. A bill to correct certain references in the Bankruptcy Code.

S. 1111. A bill to amend title 35, United States Code, with respect to patents on biotechnological processes.

S.J. Res. 20. A joint resolution granting the consent of Congress to the compact to provide for joint natural resource management and enforcement of laws and regulations pertaining to natural resources and boating at the Jennings Randolph Lake Project lying in Garrett County, Maryland and Mineral County, West Virginia, entered into between the States of West Virginia and Maryland.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 1250. A bill to amend titles 5 and 37, United States Code, to provide for the continuance of pay and the authority to make certain expenditures and obligations during lapses in appropriations; to the Committee on Appropriations.

By Mr. HATFIELD (for himself, Mr. HARKIN, and Mrs. BOXER):

S. 1251. A bill to establish a National Fund for Health Research to expand medical research programs through increased funding provided to the National Institutes of Health, and for other purposes; to the Committee on Finance.

By Mr. ABRAHAM (for himself, Mr. LIEBERMAN, Mr. SANTORUM, Ms. MOSELEY-BRAUN, and Mr. DEWINE):

S. 1252. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives to stimulate economic growth in depressed areas, and for other purposes; to the Committee on Finance.

By Mr. ABRAHAM (for himself, Mr. KYL, Mrs. FEINSTEIN, and Mr. SHELBY):

S. 1253. A bill to amend the Controlled Substances Act with respect to penalties for crimes involving cocaine, and for other purposes; to the Committee on the Judiciary.

By Mr. ABRAHAM (for himself, Mr. HATCH, Mr. THURMOND, Mr. GRASSLEY, Mr. KYL, Mrs. FEINSTEIN, Mr. SHELBY, and Mr. COVERDELL):

S. 1254. A bill to disapprove of amendments to the Federal Sentencing Guidelines relating to lowering of crack sentences and sentences for money laundering and transactions in property derived from unlawful activity; read the first time.

By Mr. ROCKEFELLER:

S. 1255. A bill to amend title XVIII of the Social Security Act to provide for medicare contracting reforms, and for other purposes; to the Committee on Finance.

By Mr. DASCHLE (for himself, Mr. LEAHY, Mr. KERREY, Mr. HARKIN, Mr. DORGAN, Mr. CONRAD, Mr. WELLSTONE, Mr. EXON, Mr. BAUCUS, and Mr. FORD):

S. 1256. A bill to provide marketing loans, loan deficiency payments, and a flexible acreage base for the 1996 through 2002 crops of wheat, feed grains, and oilseeds, to establish an environmental quality incentives program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. WELLSTONE:

S. 1257. A bill to amend the Stewart B. McKinney Homeless Assistance Act to reauthorize programs relating to homeless assistance for veterans; to the Committee on Labor and Human Resources.

By Mr. KYL:

S. 1258. A bill to amend the Internal Revenue Code of 1986 to allow a one-time election of the interest rate to be used to determine present value for purposes of pension cash-out restrictions, and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 1250. A bill to amend titles 5 and 37, United States Code, to provide for the continuance of pay and the authority to make certain expenditures and obligations during lapses in appropriations; to the Committee on Appropriations.

THE FEDERAL EMPLOYEE COMPENSATION PROTECTION ACT

● Ms. MIKULSKI. Mr. President, I introduce an important piece of legislation called the Federal Employee Compensation Protection Act.

With a budget stalemate looming ahead, I think it is crucial that we keep our faith with Federal employees. The Mikulski-Sarbanes legislation will keep that faith by protecting Federal employee pay and benefits during a Government shutdown. Our legislation will ensure that Federal employees in Maryland and across the Nation will be able to make their mortgage payments, put food on the table, and provide for their families.

A shutdown of the Federal Government, no matter how short, would disrupt the lives of thousands of Federal employees and their families. In my State of Maryland alone, there are more than 280,000 Federal employees. They are some of the most dedicated and hard-working people in America today. These employees have devoted their careers and lives to public service, and they should not be used as pawns in a game of political brinkmanship.

Federal employees have already endured their fair share of hardship this year. Downsizing, diet COLA's, attacks on pensions and health benefits, and now the threat of unpaid furloughs have damaged morale at nearly every Federal agency. This assault must stop Mr. President. We cannot continue to denigrate and downgrade Federal employees and at the same time expect Government to work better.

I urge my colleagues to support the Mikulski-Sarbanes legislation and work to prevent this train wreck from happening. We have a contract with our Federal employees, and we should encourage their dedication by ensuring that the contract is honored and their pay and benefits are not put in jeopardy.●

● Mr. SARBANES. Mr. President, I am pleased to join my colleague from Maryland, Senator MIKULSKI, in cosponsoring this important legislation to ensure the protection of Federal employee pay and benefits in the event of a furlough.

We have a responsibility to the men and women who have dedicated themselves to public service and I would hope that my colleagues would join Senator MIKULSKI and I in our ongoing effort to maintain the Federal Government's commitment to its dedicated work force.

Over the past several months, Federal employees have been subject to numerous attacks on their pay and earned benefits. Despite my opposition, Congress approved the Republican budget resolution which seeks to change the calculation of retirement benefits for Federal employees from the employee's highest 3-year average to the highest 5-year average. The resolution also contains a reduction in the Federal Government's contribution to employee health care benefits and an increase from 7 to 7.5 percent in Federal employee contribution rates over the next 7 years.

In my view, this is a breach of the contract with Federal employees. In an attempt to restore fairness for Federal workers, I offered, along with Senator MIKULSKI and several of my colleagues, an amendment to the Republican budget resolution which would have stricken the high three/high five provision. Unfortunately, the provision failed by the narrowest of margins.

Mr. President, Federal employees have made a choice to serve their country and we should respect and reward that choice by supporting these hard-working, dedicated individuals.

Through the legislation Senator MIKULSKI and I are introducing today, we have the opportunity to send a message to the Federal work force and to all American citizens that Congress honors and values the commitment those who work for the Government have made.

As I have stated many times before, Federal employees have already made significant sacrifices in past years in the form of downsizing efforts, delayed and reduced cost of living adjustments, and other reductions in Federal employee pay and benefits. They have been called on to sacrifice further in this Congress through the Republican budget resolution and are now facing the very real possibility that, through no fault of their own, they may have to either work without pay or be prohibited from coming to work at all.

In a consistent and committed way, Federal workers give dedicated service to our country and they deserve to have their pay and earned benefits protected. Like Cal Ripken, who was recently honored in Baltimore, Federal employees show up day in and day out and do their jobs. In my view, we should recognize and encourage such dedication by ensuring that the pay and benefits of Federal workers are not placed in jeopardy.●

By Mr. HATFIELD (for himself, Mr. HARKIN, and Mrs. BOXER):

S. 1251. A bill to establish a national fund for health research to expand medical research programs through increased funding provided to the National Institutes of Health, and for other purposes; to the Committee on Finance.

THE NATIONAL FUND FOR HEALTH RESEARCH ACT

Mr. HATFIELD. Mr. President, this week finds us at the height of the appropriations process, as the end of the fiscal year rapidly approaches. It has been a season of difficult fiscal decisions which must be made to conform to the constraints of our balanced budget agreement. Never are the tradeoffs as vivid as when we consider spending levels for health and education programs, as we did this morning when the Senate Appropriations Committee completed action on the fiscal year 1996 Labor, HHS, and Education appropriations bill.

I am pleased to report that the committee provided nearly $1.5 billion more than the House for education programs. In addition, we provided a 2.7=percent increase for health research at the National Institutes of Health. While this level is less than that provided by the House, I believe it represents a fair balance between the vitally important issues of health and education. But clearly, my preference would have been to provide a much larger increase for medical research so that the engine which drives the quality of medical care and reduced health costs could run at full tilt.

The current reality is, however, that available funds for discretionary spending are decreasing. We cannot continue to look solely to the appropriations process for the necessary resources to keep our biomedical research enterprise growing at a rate which takes advantage of the myriad medical breakthroughs on the horizon. We must look for a funding source to supplement annual appropriations to the National Institutes of Health.

Today I am pleased to unite with my friend and colleague, Senator HARKIN, in introducing legislation to establish the national fund for medical research. We joined forces in this effort last year and worked hard to see that medical research was a part of the health care reform debates. At the end of the process, although the issue was ultimately unresolved, we had received the attention and support of many Members in this Chamber. We introduce this bill today, with the support of Senator BOXER of California, with the intention of building on the momentum of last year to gain the support of our many colleagues in this body who are committed to the biomedical research infrastructure.

Our legislation proposes to create a new fund in the U.S. Treasury, financed by an increase in Federal tobacco taxes and income generated through a voluntary Federal income tax checkoff. By raising the Federal tax on cigarettes by 25 cents per package, as well as raising the tax to an equivalent level on smokeless tobacco products, the Joint Committee on Taxation has estimated annual income for the fund of approximately $4.2 billion. These funds will be distributed on a phased-in basis to the National Institutes of Health to supplement, not replace, the funds the organization receives each year in the appropriations process. Funds will be distributed in accordance with the proportion of funds each of the member institutes and centers receive in the appropriations process, after 5 percent has been divided between the Office of the Director, the National Center for Research Resources, and the National Library of Medicine.

Funds raised through this proposal will increase the budget of the NIH by 35 percent over the fiscal year 1995 appropriated level. This will allow many more research grant applications to be funded so that scientific opportunities of merit can be pursued and ultimately translated into cost-effective treatments and cures which will improve our national quality of life. I know of no better investment for the Federal Government than one which strengthens our human capital—be it in education or health research, our greatest strength is a healthy, and thus wealthy, populous.

Mr. President, my good friend, the great philanthropist, Mary Lasker once said, ''If you think research is expensive, try disease.'' Diseases cost this country hundreds of billions of dollars annually. Last year, federally supported research on Alzheimer's disease totalled $300 million, yet it is estimated that $90 billion is expended annually on care. Federally supported research on diabetes totals $290 million, yet it is estimated that $25 billion is expended annually on care. Federally supported research on mental health totals $613 million, yet it is estimated that $130 billion is expended annually on care.

As we struggle in the coming months to achieve a balanced budget, we must embrace policies that enable us to make the most out of our scarce Federal dollars. Federal funding for medical research should be a top priority because without new knowledge to develop new strategies to prevent disease, new treatments to delay the progression of disease and new interventions to cure disease; health care costs will continue to spiral out of control. Disease drives the cost of health care. A concerted Federal assault on disease will not only save precious funds, but it will provide hope to the afflicted.

Watching a medical catastrophe affect a family or individual is one of the greatest tragedies we face in this country. The impacts are accentuated when this misfortune comes in the form of an incurable disease. Loved ones are left with no hope, and feeling powerless as they watch the debilitating effects of disease overcome the individual. I know many of my colleagues in the Senate have experienced this sense of powerlessness. They have watched helplessly while family members deteriorate from the effects of a deadly disease. The vibrant individual that they knew and loved is reduced to a withering shell of a human being. The one thing, and the only thing that provides comfort to the afflicted and to their loved ones, is hope. Hope for an end to the suffering. Hope for a return to a normal life. Hope for a cure. This hope does not have to be great, even the faintest glimmer brings happiness to someone faced with a fatal future.

Medical research is the sole hope we can provide to millions of Americans who will experience disease and disability either in their own lives or in their families. We can care for them in our hospitals and clinics but we cannot alleviate their pain or end their suffering without cures and preventative treatments. Cures are the direct result of our investment in medical research.

This legislation is important because it will help provide a more sustainable funding base for medical research. During the debate on the budget resolution, I offered an amendment to restore $7 billion of the nearly $8 billion cut for the NIH proposed by the Senate budget resolution over the next 7 years. This amendment passed by a vote of 85–14. While this was a short-term victory for the NIH, it demonstrates the need for a stable endowment for medical research. The war against disease can not be fully waged if medical researchers have to engage in yearly squabbles with Congress over funding levels.

As most of my colleagues know, I am a practical man. I do not underestimate the difficulty any tax increase has in the current political climate, but I submit we must listen to the people who put the new Republican majority in power.

A recent Harris Poll has shown that Americans strongly support health research and are willing to put their money behind their words. The poll asked Americans which type of scientific research they favored—66 percent favored medical research and a pitiful 4 percent preferred defense research. This same poll determined that if assured that the funds would be spent for medical research, 74 percent of Americans are willing to spend $1 more in taxes. Other polling data consistently shows that more than two-thirds of Republican and Democratic voters, including voters in tobacco-growing States, favor raising tobacco taxes.

These results make it clear that our constituents desire a strong Federal commitment to medical research, even if it means an increase in taxes. An increase in tobacco taxes is easily the most appropriate source of funding for this bill. The Centers for Disease Control and Prevention reports that the Federal Government spends more than $20 billion per year to pay for the direct health care costs caused by tobacco. Tobacco taxes will help offset and reduce the economic costs of smoking. Taxes on tobacco products are a proven source of revenue around the world. Most major industrialized nations tax tobacco at $2 to $3.60 per package.

The increase in the tobacco tax will provide extensive health benefits. Tobacco use is the greatest cause of preventable death in America. About 1.3 million children and adults will be discouraged from smoking by a 25-cent tobacco tax. Because about half of all long-term smokers die of diseases caused by smoking, a 25-cent tobacco tax will save the lives of more than 300,000 Americans alive today. I hope these heart-wrenching statistics will put an end to the congressional coddling of the almighty tobacco lobby. Tobacco use imposes a great price on our society, and those who profit from tobacco use should contribute their fair share to this devastation.

This legislation has everything to do with providing our Nation with a brighter future. While sustainable resources for medical research are essential for our Nation's prosperity, our young people will ultimately determine the future of our Nation. Zenia Kim, a finalist in the Miss Oregon Pageant, and an aspiring medical researcher, provides me with a personal impetus to progress on this legislation. Like many Zenia had not given disease or medical research much thought until a close relative was stricken with cancer. After seeing her family member experience the terrors of chemotherapy, she dedicated her life to finding a cure to cancer.

Zenia has vigorously pursued this pledge by working during her college summers at Oregon Health Sciences University. It was here, at one of our Nation's top academic medical centers, that she encountered the problems of insufficient funds for medical research. This inspired her to develop a comprehensive proposal to cure cancer. The main component of this proposal is research. Kim writes, ''as a future medical scientist, I would like to know that there will be enough funding available to pursue my research endeavors.''

I would like Zenia to someday realize her goal and find a cure for cancer. I would like to assure Zenia, that when she graduates from medical school, we will have adequate funding for medical research. I urge my colleagues to support the National Fund for Medical Research to help Zenia and others like her to provide hope for those tormented by disease and disabilities.

I ask unanimous consent to include in the RECORD, a copy of the bill, a question and answer summary, a sample of letters of support, and a list of nearly 200 organizations supporting this effort.

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

S. 1251

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Fund for Health Research Act''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Nearly 4 of 5 peer reviewed research projects deemed worthy of funding by the National Institutes of Health are not funded.

(2) Less than 3 percent of the nearly one trillion dollars our Nation spends on health care is devoted to health research, while the defense industry spends 15 percent of its budget on research.

(3) Public opinion surveys have shown that Americans want more Federal resources put into health research and are willing to pay for it. Polling data consistently shows that more than two-thirds of all voters support a major tobacco tax increase if revenues generated are dedicated to health-related programs.

(4) Ample evidence exists to demonstrate that health research has improved the quality of health care in the United States. Advances such as the development of vaccines, the cure of many childhood cancers, drugs that effectively treat a host of diseases and disorders, a process to protect our Nation's blood supply from the HIV virus, progress against cardiovascular disease including heart attack and stroke, and new strategies for the early detection and treatment of diseases such as colon, breast, and prostate cancer clearly demonstrates the benefits of health research.

(5) Health research which holds the promise of prevention of intentional and unintentional injury and cure and prevention of disease and disability, is critical to holding down costs in the long term.

(6) The state of our Nation's research facilities at the National Institutes of Health and at universities is deteriorating significantly. Renovation and repair of these facilities are badly needed to maintain and improve the quality of research.

(7) Because the Concurrent Resolution on the Budget for fiscal year 1996 (H. Con. Res. 67) freezes discretionary spending for the next 5 years, the Nation's investment in health research through the National Institutes of Health is likely to decline in real terms unless corrective legislative action is taken.

(8) A health research fund is needed to maintain our Nation's commitment to health research and to increase the percentage of approved projects which receive funding at the National Institutes of Health.

(9) Each year 419,000 Americans die directly from tobacco use and thousands more die from diseases caused by exposure to environmental tobacco smoke. This year one out of every five Americans who die will die from tobacco use.

(10) A recent study by the Centers for Disease Control and Prevention estimates that the Federal Government expended more than $20,000,000,000 in 1993 alone to treat illnesses associated with tobacco use.

(11) A 25 cent increase in the tobacco tax would discourage 1,300,000 Americans from smoking and prevent more than 300,000 premature deaths.

(12) An estimated 90 percent of all smokers start when they are teenagers or younger.

(13) Voluntary income tax checkoffs for medical research for specific diseases exist in some States and have proven successful in generating funds for such research.

TITLE I—NATIONAL FUND FOR HEALTH RESEARCH

SEC. 101. ESTABLISHMENT.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund, to be known as the ''National Fund for Health Research'' (hereafter in this section referred to as the ''Fund''), consisting of such amounts as are transferred to the Fund under subsection (b) and any interest earned on investment of amounts in the Fund.

(b) TRANSFERS TO FUND.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Fund amounts equivalent to—

(A) taxes received in the Treasury under section 5701 of the Internal Revenue Code of 1986 (relating to taxes on tobacco products) to the extent attributable to the increase in such taxes resulting from the amendments made by title II of the National Fund for Health Research Act; and

(B) the amounts designated under section 6097 (relating to designation of overpayments and contributions to the Fund).

(2) TRANSFERS BASED ON ESTIMATES.—The amounts transferred by paragraph (1) shall annually be transferred to the Fund within 30 days after the President signs an appropriations Act for the Departments of Labor, Health and Human Services, and Education, and related agencies, or by the end of the first quarter of the fiscal year. Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) OBLIGATIONS FROM FUND.—

(1) IN GENERAL.—Subject to the provisions of paragraph (4), with respect to the amounts made available in the Fund in a fiscal year, the Secretary of Health and Human Services shall distribute—

(A) 2 percent of such amounts during any fiscal year to the Office of the Director of the National Institutes of Health to be allocated at the Director's discretion for the following activities:

(i) for carrying out the responsibilities of the Office of the Director, including the Office of Research on Women's Health and the

Office of Research on Minority Health, the Office of Alternative Medicine, the Office of Rare Disease Research, the Office of Behavioral and Social Sciences Research (for use for efforts to reduce tobacco use), the Office of Dietary Supplements, and the Office for Disease Prevention; and

(ii) for construction and acquisition of equipment for or facilities of or used by the National Institutes of Health;

(B) 2 percent of such amounts for transfer to the National Center for Research Resources to carry out section 1502 of the National Institutes of Health Revitalization Act of 1993 concerning Biomedical and Behavioral Research Facilities;

(C) 1 percent of such amounts during any fiscal year for carrying out section 301 and part D of title IV of the Public Health Service Act with respect to health information communications; and

(D) the remainder of such amounts during any fiscal year to member institutes and centers, including the Office of AIDS Research, of the National Institutes of Health in the same proportion to the total amount received under this section, as the amount of annual appropriations under appropriations Acts for each member institute and Centers for the fiscal year bears to the total amount of appropriations under appropriations Acts for all member institutes and Centers of the National Institutes of Health for the fiscal year.

(2) PLANS OF ALLOCATION.—The amounts transferred under paragraph (1)(D) shall be allocated by the Director of the National Institutes of Health or the various directors of the institutes and centers, as the case may be, pursuant to allocation plans developed by the various advisory councils to such directors, after consultation with such directors.

(3) GRANTS AND CONTRACTS FULLY FUNDED IN FIRST YEAR.—With respect to any grant or contract funded by amounts distributed under paragraph (1), the full amount of the total obligation of such grant or contract shall be funded in the first year of such grant or contract, and shall remain available until expended.

(4) TRIGGER AND RELEASE OF MONIES AND PHASE-IN.—

(A) TRIGGER AND RELEASE.—No expenditure shall be made under paragraph (1) during any fiscal year in which the annual amount appropriated for the National Institutes of Health is less than the amount so appropriated for the prior fiscal year.

(B) PHASE-IN.—The Secretary of Health and Human Services shall phase-in the distributions required under paragraph (1) so that—

(i) 25 percent of the amount in the Fund is distributed in fiscal year 1997;

(ii) 50 percent of the amount in the Fund is distributed in fiscal year 1998;

(iii) 75 percent of the amount in the Fund is distributed in fiscal year 1999; and

(iv) 100 percent of the amount in the Fund is distributed in fiscal year 2000 and each succeeding fiscal year.

(5) ADMINISTRATIVE EXPENSES.—Amounts in the Fund shall be available to pay the administrative expenses of the Department of the Treasury directly allocable to—

(A) modifying the individual income tax return forms to carry out section 6097 of the Internal Revenue Code of 1986; and

(B) processing amounts received under such section 6097 and transferring such amounts to such Fund.

(d) BUDGET TREATMENT OF AMOUNTS IN FUND.—The amounts in the Fund shall be excluded from, and shall not be taken into account, for purposes of any budget enforcement procedure under the Congressional Budget Act of 1974 or the Balanced Budget and Emergency Deficit Control Act of 1985.

TITLE II—FINANCING PROVISIONS

SEC. 201. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 202. INCREASE IN EXCISE TAXES ON TOBACCO PRODUCTS.

(a) CIGARETTES.—Subsection (b) of section 5701 is amended—

(1) by striking "$12 per thousand ($10 per thousand on cigarettes removed during 1991 or 1992)" in paragraph (1) and inserting "$24.5 per thousand", and

(2) by striking "$25.20 per thousand ($21 per thousand on cigarettes removed during 1991 or 1992)" in paragraph (2) and inserting "$51.45 per thousand".

(b) CIGARS.—Subsection (a) of section 5701 is amended—

(1) by striking "$1.125 cents per thousand (93.75 cents per thousand on cigars removed during 1991 or 1992)" in paragraph (1) and inserting "$13.64 per thousand", and

(2) by striking "equal to" and all that follows in paragraph (2) and inserting "equal to 26.03 percent of the price for which sold but not more than $61.25 per thousand."

(c) CIGARETTE PAPERS.—Subsection (c) of section 5701 is amended by striking "0.75 cent (0.625 cent on cigarette papers removed during 1991 or 1992)" and inserting "1.53 cents".

(d) CIGARETTE TUBES.—Subsection (d) of section 5701 is amended by striking "1.5 cents (1.25 cents on cigarette tubes removed during 1991 or 1992)" and inserting "3.06 cents".

(e) SMOKELESS TOBACCO.—Subsection (e) of section 5701 is amended—

(1) by striking "36 cents (30 cents on snuff removed during 1991 or 1992)" in paragraph (1) and inserting "$3.69", and

(2) by striking "12 cents (10 cents on chewing tobacco removed during 1991 or 1992)" in paragraph (2) and inserting "$1.45".

(f) PIPE TOBACCO.—Subsection (f) of section 5701 is amended by striking "67.5 cents (56.25 cents on pipe tobacco removed during 1991 or 1992)" and inserting "$4.85".

(g) APPLICATION OF TAX INCREASE TO PUERTO RICO.—Section 5701 is amended by adding at the end the following new subsection:

"(h) APPLICATION TO TAXES TO PUERTO RICO.—Notwithstanding subsections (b) and (c) of section 7653 and any other provision of law—

"(1) IN GENERAL.—On tobacco products and cigarette papers and tubes, manufactured or imported into the Commonwealth of Puerto Rico, there is hereby imposed a tax at the rate equal to the excess of—

"(A) the rate of tax applicable under this section to like articles manufactured in the United States, over

"(B) the rate referred to in subparagraph (A) as in effect on the day before the date of the enactment of the National Fund for Health Research Act.

"(2) SHIPMENTS TO PUERTO RICO FROM THE UNITED STATES.—Only the rates of tax in effect on the day before the date of the enactment of this subsection shall be taken into account in determining the amount of any exemption from, or credit or drawback of, any tax imposed by this section on any article shipped to the Commonwealth of Puerto Rico from the United States.

"(3) SHIPMENTS FROM PUERTO RICO TO THE UNITED STATES.—The rates of tax taken into account under section 7652(a) with respect to tobacco products and cigarette papers and tubes coming into the United States from the Commonwealth of Puerto Rico shall be the rates of tax in effect on the day before the date of the enactment of the National Fund for Health Research Act.

"(4) DISPOSITION OF REVENUES.—The provisions of section 7652(a)(3) shall not apply to any tax imposed by reason of this subsection."

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to articles removed (as defined in section 5702(k) of the Internal Revenue Code of 1986, as amended by this Act) after December 31, 1995.

(i) FLOOR STOCKS TAXES.—

(1) IMPOSITION OF TAX.—On tobacco products and cigarette papers and tubes manufactured in or imported into the United States or the Commonwealth of Puerto Rico which are removed before January 1, 1996, and held on such date for sale by any person, there is hereby imposed a tax in an amount equal to the excess of—

(A) the tax which would be imposed under section 5701 of the Internal Revenue Code of 1986 on the article if the article had been removed on such date, over

(B) the prior tax (if any) imposed under section 5701 or 7652 of such Code on such article.

(2) AUTHORITY TO EXEMPT CIGARETTES HELD IN VENDING MACHINES.—To the extent provided in regulations prescribed by the Secretary, no tax shall be imposed by paragraph (1) on cigarettes held for retail sale on January 1, 1996, by any person in any vending machine. If the Secretary provides such a benefit with respect to any person, the Secretary may reduce the $500 amount in paragraph (3) with respect to such person.

(3) CREDIT AGAINST TAX.—Each person shall be allowed as a credit against the taxes imposed by paragraph (1) an amount equal to $500. Such credit shall not exceed the amount of taxes imposed by paragraph (1) on January 1, 1996, for which such person is liable.

(4) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding cigarettes on January 1, 1996, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be paid in such manner as the Secretary shall prescribe by regulations.

(C) TIME FOR PAYMENT.—The tax imposed by paragraph (1) shall be paid on or before April 1, 1996.

(5) ARTICLES IN FOREIGN TRADE ZONES.—Notwithstanding the Act of June 18, 1934 (48 Stat. 998, 19 U.S.C. 81a) and any other provision of law, any article which is located in a foreign trade zone on January 1, 1996, shall be subject to the tax imposed by paragraph (1) if—

(A) internal revenue taxes have been determined, or customs duties liquidated, with respect to such article before such date pursuant to a request made under the 1st proviso of section 3(a) of such Act, or

(B) such article is held on such date under the supervision of a customs officer pursuant to the 2d proviso of such section 3(a).

(6) DEFINITIONS.—For purposes of this subsection—

(A) IN GENERAL.—Terms used in this subsection which are also used in section 5702 of the Internal Revenue Code of 1986 shall have the respective meanings such terms have in such section, as amended by this Act.

(B) SECRETARY.—The term "Secretary" means the Secretary of the Treasury or his delegate.

(7) CONTROLLED GROUPS.—Rules similar to the rules of section 5061(e)(3) of such Code shall apply for purposes of this subsection.

(8) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable

with respect to the taxes imposed by section 5701 of such Code shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply to the floor stocks taxes imposed by paragraph (1), to the same extent as if such taxes were imposed by such section 5701. The Secretary may treat any person who bore the ultimate burden of the tax imposed by paragraph (1) as the person to whom a credit or refund under such provisions may be allowed or made.

SEC. 203. MODIFICATIONS OF CERTAIN TOBACCO TAX PROVISIONS.

(a) EXEMPTION FOR EXPORTED TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES TO APPLY ONLY TO ARTICLES MARKED FOR EXPORT.—

(1) Subsection (b) of section 5704 is amended by adding at the end the following new sentence: ''Tobacco products and cigarette papers and tubes may not be transferred or removed under this subsection unless such products or papers and tubes bear such marks, labels, or notices as the Secretary shall by regulations prescribe.''

(2) Section 5761 is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

''(c) SALE OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES FOR EXPORT.—Except as provided in subsections (b) and (d) of section 5704—

''(1) every person who sells, relands, or receives within the jurisdiction of the United States any tobacco products or cigarette papers or tubes which have been labeled or shipped for exportation under this chapter,

''(2) every person who sells or receives such relanded tobacco products or cigarette papers or tubes, and

''(3) every person who aids or abets in such selling, relanding, or receiving,

shall, in addition to the tax and any other penalty provided in this title, be liable for a penalty equal to the greater of $1,000 or 5 times the amount of the tax imposed by this chapter. All tobacco products and cigarette papers and tubes relanded within the jurisdiction of the United States, and all vessels, vehicles, and aircraft used in such relanding or in removing such products, papers, and tubes from the place where relanded, shall be forfeited to the United States.''

(3) Subsection (a) of section 5761 is amended by striking ''subsection (b)'' and inserting ''subsection (b) or (c)''.

(4) Subsection (d) of section 5761, as redesignated by paragraph (2), is amended by striking ''The penalty imposed by subsection (b)'' and inserting ''The penalties imposed by subsections (b) and (c)''.

(5)(A) Subpart F of chapter 52 is amended by adding at the end the following new section:

''SEC. 5754. RESTRICTION ON IMPORTATION OF PREVIOUSLY EXPORTED TOBACCO PRODUCTS.

''(a) IN GENERAL.—Tobacco products and cigarette papers and tubes previously exported from the United States may be imported or brought into the United States only as provided in section 5704(d). For purposes of this section, section 5704(d), section 5761, and such other provisions as the Secretary may specify by regulations, references to exportation shall be treated as including a reference to shipment to the Commonwealth of Puerto Rico.

''(b) CROSS REFERENCE.—

''For penalty for the sale of tobacco products and cigarette papers and tubes in the United States which are labeled for export, see section 5761(c).''

(B) The table of sections for subpart F of chapter 52 is amended by adding at the end the following new item:

''Sec. 5754. Restriction on importation of previously exported tobacco products.''

(b) IMPORTERS REQUIRED TO BE QUALIFIED.—

(1) Sections 5712, 5713(a), 5721, 5722, 5762(a)(1), and 5763 (b) and (c) are each amended by inserting ''or importer'' after ''manufacturer''.

(2) The heading of subsection (b) of section 5763 is amended by inserting ''QUALIFIED IMPORTERS,'' after ''MANUFACTURERS,''.

(3) The heading for subchapter B of chapter 52 is amended by inserting ''**and Importers**'' after ''**Manufacturers**''.

(4) The item relating to subchapter B in the table of subchapters for chapter 52 is amended by inserting ''and importers'' after ''manufacturers''.

(c) REPEAL OF TAX-EXEMPT SALES TO EMPLOYEES OF CIGARETTE MANUFACTURERS.—

(1) Subsection (a) of section 5704 is amended—

(A) by striking ''EMPLOYEE USE OR'' in the heading, and

(B) by striking ''for use or consumption by employees or'' in the text.

(2) Subsection (e) of section 5723 is amended by striking ''for use or consumption by their employees, or for experimental purposes'' and inserting ''for experimental purposes''.

(d) REPEAL OF TAX-EXEMPT SALES TO UNITED STATES.—Subsection (b) of section 5704 is amended by striking ''and manufacturers may similarly remove such articles for use of the United States;''.

(e) BOOKS OF 25 OR FEWER CIGARETTE PAPERS SUBJECT TO TAX.—Subsection (c) of section 5701 is amended by striking ''On each book or set of cigarette papers containing more than 25 papers,'' and inserting ''On cigarette papers,''.

(f) STORAGE OF TOBACCO PRODUCTS.—Subsection (k) of section 5702 is amended by inserting ''under section 5704'' after ''internal revenue bond''.

(g) AUTHORITY TO PRESCRIBE MINIMUM MANUFACTURING ACTIVITY REQUIREMENTS.—Section 5712 is amended by striking ''or'' at the end of paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) the following new paragraph:

''(2) the activity proposed to be carried out at such premises does not meet such minimum capacity or activity requirements as the Secretary may prescribe, or''.

(h) SPECIAL RULES RELATING TO PUERTO RICO AND THE VIRGIN ISLANDS.—Section 7652 is amended by adding at the end the following new subsection:

''(h) LIMITATION ON COVER OVER OF TAX ON TOBACCO PRODUCTS.—For purposes of this section, with respect to taxes imposed under section 5701 or this section on any tobacco product or cigarette paper or tube, the amount covered into the treasuries of Puerto Rico and the Virgin Islands shall not exceed the rate of tax under section 5701 in effect on the article on the day before the date of the enactment of the Health Partnership Act of 1995.''

(i) EFFECTIVE DATE.—The amendments made by this section shall apply to articles removed (as defined in section 5702(k) of the Internal Revenue Code of 1986, as amended by this Act) after December 31, 1995.

SEC. 204. IMPOSITION OF EXCISE TAX ON MANUFACTURE OR IMPORTATION OF ROLL-YOUR-OWN TOBACCO.

(a) IN GENERAL.—Section 5701 (relating to rate of tax), as amended by section 701, is amended by redesignating subsections (g) and (h) as subsections (h) and (i) and by inserting after subsection (f) the following new subsection:

''(g) ROLL-YOUR-OWN TOBACCO.—On roll-your-own tobacco, manufactured in or imported into the United States, there shall be imposed a tax of $4.85 per pound (and a proportionate tax at the like rate on all fractional parts of a pound).''

(b) ROLL-YOUR-OWN TOBACCO.—Section 5702 (relating to definitions) is amended by adding at the end the following new subsection:

''(p) ROLL-YOUR-OWN TOBACCO.—The term 'roll-your-own tobacco' means any tobacco which, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes.''

(c) TECHNICAL AMENDMENTS.—

(1) Subsection (c) of section 5702 is amended by striking ''and pipe tobacco'' and inserting ''pipe tobacco, and roll-your-own tobacco''.

(2) Subsection (d) of section 5702 is amended—

(A) in the material preceding paragraph (1), by striking ''or pipe tobacco'' and inserting ''pipe tobacco, or roll-your-own tobacco'', and

(B) by striking paragraph (1) and inserting the following new paragraph:

''(1) a person who produces cigars, cigarettes, smokeless tobacco, pipe tobacco, or roll-your-own tobacco solely for the person's own personal consumption or use, and''.

(3) The chapter heading for chapter 52 is amended to read as follows:

''CHAPTER 52—TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES''.

(4) The table of chapters for subtitle E is amended by striking the item relating to chapter 52 and inserting the following new item:

''CHAPTER 52. Tobacco products and cigarette papers and tubes.''

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to roll-your-own tobacco removed (as defined in section 5702(k) of the Internal Revenue Code of 1986, as amended by this Act) after December 31, 1995.

(2) TRANSITIONAL RULE.—Any person who—

(A) on the date of the enactment of this Act is engaged in business as a manufacturer of roll-your-own tobacco or as an importer of tobacco products or cigarette papers and tubes, and

(B) before January 1, 1996, submits an application under subchapter B of chapter 52 of such Code to engage in such business,

may, notwithstanding such subchapter B, continue to engage in such business pending final action on such application. Pending such final action, all provisions of such chapter 52 shall apply to such applicant in the same manner and to the same extent as if such applicant were a holder of a permit under such chapter 52 to engage in such business.

SEC. 205. DESIGNATION OF OVERPAYMENTS AND CONTRIBUTIONS FOR THE NATIONAL FUND FOR HEALTH RESEARCH.

(a) IN GENERAL.—Subchapter A of chapter 61 (relating to returns and records) is amended by adding at the end the following new part:

''PART IX—DESIGNATION OF OVERPAYMENTS AND CONTRIBUTIONS FOR THE NATIONAL FUND FOR HEALTH RESEARCH

''Sec. 6097. Amounts for the National Fund for Health Research.

"SEC. 6097. AMOUNTS FOR THE NATIONAL FUND FOR HEALTH RESEARCH.

''(a) IN GENERAL.—Every individual (other than a nonresident alien) may designate that—

''(1) a portion (not less than $1) of any overpayment of the tax imposed by chapter 1 for the taxable year, and

''(2) a cash contribution (not less than $1), be paid over to the National Fund for Health Research. In the case of a joint return of a husband and wife, each spouse may designate one-half of any such overpayment of tax (not less than $2).

''(b) MANNER AND TIME OF DESIGNATION.—Any designation under subsection (a) may be made with respect to any taxable year only at the time of filing the original return of the tax imposed by chapter 1 for such taxable year. Such designation shall be made either on the 1st page of the return or on the page bearing the taxpayer's signature.

''(c) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this section, any overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last day prescribed for filing the return of tax imposed by chapter 1 (determined with regard to extensions) or, if later, the date the return is filed.

''(d) DESIGNATED AMOUNTS NOT DEDUCTIBLE.—No amount designated pursuant to subsection (a) shall be allowed as a deduction under section 170 or any other section for any taxable year.

''(e) TERMINATION.—This section shall not apply to taxable years beginning in a calendar year after a determination by the Secretary that the sum of all designations under subsection (a) for taxable years beginning in the second and third calendar years preceding the calendar year is less than $5,000,000.''

(b) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 61 is amended by adding at the end the following new item:

''Part IX. Designation of overpayments and contributions for the National Fund for Health Research.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

NATIONAL FUND FOR HEALTH RESEARCH ACT—QUESTIONS AND ANSWERS

What does the proposal call for?

A National Fund For Health Research would be established to provide additional resources for health research over and above those provided to the National Institutes of Health (NIH) in the annual appropriations process. The Fund would greatly enhance the quality of health care by investing more resources in finding preventive measures, cures and cost effective treatments for the major illnesses and conditions that strike Americans.

Financing for the Fund comes from an increase in federal tobacco taxes—25 cents per pack of cigarettes and an equivalent tax on other tobacco products. This tax would raise an estimated $4.2 billion annually. In addition to providing revenue for the Fund, raising tobacco taxes will protect children and save lives. Every day more than 3,000 children become smokers and more than 1,000 of them will eventually die as a result of smoking. Raising tobacco taxes is a highly effective way to reduce tobacco use by children. A 25-cent tax will discourage an estimated 1.3 million children and adults from smoking and will save the lives of more than 300,000 Americans alive today.

Each year amounts within the Fund would automatically be allotted to each of the NIH Institutes and Centers. Five percent of the monies would be directed to extramural construction and renovation of research facilities, the National Library of Medicine, and the Office of the Director. So that an appropriate range of basic and applied research is supported, each Institute and Center would receive the same percentage of the remaining Fund monies as they received of the total NIH appropriation for that fiscal year. In order to insure that the additional funds generated do not simply replace regularly appropriated NIH funds, monies from the Fund would be released only if the total appropriated for the NIH in that year equal or exceed the prior year appropriations.

Additional monies for the Fund would be generated by a voluntary federal income tax check-off. Every year, when filing their Federal income tax returns, Americans would have the opportunity to designate tax overpayments and contributions for health research. Monies from the check-off would be deposited in the Fund.

Why is this proposal necessary?

Health research has brought us the advances in treatment and prevention of disease and disability that define our current high standards of medical practice. Perhaps more than any other component of our health care system, health research holds the promise of both reducing medical costs and improving the quality of life of Americans. Yet, because the federal budget agreement freezes discretionary spending for the next four years, Federal funding for health research will likely not even keep up with inflation unless a separate funding stream is established.

Will the Fund simply replace existing monies appropriated to NIH?

No. Monies generated by the Fund would be in addition to, not in replacement of those provided to each of the NIH Institutes in the normal appropriations process. Monies from the Fund could not be allotted unless total NIH appropriations in that year were equal to or greater than the prior year appropriations. Therefore, the Fund could not be used as a mechanism to replace or reduce regularly appropriated funds.

How would money from the Fund be allocated among research priorities?

The proposal does not pick winners and losers among areas of health research. It does not interfere with the funding decisions made through the normal appropriations process. Funds would be allocated to each of the NIH Institutes and Centers based on the percentage that each of these entities received of the total NIH appropriation for that year. Monies allotted to each NIH entity would be spent according to a plan developed by the entities' advisory council in consultation with the NIH Director. Each Institute would decide the appropriate distribution of Fund monies among various research priorities within the Institute.

In recognition of the poor state of many medical research facilities, 2 percent of the total Fund would be taken off the top for extramural construction and renovation of research building and facilities. In accordance with traditional funding patterns, 1 percent of the total Fund would go to the National Library of Medicine. An additional 2 percent would go to the NIH Director for intramural construction and renovation and other activities supported by the Office of the Director.

Isn't research a major reason why the cost of health care is so high in this country? Won't an increase in research funding lead to an increase in health care costs?

Absolutely not. Funding for research can be an effective means of controlling health costs in the long run. Investment in research pays off in terms of lower medical expenses, reduced worker absenteeism, and improved productivity. For example, according to NIH statistics, an investment of $1.2 million in the development of a mass screening device for neonatal hypothyroidism in newborns has the potential 1-year saving of over $206 million. An investment of slightly over $679,000 for a treatment for preventing the recurrence of kidney stones saves close to $300 million in annual treatment costs and lost days work.

Today, many families are anxiously looking for a treatment and cure of Alzheimer's disease. Federally supported funding for research on Alzheimer's disease totals $300 million annually on caring for people with Alzheimer's. A cure or treatment for Alzheimer's, in addition to relieving suffering, would result in enormous savings.

Won't more research lead to the development and over utilization of new tests and expensive equipment?

There are legitimate concerns about the over utilization and duplication of expensive technologies. These concerns should be addressed by an increased emphasis on outcomes and effectiveness research. We should solve the problem of over utilization of services but not at the expense of improving quality and coming up with more effective treatments and cures.

Do the American people support increases in tobacco taxes to pay for increases in health research?

Polling data consistently show that more than two-thirds of Republican and Democratic voters, including voters in tobacco-growing states, favor raising tobacco taxes if revenues are dedicated to health-related activities.

Does the proposal include prevention research?

Absolutely. Research is our first line of defense. It is the ultimate investment in prevention. Research provides the building blocks for prevention—research has produced immunizations, critical information about the importance of diet and exercise in preventing disease, and a screening test to prevent the transmission of HIV through blood products. Research is the key to prevention.

CANCER UNDERSTANDING AND RESEARCH EFFORTS

(Statement of Zenia Kim)

The CURE program is designed to focus on two areas of cancer treatment: prevention and research.

INTRODUCTION

I remember when I was attending Junior High and High School, I never really learned about cancer or the risk factors involved. When I was a senior in high school, a very close relative of mine became very ill and was diagnosed with cancer. She started chemotherapy treatment but things got worse. I promised myself at that moment that I was going to perform my own research on cancer. What caused this disease and why wasn't my loved one getting better? I began volunteering at our local hospital in the Pathology lab, where I observed doctors examining various forms of cancers. I learned how to spot cancers of all sorts. As I continued my education at Brigham Young University, I continued with my cancer research. I worked with a Chemistry professor by the name of Dr. James Thorne, and he assisted me in understanding the chemical aspect of cancer research. We worked on a treatment called Photodynamic Therapy. This form of cancer treatment became very appealing because it did not have as many negative side effects that chemotherapy had. I became so involved with the research that I wrote my own paper on Photodynamic Therapy. I am still continuing my research with Dr. Thorne for the third year, and hope that this is our real breakthrough in curing cancer. While I

was performing research on Photodynamic Therapy, I really wanted to continue my volunteer work in a hospital setting. I volunteered at Utah Valley Regional Medical Center in the Oncology Department. Here, I got to experience the other side, the patient's side. I remember talking with many cancer patients and listening to their distress, their hopeless feelings. I became so determined . . . that I was going to find a cure for cancer. As my research continued at BYU, I discovered that research funds were very limited. The national funding organizations can hardly support any of the proposals coming in. As a future medical research specialist, I became disheartened. Over the summer, I worked at Oregon Health Sciences University Medical School performing medical cancer research, and there too discovered the limited funding available for research. This is why I became so inspired to develop my own program called the CURE.

CANCER UNDERSTANDING AND RESEARCH EFFORTS

The CURE focuses on two areas of cancer treatment. The first is prevention. I believe that if many students learned about the risks involved with cancer as a junior high or high school student, there would be a significant decrease in the incidents of cancer. I would like to see a unit integrated within the health curriculum that emphasizes the risks of cancer. Furthermore, I would like to invite guest speakers, perhaps one who has fought and recovered from cancer or the loved ones of a cancer victim, to tell about their side of their story. I think that by personalizing a real situation, students feel more sensitive and more in tune with the problem. That is exactly what we need. We need students to feel realistic, sad, or even scared so that they won't associate with any of the risks involved with cancer. The decisions that students in their junior high and high school years make can indefinitely affect the course of their lives. Furthermore, this is the time that they opt to engage in such acts as smoking, using tobacco, sun tanning, etc. So, by integrating a cancer unit within secondary education, the hope is that the future generations will choose to stay risk free and beat the battle against cancer.

The second area of cancer treatment that the CURE focuses on is research. Prevention is great to eliminate cancer but for those already afflicted with cancer, there must be another alternative. I would like to personally declare, to those of all ages, that research is the first and most important step towards cancer cure. By understanding the mechanism of how cancer cells undergo their uncontrolled rate of division, we can come closer to finding the right reagents to stop it. I know that cancer research has been going on for many years, and I believe that we are coming so much closer to the cure. We really need to support the research funding. I have sadly discovered that less than 10 percent of all the proposals that are sent to large funding organizations, such as the National Institute of Health, actually get funded. This to me is a horrifying reality. But the question always seems to be, ''Where are we going to get the money?'' I believe that we can first start with larger corporations. They have elicited a certain percentage of their profits into donations. I would like to encourage those corporations to donate more of their profits into research. Also, I support Senator Hatfield's and Senator Harkin's Trust Fund Proposal in allocating more money towards research from a tobacco tax. By raising the tobacco tax by a small fraction, we will not destroy the tobacco industry and we will be able to fund more scientific discoveries. As a future medical scientist, I would like to know that there will be enough funding available to pursue my research endeavors. I love research and I thrive off making new scientific discoveries. I just hope that I can continue my love for research when I work in my own laboratory someday soon.

As Miss Tri-Valley, I have actually had the opportunity to speak to students in junior high and high schools throughout the Beaverton/Portland area. I always emphasize these two important points that I have established in the CURE Program: Prevention and Research—these are our two means of defeating cancer.

AMERICAN LUNG ASSOCIATION,
September 14, 1995.

Hon. MARK HATFIELD,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR HATFIELD: The American Lung Association strongly endorses the legislation you are introducing today, Research Trust Fund Act. Enactment of the Research Trust Fund Act will be a win-win proposition for the health and well-being of the American people.

The Research Trust Fund Act will save lives through prevention. Each year 419,000 Americans die from causes directly related to tobacco use and thousands more die from diseases caused by exposure to environmental tobacco smoke. These preventable deaths represents a huge human loss to our society. The proposed $0.25 increase in the federal excise tax on tobacco products will help reduce the number of people who smoke. It is estimated that for every $0.25 increased in the federal tobacco tax, about one million people living today will be discouraged from smoking and 200,000 to 300,000 premature deaths will be prevented.

The Research Trust Fund Act will save health care dollars. The cost of treating people who suffer from tobacco related illnesses places a staggering financial burden on the American health care system. Although smokers tend to die younger, over the course of their life, current and former smokers generate an estimated $501 billion in excess health care costs. Treating tobacco related illnesses cost the $21 billion per year, with an additional estimated cost of $47 billion in lost productivity. Reducing the number of people who use tobacco products by increasing the federal tobacco tax will help reduce the economic burden tobacco consumption places on the U.S. health care system.

The Research Trust Fund Act will save lives through improved treatments and cures. The estimated $4 billion to $5 billion generated by the Research Trust Fund will provided needed additional funding for biomedical research sponsored by the National Institutes of Health. Through increased support of basic and clinical biomedical research at the National Institutes of Health, researchers will continue to broaden our understanding of life sciences and develop new approaches to preventing, treating, and curing disease.

The American Lung Association and its volunteers stand ready to work with you and Congress to enact this important legislation. I would also like to take this opportunity to commend you for your leadership and foresight in introducing the Research Trust Fund Act. The Research Trust Fund will go a long way to improving the health of all Americans.

Sincerely,
JACQUELINE D. MCLEOD, MPH, M.Ed,
President.

FEDERATION OF AMERICAN SOCIETIES FOR EXPERIMENTAL BIOLOGY,
Bethesda, MD, September 11, 1995.

Hon. MARK HATFIELD,
Chair, Senate Appropriations Committee, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Federation of American Societies for Experimental Biology (FASEB) supports with enthusiasm your efforts to provide supplemental resources for NIH and biomedical research.

The Federation concurs that the federal commitment to health research is grossly underfunded. Less than 3 percent of the nearly one trillion dollars our Nation spends on health care is devoted to health research, while the defense industry spends 15 percent of its budget on research. Ample evidence exists to demonstrate that health research has improved the quality of health care in the United States, and is one of the best methods of health care cost containment.

Therefore, FASEB supports the proposal to create an additional source of biomedical funding, such as through the National Fund for Health Research Act. We are confident that these additional funds would not be used to offset regular appropriations.

Sincerely,
RALPH A. BRADSHAW, Ph.D.,
President.

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE,
Washington, DC, September 14, 1995.

Hon. MARK O. HATFIELD,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR HATFIELD: On behalf of the nearly six million members and supporters of the National Committee to Preserve Social Security and Medicare, I am writing in strong support of your legislation to increase medical research funding to the National Institutes of Health (NIH).

Increased research into the causes and potential cures of many diseases related to aging could have a profound impact on the lives of older Americans and their families. Alzheimer's disease, a degenerative brain disorder, afflicts about 4 million people in the United States, and costs the nation an estimated $80 billion to $100 billion a year. Osteoporosis, which causes fragile bones and painfully crippling fractures, costs an estimated $10 billion a year. When families can no longer meet the care needs of relatives with these illnesses, disabled people often end up in nursing homes, where bills totaled $69.6 billion in 1993.

The Hatfield/Harkin Research Fund legislation to be introduced today is a significant step forward to find cures or better treatments, save lives and dollars. We commend you on your long-time commitment to medical research.

Sincerely,
MARTHA A. MCSTEEN,
President.

ASSOCIATION OF AMERICAN MEDICAL COLLEGES,
Washington, DC, September 15, 1995.

Hon. MARK O. HATFIELD,
U.S. Senate, Hart Senate Office Building, Washington, DC.

Hon. TOM HARKIN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATORS HATFIELD AND HARKIN: The Association of American Medical Colleges (AAMC) strongly endorses your proposal to create a National Fund for Health Research. The debate on this year's budget makes it clear that we must identify additional, sustainable sources of funding to supplement the regular appropriation for the National

Institutes of Health [NIH] if we are to continue to rely upon scientific discovery to improve the health and quality of life for all Americans. In addition, sustained support for the NIH is needed if the United States is to maintain its position as the world's leader in biomedical and behavioral research. The fund you propose is an innovative and necessary complement to NIH funding.

The Federal Government plays a necessary role in the support of this nation's biomedical and behavioral research efforts. The investment that the Federal Government has made in the NIH has produced a comprehensive network of scientists, physicians, and technicians at more than 1,700 institutions across the United States dedicated to the continued pursuit of fundamental knowledge and the application of this information to the prevention, diagnosis, and treatment of disease. NIH-supported scientists have made enormous contributions to the nation's health. In addition, NIH-sponsored research has made significant economic contributions, both locally and nationally. The role that the U.S. biotechnology industry plays globally is just one example of the economic benefits to be derived from NIH research.

Moreover, your proposal addresses a major cause of disease and death in this country: tobacco. As health professionals, we must do everything in our power to reduce the use of tobacco in this country, particularly among children and teenagers. Your bill is an important part of that strategy. We will work with you to urge all health-related organizations and institutions to support this proposal and to encourage other Senators to cosponsor it.

Finally, on behalf of the Association's members, I wish to thank you for your leadership and unfailing commitment to a strong, vital medical research effort in this country. We appreciate the continued support and trust that you have placed in the NIH, and by implication in our institutions and faculty. We look forward to continuing to work with you to sustain this national treasure that is so critically important to the nation's health.

Very sincerely yours,

JORDAN J. COHEN, M.D.
President.

AMERICAN CANCER SOCIETY,
NATIONAL PUBLIC ISSUES OFFICE,
Washington, DC, September 15, 1995.

Hon. MARK HATFIELD,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATFIELD: On behalf of more than two million American Cancer Society volunteers, I am writing to commend you and Senator Harkin for your leadership in introducing the National Fund for Health Research Act. Your proposal combines two critical initiatives: increasing biomedical research funding and protecting children from tobacco addiction by raising tobacco taxes. The American Cancer Society strongly supports this bill.

Increasing funding for biomedical research is a top priority for all health organizations that understand the role such research plays in treating diseases, reducing suffering, improving the efficiency of our health care system and improving the health status of the entire nation. The American Cancer Society is particularly concerned about the rise in cancer rates. Cancer will become the leading cause of death in the United States by the year 2000. Biomedical research performed by the National Institutes of Health is of vital importance in the fight against cancer. The United States currently devotes less than 3 percent of health care spending to research. This amount is unacceptably low as a matter of health and economics.

There is no more appropriate way to finance this bill than through a tobacco tax increase. By itself, this tax will discourage about 1.3 million children and adults from smoking and will ultimately save the lives of more than 300,000 Americans alive today. Raising tobacco taxes is one of the most important measures we can take to reduce the current epidemic of tobacco use by teenagers.

More than two-thirds of Republican and Democratic voters, including voters from tobacco-growing states, supports raising tobacco taxes for health-related purposes such as this.

You have our full support. We look forward to working with you and your staff.

Sincerely,

KERRIE B. WILSON,
National Vice President for Government Relations, American Cancer Society.

MEDICAL RESEARCH AND HEALTH CARE CONCERNS: A SURVEY OF THE AMERICAN PUBLIC

(Conducted by Louis Harris & Associates, June 1995)

A nationwide Harris telephone poll was conducted of 1004 adults in the United States from June 8–11, 1995. Figures for age, sex, race, education, and region were weighted where necessary to bring them into line with their actual proportions in the population. The margin of error for the survey is approximately 3.1 percent.

Research! America, a national not-for-profit organization dedicated to raising public awareness of and support for medical research, commissioned Louis Harris & Associates to ask questions about medical research as a part of a larger survey focusing on a broad range of current issues.

HIGHLIGHTS

1. Americans oppose cuts in medical research dollars.

Respondents were told that one impact of proposed changes in the Federal budget would be less money going to universities and their hospitals which teach medical students and do medical research. When asked whether they favored or opposed these changes in the Federal budget, 65% opposed proposed cuts in Federal support for universities and hospitals.

The younger those surveyed, the higher their response: Among 18–24 year-olds, the opposition to the proposed cuts rises to 75%; among 15–29 year-olds, the opposition to the proposed cuts is 72%.

2. Americans would pay higher taxes to support medical research.

73% would be willing to pay a dollar more perweek in taxes if they knew the money would be spent on medical research to better diagnose, prevent and treat disease.

Results from a November, 1993 Harris Poll were very similar—74% were willing to pay a dollar more per week in taxes if spent on medical research.

3. Americans urge Congress to provide tax incentives for private industry to conduct medical research.

61% of those surveyed want their Senators and Representatives to support legislation that would give tax credits to private industries to conduct more medical research.

4. Americans are willing to designate tax refund dollars for medical research.

45% would probably, and 15% would definitely check off a box on their federal income tax return to designate tax refund money specifically for medical research.

When asked how much money they would be willing to designate to medical research, the median amount reported was $23.

5. Americans overwhelmingly value maintaining the United States' position as a leader in medical research.

94% of those surveyed believe that it is important that the United States maintains its role as a world leader in medical research!

6. Americans heartily endorse having the Federal Government support basic science research.

Those surveyed were asked if they agree or disagree with the following: ''Even if it brings no immediate benefits, basic science research which advances the frontiers of knowledge is necessary and should be supported by the Federal Government.''

69% of respondent agree; 79% of young people ages 18–24 agree with the need to support basic research.

7. Medical research takes second place only to national, defense for tax dollar value.

While 45% gave federal defense spending the highest rating for tax dollar value, second place went to medical research with 37% of the respondents giving it a favorable tax dollar value.

Public education and federal anti-crime efforts ranked the lowest.

8. Americans want more information about medical research in the print and broadcast media.

61% of the Americans surveyed would like to see more medical research information in newspaper, magazines and on television.

77% of young people 18–24 want more medical research information from these sources.

For further information on the survey or other Research! America activities, contact Tracy Turner at (703) 739–2577; Fax (703) 739–2372.

ORGANIZATIONS ENDORSING THE HATFIELD-HARKIN RESEARCH FUND PROPOSAL AS OF SEPTEMBER 14, 1995

Academy of Radiology Research.
Alliance for Aging Research.
Alliance for Eye and Vision Research.
Alzheimer's Association.
American Academy of Allergy, Asthma & Immunology.
American Academy of Child and Adolescent Psychiatry.
American Academy of Dermatology.
American Academy of Medical Acupuncture.
American Academy of Neurology.
American Academy of Ophthalmology.
American Academy of Orthopaedic Surgeons.
American Academy of Otolaryngology—Head and Neck Surgery.
American Academy of Pediatrics.
American Association for Cancer Education.
American Association for Cancer Research.
American Association for Dental Research.
American Association of Anatomists.
American Association of Blood Banks.
American Association of Colleges of Nursing.
American Association of Colleges of Pharmacy.
American Association of Critical-Care Nurses.
American Association of Dental Schools.
American Association of Immunologists.
American Association of Pharmaceutical Scientists.
American Cancer Society.
American College of Cardiology.
American College of Chest Physicians.
American College of Clinical Pharmacology.
American College of Medical Genetics.
American College of Preventive Medicine.
American College of Rheumatology.
American Diabetes Association.
American Federation for Clinical Research.
American Gastroenterological Association.
American Geriatrics Society.

American Heart Association.
American Institute of Nutrition.
American Lung Association.
American Nurses Association.
American Orthopaedic Association.
American Pediatric Society.
American Physiological Society.
American Podiatric Medical Association.
American Porphyria Foundation.
American Psychiatric Association.
American Psychological Society.
American Skin Association, Inc.
American Sleep Disorders Association.
American Society for Bone and Mineral Research.
American Society for Cell Biology.
American Society for Clinical Nutrition.
American Society for Dermatologic Surgery.
American Society for Investigative Pathology.
American Society for Microbiology.
American Society for Pharmacology and Experimental Therapeutics.
American Society for Reproductive Medicine.
American Society for Therapeutic Radiology and Oncology.
American Society for Virology.
American Society of Addiction Medicine.
American Society of Animal Sciences.
American Society of Clinical Oncology.
American Society of Hematology.
American Society of Nephrology.
American Society of Pediatric Hematology/Oncology.
American Society of Tropical Medicine & Hygiene.
American Speech-Language-Hearing Association.
American Thoracic Society.
American Urological Association.
Amputee Coalition of America.
Arizona Disease Prevention Center at the University of Arizona.
Arthritis Foundation.
Association for Behavioral Sciences & Medical Education.
Association for Professionals in Infection Control & Epidemiology, Inc.
Association for Research in Vision and Ophthalmology.
Association of Academic Health Centers.
Association of American Cancer Institutes.
Association of American Medical Colleges.
Association of American Veterinary Medical Colleges.
Association of Medical Graduate Departments of Biochemistry.
Association of Medical School Microbiology and Immunology Chairs.
Association of Medical School Pediatric Department Chairman.
Association of Minority Health Profession Schools.
Association of Pediatric Oncology Nurses.
Association of Population Centers.
Association of Professors of Dermatology.
Association of Professors of Medicine.
Association of Subspecialty Professors.
Association of Teachers of Preventive Medicine.
Association of University Environmental Health Sciences Centers.
Association of University professors of Ophthalmology.
Association of University Programs in Occupational Health and Safety.
Autism Society of America.
Cancer Research Foundation of America.
Citizens for Public Action on Blood Pressure and Cholesterol, Inc.
Coalition for American Trauma Care.
Coalition of Patient Advocates for Skin Disease Research.
College on Problems of Drug Dependence.
Columbia University.
Columbia University, Health Sciences.
Consortium for Skin Research.
Peter C. & Pat Cook Health Sciences Research & Education Institute at Butterworth Hospital.
Cooley's Anemia Foundation.
Cooper Hospital/University Medical Center.
Corporation for the Advancement of Psychiatry.
Council of Community Blood Centers.
Cystic Fibrosis Foundation.
Drew/Meharry/Morehouse Consortium Cancer Center.
Digestive Disease National Coalition.
Dystonia Medical Research Foundation.
Dystrophic Epidermolysis Bullosa Research Association of America.
Ehlers Danlos National Foundation.
The Endocine Society.
Environmental Science Associates, Inc.
Epilepsy Foundation of America.
Families Against Cancer.
Federation of American Societies for Experimental Biology.
Federation of Behavioral, Psychological & Cognitive Sciences.
Foundation for Ichthyosis & Related Skin Types.
Fox Chase Cancer Center.
General Clinical Research Center Programs Directors' Association.
Genome Action Coalition.
Fred Hutchinson Cancer Research Center.
Arthur G. James Cancer Hospital & Research Institute.
Johns Hopkins University.
Johns Hopkins University, School of Medicine.
Joint Council on Allergy, Asthma and Immunology.
Joint Steering Committee for Public Policy.
Louisiana State University Medical Center.
Lupus Foundation of America, Inc.
Lucille P. Markey Cancer Center.
Medical College of Pennsylvania & Hahnemann University.
Medical Center of Wisconsin Cancer Center.
Medical Library Association.
Myasthenia Gravis Foundation of America, Inc.
National Alopecia Areata Foundation.
National Association for Biomedical Research.
National Association for the Advancement of Orthotics and Prosthetics.
National Association of Children's Hospitals.
National Association of Pediatric Nurse Associates and Practitioners.
National Association of State Universities and Land Grant Colleges.
National Breast Cancer Coalition.
National Caucus of Basic Biomedical Science Chairs.
National Coalition for Cancer Research.
National Committee to Preserve Social Security and Medicare.
National Diabetes Research Coalition.
National Easter Seal Society.
National Eczema Association.
National Foundation for Ectodermal Dysplasias.
National Health Council.
National Marfan Foundation.
National Multiple Sclerosis Society.
National Organization for Rare Disorders.
National Osteoporosis Foundation.
National Perinatal Association.
National Psoriasis Foundation.
National Tuberous Sclerosis Association.
National Vitiligo Foundation, Inc.
National Vulvodynia Association.
New England Society of Physical Medicine and Rehabilitation.
New York University Medical Center.
Northwestern Memorial Hospital.
Oncology Nursing Society.
Orton Dyslexia Society, Inc.
Paralyzed Veterans of America.
Penn State Hershey Medical Center.
Population Association of America.
Radiation Research Society.
The Family of Christopher Reeve.
Research! America.
St. Jude Children's Research Hospital.
Scleroderma Federation, Inc.
Scleroderma Research Foundation.
Society for the Advancement of Women's Health Research.
Society for Investigative Dermatology.
Society for Neuroscience.
Society for Pediatric Research.
Society of Critical Care Medicine.
Society of Medical College Directors of Continuing Medical Education.
Society of Toxicology.
Society of University Otolaryngologists—Head and Neck Surgeons.
Society of University Urologists.
Stanford University School of Medicine.
Sturge Weber Foundation.
Sudden Infant Death Syndrome Alliance.
Sylvester Comprehensive Cancer Center.
Teratology Society.
Tourette Syndrome Association, Inc.
Tufts University Dept. of Physical Medicine and Rehabilitation.
United Scleroderma Foundation Inc.
University of Cincinnati Barrett Cancer Center.
University of Miami School of Medicine, Division of Genetics.
University of Minnesota, Duluth, School of Medicine.
University of Nevada, School of Medicine.
University of Rochester Cancer Center.
University of Virginia, School of Medicine.
University of Washington, School of Medicine.
Wake Forest University, Bowman Gray School of Medicine.
Wisconsin Comprehensive Cancer Center.
Yale University, School of Medicine.

Mr. HARKIN. Mr. President, I rise today with Senator HATFIELD to introduce the Fund for Health Research Act. This legislation is similar to legislation that the two of us introduced during the last Congress which gained broad bipartisan support in both the House and Senate.

Our proposal would establish a national fund for health research to provide additional resources for health research over and above those provided to the National Institutes of Health [NIH] in the annual appropriations process. The fund would greatly enhance the quality of health care by investing more in finding preventive measures, cures and more cost effective treatments for the major illnesses and conditions that strike Americans.

The fund would be financed by a 25-cent tax on each pack of cigarettes and an equivalent tax on other tobacco products such as snuff and chewing tobacco. This tax would raise an estimated $4.2 billion annually.

Mr. President, in addition to providing revenue for health research, raising tobacco taxes will protect children and save lives. Every day more than 3,000 children become smokers and more than 1,000 of them will eventually die as a result of smoking. Raising tobacco taxes is a highly effective way to reduce tobacco use by children. A 25-cent tax will discourage an estimated 1.3 million children and adults from smoking and will save the lives of more than 300,000 Americans alive today.

Additional moneys for the fund would be generated by a voluntary Federal income tax check-off. Every year, when filing their Federal income tax returns, Americans would be given the opportunity to designate tax overpayments and contributions for health research. Moneys from the check-off would be deposited in the fund.

Each year under our proposal amounts within the national fund for health research would automatically be allocated to each of the NIH institutes and centers. Each institute and center would receive the same percentage as they received of the total NIH appropriation for that fiscal year.

Last year Senator HATFIELD and I argued that any health care reform plan should include additional funding for health research. Health care reform has been taken off the front burner but the need to increase our Nation's commitment to health research has not diminished.

While health care spending devours nearly $1 trillion annually our medical research budget is dying of starvation. The United States devotes less than 2 percent of its total health care budget to health research. The Defense Department spends 15 percent of its budget on research. Does this make sense? The cold war is over but the war against disease and disability continues.

Increased investment in health research is key to reducing health costs in the long run. If we can find the cure for a disease like Alzheimer's the savings would be enormous. Today, federally supported funding for research on Alzheimer's disease totals $300 million yet it is estimated that nearly $100 billion is expended annually on caring for people with Alzheimer's.

Gene therapy and treatments for cystic fibrosis and Parkinson's could eliminate years of chronic care costs, while saving lives and improving patients' quality of life.

Mr. President, Senator HATFIELD and I do everything we can to increase funding for NIH through the appropriations process. But, given the current budget situation and freeze in discretionary spending what we can do is limited. Without action, our investment in medical research through the NIH is likely to continue to decline in real terms.

The NIH is not able to fund even 25 percent of competing research projects or grant applications deemed worthy of funding. This is compared to rates of 30 percent or more just a decade ago. Science and cutting edge medical research is being put on hold. We may be giving up possible cures for diabetes, Alzheimer's, Parkinson's, and countless other diseases.

Our lack of investment in research may also be discouraging our young people from pursuing careers in medical research. The number of people under the age of 36 even apply for NIH grants dropped by 54 percent between 1985 and 1993. This is due to a host of factors but I'm afraid that the lower success rates among all applicants is making biomedical research less and less attractive to young people. If the perception is that funding for research is impossible to obtain, young people that may have chosen medical research 10 years ago will choose other career paths.

Mr. President, I am pleased that over 130 groups representing patients, hospitals, medical schools, researchers, and millions of Americans have already endorsed our proposal. And, polling data consistently show that more than two-thirds of Republican and Democratic voters, including votes in tobacco-growing States, favor raising tobacco taxes if funds will be devoted to health related programs.

Mr. President, health research is an investment in our future—it is an investment in our children and grandchildren. It holds the promise of cure or treatment for millions of Americans.

By Mr. ABRAHAM (for himself, Mr. LIEBERMAN, Mr. SANTORUM, Ms. MOSELEY-BRAUN, and Mr. DEWINE):

S. 1252. A bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives to stimulate economic growth in depressed areas, and for other purposes; to the Committee on Finance.

THE ENHANCED ENTERPRISE ZONE ACT OF 1995

• Mr. ABRAHAM. Mr. President, today, I am joined by Senators LIEBERMAN, SANTORUM, DEWINE, and MOSELEY-BRAUN in introducing the Enhanced Enterprise Zone Act of 1995, legislation to stimulate job creation and residential growth in America's most distressed rural and urban communities.

In 1980, then-Representative Jack Kemp introduced the first enterprise zone legislation in the United States, the Urban Jobs and Enterprise Zone Act. Twelve years later, the Omnibus Budget Reconciliation Act of 1993 authorized over 100 enterprise and empowerment zones to receive a limited combination of tax benefits and other Federal assistance to support economic revitalization and community development.

For truly distressed communities, however, there is concern that this package of benefits will not be sufficient to spur economic growth and job creation. This concern was reaffirmed by the Senate earlier this week during consideration of S. 4, the Work Opportunity Act of 1995. On Wednesday, September 13, the Senate unanimously adopted an amendment calling on Congress to enact enterprise zone legislation that includes stronger incentives for investment, job creation, and economic growth.

At a time when Congress is debating the merits of the Federal welfare system and looking at reforms to our social safety net, it is imperative that we look for ways to stimulate new opportunities for work and growth in our most distressed neighborhoods.

For that reason, today my colleagues and I are introducing legislation to supercharge existing enterprise communities and empowerment zones. These enhanced enterprise zones would encourage entrepreneurial and residential activity by:

Establishing a capital gains rate of zero for the sale of any qualified investments that are held for at least 5 years;

Permitting limited income deductions for the purchase of qualified stock in businesses located in an enterprise zone;

Doubling the amount small business owners in these zones are allowed to expense;

Providing a limited tax credit for low-income renovations;

Loosening regulatory barriers to home ownership and job creation;

Providing incentives and grants for resident management and home ownership of public housing; and

Creating a pilot school choice program for the existing empowerment zones, supplemental empowerment zones, and Washington, DC.

Mr. President, for economically troubled areas, attracting entrepreneurial businesses is the key to beginning the process of revitalization. The tax benefits of enhanced enterprise zones are targeted at addressing the principal hurdles facing small businesses when they are just getting started—raising capital and maintaining cash flow.

First, we eliminate taxation on capital gains. The United States has some of the highest capital gains taxes in the world. For distressed communities seeking capital investments, these taxes inhibit investment and lockout sources of growth. Our bill establishes a capital gains rate of zero for the sale of any qualified zone stock, business property, or partnership interest that has been held for at least 5 years.

Second, we encourage investment in enterprise zones through the creation of enterprise zone stock. Ask small business entrepreneurs what their biggest hurdle is, and chances are they will reply—raising capital. This legislation allows individuals to deduct the purchase of qualified enterprise zone stock from their income—up to $100,000 in one year and $500,000 in their lifetime.

Third, we provide small enterprise zone businesses with extra expensing. Another obstacle particularly difficult

for small businesses to overcome is maintaining an adequate cash flow. Our legislation would double the maximum allowable expensing for purchases of plant and equipment in the enterprise zones.

Fourth, we encourage the renovation of deteriorated buildings located in the enterprise zones. This proposal is based upon legislation introduced by Senator KAY BAILEY HUTCHISON and it is designed to encourage private investment in economically distressed areas by providing a targeted, limited tax credit to businesses to help defray their cost of construction, expansion, and renovation of buildings located within enhanced enterprise zones.

Another obstacle to growth and jobs in distressed communities is the burden of regulation on small businesses. Our bill would create a process by which local governments could request a waiver or modification of regulations that hinder the job creation, community development, or economic revitalization objectives of the enterprise zone. The relevant Federal agencies would have the discretion to approve or disapprove of any regulatory waiver or modification. Furthermore, they would be prohibited from granting regulatory waivers that would violate the Fair Labor Standards Act or present a significant risk to public health, safety, or the environment.

To help low-income families become homeowners with a stake in their communities, our legislation would establish an Enterprise Zone Home Ownership Program. Based upon Jack Kemp's proposals when he was the Secretary of Housing and Urban Development, this proposal would provide grants for: First, resident management of public housing; and second, home ownership of public housing, vacant and foreclosed properties, and financially distressed properties.

Finally, within the nine empowerment zones, two supplemental empowerment zones, and Washington, DC, our bill would create a pilot school choice project to provide low-income parents and their children with financial assistance to enable them to select the public or private school of their choice. Under this plan, a designated grantee within each empowerment zone will provide parents with educational certificates to be used towards the cost of tuition and transportation for elementary or secondary schools within the empowerment zones.

In conclusion, Mr. President, will enhanced enterprise zones work? The answer, quite simply, is yes. We know they will work because 35 States and the District of Columbia already have enterprise zones that have produced over 663,000 jobs and $40 billion in capital investment. The enterprise zone concept has been endorsed by the National Governor's Association, the Conference of Black Mayors, the Council of Black State Legislators, and the U.S. Conference of Mayors.

This bill represents an affirmative effort to create economic opportunities for the urban and rural poor by recognizing that private enterprise, not government, is the source of economic and social development. Taken as a whole, the incentives included in this legislation for investment, entrepreneurship, home ownership, and skill development will being economies in distressed areas back to life. They will encourage full participation in our market economy and public interest in local neighborhoods—resulting in economic growth and new jobs.●

● Mr. LIEBERMAN. Mr. President, I'm delighted to join in the introduction of this important legislation, the Enhanced Enterprise Zone Act of 1995.

Last week, this body unanimously approved an amendment calling on Congress to enact legislation to supercharge the enterprise communities and empowerment zones we created in 1993. While the 1993 legislation creating these entities was not perfect and the legislation did not go far enough, particularly for the enterprise communities, it represented a fundamental change in urban policy. I believe that legislation was a clear recognition of the fact that government does not have all the answers to the ills of poverty in this country and that American business can and must play a role in revitalizing poor neighborhoods.

The 1993 legislation was a good start but it did not go far enough. The bill we are introducing today takes us further down the road of attacking the problems that plague our cities and economically distressed rural areas.

I should note that I do have concerns with some of the provisions of the regulatory flexibility title of this bill. For example, I think we must work on making changes to provide greater assurance that any modifications or waivers of rules would not in any way compromise the benefits that are achieved through existing environmental protection and public health laws and regulations. I hope that these provisions can be worked on as this bill progresses through the legislative process.

Given that reservation, I believe this is an important bill that will do much to provide an economic boost to the areas of this country that most desperately need that help.

I urge my colleagues to join me in supporting this legislation.●

By Mr. ABRAHAM (for himself, Mr. KYL, Mrs. FEINSTEIN, and Mr. SHELBY):

S. 1253. A bill to amend the Controlled Substances Act with respect to penalties for crimes involving cocaine, and for other purposes; to the Committee on the Judiciary.

By Mr. ABRAHAM (for himself, Mr. HATCH, Mr. THURMOND, Mr. GRASSLEY, Mr. KYL, Mrs. FEINSTEIN, Mr. SHELBY, and Mr. COVERDELL):

S. 1254. A bill to disapprove of amendments to the Federal Sentencing Guidelines relating to lowering of crack sentences and sentences for money laundering and transactions in property derived from unlawful activity; read the first time.

DRUGS LEGISLATION

● Mr. ABRAHAM. Mr. President, I am today introducing two bills, both of which address one of the most serious problems facing this country today: the epidemic of drugs in our Nation.

The purpose of each bill is simple. The first bill would prevent reductions in crack cocaine penalties proposed by the U.S. Sentencing Commission from taking effect. The second would raise the penalties for distributors of powder cocaine by applying existing mandatory minimums to a larger group of cocaine dealers.

No problem has parents more worried than the drugs and violence so prevalent today in schools throughout the Nation. All of us spend a lot of time fretting about how to protect our kids and keep them from getting caught up in drugs and gangs and the terrible dangers they create.

Nevertheless, on April 11, by a 4 to 3 vote, the Sentencing Commission proposed amendments to the sentencing guidelines dealing with crack distribution and possession.

According to the Department of Justice, the effect of these amendments would be to lower base sentences dramatically for criminals who deal in crack cocaine. New sentences for these criminals would be between one-half and one-sixth their present length. Some drug dealers now subject to substantial prison sentences could end up serving no jailtime at all.

In my judgment, this sends entirely the wrong message: that in the war against crack, society has blinked.

That is not what we should be telling the crack dealers.

That is not what we should be telling concerned parents across this Nation.

And that is not what we should be telling the brave law-abiding members of our communities who are fighting back against the crack dealers.

Accordingly, the first bill I am introducing simply says: This shall not happen. It blocks these guideline changes, changes that otherwise would automatically become effective on November 1.

The principal reason the Sentencing Commission gave for lowering sentences for crack dealing was fairness. The Commission was concerned that a powder cocaine dealer has to distribute 100 times more powder cocaine than a crack dealer to receive the same sentence as the crack dealer.

The Commission believes that this disparity creates a perception of unfairness because a substantial majority of convicted crack dealers are African-Americans, whereas a majority of convicted powder dealers are not. It further believes that the solution to this

perception is to drastically lower crack sentences.

I believe the Commission is wrong on two scores. First, the Commission itself has given several strong reasons why it is entirely legitimate for our laws to punish crack distribution more severely than distribution of powder cocaine, and there are some reasons even beyond those the Commission gave.

Second, there is some basis for believing that the differential in the sentences may be too great. But the answer is not to lower the crack sentences. The answer is to toughen the powder sentences. That is what I am proposing in the second bill I am introducing today.

As to the first point: The Commission itself, in a report issued just this February, recognized that there is a strong foundation for Congress' original decision to punish distributors of crack more severely than distributors of powder cocaine.

That is a judgment every U.S. Court of Appeals that has considered the question has shared. As the Commission explained, crack is more addictive, provides a more intense high, is easier to use, does greater harm, and is associated with greater violence than simple powder.

Though powder cocaine and crack contain the same active ingredient, the cocaine alkaloid, crack is far more attractive and addictive. This is primarily because crack is easily smoked while powder is injected or snorted.

Smoking is one of the quickest methods of maximizing the drugs effects. The quicker the cocaine reaches the brain, the greater the effect, the shorter the effects duration and the greater the likelihood cocaine use will lead to dependence and abuse.

Furthermore, somebody who has never used drugs before is much more likely to try a drug by smoking it than by injecting it. It is unpleasant and requires some expertise to inject oneself with a foreign substance. Smoking seems casual and easy. Therefore it is no surprise that three times more people smoke cocaine than inject it.

Crack is also associated with systemic violence to a greater degree than powder cocaine. Use and distribution of crack are also associated more generally with enhanced criminal activity of all types.

Crack is also more dangerous in other ways. It produces more medical emergencies than snorting powder or injecting cocaine. And it is sold in small quantities at affordable, even cheap, prices—making it easier for small kids to get and use.

In short, crack is a very dangerous drug. The response it calls for is surely not to lower penalties for the people who distribute it to one-half to one-sixth their present length.

The second reason the Sentencing Commission's reasoning is unsound is that differential treatment of crack and powder cocaine is far from unique in drug sentencing. To the contrary, in other instances as well we treat source and derivative drugs differently in terms of the quantities an individual must distribute to trigger the same sentence.

For example, a distributor of a given amount of heroin—a derivative of opium just as crack is a derivative of powder cocaine—gets the same sentence as somebody who has distributed 20 times that amount of opium. Similarly, a distributor of smokeable methamphetamine, or ice, gets the same sentence as somebody who has distributed ten times that amount of regular methamphetamine.

Third, the Commission's proposed changes are incompatible with the statutory mandatory minimum sentences that Congress has established for distribution of crack cocaine.

Congress set the trigger amounts based on its view of the seriousness of the crack epidemic and the key role played by retail distributors. Congress deliberately decided that Federal enforcement should focus on both traffickers in high places in the processing or distribution chain and the managers of retail level traffic. Congress thought both were serious traffickers because they keep the street markets going.

The Commission recognized when it forwarded its amendments to the Congress that they are inconsistent with present law. Rather than adjusting its guidelines to conform with congressional directives, however, as has always previously been its practice, the Commission has instead elected to change the guidelines and ask Congress that it adjust the laws to accommodate the Commission's views.

Finally, and most importantly, the Commission's solution to this unfairness is in fact quite unfair to the law abiding citizens everywhere trying to fight back against crack dealers. And many of these antidrug activists themselves are African-Americans.

The Commission's proposals are not fair to the children in schools wracked by drug-induced violence. They are not fair to those children's parents, who want the Government to use every tool it can to protect their kids. And they are not fair to the vast majority of people living in communities, like Detroit, trying as hard as they can to defend their neighborhoods against unceasing attacks by crack dealers. The last thing most of these people want is for the Federal Government to relax its efforts in combatting the scourge of crack.

That is not to say that I have no sympathy with the Sentencing Commission's concern that the higher crack sentences create a perception of unfairness. I am particularly troubled because present law has resulted, at least occasionally, in insufficiently severe punishment of kingpins at the top of crack distribution chains when compared with punishments meted out to retail dealers.

The problem is that some of these kingpins take the precaution of distributing their product in powder rather than in crack form. Because of where the powder triggers are set, some of these individuals have received considerably less than the mandatory 5 year penalty even while the retail distributors, who are distributing the final product, are receiving at least 5 year sentences.

As I said before, though, in my view, however, the answer to these problems is not to lower the crack sentences. Instead we should toughen the powder sentences.

That is why the second bill I am introducing proposes to raise sentences for powder distribution by making the triggers for mandatory minimums 100 grams for 5 years and 1,000 grams for 10 years, rather than 500 and 5,000 as they are now. That would also mean that the quantity ratio for powder and crack would be 20 to 1, the same as the one between opium and its very dangerous and addictive derivative heroin.

I am pleased that I have been joined in the effort to block the crack guideline changes by a number of distinguished colleagues, including my good friend the chairman of the Judiciary Committee Senator HATCH, the former chairman of that committee, Senator THURMOND, and Senators GRASSLEY, Kyl, FEINSTEIN, and SHELBY.

The Department of Justice likewise opposes the Sentencing Commission's proposals and has asked Congress to block them.

It is my firm expectation that the Congress will act promptly on this measure to prevent these changes from taking effect on November 1.

I also will ask the Congress to take up in short order my proposal to toughen the sentences for powder dealers. I look forward to working with my colleagues in promoting tough, fair sentences for all drug dealers.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

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

DETROIT BRANCH—NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE,

Detroit, MI, August 8, 1995.

DETROIT BRANCH—NAACP OFFICIAL STATEMENT

DETROIT, MI.—The current issue of the sentencing policy regarding ''crack'' and powdered cocaine is one that grips at the very heart and soul of our society. The jails are filled with young people, particularly young African American and Hispanic males and females, for the selling of these drugs.

The Detroit Branch of the NAACP, which is the largest branch in the nation with over 51,000 members, has articulated a very specific concern in the gross inequities in the sentencing policies for the sale of ''crack'' cocaine as compared to the sale of powdered cocaine. Drugs are in fact destroying the very spirit of our communities and are usurping the energy and vitality of our youth. It has been our very specific hope that legislation would be implemented to equalize the penalties for identical quantities of powdered cocaine and ''crack.''

Please note for the record that we do not condone, support, encourage or sympathize with any of those who would sell this death and destruction to our community. We believe that this is the scourge of our nation. Yet, at the same time we recognize that young African American and Hispanic individuals do not fly, ship or transport these drugs into the streets of Detroit, Chicago, Washington, D.C. or Los Angeles.

We are very pleased to note the effort to address with a more systematic commitment to equity, punishment that fits the crime. We believe that reducing from 500 grams to 100 grams, the level of powdered cocaine determined in an illegal sale of this drug does begin the process of a more equitable application of crime and punishment. It is our belief that both ''crack'' and powdered cocaine have a detrimental impact on our community. Yet, we do not believe that the current laws governing the illegal sale of ''crack'' cocaine versus powdered cocaine and the subsequent sentencing for such infractions are by any means fair and appropriate.

Therefore, it is our position that the Senate Judiciary Committee has a key opportunity to bridge the gap between these inequities and to make more appropriate the type of sentencing resulting from the sale of powdered cocaine. You must know that the overwhelming sentiment within the African American and Hispanic communities is that our young people are being targeted, exploited and directed toward the jail industrial complex. This is being done in numbers much greater than those who sale more than they, profit more than they and more often than not, are privileged more than they.

We hope that both the Senate and the House will look favorably on the recommendation to lower the level of powered cocaine to maintain a mandatory, minimum, five-year sentence for those guilty of the sale of this illegal drug.

Rev. WENDELL ANTHONY.

By Mr. ROCKEFELLER:

S. 1255. A bill to amend title XVIII of the Social Security Act to provide for Medicare contracting reforms, and for other purposes; to the Committee on Finance.

MEDICARE CONTRACTOR REFORM ACT OF 1995

Mr. ROCKEFELLER. Mr. President, I am pleased to introduce a bill to reform the way Medicare administers its health benefits. Under current law, Medicare is not allowed sufficient flexibility to award contracts to administer Medicare benefits based on performance, skill and expertise, or competition. This bill is long overdue and follows up on an oversight hearing I held as chairman of the Medicare subcommittee a few years ago.

When Medicare was enacted 30 years ago, private health insurance companies were awarded the task of administering the program. GAO recently testified before the Finance Committee that when Medicare was enacted ''legislation essentially delegated many day-to-day administrative decisions to private insurers, to further lessen the risk of undue Federal interference and to better ensure that Medicare would treat its beneficiaries no differently than the private insured.'' Under my legislation, important administrative functions would still be performed by private sector companies but the pool of eligible companies would be broadened. Medicare would also have the opportunity to take advantage of private sector initiatives to improve customer service, lower administrative costs, and improve operational efficiency.

Mr. President, there is bipartisan recognition that funding for Medicare's administrative operations is currently inadequate. Funding for contractors has actually declined over the last several years. When adjusted for inflation, Medicare's contractor budget actually declined by 37 percent over the last 6 years. The Finance Committee, on which I serve, has heard testimony from the General Accounting Office, the HHS Office of Inspector General, and others in support of higher spending for Medicare administrative services. Increased spending on payment safeguard activities can actually save the Medicare Program money. According to the GAO, every dollar spent on Medicare safeguard activities returns at least $11 to the Medicare Program.

But, Mr. President, before we spend additional money on program administration we need to make sure that the Health Care Financing Administration [HCFA] has the ability to spend its contractor funds wisely and to enter into contracts with the most efficient entities.

The legislation I am introducing today replaces outdated Medicare law and gives HCFA the tools to take full advantage of innovations and efficiencies in the private sector when it comes to utilization review, detecting fraud and abuse, and processing claims. No longer would all Medicare contractors be required to perform all Medicare administrative activities. This legislation would permit the Secretary of HHS to selectively contract with any agency or organization that is capable of carrying out specific administrative functions, such as fraud and abuse detection, customer service, or utilization review.

Under current law, Medicare is restricted to contracting with health insurance companies. In the private sector, many large employers selectively contract with companies that specialize in, and have expertise in, utilization review or in adjudicating claims. The Medicare Program should not be prohibited from making similar competitive decisions. This flexibility will not only increase competition but it will enhance contractor performance by allowing Medicare to contract with entities who excel in a specific function.

Under current law, Medicare is forced to pay the costs of terminating a Medicare administrative contract even if the contract is terminated for cause, including poor performance, outright fraud, or even if the contract merely expires. Medicare is the only Federal program required to pay for these extraordinary termination costs. This is inconsistent with the Federal contracting authority and should be changed immediately.

Mr. President, my legislation would change current law that automatically renews Medicare's administrative contracts every year. More important, the decision on the awarding administrative contracts for part A would be given to HCFA while preserving a provider's right to choose its own fiscal intermediary. Because most hospitals have nominated the national Blue Cross-Blue Shield Association as their fiscal intermediary, when a State Blue Cross-Blue Shield plan leaves the Medicare Program the national Blue Cross-Blue Shield Association chooses which State Blue Cross-Blue Shield plan becomes the fiscal intermediary for the hospitals in that State. Under my legislation, new contractors would be awarded contracts using the same competitive requirements that apply throughout the Federal Government.

Hospital and nursing homes would still be able to choose their fiscal intermediary every 5 years from a list of at least 3 approved contractors. This freedom of choice keeps pressure on contractors to continuously improve customer service to beneficiaries and health care providers.

HCFA would also be allowed to monitor and respond to instances when a health insurance company is processing claims or auditing costs reports of health care providers that it owns. As the distinction between providers and insurers becomes blurred, a serious conflict of interest could emerge in these types of situations and HCFA must have the ability to safeguard the Medicare Trust Fund from these types of conflicts of interest.

Just as Medicare has reformed its payments to doctors and hospitals over the past decade, and is considering changes to the way it pays health maintenance organizations, it is time to consider alternative ways to pay contractors. Current Medicare law that requires cost-based reimbursement is inconsistent with payment performance incentives and competitive bidding.

Mr. President, I believe my legislation updates current Medicare law and is long overdue. This bill would equip the Health Care Financing Administration with the tools to move the Medicare Program into the next century. I ask unanimous consent that a copy of the legislative proposal be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1255

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND REFERENCES IN ACT.

(a) SHORT TITLE.—This Act may he cited as the ''Medicare Contractor Reform Act of 1995''.

(b) REFERENCES IN ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference

shall be considered to be made a section or other provision of the Social Security Act.

SEC. 2. INCREASED FLEXIBILITY IN CONTRACTING FOR MEDICARE CLAIMS PROCESSING.

(a) CARRIERS TO INCLUDE ENTITIES THAT ARE NOT INSURANCE COMPANIES.—

(1) Section 1842(a) (42 U.S.C. 1395u(a)) is amended in the matter preceding paragraph (1) by striking ''with carriers'' and inserting ''with agencies and organizations (hereafter in this section referred to as 'carriers')''.

(2) Section 1842(f) (42 U.S.C. 1395u(f)) is repealed.

(b) CHOICE OF FISCAL INTERMEDIARIES BY PROVIDERS OF SERVICES; SECRETARIAL FLEXIBILITY IN ASSIGNING FUNCTIONS TO INTERMEDIARIES AND CARRIERS.—

(1) Section 1816(a) (42 U.S.C. 1395h(a)) to read as follows:

''(a)(1) The Secretary may enter into contracts with agencies or organizations to perform any or all of the following functions, or parts of those functions (or, to the extent provided in a contract, to secure performance thereof by other organizations):

''(A) Determination (subject to the provisions of section 1878 and to such review by the Secretary as may be provided for by the contracts) the amount of the payments required pursuant to this part to be made to providers of services.

''(B) Making payments described in subparagraph (A).

''(C) Provision of consultative services to institutions or agencies to enable them to establish and maintain fiscal records necessary for purposes of this part and otherwise to qualify as providers of services.

''(D) Serving as a center for, and communicate to individuals entitled to benefits under this part and to providers of services, any information or instructions furnished to the agency or organization by the Secretary, and serve as a channel of communication from individuals entitled to benefits under this part and from providers of services to the Secretary.

''(E) Making such audits of the records of providers of services as may be necessary to ensure that proper payments are made under this part.

''(F) Performance of the functions described under subsection (d).

''(G) Performance of such other functions as are necessary to carry out the purposes of this part.

''(2) As used in this title and title XI, the term 'fiscal intermediary' means an agency or organization with a contract under this section.''.

(2) Subsections (d) and (e) of section 1816 (42 U.S.C. 1395h) are amended to read as follows:

''(d) Each provider of services shall have a fiscal intermediary that—

''(1) acts as a single point of contact for the provider of services under this part,

''(2) makes its services sufficiently available to meet the needs of the provider of services, and

''(3) is responsible and accountable for arranging the resolution of issues raised under this part by the provider of services.

''(e)(1)(A) The Secretary shall, at least every 5 years, permit each provider of services (other than a home health agency or a hospice program) to choose an agency or organization (from at least 3 proposed by the Secretary, of which at least 1 shall have an office in the geographic area of the provider of services, except as provided by subparagraph (B)(ii)(II)) as the fiscal intermediary under subsection (d) for that provider of services. If a contract with that fiscal intermediary is discontinued, the Secretary shall permit the provider of services to choose under the same conditions from 3 other agencies or organizations.

''(B)(i) The Secretary, in carrying out subparagraph (A), shall permit a group of hospitals (or a group of another class of providers other than home health agencies or hospice programs) under common ownership by, or control of, a particular entity to choose one agency or organization (from at least 3 proposed by the Secretary) as the fiscal intermediary under subsection (d) for all the providers in that group if the conditions specified in clause (ii) are met.

''(ii) The conditions specified in this clause are that—

''(I) the group includes all the providers of services of that class that are under common ownership by, or control of, that particular entity, and

''(II) all the providers of services in that group agree that none of the agencies or organizations proposed by the Secretary is required to have an office in any particular geographic area.

''(2) The Secretary, in evaluating the performance of a fiscal intermediary, shall solicit comments from providers of services.''.

(3)(A) Section 1816(b)(1)(A) (42 U.S.C. 1395h(b)(1)(A)) is amended by striking ''after applying the standards, criteria, and procedures'' and inserting ''after evaluating the ability of the agency or organization to fulfill the contract performance requirements''.

(B) The first sentence of section 1816(f)(1) (42 U.S.C. 1395h(f)(1)) is amended—

(i) by striking ''develop standards, criteria, and procedures'' and inserting '', after public notice and opportunity for comment, develop contract performance requirements'', and

(ii) by striking '', and the Secretary shall establish standards and criteria with respect to the efficient and effective administration of this part''.

(C) The second sentence of section 1842(b)(2)(A) (42 U.S.C. 1395u(b)(2)(A)) is amended to read as follows: ''The Secretary shall, after public notice and opportunity for comment, develop contract performance requirements for the efficient and effective performance of contract obligations under this section.''.

(D) Section 1842(b)(2)(A) (42 U.S.C. 1395u(b)(2)(A)) is amended by striking the third sentence.

(E) Section 1842(b)(2)(B) (42 U.S.C. 1395u(b)(2)(B)) is amended in the matter preceding clause (i) by striking ''establish standards'' and inserting ''develop contract performance requirements''.

(F) Section 1842(b)(2)(D) (42 U.S.C. 1395u(b)(2)(D)) is amended by striking ''standards and criteria'' each place it appears and inserting ''contract performance requirements''.

(4)(A) Section 1816(b) (42 U.S.C. 1395h(b)) is amended in the matter preceding paragraph (1) by striking ''an agreement'' and inserting ''a contract''.

(B) Paragraphs (1)(B) and (2)(A) of section 1816(b) (42 U.S.C. 1395h(b)) are each amended by striking ''agreement'' and inserting ''contract''.

(C) The first sentence of section 1816(c)(1) (42 U.S.C. 1395h(c)(1)) is amended by striking ''An agreement'' and inserting ''A contract''.

(D) The last sentence of section 1816(c)(1) (42 U.S.C. 1395h(c)(1)) is amended by striking ''an agreement'' and inserting ''a contract''.

(E) Section 1816(c)(2)(A) (42 U.S.C. 1395h(c)(2)(A)) is amended in the matter preceding clause (i) by striking ''agreement'' and inserting ''contract''.

(F) Section 1816(c)(3)(A) (42 U.S.C. 1395h(c)(3)(A)) is amended by striking ''agreement'' and inserting ''contract''.

(G) The first sentence of section 1816(f)(1) (42 U.S.C. 1395h(f)(1)) is amended by striking ''an agreement'' and inserting ''a contract''.

(H) Section 1816(h) (42 U.S.C. 1395h(h)) is amended—

(i) by striking ''An agreement'' and inserting ''A contract'', and

(ii) by striking ''the agreement'' each place it appears and inserting ''the contract''.

(I) Section 1816(i)(1) (42 U.S.C. 1395h(i)(1)) is amended by striking ''an agreement'' and inserting ''a contract''.

(J) Section 1816(j) (42 U.S.C. 1395h(j)) is amended by striking ''An agreement'' and inserting ''A contract''.

(K) Section 1816(k) (42 U.S.C. 1395h(k)) is amended by striking ''An agreement'' and inserting ''A contract''.

(L) Section 1842(a) (42 U.S.C. 1395u(a)) is amended in the matter preceding paragraph (1) is amended by striking ''agreements'' and inserting ''contracts''.

(M) Section 1842(h)(3)(A) (42 U.S.C. 1395u(h)(3)(A)) is amended by striking ''an agreement'' and inserting ''a contract''.

(5) Section 1816(f)(1) (42 U.S.C. 1395h(f)(1)) is amended by striking the second sentence.

(6)(A) Section 1816(c)(2)(A) (42 U.S.C. 1395h(c)(2)(A)) is amended in the matter preceding clause (i) by inserting ''that provides for making payments under this part'' after ''this section''.

(B) Section 1816(c)(3)(A) (42 U.S.C. 1395h(c)(3)(A)) is amended by inserting ''that provides for making payments under this part'' after ''this section''.

(C) Section 1816(k) (42 U.S.C. 1395h(k)) is amended by inserting ''(as appropriate)'' after ''submit''.

(D) Section 1842(a) (42 U.S.C. 1395u(a)) is amended in the matter preceding paragraph (1) by striking ''some or all of the following functions'' and inserting ''any or all of the following functions, or parts of those functions''.

(E) The first sentence of section 1842(b)(2)(C) (42 U.S.C. 1395u(b)(2)(C)) is amended by inserting ''(as appropriate)'' after ''carriers''.

(F) Section 1842(b)(3) (42 U.S.C. 1395u(b)(3)) is amended in the matter preceding subparagraph (A) by inserting ''(as appropriate)'' after ''contract''.

(G) Section 1842(b)(7)(A) (42 U.S.C. 1395u(b)(7)(A)) is amended in the matter preceding clause (i) by striking ''the carrier'' and inserting ''a carrier''.

(H) Section 1842(b)(11)(A) (42 U.S.C. 1395u(b)(11)(A)) is amended in the matter preceding clause (i) by inserting ''(as appropriate)'' after ''each carrier''.

(I) Section 1842(h)(2) (42 U.S.C. 1395u(h)(2)) is amended in the first sentence by inserting ''(as appropriate)'' after ''shall''.

(J) Section 1842(h)(5)(A) (42 U.S.C. 1395u(h)(5)(A)) is amended by inserting ''(as appropriate)'' after ''carriers''.

(7)(A) Section 1816(c)(2)(C) (42 U.S.C. 1395h(c)(2)(C)) is amended by striking ''hospital, rural primary care hospital, skilled nursing facility, home health agency, hospice program, comprehensive outpatient rehabilitation facility, or rehabilitation agency'' and inserting ''provider of services''.

(B) Section 1816(j) (42 U.S.C. 1395h(j)) is amended in the matter preceding paragraph (1) by striking ''for home health services, extended care services, or post-hospital extended care services''.

(8) Section 1842(a)(3) (42 U.S.C. 1395u(a)(3)) is amended by inserting ''(to and from individuals enrolled under this part and to and from physicians and other entities that furnish items and services)'' after ''communication''.

(c) ELIMINATION OF SPECIAL PROVISIONS FOR TERMINATIONS OF CONTRACTS.—

(1) Section 1816(b) (42 U.S.C. 1395h(b)) is amended in the matter preceding paragraph (1) is amended by striking ''or renew''.

(2) The last sentence of section 1816(c)(1) (42 U.S.C. 1395h(c)(1)) is amended by striking ''or renewing''.

(3) Section 1816(f)(1) (42 U.S.C. 1395h(f)(1)) is amended—

(A) by striking '', renew, or terminate'', and

(B) by striking '', whether the Secretary should assign or reassign a provider of services to an agency or organization,''.

(4) Section 1816(g) (42 U.S.C. 1395h(g)) is repealed.

(5) The last sentence of section 1842(b)(2)(A) (42 U.S.C. 1395u(b)(2)(A)) is amended by striking ''or renewing''.

(6) Section 1842(b) (42 U.S.C. 1395u(b)) is amended by striking paragraph (5).

(d) REPEAL OF FISCAL INTERMEDIARY REQUIREMENTS THAT ARE NOT COST-EFFECTIVE.—Section 1816(f)(2) (42 U.S.C. 1395h(f)(2)) is amended to read as follows:

''(2) The contract performance requirements developed under paragraph (1) shall include, with respect to claims for services furnished under this part by any provider of services other than a hospital, whether such agency or organization is able to process 75 percent of reconsiderations within 60 days and 90 percent of reconsiderations within 90 days.''.

(e) REPEAL OF COST REIMBURSEMENT REQUIREMENTS.—

(1) The first sentence of section 1816(c)(1) (42 U.S.C. 1395h(c)(1)) is amended—

(A) by striking the comma after ''appropriate'' and inserting ''and'', and

(B) by striking ''subsection (a)''and all that follows through the period and inserting ''subsection (a).''.

(2) Section 1816(c)(1) (42 U.S.C. 1395h(c)(1)) is further amended by striking the second and third sentences.

(3) The first sentence of section 1842(c)(1) (42 U.S.C. 1395u(c)(1)) is amended—

(A) by striking ''shall provide'' the first place it appears and inserting ''may provide'', and

(B) by striking ''this part'' and all that follows through the period and inserting ''this part.''.

(4) Section 1842(c)(1) (42 U.S.C. 1395u(c)(1)) is further amended by striking the second and third sentences.

(5) Section 2326(a) of the Deficit Reduction Act of 1984 is repealed.

(f) COMPETITION REQUIRED FOR NEW CONTRACTS AND IN CASES OF POOR PERFORMANCE.—

(1) Section 1816(c) (42 U.S.C. 1395h(c)) is amended by adding at the end the following new paragraph:

''(4)(A) A contract with a fiscal intermediary under this section may be renewed from term to term without regard to any provision of law requiring competition if the fiscal intermediary has met or exceeded the performance requirements established in the current contract.

''(B) Functions may be transferred among fiscal intermediaries without regard to any provision of law requiring competition.''.

(2) Section 1842(b)(1) (42 U.S.C. 1395u(b)(1)) is amended to read as follows:

''(b)(1)(A) A contract with a carrier under subsection (a) may be renewed from term to term without regard to any provision of law requiring competition if the carrier has met or exceeded the performance requirements established in the current contract.

''(B) Functions may be transferred among carriers without regard to any provision of law requiring competition.''.

(g) WAIVER OF COMPETITIVE REQUIREMENTS FOR INITIAL CONTRACTS.—

(1) Contracts that have periods that begin during the 1-year period that begins on the first day of the fourth calendar month that begins after the date of enactment of this Act may be entered into under section 1816(a) of the Social Security Act (42 U.S.C. 1395h(a)) without regard to any provision of law requiring competition.

(2) The amendments made by subsection (f) apply to contracts that have periods beginning after the end of the 1-year period specified in paragraph (1).

(h) EFFECTIVE DATES.—

(1) The amendments made by subsection (c) apply to contracts that have periods ending on, or after, the end of the third calendar month that begins after the date of enactment of this Act.

(2) The amendments made by subsections (a), (b), (d), and (e) apply to contracts that have periods beginning after the third calendar month that begins after the date of enactment of this Act.●

By Mr. WELLSTONE:

S. 1257. A bill to amend the Stewart B. McKinney Homeless Assistance Act to reauthorize programs relating to homeless assistance for veterans; to the Committee on Labor and Human Resources.

THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT AMENDMENT ACT OF 1995

● Mr. WELLSTONE. Mr. President, to save a highly cost effective and vital program that assists homeless veterans to find employment, I am today introducing a bill that would reauthorize the Homeless Veterans Employment Program [HVEP]—formerly called the Homeless Veterans Reintegration Project—for 3 years.

As some of you may recall, during the debate on H.R. 1944, the rescissions bill, I expressed my dismay and strong opposition to the zeroing out of this low-cost national program—funded at just over $5 million annually—that is so important to homeless veterans. In view of the fact that up to one-third of America's homeless are veterans—an estimated 271,000 can be found on the streets any given night—and Minnesota veterans have often told me about the effectiveness of HVEP, I was appalled when I learned that the program had fallen victim to a late-night leadership agreement with the administration on the rescissions package.

Since it is such a small program, many of your may be unaware of HVEP's background and its impressive accomplishments. HVEP, which is administered by the Labor Department's Veterans Employment and Training Service, is a job-placement program begun in fiscal year 1989. HVEP provides grants to community based groups that employ flexible and innovative approaches to assist homeless, unemployed veterans to reenter the work force. Let me repeat—grants to community-based groups, not funding to some large impersonal Federal bureaucracy that some of my colleagues regularly deride.

Permit me to briefly point out some of HVEP's strengths and accomplishments: It is one of the most successful job placement programs in the Federal Government. Since its inception it has placed 11,000 veterans into jobs at approximately $1,000 per placement. HVEP grantees build complimentary relationships with VA, Job Training Partnership Act, and other programs—they do not duplicate any other services. HVEP is critical to the implementation and success of the innovative standdown projects that are held across the country.

I have had the good fortune of attending several Minnesota standdowns, including one recently, and I have been consistently impressed with the effectiveness of this volunteer program of veterans helping homeless veterans. I've been deeply moved by the sight of veterans doing all they can to help their less fortunate buddies—veterans exerting themselves to care for homeless veterans whom the rest of society tends to ignore and, sometimes even scorn. Standdowns are a unique point of light that need to be nourished, not strangled. And the same is true for the HVEP itself.

In conclusion, I want to stress that the $5 million saved annually by terminating HVEP will quickly be offset by the enormous costs of providing public assistance to the veterans who will remain homeless due to the lack of a paying job. Reauthorization of HVEP will permit us to meet our obligation to men and women who fought bravely and unquestioningly for our country, but who are desperately seeking work to escape the misery and indignities of homelessness.

Mr. President, I ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1257

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. JOB PLACEMENT FOR HOMELESS VETERANS.

(a) HOMELESS VETERAN EMPLOYMENT PROGRAM.—Section 738(e)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11448(e)(1)) is amended by striking out subparagraphs (A), (B), and (C) and inserting in lieu thereof the following new subparagraphs:

''(A) $10,000,000 for fiscal year 1996.

''(B) $10,000,000 for fiscal year 1997.

''(C) $10,000,000 for fiscal year 1998.

(b) GENERAL AUTHORIZATION OF APPROPRIATIONS.—Section 739(a) of such Act (42 U.S.C. 11449(a)) is amended by striking out ''fiscal years 1994 and 1995'' and inserting in lieu thereof ''fiscal years 1996, 1997, and 1998''.

(c) EXTENSION OF PROGRAM.—Section 741 of such Act (42 U.S.C. 11450) is amended by striking out ''October 1, 1995'' and inserting in lieu thereof ''October 1, 1998''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1995.●

By Mr. KYL:

S. 1258. A bill to amend the Internal Revenue Code of 1986 to allow a one-time election of the interest rate to be used to determine present value for purposes of pension cash-out restrictions, and for other purposes; to the Committee on Finance.

URUGUAY ROUND AGREEMENTS ACT MODIFICATION LEGISLATION

● Mr. KYL. Mr. President, I introduce legislation to make two modifications

to the pension-related provisions of the 1994 Uruguay Round Agreements Act.

Mr. President, one of the greatest challenges facing Americans today is to save and invest for retirement. It is a challenge that is made difficult by all of the important matters that compete for a share of the American family's limited income day in and day out. Parents routinely ask themselves, for example, if they can afford to make a contribution to an individual retirement account when they still need to save for their child's college education.

Sometimes, the choices people face are even more stark: Whether to set aside money for retirement, repair the family car so a mother or father can get to work, or just put food on the table or clothes on the kids' backs.

Employers, too, must make similar choices. To attract and retain qualified employees, they want to be able to offer good pension benefits. But, they have to decide whether they can put more money into a pension plan for their employees when the business needs new equipment just to stay competitive.

It's easy to relegate retirement to second place behind any of these other pressing needs—especially when retirement is 5, 10, 20, or 30 years away. But, adequate planning for retirement is no less important or urgent. When the time comes, we will all need to draw upon the resources we have been able to set aside during our working years.

Because there are so many competing demands placed on people's incomes—because it is so difficult to save for retirement even under the best of circumstances—the Federal Government should be sure to do what it can to encourage people to save and invest for their retirement years.

One thing Congress could do in that regard is provide new incentives to save. The new chairman of the Finance Committee, Senator BILL ROTH, has a plan to enhance and overhaul the Individual Retirement Account [IRA]. I am pleased to have cosponsored that proposal, S. 12, with him.

Another thing we could do is simplify current law to make it easier for people and their employers to participate in retirement plans. Senator PRYOR has an excellent proposal, S. 1006, the Pension Simplification Act, that I hope the Finance Committee will also consider when it acts on reconciliation in the near future.

The bill that I am introducing today takes two additional steps in the direction of pension simplification, correcting two problems that were created by the Uruguay Round Agreements Act, last year's GATT bill.

The first change in my bill relates to the interest rate used to calculate lump sum distributions from defined benefit pension plans. The GATT bill required use of the interest rate on 30-year Treasury securities, a rate that is proving too volatile for many retirement plans, particularly small plans. As Bruce Tempkin, an actuary and small business pension specialist at Louis Kravitz & Associates, put it recently, ''it is similar to taking out a varible-rate mortgage with no cap.'' You could find yourself getting ready to retire and expecting a lump sum distribution of a given amount, but being told that you will actually get a third less because the interest rate just changed.

My bill would give plans a one-time option to choose a fixed interest rate between 5 and 8 percent instead of the floating 30-year Treasury rate. That will make it easier for employers to plan for the required contributions, and for employers and employees alike to understand what their lump sum benefits will ultimately be.

The second change included in my bill would correct an anomaly that was created under section 415(b)(2)(E) of the code. As a result of the change made in last year's GATT bill, lump-sum distributions are calculated differently from—and thereby bear no relationship to—the actuarial equivalent of a monthly life annuity for early retirees. It is a result that, from all indications was unintended. My bill includes a technical correction to ensure that the two options—the monthly life annuity and the lump sum distribution—are indeed actuarially equivalent for early retirees.

Mr. President, I invite my colleagues to join me as a cosponsor of this important initiative. I also ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1258

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INTEREST RATE FOR DETERMINATION OF PRESENT VALUE FOR PURPOSES OF PENSION CASH-OUT RESTRICTIONS.

(a) IN GENERAL.—Subclause (II) of section 417(e)(3)(A)(ii) of the Internal Revenue Code of 1986 (relating to determination of present value) is amended by inserting '', or, at the irrevocable election of the plan, an annual interest rate specified in the plan, which may not be less than 5 percent nor more than 8 percent'' after ''prescribe''.

(b) CONFORMING AMENDMENT.—Subclause (II) of section 205(g)(3)(A)(ii) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(g)(3)(A)(ii)) is amended by inserting '', or, at the irrevocable election of the plan, an annual interest rate specified in the plan, which may not be less than 5 percent nor more than 8 percent'' after ''prescribe''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the amendments made by section 767 of the Uruguay Round Agreements Act.

SEC. 2. MODIFICATION OF CERTAIN ASSUMPTIONS FOR ADJUSTING BENEFITS OF DEFINED BENEFIT PLANS FOR EARLY RETIREES.

(a) IN GENERAL.—Subparagraph (E) of section 415(b)(2) of the Internal Revenue Code of 1968 (relating to limitation on certain assumptions) is amended—

(1) by striking ''Except as provided in clause (ii), for purposes of adjusting any benefit or limitation under subparagraph (B) or (C),'' in clause (i) and inserting ''For purposes of adjusting any limitation under subparagraph (C) and, except as provided in clause (ii), for purposes of adjusting any benefit under subparagraph (B),'', and

(2) by striking ''For purposes of adjusting the benefit or limitation of any form of benefit subject to section 417(e)(3),'' in clause (ii) and inserting ''For purposes of adjusting any benefit under subparagraph (B) for any form of benefit subject to section 417(e)(3),''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the amendments made by section 767 of the Uruguay Round Agreements Act.●

ADDITIONAL COSPONSORS

S. 44

At the request of Mr. REID, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 44, a bill to amend title 4 of the United States Code to limit State taxation of certain pension income.

S. 112

At the request of Mr. DASCHLE, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 112, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain amounts received by a cooperative telephone company.

S. 309

At the request of Mr. BENNETT, the names of the Senator from Arkansas [Mr. PRYOR], the Senator from Rhode Island [Mr. PELL], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from North Dakota [Mr. DORGAN], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of S. 309, a bill to reform the concession policies of the National Park Service, and for other purposes.

S. 490

At the request of Mr. GRASSLEY, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 684

At the request of Mr. HATFIELD, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 881

At the request of Mr. PRYOR, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 881, a bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 1178

At the request of Mr. CHAFEE, the names of the Senator from Mississippi [Mr. LOTT] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 1178, a bill to amend title XVIII of the Social Security Act to provide for coverage of colorectal screening under part B of the Medicare Program.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of Senate Resolution 146, a resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1996, as ''National Family Week,'' and for other purposes.

AMENDMENTS SUBMITTED

THE AGRICULTURE APPROPRIATIONS ACT FOR FISCAL YEAR 1996

REID (AND BROWN) AMENDMENT NO. 2685

Mr. REID (for himself and Mr. BROWN) proposed an amendment to the bill (H.R. 1976) making appropriations for Agriculture, rural development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1996, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. . BOARD OF TEA EXPERTS

None of the funds appropriated under this Act may be used for the salaries or expenses of the Board of Tea experts established under section 2 of the Act. entitled ''An Act to prevent the importation of impure and unwholesome tea'', approved March 2, 1897 (21 U.S.C. 42).

KERREY (AND KOHL) AMENDMENT NO. 2686

Mr. DASCHLE (for Mr. KERREY, for himself and Mr. KOHL) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 83, strike line 4 through line 15;

On page 43, line 17; strike $528,839,000 and insert in its place $563,839,000;

On page 52, line 18; strike $17,895,000 and insert in its place $22,395,000;

On page 52, line 24; strike $30,000,000 and insert in its place $37,544,000;

On page 55, line 1; strike $1,500,000 and insert in its place $3,000,000.

BROWN (AND ABRAHAM) AMENDMENT NO. 2687

Mr. BROWN (for himself and Mr. ABRAHAM) proposed an amendment to the bill H.R. 1976, supra; as follows:

At the appropriate place in the amendment, insert the following:

(a) None of the funds appropriated or made available to the Federal Drug Administration by this Act shall be used to operate the Board of Tea Experts and related activities.

(b) The Tea Importation Act (21 U.S.C. 41 et seq.) is repealed.

BROWN AMENDMENTS NOS. 2688–2690

Mr. BROWN proposed three amendments to the bill H.R. 1976, supra; as follows:

AMENDMENT NO. 2688

At the appropriate place, insert the following:

SEC. . PEANUT PROGRAM.

(a) IN GENERAL.—None of the funds made available under this Act may be used to carry out a price support or production adjustment program for peanuts.

(b) ASSESSMENT.—The Secretary of Agriculture may charge producers a marketing assessment to carry out the program under the same terms and conditions as are prescribed under section 108B(g) of the Agriculture Act of 1949 (7 U.S.C. 1445c-3(g)).

AMENDMENT NO. 2689

At the appropriate place in the amendment, insert the following:

SEC. . PRICE SUPPORT AND GRADING AND INSPECTION OF TOBACCO.

(a) IN GENERAL.—None of the funds made available under this Act may be used to pay the salaries or expenses of the employees of the Department of Agriculture to grade or inspect tobacco or to administer price support functions for tobacco.

(b) ASSESSMENT.—The Secretary of Agriculture may charge producers a marketing assessment to grade or inspect tobacco and to administer the price support functions under the same terms and conditions as are prescribed in the Agricultural Act of 1949 (7 U.S.C. 1445–1 and 1445–2).

AMENDMENT NO. 2690

Insert at page 84, between line 2 and line 3:

SEC. 730. None of the funds available in this Act shall be used for any action, including the development or assertion of any position or recommendation by or on behalf of the Forest Service, that directly or indirectly results in the loss of or restriction on the diversion and use of water from existing water supply facilities located on National Forest lands by the owners of such facilities, or result in a material increase in the cost of such yield to the owners of the water supply; *Provided:* nothing in this section shall preclude a mutual agreement between any agency of the Department of Agriculture and a state or local governmental entity or private entity or individual.

BRYAN (AND BUMPERS) AMENDMENT NO. 2691

Mr. BRYAN (for himself and Mr. BUMPERS) proposed an amendment to the bill H.R. 1976, supra; as follows:

On page 65, line 18, before the period at the end, insert the following: ''*: Provided further*, That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623)''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the committee on Armed Services be authorized to meet on Monday, September 18, 1995, at 3 p.m. in executive session, to consider and act on the committee's recommendation for the reconciliation bill.

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

ADDITIONAL STATEMENTS

THE 75TH ANNIVERSARY OF THE TOWN OF INDIAN HEAD, MD

• Mr. SARBANES. Mr. President, I would like to call to the attention of our colleagues celebrations that are underway to celebrate the 75th anniversary of the establishment of the town of Indian Head, MD. The mayor of Indian Head, Warren Bowie, along with the entire community, has planned several significant events to commemorate this propitious milestone.

One of two incorporated townships in Charles County, Indian Head's history goes back much further than its date of incorporation in 1920. The territory now known as Indian Head was given to Lord Baltimore, and then to Gen. Charles Cornwallis, as part of a land grant made by the English King in 1736. Records later reveal that Cornwallis titled the land to George Washington in 1761.

Older charts and maps dating from 1776 through 1866 indicate that Indian Head has had several names including Indian Point, Indian Headlands, and Indian Head Point. All of these names reflect the more popular tale of how the name Indian Head was bestowed upon the town. As the story is told, there was an Algonquin chief who had promised his daughter in marriage to the son of the chief of the neighboring Piscataway Tribe. Before the two children were united, the young woman met an Indian hunter who was traveling up the Potomac River from the Virginia Colony. The two immediately fell in love. The Algonquin chief, enraged at the disruption of the wedding plans, ordered the hunter to leave and never to return to the region again. The hunter vowed that he would come back for his love. His plans to return were discovered and foiled. The night he returned, he was ambushed by Algonquin warriors and beheaded. His head was placed on a spear and set in the sand as a warning to other trespassers. The very next day, the first white settlers came and discovered this monument. Hence the name Indian Head.

Indian Head was slow to populate itself, largely due to the fact that the area was mainly marshland. But in 1890 the U.S. Navy decided to move its proving ground to Indian Head, primarily because of its location between the naval shipyards in Norfolk and the Washington Navy Yard on the Anacostia. As the installation at Indian Head grew, so did the town. When it became inevitable that the United States would become deeply engaged in World War I, Indian Head was given a large appropriation to expand its facilities to produce smokeless powder. The naval powder factory, which is now the naval ordnance station, provided the stimulus for the expansion of Indian Head.

Indian Head is a model of community spirit and cooperation. The activities that have been sponsored to commemorate this auspicious occasion exemplify the deep devotion of Indian Head's residents to the community. The spirit and enthusiasm of Indian Head's citizens have been the foundation of its success. These celebrations provide the opportunity to renew the dedication that has supported Indian Head throughout its history and helped it to develop into one of Maryland's most attractive communities.

We in Maryland are fortunate to have an area as community-oriented as Indian Head. I join the citizens of Charles County in sharing their pride in Indian Head's past and optimism for continued success in the years to come.●

SUMMER INTERNS

● Mr. ABRAHAM. Mr. President, I rise today to offer recognition to my summer interns, who have dedicated their time and effort this summer, serving the people of Michigan on my behalf. In an era when cynicism about our Government and the political process runs rampant, they have maintained an optimistic view of our Government, and have made considerable sacrifices so that they could play a more active role in the American political system. They were of great help to us this summer and I am grateful for their service. In appreciation of their hard work and dedication, I submit a list of their names, and ask that it be printed in the RECORD.

The list follows:

Lisa Maria Carroll, Nathan E. Clukey, Christopher DeMuth, Hope Durant, Michael J. Earle, Robert Glazier, John Iakovides, Thomas Marshall, Danny Mayer, Denise Mills, Michael Mikelic, Ryan O'Donovan, Stephen V. Potenza, Barry Regan, John Sanke, Sergio Santiviago, Nedda Shayota, Joseph A. Snearline, Matthew J. Suhr, Courtenay Youngblood, Paul Yu.

Mr. President, these fine young men and women performed valuable service assisting with legislative research, front office support, and playing for my expansion softball team. Like all expansion teams, this year was a rebuilding year. Our team's record may not have been the greatest, Mr. President, but without the interns, I would have had no softball team.

On a more serious note Mr. President, it is my belief that a congressional internship is the best and most effective way to learn firsthand about the governmental process. Our interns are given the chance to observe and participate in all kinds of activities essential to the workings of the Senate. From committee markups to floor speeches and votes, to the daily workings of the office, they have been given a diverse and extensive lesson in the governmental process. It is a lesson that, regardless of their future ambitions, will remain with them throughout the course of their lives.●

THE EIGHTH ANNUAL FESTIVAL OF THE ARTS AND HERITAGE OF AFRICAN-AMERICANS

● Mr. BRADLEY. Mr. President, our country is a remarkable mosaic—a mixture of races, languages, ethnicities, and religions—that grows increasingly diverse with each passing year. Nowhere is this incredible diversity more evident than in the State of New Jersey. In New Jersey, schoolchildren come from families that speak 120 different languages at home. These different languages are used in over 1.4 million homes in my State. I have always believed that one of the United States greatest strengths is the diversity of the people that make up its citizenry and I am proud to call the attention of my colleagues to an event in New Jersey that celebrates the importance of the diversity that is a part of America's collective heritage.

On June 4, 1995, the Garden State Arts Center in Holmdel, NJ, began its 1995 Spring Heritage Festival Series. The heritage festival program salutes some of the different ethnic communities that contribute so greatly to New Jersey's diverse makeup. Highlighting old country customs and culture, the festival programs are an opportunity to express pride in the ethnic backgrounds that are a part of our collective heritage. Additionally, the Spring Heritage Festivals will contribute proceeds from their programs to the Garden State Arts Center's Cultural Center Fund which presents theater productions free-of-charge to New Jersey's school children, seniors, and other deserving residents. The heritage festival thus not only pays tribute to the cultural influences from our past, it also makes a significant contribution to our present day cultural activities.

On Saturday, September 16, 1995, the Heritage Festival Series celebrated the Eighth Annual Festival of the Arts and Heritage of African-Americans. The first African-American Heritage Festival, founded by Clinton Crocker of Tinton Falls, NJ, was held in September, 1988. The festival took its place in the series in September, 1988. The festival took its place in the series of heritage festivals at the Garden State Arts Center under the leadership of Julian Robinson, then commissioner of the New Jersey Highway Authority and was so ably organized this year by Carol Washington.

Clinton Crocker's early vision of a major festival which would reflect pride in the African-American presence in New Jersey, has laid the foundation for an outstanding event that celebrates the beauty and diversity of African-American culture. The festival presented a wide variety of performing arts including: soloists, African dance troupes, gospel singers, and African story-tellers sharing traditional tales. The festival also showcased ethnic foods from the African continent as well as African-American favorites and was undobtedly one of the highlights of the day.

The African-American Heritage Festival has proven itself to be an outstanding event over the years. The festival continues to grow in popularity each year, more than doubling its annual attendance from its first year. With increased popularity has come increased profits which has led to the development of a Relief Fund for Uwanda and other needy African nations. Profits also go to fund recreational activities for needy seniors, the disadvantaged, and for scholarship funds for college students.

Congratulations once again on the eighth anniversary of the Festival of the Arts and Heritage of African-Americans. Best wishes for continued success and to all who attended the festival to celebrate a day of pride in their ethnicity.●

TRIBUTE TO AL MEIER

● Mr. HARKIN. Mr. President, it is an honor for me to rise today to honor a distinguished citizen from my State—Iowa Commissioner of Labor Al Meier. When Al retired on July 28, he stepped down as the longest serving labor commissioner in the United States.

Over the years, Al Meier has been an ally on the side of working Iowans. Before Al was named labor commissioner in 1977, he served on the OSHA Review Commission, and prior to that he represented the AFL–CIO. He has also chaired the organizational committee of the Governor's Safety and Health Conference.

As labor commissioner, Al was responsible for helping Iowans stay safe on the job and off. Accountable for all division of labor programs, Al's duties included safety inspections, such as elevator and amusement ride inspections; wage payment collection, child labor, minimum wage, asbestos removal, and contractor registration.

I can tell you that no one worked harder on keeping Iowans safe in the workplace than Al Meier. But his work wasn't just about safety, as vital as that is. It was also about security—economic security—helping Iowans live better lives, and building a better future for our State. He was, and still is, at his best when it comes to helping others fight for a better life.

Al has been a fighter all his life. A former Golden Gloves contender, he never relinquished the fighting spirit it took for him to compete in the boxing ring. Whether it was through his work in political organizing, negotiating on the Hill, or representing the union, Al has been a fighter and a builder. He built coalitions. He built opportunities. He built a stronger Iowa.

And throughout it all, Al has never compromised in his commitment to helping people. I know of no greater tribute, and no better legacy, than that.

Mr. President, I am proud to salute the leadership and selfless service that

Al Meier has demonstrated throughout his life. I am especially honored to count Al as one of my dearest friends—a friend that I have known for many years. Once again I congratulate Al on his many years of service to Iowans, and I ask my colleagues to join with me in wishing him a long and happy retirement.●

TRIBUTE TO HADLEY ROFF

● Mrs. FEINSTEIN. Mr. President, I rise today to pay tribute to a long-time friend and associate, Hadley Roff. Since I first met Hadley when we were both students at Stanford University, he has been a close and dear friend. Over the years, as we worked together when I was mayor of San Francisco, during a campaign for Governor, and as a U.S. Senator, our friendship and respect for one another continued to grow.

Hadley Roff's career, both in Washington, DC, and in San Francisco, shows exactly what can be accomplished when someone devotes his life to public service.

Hadley began his distinguished career as a reporter for a San Francisco newspaper, the News, in 1956 and continued as the News was merged with the Call Bulletin and, finally, with the San Francisco Examiner. Hadley, from his days at Stanford University, wanted to work on a San Francisco newspaper. He did and he closed two of them.

Hadley soon switched his sights to the world of public service.

In Washington, DC, he industriously served as chief of staff to U.S. Senator John V. Tunney, press secretary for Senator EDWARD M. KENNEDY and national media director for the Presidential campaign of Senator Edmund Muskie. But, Hadley gladly returned to San Francisco when the chance arose to serve the city of San Francisco.

Hadley adeptly served the citizens of San Francisco under four mayors. Beginning as press secretary for Joseph L. Alioto, Hadley continued to serve during the tenures of Art Agnos, my administration, and Frank Jordan.

Hadley served as my deputy mayor for more than 8 years when I became mayor of San Francisco in 1978. He constantly showed a particular devotion to public safety that has continued to today. As deputy mayor, Hadley was always made aware when a fire reached three alarms and, regardless of what he may have been doing, Hadley was off to the scene.

More recently, when Hadley served as my State director in my Senate office for 2 years, Hadley was instrumental in assisting former San Francisco Fire Department Assistant Chief, Frank Blackburn, in establishing a temporary emergency water system that helped save the lives of 140,000 Rwandan refugees in 1994.

Hadley describes himself as a ''human switchboard,'' understanding the need to get the right people to a problem, but he is much more than that. He is a very gracious person who always shows great concern for people. He was never too busy to take a call or listen to someone's thoughts. During demonstrations, he effectively maintained a constructive dialog and, more often than not, made it so everyone left smiling. He was the heart and soul of the office and his dedication could not help but motivate others.

For a long, long time Hadley has been a big part of my life.

Recently, Hadley left my office to become a director for the San Francisco Urban Institute at San Francisco State University. And, today, many San Franciscans are joining together to pay tribute to him and to celebrate his affiliation with the Urban Institute. I am sorry I cannot be home right now, joining in the celebration, but it is with fond memories and enthusiastic praise, that I wish Hadley, his wife Susie, and everyone at the Urban Institute all the best.

Hadley, we miss you, but do not think for a second that we will not call you into duty when projects that need that special Hadley touch arise.

Congratulations, Hadley, on the tribute and the wonderful opportunity of working at the Urban Institute.●

PERSONAL RESPONSIBILITY CONTRACTS

● Mr. HARKIN. Mr. President, last Wednesday, the Senate adopted my amendment to condition receipt of welfare benefits on signing and adhering to a personal responsibility contract. I was pleased that this important provision was added to the Work Opportunity Act. I believe it is critical to successful welfare reform emphasizing personal responsibility and common sense.

The underlying bill required States and welfare recipients to negotiate personal responsibility contracts. However, there were no details about what that meant. Without definition, the personal responsibility contract could be meaningless and ineffective. Such a result would have been unfortunate because an effective contract has the potential to significantly change welfare as we know it.

The centerpiece of the Iowa Family Investment Program is the requirement that individuals on welfare must sign an individualized, binding contract with the State outlining what they will do to get off of welfare. The contract would also say what services the State would provide to move the family off of welfare. Failure to sign a contract or abide by the terms of the contract would result in termination of welfare benefits.

Mr. President, Iowa instituted a number of reforms in our welfare programs. After only 22 months of implementation, the Iowa welfare reform program is showing promising results. More families are working and earning income, there are fewer families on welfare and AFDC costs are declining.

My amendment borrowed from the Iowa program and used the Iowa contract as a model for the Nation. A contract significantly strengthens accountability in the welfare system.

I was pleased that the amendment was adopted and thank the two leaders for their assistance in getting my amendment approved.●

EXECUTIVE SESSION

NOMINATION OF PAUL M. HOMAN TO BE SPECIAL TRUSTEE FOR AMERICAN INDIANS

Mr. COCHRAN. Mr. President, now that we are off the bill, in executive session, I ask unanimous consent that the Indian Affairs Committee be immediately discharged from the nomination of Paul M. Homan, to be special trustee for American Indians; that the Senate proceed immediately to the consideration of the nomination; that the nomination be confirmed; that any statements thereon appear at the appropriate place in the RECORD; that, upon confirmation, the motion to reconsider be laid upon the table; that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

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

So the nomination was considered and confirmed; as follows:

DEPARTMENT OF INTERIOR

Paul M. Homan, of the District of Columbia, to be special trustee, Office of Special Trustee for American Indians.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

MEASURE READ THE FIRST TIME—S. 1254

Mr. COCHRAN. Mr. President, I understand that S. 1254, introduced earlier today by Senator ABRAHAM, is at the desk.

The PRESIDING OFFICER. The Senator is correct.

Mr. COCHRAN. I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The bill (S. 1254) was read the first time.

Mr. COCHRAN. Mr. President, I now ask for its second reading.

Mr. BUMPERS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The bill will be read for the second time on the next legislative day.

ORDERS FOR TUESDAY, SEPTEMBER 19, 1995

Mr. COCHRAN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m., on Tuesday, September 19, 1995; that following the prayer, the Journal of the proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and there then be a period for morning business until the hour of 9:30 a.m., with Senators permitted to speak for 5 minutes each.

I further ask unanimous consent that at 9:30 a.m. the Senate then immediately resume consideration of H.R. 1976, the agriculture appropriations bill, and under a previous order, there be 15 minutes, equally divided, on the Bryan amendment, to be followed by a rollcall vote on or in relation to the Bryan amendment.

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

Mr. COCHRAN. Mr. President, I now ask unanimous consent that the Senate stand in recess between the hours of 12:30 and 2:15 on Tuesday for the weekly policy conferences to meet.

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

PROGRAM

Mr. COCHRAN. Mr. President, for the information of all Senators, the Senate will resume consideration of the agriculture appropriations bill tomorrow morning. Under the previous order, there will be a rollcall vote at 9:45 a.m. tomorrow.

In addition, at 10:30 a.m., the Senate will begin 2 hours of debate on the committee amendment regarding poultry.

Also, under a previous consent, at 2:15 p.m., the Senate will begin 30 minutes of debate on the welfare bill. And at 2:45 p.m., three rollcall votes will occur in relation to the welfare bill.

In addition, following the passage of the welfare bill, which is the third stacked rollcall vote, the Senate will begin 4 minutes of debate on the poultry committee amendment, followed immediately by a vote on or in relation to the committee amendment. Therefore, four votes will occur beginning at 2:45 p.m. on Tuesday.

UNANIMOUS-CONSENT AGREEMENT—AMENDMENT NO. 2688

Mr. COCHRAN. Mr. President, I further ask unanimous consent that immediately following the vote regarding poultry, there be 60 minutes for debate, under the control of Senator HEFLIN, on the Brown amendment, No. 2688 regarding peanuts, and 30 minutes under the control of Senator Brown, to be followed by a vote on or in relation to the BROWN amendment.

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

Mr. COCHRAN. Mr. President, again, it is the intention of the leader and the managers to conclude the agriculture appropriations bill by early evening tomorrow.

We hope we have the cooperation of all Senators to accomplish that.

RECESS UNTIL 9 A.M. TOMORROW

Mr. COCHRAN. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 8 p.m., recessed until Tuesday, September 19, 1995, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate September 18, 1995:

DEPARTMENT OF COMMERCE

JANE BOBBITT, OF WEST VIRGINIA, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE LORETTA L. DUNN, RESIGNED.

BARRY GOLDWATER SCHOLARSHIP AND EDUCATION FOUNDATION

DONNA DEARMAN SMITH, OF ALABAMA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING MARCH 3, 1998, VICE HOWARD W. CANNON, TERM EXPIRED.

DEPARTMENT OF STATE

HAZEL ROLLINS O'LEARY, OF MINNESOTA, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE 39TH SESSION OF THE GENERAL CONFERENCE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY.

SHIRLEY ANN JACKSON, OF NEW JERSEY, TO BE THE ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE 39TH SESSION OF THE GENERAL CONFERENCE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY.

NELSON F. SIEVERING, JR., OF MARYLAND, TO BE THE ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE 39TH SESSION OF THE GENERAL CONFERENCE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY.

JOHN B. RITCH III, OF THE DISTRICT OF COLUMBIA, TO BE THE ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE 39TH SESSION OF THE GENERAL CONFERENCE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY.

CONFIRMATION

Executive nomination confirmed by the Senate September 18, 1995:

DEPARTMENT OF THE INTERIOR

PAUL M. HOMAN, OF THE DISTRICT OF COLUMBIA, TO BE SPECIAL TRUSTEE, OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS, DEPARTMENT OF THE INTERIOR.

WITHDRAWAL

Executive message transmitted by the President to the Senate on September 18, 1995, withdrawing from further Senate consideration the following nomination:

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

I WITHDRAW THE NOMINATION OF HOWARD W. CANNON, OF NEVADA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING MARCH 3, 1998, (REAPPOINTMENT), WHICH WAS SENT TO THE SENATE ON JANUARY 5, 1995.