

EXTENSIONS OF REMARKS

SMALL BUSINESS REMEDIATION ACT OF 1995

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. BARTON of Texas. Mr. Speaker, the environmental legislation that I am introducing today, the Small Business Remediation Act of 1995, is designed to ensure that small businesses and landowners will not be subjected to unreasonable remediation liability for dry-cleaning fluids. The intent of this bill is to strike a balance between adequate environmental protection and the avoidance of needlessly costly remediation not justified by human health exposure.

To fill the void in EPA's cleanup standards for the drycleaning fluid perchlorethylene (perc), the proposed legislation uses an extrapolation from another Federal agency, the Occupational Safety and Health Administration [OSHA], which already has a standard covering an estimated 99.9 percent of all exposure to perc. This is a rigorous standard required by law to adequately protect workers from harmful effects of a chemical, even if they are exposed 8 hours a day, 40 hours a week, for their entire working lives. Recognizing the difference between workplace and environmental standards such as the "healthy worker" effect and the potential exposure in the environment of 24 rather than 8 hours a day, the bill sets a safety margin or an entire order of magnitude. That is, the exposure standard for remediation in this bill 10 times stricter than OSHA allows for an entire working lifetime. If OSHA even lowers its standard, the remediation standard set in this bill will follow accordingly.

The bill seeks to address the real risks from perc exposure. It seeks to change the well-intentioned, hopefully apocryphal, process in which standards are selected to protect children even from eating tons of dirt for 70 years. Instead, an independent government scientific body will simply determine the equivalent exposure the general public faces, using realistic exposure and absorption assumptions. That information, plus the OSHA standard, will be used to calculate the proper amount of remediation necessary. Importantly, the bill protects all people from real human exposure by explicitly declaring it does not change existing Federal standards under the Safe Drinking Water Act.

While this bill does not specifically address third-party liability, it should remove all or most of that threat. If remediation is not necessary, except in the case of significant human exposure, and there is a congressional finding based on OSHA standards and the calculations of the National Institutes of Health that any health risks are small, it is difficult to see how there could be serious litigation, either under the environmental statutes or the common law.

I believe this bill is consistent with the Superfund reform legislation introduced last week and other regulatory reform legislation which seeks to relate environmental costs to real benefits. By doing so, the bill will benefit not only the tens of thousands of small dry-cleaners and their employees but also shopping mall owners, insurance companies, banks, and consumers. They will be free from the fear of crushing liability from an ordered remediation that could cost them a lifetime of savings, merely for such pointless requirements as cleaning up soil behind a shopping center to arbitrary pristine levels.

I look forward to working with my colleagues to pass this important bill.

H.R. —

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Remediation Act of 1995".

SEC. 2. FINDINGS AND INTENT OF CONGRESS.

(a) The Congress declares that the public should be protected from the risk of waste or spilled solvents and other chemicals in the soil, surface water, groundwater, and other environmental media.

(b) The Congress finds that the remediation requirements for spilled or waste chemical substances are often inconsistent, conflicting, and may impose a burden that bears little relationship to the potential harm to the environment and that these requirements pose a special burden on small businesses and landowners.

(c) Congress intends that standards shall be set for remediation that, with an adequate margin of safety, will protect public health from significant risk from these chemicals and below which level remediation will be permitted but not required.

(d) Congress resolves that to implement these conclusions a maximum level of remediation in soil, surface water, groundwater, and other environmental media shall be set, initially, for solvents for the dry cleaning industry.

SEC. 3. STANDARD FOR CLEAN-UP.

The maximum level of remediation of dry cleaning solvents in soil, surface water, groundwater, and other environmental media that a Federal, State, local agency, or court may require of a person engaged in dry cleaning or the owner of land or a facility in which such a person is conducting dry cleaning shall be one-tenth the equivalent exposure of the workplace standard for such solvents established by the Secretary of Labor under the Occupational Safety and Health Act of 1970.

SEC. 4. CALCULATION OF EQUIVALENT EXPOSURE

(a) In consultation with the Administrators of the Occupational Safety and Health Administration and the Environmental Protection Agency, the National Institute of Environmental Health Sciences shall, within 6 months of the date of the enactment of this Act, publish in the Federal Register its computation, based on realistic scientific assumptions, of equivalent exposure by ingestion, inhalation, and absorption indices for the general public, for soil, surface water, groundwater, and other environmental media in nonoccupational circumstances.

(b) The equivalent exposure shall be calculated from the workplace standard for dry cleaning solvents which assures on the basis of the best available evidence that no employee will suffer material impairment of health or functional capacity even if such employee has regular exposure for the employee's entire working lifetime.

SEC. 5. AUTHORIZATION TO REMEDIATE AT A LOWER LEVEL THAN THE MAXIMUM LEVEL OF REMEDIATION.

Nothing in this Act—

(1) shall preempt or otherwise prevent a Federal, State, or local government or private party from remediating soil, surface water, groundwater, or other environmental media to a lower level than the maximum level of remediation at its own cost and expense, or

(2) shall alter or affect the Federal drinking water standards under title XIV of the Public Health Service Act.

SEC. 6. DEFINITIONS.

For purposes of this Act:

(1) The term "other environmental media" means air and organic and inorganic material.

(2) The term "equivalent exposure" means the amount of a chemical substance found in air, surface water, groundwater, and other environmental media which is equivalent, under general and realistic conditions of human exposure, absorption, and toxicity, to that of the workplace standard for that substance.

(3) The term "maximum level of remediation" means one-tenth the equivalent exposure and is deemed fully protective of human health.

(4) The term "workplace standard for dry cleaning solvents" means the standard established by the Secretary of Labor under section 6(b)(5) of the Occupational Safety and Health Act of 1970 as the time-weighted average and set forth in section 1810.1000 Z-2 of title 29 of the Code of Federal Regulations.

CONGRATULATIONS TO REVEREND ALIFERAKIS AND THE CON- GREGATION OF THE ST. GEORGE HELLENIC ORTHODOX CHURCH

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. VISCLOSKY. Mr. Speaker, it is my great honor to rise and call attention to St. George Hellenic Orthodox Church in Schererville, IN. On October 29, 1995, the congregation of St. George will hold a consecration celebration of their church. This celebration will begin with a vespers service on Saturday night, followed by a dedication, banquet, and ball on Sunday.

Citizens of Hellenic origin began settling in the Indiana Harbor community of East Chicago in 1903. In 1929, a very small group of

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

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

industrious and young individuals coordinated plans to erect a church. Through their conscientious efforts, construction on the church was completed in 1938. The first parish priest was Reverend Demetriades. The church, named after a Roman soldier who was martyred for his faith, moved from East Chicago to Schererville in March, 1992. Today, St. George, which is currently under the leadership of the Reverend Constantine Aliferakis, proudly boasts a membership of over 300 families.

The consecration celebration is similar to the baptism of a child in that it symbolizes the setting apart of the church as a temple of God and its dedication to Him. This ceremony dates back to the fourth century, when St. Constantine dedicated the church after the Christian persecution ended. This once-in-a-lifetime ceremony for any church, will be conducted by Bishop Iakovos of the Greek Orthodox Diocese of Chicago. At the ceremony, the Bishop will dedicate the new furniture and painted wall hangings of six saints and martyrs.

Mr. Speaker, I ask you and my other colleagues to join me in a heartfelt message of congratulations to the Reverend Aliferakis and the congregation of St. George Hellenic Orthodox Church on this wonderful day of celebration. The members of St. George should be proud of their efforts to successfully preserve their Greek heritage.

A TRIBUTE TO FLOYD I. STUMBO

HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. COMBEST. Mr. Speaker, I rise today to pay tribute to Mr. Floyd I. Stumbo. On October 1, 1995, Mr. Stumbo retired after 38 years of service to the Children's Home of Lubbock, TX.

Floyd has been associated with the Children's Home of Lubbock for the past 38 years. Since 1957 he has selflessly served in many roles with the home. In 1970 he was named their chief executive officer, in which capacity he served until 1989, when he was named president. During these years the Children's Home of Lubbock flourished and steadily grew under his leadership and service. Today, the home stands as a modern progressive institution which provides care for over 4,200 children. It operates as a debt-free campus, which boast 20 buildings, thanks to his guidance.

Floyd has also given of himself to many other professional and community organizations. He has served in the Lubbock Chamber of Commerce, Rotary Club of Lubbock, Texas Association of Executives of Homes for Children, Texas Association of Licensed Homes for Children, Southwest Association of Executives of Homes for Children, the National Association of Homes for Children, and the Texas Association of Licensed Children's Services, as its President. Even with the demands of these many organizations and responsibilities, he still has the time and energy to serve as an elder of his church, the Broadway Church of Christ in Lubbock.

His leadership abilities have not gone unnoticed; he has received numerous awards for his dedication to the children of Lubbock,

among which are the Lubbock Christian University Leadership Award of 1986, the Christian Child Care Recognition for Leadership for 1985, the Pepperdine University Christian Service Award for 1983 and Citizen of the Year, Lubbock Chapter of the National Association of Social Workers for 1976. Now that he has stepped down from the Presidency, he has taken up the directorship of the Children's Home Foundation. This will enable him to enjoy some of life's finer pleasures such as golfing, travelling, visiting with friends of the Home, and spending more time with his family.

Mr. Speaker, I wholeheartedly thank Floyd for his dedication, untiring efforts, and his giving spirit of which the Children's Home of Lubbock is the greatest benefactor. I would also like to wish Floyd and Pat, his beloved wife, a happy and joyful retirement.

MEDICARE PRESERVATION ACT OF 1995

SPEECH OF

HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2425) to amend title XVIII of the Social Security Act to preserve and reform the Medicare Program, with Mr. LINDER in the chair.

Mr. ABERCROMBIE. Mr. Chairman, last year Republicans in Congress blocked efforts to pass legislation that would have guaranteed health care to all Americans. Now Republicans propose a bill, H.R. 2425, which guts the health care safety net for older Americans. Medicare is our contract with American families, illustrating our commitment to enabling seniors to live in dignity and independence. H.R. 2425 is a direct attack on this contract and reneges on our commitment to older Americans, leaving them to face the high cost of health care alone at a time when they are at their most vulnerable.

H.R. 2425 cuts the Medicare Program by \$270 billion over the next 7 years. The Republicans in Congress state that these cuts are necessary to save the Medicare Program, but the cuts are far too deep and would create increased uncertainty and instability. The Medicare Trustees' Report states that Medicare will become insolvent in 2002, a fact that we must seriously address. However, by reducing Medicare funding by \$90 billion, we can assure the Medicare trust fund's viability through 2006. H.R. 2425, despite the massive \$270 billion cut, would still only assure Medicare solvency through 2006—the same year.

Instead of saving Medicare, Republicans are more interested in providing a \$245 billion tax-giveaway for the wealthiest Americans. Clearly, without the tax break, a smaller and more reasonable reduction in Medicare spending would be possible. However, Republicans refuse to acknowledge the recklessness of their actions and insist on maintaining a tax windfall for their wealthy friends. My commitment, I can assure you, remains with senior citizens, not these fat cat contributors and I intend to oppose H.R. 2425.

The Democrat's substitute, addresses the real issues facing Medicare. By reducing fund-

ing by \$90 billion over the next 7 years, we will shore up the Medicare trust fund through 2006. This gives us more than a decade to work on significant and sensible reforms to assure Medicare will always be there for those who need it. In addition, a major component of the Democratic proposal would combat fraud and abuse which costs Medicare \$18 billion each year. The Republican plan does not adequately address this issue and in fact makes it easier for fraud to go undetected.

I prevail upon my colleagues to stand up for America's senior citizens. Vote against H.R. 2425. Do not abandon your commitment to their health and security in old age.

PROSPECTS FOR DEMOCRACY IN CENTRAL AND EASTERN EUROPE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. HAMILTON. Mr. Speaker, while we do not hear much about it, the struggle for democracy continues in Central and Eastern Europe. It is hard work, but it is important work because it affects the stability of Europe. Earlier this week, at a conference in Washington organized by Indiana University, a former colleague of ours, John Brademas, who represented the Third District of Indiana, delivered some very incisive remarks on the prospects for democracy in these countries. I commend these remarks to my colleagues.

CAN U.S.-STYLE DEMOCRACY WORK IN THE CEE REPUBLICS?

Allow me to welcome everyone to our panel on "Can U.S. Style Democracy Work in the CEE Republics?", part of the Indiana University International Forum on "Economic, Political & Military Security in Central and Eastern Europe."

I congratulate Indiana University on its initiative in organizing this Forum and I want to salute the Forum co-chairs, my fellow Hoosiers and distinguished former colleagues, Senator Richard Lugar and Representative Lee Hamilton; and to say how pleased I am that Congressman Hamilton, a valued friend of many years, is serving on this panel with Susan Atwood of the National Democratic Institute and Charles Gati of Interinvest. I am pleased also that two other friends, Rozanne Ridgeway and John Whitehead, both outstanding public servants, are chairing the other two panels at this Forum.

NED

At the outset, I would like to say a few words about why I am particularly interested in the issue of promoting democracy in Central and Eastern Europe and elsewhere.

First, since 1993 I have been chairman of the National Endowment for Democracy, one of the principal vehicles through which American Presidents, Senators and Representatives of both our political parties have sought over the last decade to promote free, open and democratic societies around the world.

Founded in 1983 by Act of Congress, NED is a bipartisan, non-governmental organization that champions, through grants to private organizations in other countries, the institutions of democracy. Although not a government entity, the Endowment is financed by an annual appropriation by Congress. The current budget is \$34 million.

I note that the National Endowment for Democracy is the only private association in

the country with two presidential candidates on its board, Senator Richard Lugar and Malcolm S. Forbes, Jr., and I am also pleased to add that our eminent keynote speaker today, Zbigniew Brzezinski, is also a member of the NED board and that Congressman Hamilton is one of our strongest supporters on Capitol Hill.

NED grants are made to organizations dedicated to promoting the rule of law, free and fair elections, a free press, human rights and the other components of a genuinely democratic culture. The Endowment has a long-standing and successful program of grants in Central, Southern and Eastern Europe.

I also note that to expand its role as a center of ideas about democracy, the National Endowment for Democracy established in 1990 the quarterly *Journal of Democracy* and, in 1994, the International Forum for Democratic Studies. The Forum serves as a center for the study of democratic developments, a repository of published research and documents on democracy and an electronic communications network for democratic thinkers and activists. The Forum's staff conducts regular seminars and twice yearly holds a major conference on a central issue in democracy-building. Last August, for example, the International Forum co-hosted in Taiwan a very successful conference on "Consolidating the Third Wave Democracies."

Of course, we must acknowledge that those of us in the West who look to building democracy around the globe should not assume that it is we who have all the answers.

CULTURE OF DEMOCRACY

Because of my interest in issues of democracy building, you will not be surprised to hear that I believe we in the United States as well as our compatriots in Eastern Europe must do all we can to stimulate, in our own countries and abroad, a culture of open and accountable government.

This means, among other things, promoting the revival of civil society through the creation of "social capital." "Social capital," Professor Robert D. Putnam of Harvard University, writing by the way, in the *Journal of Democracy*, describes the bonds of trust and cooperation that develop among citizens actively involved in non-governmental organizations and associations. And Putnam asserts that activity in such voluntary associations generates involvement in the institutions of democratic government.

Building a culture of open and accountable government also means encouraging respect for diversity of views and tolerance of those of different racial, religious, ethnic and national backgrounds.

ORTHODOXY AND DEMOCRACY

Now, in this vein I want to close these introductory remarks by briefly raising one issue, not widely discussed or even acknowledged, concerning our topic—"Can U.S. Style Democracy Work in the CEE Republics?"

The issue is whether the countries of the Balkans, with an Eastern Orthodox heritage or "civilization," as Samuel Huntington would put it, are capable of building fundamentally democratic institutions. Can those countries—the inheritors of the Byzantine and Ottoman Empires—develop a thriving civil society after decades of communist rule and centuries of church-state interpenetration? Will the former communist countries north and west of the Balkans be uniquely successful in the transition to democracy because they have inherited a different legacy, that of Western Christendom?

It will not, I am sure, surprise you to hear that I believe that Eastern Orthodoxy and

"Western" democracy can be, indeed, are compatible and can co-exist in harmony.

First, as Richard Schifter has argued in his well-known article, "Is There a Democracy Gene?," we have no reason to assume that now that the ideas of the Enlightenment "have at long last been accepted by the West, they cannot spread any further." Indeed, "the onward march of the democratic ideal," says Schifter, need not halt at "the fault line of Western civilization."

Second, I must note the obvious: Greece, of course, is the birthplace of both Eastern Orthodoxy and democracy. Its very existence and success give the lie to the idea that these two traditions cannot be combined. If Greece can throw off the ill effects of the heritage of what some have described as "non-European" civilization, then it should not be impossible for Serbs, Bulgarians, Romanians, Ukrainians, even Russians, to overcome this "burden."

Finally, as I have said, I take issue with the notion that the Orthodox church, while often identified as a nationalist institution, cannot play a productive role in developing a lively civil society in the Balkan countries. Here I commend to you an article by Elizabeth H. Prodromou of Princeton University in *Mediterranean Quarterly*. Professor Prodromou writes of utilizing Orthodox custom in crafting modern democracy in East Central Europe and the Balkans. While acknowledging "a historical record that underscores the failure of the Orthodox churches in the Balkans to assume an activist stance in favor of democratic politics," Prodromou argues for the potential to engage Orthodoxy in remaking civil society and describes in detail "Orthodoxy's emphasis on freedom, community, and choice as values compatible with democratic culture."

In other words, it is not enough to say that the peoples on one side of an imagined dividing line have not heretofore experienced democracy and therefore cannot or will not. Particularly if one believes in a universality of Western values—democracy, individual liberty, human rights, to name a few—one must look not only to the potential but also to the opportunities to construct the institutions of self-government and the habits of freedom.

So against the background of these brief observations, I should like to ask our panelists for their comments on the question we've been assigned, "Can U.S. Style Work in the Central and Eastern European Republics?"

I'll ask each person to speak for five minutes and then we'll engage in discussion.

BRIDGEWATER WINS WASTE-WATER TREATMENT AWARD

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. FRANK of Massachusetts. Mr. Speaker, because we in Congress must often focus on legislation and issues which pose problems for communities in our districts, we too rarely note those cases where municipalities we represent have complied with Federal laws in an effective manner to the benefit of their residents. I would like to take a few moments to recognize one community which has done just that: the town of Bridgewater, MA, which was recently selected as a recipient of the Environmental Protection Agency's 1995 national first place award for outstanding operation and mainte-

nance program in the medium advanced category.

According to the letter announcing the award, "EPA based this selection on the facility's demonstrated innovative and cost-effective achievements." The town has a lengthy history of this type of accomplishment and recognition in water treatment, having already won the EPA regional award in the same category, an award which made the town eligible for the national award. The town became eligible for the regional award by virtue of having exceeded the EPA operating standards for the past 2 years. In fact, the town has been recognized for its innovative operation and maintenance procedures—particularly in the areas of septage and odor handling, which of course constantly present themselves to a facility of this kind—since the current wastewater treatment plant first went on line in 1989.

Mr. Speaker, while any award of this kind is inevitably the result of a team effort, a great deal of the credit for this exemplary work should go to Joseph Souto, the wastewater treatment plant superintendent. In addition, the following town officials also made important contributions to this success: Charles J. Kane, Allan S. Knight and Fawn L. Gifford (chairman, clerk and member, respectively of the board of water and sewer commissioners); Robert A. Correia, (assistant superintendent); Richard W. Boss, John E. Garabee, and Michael J. Studley (plant operators); and Katharine T. Dumas and Eileen J. Weinberg (water and sewer secretaries).

I offer my congratulations to the town of Bridgewater and the hard-working people involved in the operation of the wastewater treatment plant for their work in improving their community and for showing us the positive role government can play in our society.

WORLD POPULATION AWARENESS WEEK

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. GEJDENSON. Mr. Speaker, I would like to submit for the RECORD an official proclamation by His Excellency John G. Rowland, Governor of the State of Connecticut. I would like to join the Governor in stressing the importance of the World Population Awareness Week for 1995, focusing on general equality. Placing family planning on top of our priority list, through eradication of female illiteracy, full employment opportunities for women, and universal access to family planning information, is of utmost importance. This is the only way to control an overpopulated world, to reduce the spread of disease and poverty, and to bring progress to many struggling areas of the world.

OFFICIAL STATEMENT

Whereas, world population is currently 5.7 billion and increasing by nearly 100 million per year, with virtually all of this growth in the poorest countries and regions—those that can least afford to accommodate their current populations, much less such massive infusions of human numbers; and

Whereas, the annual increment to world population is projected to exceed 86 million

through the year 2015, with three billion people—the equivalent of the entire world population as recently as 1960—reaching their reproductive years within the next generation; and

Whereas, the environmental and economic impacts of this level of growth will almost certainly prevent inhabitants of poorer countries from improving their quality of life and, at the same time, have deleterious repercussions for the standard of living in more affluent regions; and

Whereas, the 1994 International Conference on Population and Development in Cairo, Egypt crafted a 20-year Program of Action for achieving a more equitable balance between the world's population, environment and resources, that was duly approved by 180 nations, including the United States; now

Therefore, I, John G. Rowland, Governor of the State of Connecticut, urge all citizens of this State to support the purpose and the spirit of the Cairo Program of Action, and call upon all governments and private organizations to do their utmost to implement that document, particularly the goals and objectives therein aimed at providing universal access to family planning information, education and services, as well as the elimination of poverty, illiteracy, unemployment, social disintegration and gender discrimination that have been reinforced by the 1995 United Nations International Conference of Social Development, endorsed by 118 world leaders in 1995, and by the 1995 United Nations Fourth World Conference on Women.

A THANK YOU FROM WESTERN
NEW YORK

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. LaFALCE. Mr. Speaker, over 20 years ago Dr. Robert S. Marshall came to western New York to serve as president of Rosary Hill—an excellent small college with much to offer, but struggling financially and facing an uncertain future.

Today the college is alive, well, and facing a future full of promise. In the 1970's, Rosary Hill College was renamed Daemen College; since then, the Daemen curriculum and enrollment have grown significantly. The physical therapy department, for example, is now one of the largest and best programs of its kind in the Nation.

While the accomplishments of Dr. Marshall are described more fully below in the background material provided by Daemen College, let me, on behalf of the western New York community, thank Bob Marshall for all he has done for Daemen College, and offer him best wishes on his upcoming retirement.

ROBERT S. MARSHALL

Daemen has made considerable strides towards becoming one of the finest private colleges on the Niagara Frontier. This is a remarkable statement, if you stop and consider that there was a point not so very long ago when the College's very survival was in question. In 1974 Daemen, then known as Rosary Hill College, was at a crossroads. Changing times had brought the College, then less than 30 years old, to the brink of bankruptcy and an uncertain future. A new direction—and new leadership—was needed.

That year, Dr. Robert S. Marshall, then associate director for academic affairs at the Division of Biological Sciences at Cornell

University, was chosen as the next president of the College. Bringing new vision and a fresh perspective, his challenge was to place Rosary Hill on sound financial footing, building a solid academic program for the future. It was a challenge he would vigorously embrace—and surpass—to the benefit of the entire Daemen College community.

Originally a Roman Catholic, women's college, Rosary Hill became co-ed in the 1960's, and began to evolve in a new direction. In order to reflect this, the College adopted a new name. It was a dramatic change, certainly; there were many more to come. One of Dr. Marshall's first—and most significant—accomplishments was providing the leadership necessary to guide and focus these changes.

Perhaps the most immediate need of the College at that time was to increase operating funds—and ensure the doors of the institution remained open. Over the next few years, through sound management practices, effective cost-containment, and aggressive development efforts, Daemen College turned a corner. Major fund raising campaigns reached—and surpassed—their goals, resulting in increased resources. Additional academic programs, faculty development, and a center for professional development were among the benefits of a \$2.2 million grant, received in 1982, from the U.S. Department of Education.

These financial successes supported Daemen's academic programs. One of the most significant was the establishment of the physical therapy major in 1975. A confluence of heightened emphasis on physical fitness, a rapidly growing elderly population, and increasing interest in the emerging field of sports medicine have combined to make physical therapy one of the fastest-growing professions in the health field today. Thanks to Dr. Marshall's foresight, the Physical Therapy Department of Daemen quickly became a pace setter. Through new courses, equipment, and first-rate instructors, today it is one of the largest, and best, programs of its kind in the nation.

Dr. Marshall's vision for Daemen didn't stop there. In 1979, the College received authorization from the New York Board of Regents to offer a bachelor of science degree in nursing. The program was the first in Western New York to offer the degree to registered nurses, who, having studied in two or three year programs, decided to return to school to pursue their bachelor's degree.

To help implement the new program, the College received a grant of \$110,000 from the Department of Health, Education, and Welfare. Because of its uniqueness, Daemen's bachelor of science in nursing has joined the College physical therapy program in garnering national attention. Since 1987, enrollment in the nursing program has increased by more than 350 percent.

Enrollment increases for the entire College over the last two decades are equally impressive. Since the beginning of Dr. Marshall's tenure as president—and during a time of decreasing college and university enrollments nationwide—the number of students attending Daemen College has steadily increased, to today's all-time high of more than 2000.

Dr. Marshall realized that no college or university can progress without a first-rate faculty. Thus, he provided Daemen students the benefit of instruction from a quality faculty from schools such as Harvard, Oxford, the University of Notre Dame, Columbia University, the University of California at Berkeley, and the University of Chicago, to name but a few.

Increasing enrollments create a need for expansion. Accordingly, Dr. Marshall's tenure has included significant additions to Daemen's attractive campus. In 1983, ground

was broken for a long-awaited College athletic facility. The prominent brick structure, smoothly integrated into the profile of Duns Scotus Hall, is the center for College athletics, and home to the men's and women's basketball teams. Easily viewable from a busy section of Main Street, it has become one of the most prominent, and familiar features of the College.

The state-of-the-art science building, Schenck Hall, is another notable addition to the campus. Completed in 1992, the two-story structure houses the latest in a variety of laboratories, classrooms, faculty offices, a 300-seat lecture hall, student study lounge, and other facilities.

Another sign of development due to Dr. Marshall's leadership is Daemen's post-licensure master of science degree in Physical Therapy. The M.S. is specifically designed to provide licensed physical therapists with the much needed opportunity to acquire in-depth training and upgrade their skills. It is the first master's program to be offered at the College.

The future holds promise, as well. Programs in Daemen's Business and Commerce Division will be expanded, and housed in a new, state-of-the-art building, that has just been completed. New academic initiatives, such as the physician's assistant program, and the environmental studies major, are underway. Applications for admissions into several programs are at record levels. In short, the state of the College is sound. Daemen faced many challenges over the last two decades, and Dr. Marshall met each of them with sound judgement and vision.

We have much to be proud of at Daemen. Over the years, the College has demonstrated a special ability to integrate the resources of higher education with the needs of the community. Through the last two decades, Robert Marshall has provided the vision and leadership necessary for this institution's continued success. Tonight, pausing to look back, we take note of his many accomplishments, and express our appreciation to him for a job well done.

HONORING ARTHUR W. "NICK"
ARUNDEL

HON. THOMAS M. DAVIS

OF VIRGINIA

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. DAVIS. Mr. Speaker, it is with great pleasure that my colleague and I honor one of northern Virginia's pioneers, Arthur W. "Nick" Arundel. Mr. Arundel, has over the last 30 years built the Times Community Newspapers into a chain of 16 weekly publications stretching from Fairfax County west through the Piedmont. Today we are proud that he has received the Suburban Newspapers of America's 1995 Dean S. Lecher Award for his decades of contributions to suburban journalism.

Mr. Arundel's career started when he was hired by famed CBS correspondent Edward R. Murrow to be a reporter in the network's Washington bureau in 1956. In 1960, having developed an entrepreneurial itch, he bought a bankrupt country and western radio station in Washington, renamed it WAVA and created the first all-news radio station in the country. The station was a phenomenal success.

In 1965 he started the Times Community Newspapers with his acquisition of the 175-

year-old Loudon Times Mirror. His next acquisition was the fledgling Reston Times, which planted the Times Community Newspapers' flag in Fairfax County. Today the Fairfax group includes 11 papers.

Nick Arundel has continued to build his Times Community Newspaper chain right through last month, when he acquired the McLean Providence Journal and its sister paper, the Great Falls Current, from Dear Communications. With those acquisitions, Times Community Newspapers now circulates to nearly 200,000 households in northern Virginia.

In addition to his success as a newspaper mogul, Nick Arundel is a graduate of Harvard University. He served 4 years as a decorated and twice wounded Marine Corps parachute officer in both the Korean and Vietnam wars.

Nick Arundel and his wife Margaret "Peggy" live in The Plains, a community he has helped restore, particularly through his creation, in the 1980's, of Great Meadow. Through his hard work he has turned it into the home of the Virginia Gold Cup steeple chase races.

Mr. Speaker, we know our colleagues join us in paying tribute to Arthur W. "Nick" Arundel for his many years of hard work and dedication, and for making northern Virginia a better place to live.

IN RECOGNITION OF THE AIDS
SERVICE CENTER OF LOWER
MANHATTAN

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. NADLER. Mr. Speaker, I rise today to recognize the fifth anniversary of the AIDS Service Center of Lower Manhattan, which will be commemorated October 30, 1995. Founded in October 1990 as the Lower Manhattan AIDS Task Force, the AIDS Service Center has grown into a multiservice community organization which is dedicated to serving individuals, families, and communities that are affected by HIV/AIDS. ASC has expanded its services to provide case management, advocacy and support services, peer education, community outreach, and training opportunities for people living with AIDS in Manhattan. The AIDS Service Center has served over 4,000 people through street outreach and education activities, and engaged over 300 people living with HIV/AIDS in case management services. I am honored to pay tribute to this fine organization, which is located in my district, and to mark its fifth anniversary. As the number of people with AIDS increases every day, it is gratifying that ASC is here to meet the needs of all who are affected by AIDS.

THIRTY-NINTH ANNIVERSARY OF
THE HUNGARIAN REVOLUTION

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. SMITH of New Jersey. Mr. Speaker, 39 years ago yesterday, Hungarian students demanding reforms and democratization dem-

onstrated in Budapest, touching off what has become known as the 1956 Hungarian Revolution. The 2 weeks that followed witnessed events that were truly incredible given the context of the times: following the initial demonstrations, Soviet troops and tanks entered Budapest; hundreds of peaceful marchers were killed at Parliament Square in Budapest; fighting spread across the country; a new Hungarian Government was formed and negotiations for Soviet troop withdrawals were begun; revolutionary workers' councils and local national committees rose to prominence and attention was given to political and economic demands, including calls for free elections, free speech, press, assembly, and worship. Hungary announced its withdrawal from the Warsaw Pact and proclaimed itself neutral. In early November, Soviet forces attacked Budapest and took over strategic locations across Hungary. By mid-November, any hope of advancement was crushed by the ruthless Soviet military assault. Mr. Speaker, the short lived, but courageous struggle against communism and Soviet domination so brutally quelled by Soviet tanks vividly illustrated to the entire world the realities and intentions of Soviet imperialism and totalitarianism.

The West offered no effective response, Mr. Speaker, and the bloody suppression of the Hungarian freedom fighters seemingly underscored the status quo of Soviet power and might. This led to a feeling of impotence in the West. The 1956 Revolution was, of course, a testament to the fortitude, heroism, and commitment to freedom of the Hungarian people. One could note that the uprising also signified the beginning of the end of Soviet rule. The famous Yugoslav dissident, Milovan Djilas, writing very shortly after the uprising, characterized the revolution in Hungary as "the beginning of the end of communism generally," and observed that " * * * the Hungarian fighters for freedom, struggling for their existence and country, may not have foreseen what an epochal deed they had initiated."

Innocent lives were lost, hopes were dashed, much of the potential of the States under Soviet dominance was never allowed to blossom, and almost two generations knew nothing of basic freedoms. But, Mr. Speaker, as later events showed, Djilas proved to be prescient in his analysis. The Hungarian Revolution began to expose, Mr. Speaker, the ultimate futility of communism and the inherent weakness of the Soviet Union. Henry Kissinger, in his 1994 book "Diplomacy," notes that: "A generation later, latent Soviet weakness would cast the Hungarian uprising as a harbinger of the ultimate bankruptcy of the communist system." Mr. Speaker, perhaps this was the most important legacy of the Hungarian uprising, attesting that the blood shed by the Hungarian people in 1956 ultimately was not in vain.

DOMESTIC VIOLENCE AWARENESS
MONTH

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. VENTO. Mr. Speaker, I rise today to commemorate domestic violence awareness month. Domestic violence is a serious problem

in communities across our Nation. Research conducted by the Department of Justice has uncovered a disturbing fact regarding this type of violence, that women are just as likely to be victimized by someone close to them, such as a spouse or friend, than they are by an acquaintance or stranger. It is frightening that in a time when crime rates in communities across the Nation are on the rise, many women are not even safe inside their own homes.

My home State of Minnesota has been on the forefront of the campaign to reduce the number of incidents of domestic violence. It was my hometown of St. Paul, MN, where the Nation's first battered women's shelter, Women's Advocates, began operating 25 years ago. Today, the Harriet Tubman shelter in Minneapolis, MN, is expanding its services to provide apartment living for women while they rebuild their lives. The State has also implemented a more effective arrest and prosecution procedure regarding domestic violence cases in an attempt to decrease dismissal rates and prosecute more offenders. I am proud of the efforts that all of Minnesota's communities, and their citizens, have made in the campaign to ensure that Minnesotans are safe from domestic violence.

One organization in the Twin Cities aiding this effort is the Casa De Esperanza Women's Shelter. The shelter focuses on domestic abuse in Latino families, but its services are available to all battered women, including those who have been previously abused, and their children. Housing 22 beds, the shelter served 87 women and 118 kids last year and ran a number of community programs. Operating in west side schools, Casa De Esperanza offers an anti-violence training program for children, which works to curb the cycle of violence that inflicts many families. The program reached 160 children last year alone. The shelter also operates a number of advocacy programs to help battered women and their children receive other services they may need such as medical care. Casa De Esperanza, and its executive director, Gloria Perez Jordan, are on the front lines of the effort to help victims of domestic violence in Minnesota. Their efforts must be supported by a strong commitment from Washington to work to decrease incidents of domestic violence and to help those who have been battered achieve abuse-free lives for themselves and their children.

Organizations like Casa De Esperanza are succeeding in the campaign to end domestic violence. However, there is still much work to be done. In Minnesota, 100,000 women use the State's battered women's services every year. The largest obstacle to be overcome is the silence that shrouds this abuse. Many victims of repeated domestic violence feel powerless to escape the abusive household and are unaware of the services available to help them.

Others are afraid to confront their attackers or try to leave the household, fearing further abuse. Domestic Violence Awareness Month was established to heighten awareness of domestic violence, its effects on our community and families, and the services available to its victims.

Informing the community about domestic violence, however, may not be sufficient to ensure that all victims of these violent acts are able to obtain the services they need. Another

reason to dedicate this month to the cause of domestic violence is to focus attention on the fact that current programs and facilities are not adequate to help all victims. Nation-wide, two-thirds of the women who seek help at women's shelters are turned away because of a lack of space. Programs that aid victims of domestic violence must be expanded so that all citizens have the opportunity to obtain the services they need to live abuse-free lives. We must not turn away from victims seeking assistance to build better futures safe from abuse.

So far in 1995, 21 children and 9 women have died in incidents of domestic violence in Minnesota. By heightening awareness of domestic violence in communities across the Nation, we can step up efforts to ensure that all Americans live free from incidents of domestic violence.

FORTIETH ANNIVERSARY OF
SYMME, MAINI & MCKEE

HON. JOSEPH P. KENNEDY II
OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. KENNEDY of Massachusetts. Mr. Speaker, I rise today to commemorate the 40th anniversary of Symmes, Maini & McKee Associates [SMMA], a multidisciplinary architectural, engineering, and strategic planning resources firm, of Cambridge, MA. During its 40 years of operation, SMMA has designed many facilities for industrial, commercial, and institutional uses, and has distinguished itself by providing a high level of creative design and responsive service. I would like to express my warmest congratulations to everyone at SMMA, who have worked so hard over the years to make the company so successful in recognition of their long standing commitment to excellence.

TRIBUTE TO THE LATE MR. IRV
LEWIN

HON. PETER J. VISCLOSKY
OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. VISCLOSKY. Mr. Speaker, it is my great honor to rise today to pay tribute to the late Mr. Irv Lewin. On October 27, 1995, the Salvation Army-East Chicago Corps is dedicating the Irv Lewin Fellowship Hall.

Irv served as a board member for the Salvation Army-East Chicago Corps for over 35 years. During a portion of this period, he served as chairman of the board. What is to be dedicated as the Irv Lewin Fellowship Hall is an area for the feeding program sponsored by the Salvation Army. According to the Salvation Army-East Chicago Corps: "Irv gave untiring support to the Salvation Army through unparalleled service and commitment."

Irv, who passed away earlier this year, was a resident of East Chicago for many years. He also resided in Hammond and Highland for a portion of his life. Irv was a graduate of McKinley Grade School and Roosevelt High School, both of East Chicago. Irv then graduated from Indiana University, where he played the clarinet with the Indiana University marching band.

After graduating from college, he served with the U.S. Army in World War II, and, later, became a co-owner of Lewin's Clothing Store in East Chicago with his brother, Ken. In addition, Irv was an educator at Indiana University Northwest in Gary, as well as Calumet College of St. Joseph. However, Irv is probably most well known for his 35 years as a radio commentator for WJOB Radio Center in Hammond. During his career at WJOB, he helped organizations by fulfilling requests from community, nonprofit agencies.

Irv was not only committed to the goals and success of the Salvation Army, but the community as a whole. Irv was a past exalted ruler for the Elks Lodge #981, as well as chairman of the Lake County Polio Foundation and the United Jewish Appeal. Moreover, Irv served as past president for the East Chicago Chamber of Commerce, East Chicago Community Chest, East Chicago Lions Club, East Chicago Board of Education, and the Calumet College of St. Joseph. Irv was a board member of the 1st Bank of Whiting, Katherine House of East Chicago, the American Legion Post #369, and B'nai B'rith. For 13 years, Irv served as the commissioner of higher education for the State of Indiana.

All this dedication proved to be successful as Irv earned the Man of the Year Award from St. Joseph College, a Sagamore of the Wabash from former Governor Orr, and a place in the East Chicago Hall of Fame.

Irv Lewin is survived by his children, Paul and Stuart Lewin, Rosemarie Broach, Carol Bogushi, and Judi Bach, as well as many grandchildren. He rightfully deserves the great honor of having the Irv Lewin Fellowship Hall dedicated to his memory by the Salvation Army-East Chicago Corps. Indiana's First Congressional District has surely benefited from Irv's dedication and commitment to improve the quality of life for all residents of northwest Indiana. Mr. Speaker, I ask you and my other colleagues to join me in commemorating the memory of this great man.

THE PHILANTHROPY PROTECTION
ACT OF 1995

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. FIELDS of Texas. Mr. Speaker, the funding of hospitals, universities, scholarships, churches, and other organizations that help the needy are under attack. A Federal lawsuit filed in Wichita Falls, TX, is threatening the funding of thousands of these institutions, based, in part, on a misguided argument that the charitable donation programs that they maintain violate the Federal securities laws.

The charitable donation programs that are under attack are maintained by organizations like the Red Cross, the Salvation Army, the Boy Scouts, the Southern Baptist Foundation, and universities all across the country—including my alma mater, Baylor University. These programs have been operated since the 1830's, when the American Bible Society entered into the first planned giving arrangement. They have been a keystone of charitable giving in this country.

Charitable gift annuities and charitable trusts make it possible for donors to make a gift to

a charity—while receiving some of the investment income produced by that gift. The purpose of these programs is simple: they provide a flexible way to help people help others. The people who donate to charities through charitable giving programs such as these are helping to feed an clothe the less fortunate, vaccinate children, care for the sick, and provide education for those who could not otherwise afford it. Every citizen in this country is better off for the hard work of these organizations.

Imagine the Oklahoma bombing tragedy without the American Red Cross. Imagine your own local church or your alma mater closing its doors in financial ruin. It sounds unthinkable, but these are very real possibilities.

The lawsuit in Texas alleges that the charitable trust program operated by the Lutheran Foundation violates the Federal securities laws. This is a flagrant misapplication of the law. The plaintiff in that suit is seeking to have that gift revoked. The plaintiff in the suit is not the donor who gave the donation—rather, she is an heir of the donor. Guess where that money will go if it is revoked—right to the plaintiff—and her lawyer.

Other plaintiff's lawyers are looking at this suit as a huge business opportunity. The judge has been asked to make the suit a class action—which would pave the way for copycat suits against every charitable organization in the country that operates a charitable annuity or charitable trust donation program.

Some organizations have already stopped accepting gifts through their charitable donation pools for fear a class action will send that money right back out the door—into the pockets of plaintiffs and their lawyers.

This abuse of our legal system must be stopped. And today I, together with Chairman BLILEY, am introducing a bill to do exactly that—and make sure that charities and universities and religious organizations will not be vulnerable to further attack.

The Philanthropy Protection Act of 1995 will amend the Federal securities laws to clarify that the provisions of those laws are meant to apply to investment in our capital markets, not to gift-giving. A person seeking to get the best possible return on this investment will go to a brokerage house—not to church.

This legislation is another step forward in our efforts to rid our legal system of needless, expensive, and harmful abuses. The people who give to churches, schools, hospitals, and other worthy causes should not be foiled in their generous efforts to help. At the same time, they should be protected against fraud—and this legislation does exactly that. It does not exempt charities or those who seek donations to charities from the anti-fraud protections of the Federal securities laws.

This summer Senator KAY BAILEY HUTCHISON and Senator CHRIS DODD introduced similar legislation to protect our country's charitable organizations. Governor Bush, of Texas, signed into law a provision that was passed unanimously by both houses of the Texas legislature to accomplish the same goal. And today, Chairman HENRY HYDE, of the House Judiciary Committee, has introduced a bill to prevent the misapplication of the Federal antitrust laws to these charitable efforts.

In this good company, I hope my colleagues in the House will join Chairman BLILEY and me in this important bipartisan effort to protect

charitable giving in the United States. Those of us who believe in and support the work of charitable organizations located in my home State of Texas and throughout our country have an obligation to do what we can to help—not hinder—their efforts.

TRIBUTE TO PRESIDENT ARISTIDE

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. HILLIARD. Mr. Speaker, I want to congratulate President Aristide and the people of Haiti on the first anniversary of the restoration of democracy to Haiti. I believe that the role of the United States in the restoration of democracy to Haiti represents a high point in the United States foreign policy with respect to the Caribbean and Africa.

Further, I wish to commend President Aristide on his promise to adhere strictly to the Haitian Constitution by leaving office in 1996. He has put himself above politics by not supporting efforts to ignore or amend the Constitution to enable himself to run again for the Presidency. Rather, he has put in the apparatus, so that his successor can continue the democratic process he has begun.

During the last year, President Aristide has worked relentlessly to move his country forward by reviving organizations destroyed during the years of corrupt military rule—organizations which are essential to the survival of democracy. In addition, President Aristide has made marked improvements in human rights.

As an enthusiastic supporter of democracy in Haiti, I wish the Haitian people continued success in their struggle to create a democracy that will withstand any efforts of individuals with aspirations to return Haiti to a totalitarian government. My Haitian friends, do not let anyone turn you around. Best wishes to you for a long, democratic life.

75TH ANNIVERSARY OF OUR
MOTHER OF SORROWS

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. MURTHA. Mr. Speaker, often in the course of our hectic, day-to-day lives we fail to remember the significance and importance of the activities and institutions that mean the most to us and our communities. One way in which we make up for this is in our celebration of anniversaries—the anniversary of our Nation's independence, the anniversary of important personal events, or the anniversary of the things that bind a community together. One important community institution in the Johnstown, PA area is Our Mothers of Sorrows Parish, which will be celebrating its 75th anniversary with a special Mass and dinner on October 29, 1995.

The community will be celebrating the founding of the Parish on November 3, 1920, by the Most Reverend John J. McCort. In its 75-year history of serving the people of Johnstown the parish has had only three Pastors—Rev. Msgr. Stephen A. Ward, Rev. Msgr.

Linford F. Greinader, and the current Pastor, Rev. Msgr. Thomas K. Mabon, who is a native of Johnstown and was assigned to Our Mother of Sorrows Parish in 1993.

I'd like to join all the people of Johnstown in extending congratulations and best wishes to all the parishioners of Our Mother of Sorrows Parish as they celebrate their 75th anniversary. We've certainly experienced many ups and downs in the past 75 years in Johnstown, but it has been our faith and the guidance offered us by the stabilizing influences in our community that enable us to continue to look forward. I'm certain that Our Mother of Sorrows Parish will continue to be an important part of the lives of many of the people of Johnstown, and I wish you another wonderful 75 years and more as a Johnstown institution.

HONORING THE FLORIN JAPANESE-AMERICAN CITIZENS LEAGUE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. MATSUI. Mr. Speaker, I am honored to rise today to bring to my colleagues' attention the work of a distinguished public service organization, the Florin Japanese-American Citizens League [JACL]. On November 4, 1995, the Sacramento community will gather to honor this organization and celebrate its 60th anniversary.

The Florin JACL was formally organized in 1935 as one of the original 115 chapters nationwide. A volunteer nonprofit and educational organization, the Florin JACL has dedicated the past six decades to upholding the human and civil rights of Japanese-Americans and all Americans.

In their early years, the Florin JACL operated with dignity under the cloud of World War II. Though parents and relatives were confined in isolated relocation centers, 45 young Nikkei Florin soldiers fought a 2-front war: 1 against the enemy and 1 against national prejudice. After the war, the Florin JACL played an instrumental role in the resettlement of internees after the camps closed.

During the post-war era, after the passage of the landmark 1952 Walter-McCarran Act, the Florin JACL mounted a successful campaign which promoted and assisted Issei to become naturalized citizens, a privilege heretofore denied to them and others of Asian ancestry.

In more recent times, the Florin JACL has directed its efforts to social and educational service. In 1962, the Florin JACL Scholarships were initiated and for the past 23 years have provided students with the financial and moral support needed to pursue higher education. Always evolving to meet the needs of today's society, the Florin JACL now boasts such successful programs as an Annual Women's Day Forum and the Healthy Family Traditions project.

In addition to these interests, the Florin JACL has worked tirelessly to preserve the rich history of Japanese-Americans. For the past 12 years, the organization has sponsored Time of Remembrance programs featuring significant speakers, teachers, workshops, children's sessions, and Nikkei VFW participation

via lectures, exhibits, video, dissemination of informational materials, and question-and-answer sessions relating to the Japanese-Americans and World War II.

One of the most ambitious and exciting new projects in Sacramento is the establishment of the Japanese-American Archival Collection. Started by the Florin JACL's donation of the Mary Tsukamoto collection, the project has grown dramatically and serves as assurance that Japanese-American history will be preserved with tangible proof for future generations.

The Florin JACL is most deserving of our thanks and praise for their efforts and compassion for all people in the Sacramento region. I know my colleagues will join me in wishing the Florin chapter of the Japanese-American Citizens League many years of continued success.

REMEMBERING AMERICA'S
VETERANS

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. BAKER of California. Mr. Speaker, as we prepare to honor the sacrifices of America's veterans on November 11, I want to draw the attention of my colleagues to the words of a poem sent me by one of my constituents, Peter Whitney of Walnut Creek, CA.

John DiRusso served with Peter in the Second World War. They were among the tens of thousands of young Americans who, in the words of the late journalist Theodore H. White, "saved the world." The words of this poem remind us of the heroism that was so common it came to be taken for granted. Yet we should never take for granted what so many brave men and women did to preserve our liberty.

It is a pleasure for me to include John DiRusso's poem, "Please Remember Me," in the CONGRESSIONAL RECORD. We do remember America's veterans. To forget them would be to ignore our very freedom, something we must never do as long as our Republic lasts.

PLEASE REMEMBER ME

(By John DiRusso)

Remember me, America, for I was once your son

I fought and died at Valley Forge with General Washington.

I was there at Gettysburg on that tragic, tragic day

When brother fought against brother—the blue against the gray.

I rode with Teddy Roosevelt on the charge up San Juan Hill

Some came back to fight again—but I just lie there still.

I went to France with A.E.F. to bring the peace to you

I was twenty-one and full of fun—I never saw twenty-two.

I'm still here at Pearl Harbor since that December seventh day of infamy

Lying silently with my shipmates on the U.S.S. Arizona at the bottom of the sea.

D-Day June 6TH 1994, we hit the beaches of Normandy

And we fought uphill every inch of the way

We routed the Germans and hurled them back but what a terrible price we had to pay.

I served on a U.S. submarine, the bravest of the brave
 Until a German depth charge gave us a watery grave.
 I bombed the Ploesti oil fields, they blew with one big roar
 But in the attack we were hit with flack—I'll never bomb anymore.
 In Korea I heard the C.O. shout "we'll make it—I'm sure we will"
 I lost my life to try and take a spot called Pork Chop Hill.
 Vietnam! Vietnam! When will we ever learn I'm one of sixty thousand who never will return.
 I left my town, my wife, my kids, my home so cozy and warm
 I was killed in a SCUD attack in a war called—Desert Storm!
 And so in my eternity my thoughts are all for thee
 I'll never forget my America—I pray she remembers me.

FISHERY CONSERVATION AND
 MANAGEMENT AMENDMENTS OF
 1995

SPEECH OF

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 18, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 39) to amend the Magnuson Fishery Conservation and Management Act to improve fisheries management with Mr. BUNNING (Chairman pro tempore) in the chair.

Ms. DUNN of Washington. Mr. Speaker, I rise in support of the amendment offered by the gentleman from Washington State. While the amendment is narrow in nature, it addresses one of the most important developments in fishery management in the last decade.

The Individual Fishing Quota [IFQ] system that is being used by the halibut and sablefish fisheries did not come about overnight, it took many years. The real challenge of fishing management has been to conserve limited resources in the face of large fishing fleets and improved fishing gear.

To prevent overfishing of the halibut resource, Federal officials began cutting back on fishing times. A season that started at 6 months in the 1980's was reduced to 4 and then to 2 and finally down to two 24-hour openings a year. These so-called derby days created misery and havoc in the overcapitalized fishery. The same situation was developing for the sablefish fisheries. When you have 2 days to fish you end up going to sea no matter what the conditions—or starve. Fishermen were working in a "damned if you do, damned if you don't" environment.

An example of this was the September 1994 opening. In the Yakutat fishing grounds near Petersburg, AK, a storm system that was an offshoot of a typhoon was just beginning to hit when the fishery opened. By the time the 48-hour opening was over, four boats had gone down, one of them taking the skipper with it.

With the introduction of IFQ's, halibut fishermen do not have to risk their lives deciding between fishing and typhoons and there are other major benefits. They will be able to

schedule their trips to optimize the markets, eliminate conflicts with other fisheries, and could possibly reduce their bycatch.

Investigation of alternative management regimes began in the late 1970's and continued throughout the 1980's. In a series of public meetings and workshops, fishermen, market experts, and other members of the industry and public made suggestions, and systems from around the world including transferable quota programs were analyzed. Finally, in 1991, after closely reviewing open access fisheries, license limitations, allotments, and combinations of these programs, the North Pacific Fishery Management Council recommended the IFQ program to the Secretary of Commerce. After public comments on a proposed rule, the final rule was published in 1993. The program was finally implemented this year.

The IFQ program is new to Alaska. It is new to the halibut and sablefish fisheries and new to the fishermen and women who make their living from these resources. With any new idea there is growth and change as the concepts are discussed by regional councils, fishermen, processors, biologists, and enforcement personnel. The program is "in progress" and cooperation is needed from everyone involved for this program to be successful.

The new management regime is bringing increased safety, protection of the target species, while encouraging the conservation of these stocks for the benefit of the present and future generations.

And for all of these reasons Mr. Speaker, I rise in support of the Metcalf amendment to ensure the continuation of the Individual Fishing Quota program.

THE "REAL" CUBA TODAY

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Ms. ROS-LEHTINEN. Mr. Speaker, in the debate a few days ago over the Cuban Liberty and Democratic Solidarity Act of 1995 we heard conflicting appraisals of Cuba today. From time to time, "Dear Colleague" letters and even congressional newsletters are distributed in this body about Cuba.

One aspect of Cuba that our sense of decency demands to incorporate in our discussions about the island is the continuing imprisonment of hundreds of political prisoners by Fidel Castro. This past June, the Cuban Commission for Human Rights and Natural Reconciliation prepared in Havana a partial list of Cubans detained for political reasons. The list has been submitted to Ambassador Carl Johan Groth, the United Nations Special Rapporteur for Cuba, who has yet to be granted permission by Fidel Castro's government to visit the island to carry out his human rights work.

Regardless of the differences of opinion some may have on U.S. trade sanctions against Havana, it is my hope that we do not turn a deaf ear to the cries for help from Castro's political prisoners. We must all work to obtain the prompt and unconditional release of all political prisoners in the island.

Their suffering for their Democratic convictions is an undeniable part of Cuba today.

Here are just a few of the more than a thousand names that appear on the list of political

prisoners and the made up crimes they were charged with by the Castro regime: Alfonso Eduardo Agueda Perez, sentenced to 4 years for being considered dangerous; Arnaldo Pascual Acevedo Blanco, sentenced to 5 years for spreading enemy propaganda and rebellion; Antonio Guillermo Acevedo Labrada, sentenced to 7 years for spreading enemy propaganda; Ricardo Acosta Alvarez, sentenced to 3 years for air piracy; Humberto Dorga Acosta, sentenced to 3 years for disorderly conduct in public; David Aguilar Montero, sentenced to 30 years for piracy; Rafael Juan Alfonso Leyva, sentenced to 30 years for espionage; Alberto Guevara Aguilera, sentenced to 10 years for distributing enemy propaganda and attempted attacks against state officials and property; Ernesto Verto Aguilera, sentenced to 2 years for falsifying documents; and Arturo Aguirre Acuña, sentenced to 10 years for illegal exit from the island and piracy.

In the weeks to come, I will discuss other political prisoners languishing in Castro's gulags.

PRESIDENT TAKES DECISIVE ACTION AGAINST NARCOTICS TRAFFICKING AND CRIME

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. HAMILTON. Mr. Speaker, I would like to call my colleagues attention to the important steps announced by the President over the weekend with respect to fighting narcotics and organized crime.

As you are aware, the President announced a series of initiatives in his speech to the U.N. General Assembly designed to strike a blow against the everincreasing dangers posed by narcotics trafficking and organized criminal activity. Two of those initiatives, I believe, will seriously damage the narcotics trade.

First, the President issued an executive order under the International Emergency Economic Powers Act freezing assets in the United States of 47 individuals and 33 companies associated with the Cali cartel and prohibiting any individual or company in the United States from doing business with these individuals or companies. By U.S. Government estimates, the Cali cartel controls 80 percent of the cocaine entering the United States. This executive order will hit the cartel where it hurts the most: their money.

Second, the President announced his intention to impose sanctions under the Kerry amendment against countries that do not control effectively the use of their financial systems by narcotics traffickers, terrorists, and other criminal enterprises. Under the Kerry amendment, countries which do not have in place adequate laws and procedures to deter money laundering can be denied access to the U.S. financial system. President Clinton—for the first time since the Kerry amendment was enacted 7 years ago—has sent a clear message to countries that turn a blind eye to money laundering in return for short-term economic gains: There is a heavy price to pay for such actions and we will exact that price.

The actions of the President have stepped up the pressure on narcotics traffickers and

organized crime, and show the commitment of this administration to attacking these problems both here in the United States and overseas. I commend the President and call on our friends and allies around the world to join him in his efforts.

H.R. 2517

SPEECH OF

HON. PAT ROBERTS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 20, 1995

Mr. ROBERTS. Mr. Speaker, I am inserting the following section-by-section analysis of H.R. 2517 into the RECORD at this time.

The analysis follows:

BRIEF EXPLANATION

Title I of the bill will reduce projected agriculture spending for farm commodity programs by \$13.4 billion over the period, fiscal year 1996 through 2002.

It consists of the final consideration by the Committee on Agriculture of the Chairman's reconciliation recommendations that are patterned in large part after H.R. 2195, the Freedom to Farm Act. The latter bill is designed to reform U.S. agricultural policy to perhaps the greatest extent since the 1930's. The title also conforms to the reconciliation instructions directed to the Committee on Agriculture in House Concurrent Resolution 67, the Current Resolution on the Budget—Fiscal Year 1996. The provisions in the title I recognize the realities of a post-GATT and NAFTA world trade environment within which U.S. farmers and producers must compete as we approach the 21st Century.

The balance of the budget savings within the jurisdiction of the Committee on Agriculture designed to achieve the budget reductions required by H. Con. Res. 67 were realized with the House passage of H.R. 4, the Personal Responsibility Act, under Title V, Food Stamp Reform and Commodity Distribution, that is now scheduled for a House-Senate conference.

PURPOSE AND NEED

Subtitle A—Freedom to Farm

Background

Since the last time Federal commodity programs were addressed in a farm bill (1990) or in reconciliation (1993), major changes in world trade policy, domestic budget policy, and commodity producer opinion require a reconsideration of Federal commodity policy.

The new majority in the 104th Congress is committed to balancing the budget. With the passage of the first Budget Resolution in June, the House Committee on Agriculture, despite having cut over \$50 billion in budget authority in previous years, was directed in H.Con.Res. 67, the FY 1996 Budget Resolution to achieve \$13.4 billion in savings from Federal farm programs over the next seven fiscal years. Admittedly, reducing Federal spending by that amount will impact farmers. However, some economists predict that a balanced budget will lead to a 1.5 percent reduction in interest rates. Agriculture as a major user of credit has over \$140 billion borrowed in terms of long term and short debt would benefit from such a result. If interest rates decline by 1.5 percent, a balanced budget could lead to an interest rate savings for U.S. agricultural producers exceeding \$15 billion over the next 7 years.

Following 19 hearings on Federal farm program policy by the Subcommittee on General Farm Commodities and the full Com-

mittee on Agriculture, the call from throughout the United States was clear: agricultural producers wanted more planting flexibility, more certainty with respect to Federal assistance, and less Federal regulatory burden.

The combination of these factors led to the following conclusions: (1) the U.S. production agriculture industry needed to become more market-oriented, both domestically and internationally; (2) the industry could not become more market-oriented with a continued Federal involvement that simply extended the current supply-management policies of the past; and (3) the required budget cuts would not provide adequate funding levels to allow the existing Federal programs to function properly in a post-GATT and NAFTA world-oriented market. Analyzing these conclusions in conjunction with a review of the current Federal commodity price support and production adjustment programs resulted in several observations about agricultural policy.

First, current Federal farm programs are based on the 60 year old New Deal principle of utilizing supply management in order to raise commodity prices and farm income. When the Federal farm programs were first created, the government relied on a system of quotas and allotments to control supply. However, over the last 20 years the primary justification for the programs has been the producers receive in return for setting aside (idling productive farmland) Federal assistance. That assistance was largely in the form of deficiency payments to compensate producers for market or loan levels that fell below a Congressionally mandated target price for their production. Additionally, when Federal commodity programs were set up, world markets were not a major factor in determining agricultural policy. This approach, while perhaps appropriate in the 1930's, ignores the realities of a post-GATT and NAFTA world.

Second, current programs no longer achieve their original goals and have collapsed as an effective way to deliver assistance to producers. Worldwide agricultural competition usurps foreign markets when the United States reduces production. With respect to wheat, for example, world demand, when combined with the United States' supply control approach of idling acreage (including acreage idled under the Conservation Reserve Program), has tightened U.S. supplies so much that there have been no set-asides for five years and there are not expected to be any in the foreseeable future, which eliminates the supply management policy justification for the present policy.

For the last ten years, congressional farm policy actions have been driven by budget reductions. The 1995 debate has re-affirmed the Federal budget as the driving force for agricultural program policy. Modifications made to the original farm programs since their inception have revolved around two main goals: further restricting supply in order to alleviate the overproduction which the programs encourage; and decreasing Federal expenditures by limiting the amount of production which is covered by Federal subsidies. These two factors have combined in a way which has made current Federal commodity programs less effective, both as a means of increasing farm income and as a means to manage production, with each successive modification. There have been several recent situations where producers, who received an advance deficiency payment based on U.S.D.A. estimated low prices, have had a poor harvest and were required to repay the advance because the nation-wide effect of the poor harvest was to drive up the market price of the commodity beyond the point at which current programs make a payment.

This has placed many producers in a difficult position. Even though prices were high, their income is down because they have no crop to market and the government assistance they had previously received must be paid back.

Government outlays under current programs are the highest when prices are lowest (and hence when harvests are the best). This has had the effect of encouraging production based on potential government benefits, not on market prices. This incentive, when combined with the government's authority to idle acreage (which is the only means that current programs contain for limiting budget outlays) results in a situation in which producers have an incentive to produce the maximum amount of commodities while the government restricts the acres that can be planted, thereby encouraging the over-use of fertilizers and pesticides in order to get the most production from the acres the government is allowing the farmer to plant that year. This environmentally-questionable incentive created by current programs has also resulted in Congress authorizing greater and greater bureaucratic controls on producers over the last ten years in order to minimize environmental damage by requiring conservation compliance plans, compliance with wetlands protection provisions, and compliance with many other land-use statutes. It would be hard to imagine a program which creates more inconsistent incentives than the existing commodity programs.

Added on top of the regulatory burdens which have resulted from the counter-productive environmental incentives of current programs are the additional regulatory burdens created by Congress over the past twenty years which attempt to target program benefits to small producers. These so-called payment limitation provisions have: (1) resulted in substantial paperwork requirements for producers whose operations do not actually approach the payment limit, (2) required a substantial amount of government administrative resources, which has inhibited the government-wide goal of downsizing; and (3) been largely ineffective as a means of ensuring that benefits are targeted to small producers because of the loopholes in the existing structure.

Third, preserving the current Federal farm program structure with the required \$13.4 billion in cuts will leave producers with an ineffective and counter productive agricultural policy. The resulting system would be an emasculated remnant of an out-of-date 1930's-era program which no longer serves the people it was originally intended to benefit. While further modifications of current Federal commodity programs may accomplish required budget savings, ten years of budget cuts has changed the fundamental nature of farm programs to the extent they have inhibited farm production and producer earning potential.

Retaining the present policy would be a mistake when other methods can achieve the goals of providing U.S. producers with increased planting flexibility and less regulatory burden while at the same time allowing for greater earnings from the marketplace and reducing the budgetary exposure to the Federal Government.

Rationale

With these conclusions in mind, the recommended changes in Federal commodity policy which are accomplished in this title have a cumulative reconciliation savings of \$13.4 billion, as estimated by the Congressional Budget Office. The Federal farm policy for commodities, titled as the "Freedom to Farm" in Subtitle A, captures the CBO projected baseline for agriculture over the next seven years after incorporating the \$13.4

billion in savings required by the House Concurrent Resolution 67 instructions to the Committee on Agriculture.

Freedom to Farm ("FFA") replaces the commodity price support and production adjustment programs with a seven-year market transition contract payment for eligible owners and operators and a nonrecourse marketing assistance loan program for eligible producers. Contract participants will receive seven annual market transition payments in exchange for maintaining compliance with their respective conservation plans and applicable wetlands protection provisions. Producers utilizing the marketing assistance loan will get the benefit of a nonrecourse loan at harvest time so that they will not have to sell commodities at a time when market prices are historically low in order to maintain a positive cash flow. Additionally, contract payments are limited to \$50,000 per person, regardless of whether such payments are received directly or indirectly through other entities, and will be tracked according to Social Security numbers, hence eliminating once and for all the devices and schemes such as the "Mississippi Christmas Tree" to avoid payment limits. The Secretary is also directed to implement adequate safeguards to protect the interests of operators who are tenants and sharecroppers.

From a GATT perspective, the termination of the commodity price support programs will make U.S. commodities immediately more competitive on the world market by removing the distorting effect that current programs have maintained. This is significant because at the current time, world commodity supplies are relatively tight and estimates indicate that, at best, this situation will remain for quite some time.

With respect to domestic farm policy, FFA accomplishes several goals. First, it accomplishes a large amount of deregulation by freeing farmers up to farm for the market and not the government program. By removing government production controls on land use, FFA effectively eliminates the number one complaint of producers about the programs: bureaucratic red tape and government interference. Complaints about endless waits at the county office should end. Hassles over field sizes and whether the right crop was planted to the correct amount of acres should be a thing of the past. People concerned about the environment will be pleased that the government no longer forces the planting of surplus crops and monoculture agriculture. Producers who want to introduce a rotation on their farm for agronomic reasons should be free to do so without the restrictions in current programs.

Second, the Freedom to Farm Act provides U.S. producers with a guaranteed payment for the next seven years, because it establishes a contract between the Federal Government and the producer. When compared to the alternative of further modifying existing programs, it results in the optimum producer net income over the next seven years and protects the producer from further budget cuts should there be further budget reconciliation bills in the future. The guarantee of a fixed (albeit declining) payment for seven years will provide the predictability that producers have wanted and will provide certainty to lenders as a basis for extending credit to production agriculture. The current situation in which prices are above the target price as a result of poor crops (producers do not get a payment or are forced to repay advanced payments), and therefore have less income should be corrected under FFA. Without a crop to market, producers cannot benefit from the higher prices, and instead of getting help when they need it most, the cur-

rent system cuts off their deficiency payments and demands that they repay advance deficiency payments.

FFA insures that whatever government financial assistance is available will be delivered, regardless of the circumstances, because the producer signs a contract with the Federal Government for the next seven years. Just as producers will need to look to the market for planting and marketing signals, FFA will require producers to manage their finances to compensate for price swings. It may be true that when prices are high, producers will receive a full market transition payment under FAA but it is equally true that if prices decline, farmers will receive no more than the fixed market transition payment. That means the individual producer must *manage* all income, both market and government, to account for weather and price fluctuations.

Third, FFA encourages market orientation. Producers can plant or idle *all* their acres at their discretion, with a significant reduction in the restrictions on what can be planted. Producers will have to make commodity planting decisions in response to commodity markets instead of decisions based on deficiency payment rates and crop acreage bases. Decoupling Federal payments from production (a process which began in 1985 when payment yields were frozen) would end any pressure from the government in choosing crops to plant. Under FFA, all production incentives should come from the marketplace and not government programs. Additionally, as long as producers maintain compliance with their applicable conservation plans, they are free to choose to plant no crop at all, which will benefit soil and water quality in marginal areas, as well as benefitting wildlife.

Fourth, FFA recognizes that the benefits from current programs have, to some extent, been incorporated into the value of agricultural land. By abolishing the link between production and benefits, but doing so in a manner which provides a seven-year transition period, the economic distortions caused by existing programs can be removed in a manner that causes the least amount of disruption and harm to rural America. For that reason the FFA contract payment has been aptly named as a market transition payment.

Good policy for the future

FFA is also good policy for the future of production agriculture in the United States. The most severe critics of current farm programs, including the New York Times, the Washington Post, the Economist, and a host of regional newspapers, have hailed FFA as the most significant reform in agricultural policy since the New Deal in the 1930's. Congressional critics that have urged reform of the farm programs have also indicated that FFA embodies the type of reform necessary to transition agriculture into a market-oriented industry. Nearly every agricultural economist who has commented on FFA has supported its structure and its probable effect on producers and the agricultural sector.

The reforms accomplished by FFA will help transition U.S. agricultural producers into a new era of a market-oriented Federal farm policy while simultaneously providing fixed, declining payments over seven years in order to minimize the economic distortions resulting from the change away from the New Deal Era Federal farm programs.

Subtitle B—Dairy

Summary

Subtitle B replaces the dairy price support program on January 1, 1996, with (1) a market transition program which provides seven

market transition payments to milk producers between April 15, 1996 and October 15, 2001, and (2) a recourse loan program for processors. The Federal milk marketing order program is replaced on July 1, 1996, by a program which verifies receipts of, prices paid for, and uses of milk, and which further, upon request, audits marketing agreements and other private contracts for the receipt and payment of milk between producers and handlers. The Dairy Export Incentive Program (DEIP) is reauthorized through September 30, 2002, and fully funded to the limits permitted by the Uruguay Round of the GATT. The Fluid Milk Promotion Program of 1990 is reauthorized and the producer assessment for promotion under the Dairy Production Stabilization Act of 1983 is extended to imported products. The combined impact of these changes saves \$511 million, or approximately 23.5%, of spending on Federal dairy programs projected by CBO over the next seven fiscal years.

Background

Since the last time Federal dairy programs were addressed in a farm bill (1990) or in reconciliation (1993), major changes in world trade policy, domestic budget policy, and dairy producer opinion require us to reconsider Federal dairy policy.

Every Federal dairy program was created subsequent to Section 22 and premised upon the ability of Section 22 to stop foreign dairy products at our border. As of July 1, 1995, Section 22 was limited in its applicability by the implementation legislation for the Uruguay Round of the GATT.

With the passage of the First Budget Resolution in June, the House Agriculture Committee was required to achieve \$13.4 billion in savings on Federal farm programs over the next seven fiscal years. As a commodity, dairy's fair share of that amount was slightly more than \$500 million, or about \$73 million annually.

Following ten hearings on dairy issues by the Subcommittee on Livestock, Dairy and Poultry, including field hearings in California, Florida, Minnesota, New York, and Wisconsin, the mandate from dairy farmers to end budget reconciliation assessments immediately became overwhelming. The elimination of assessments would decrease funding available for Federal dairy programs by approximately \$250 million annually.

The combination of these events led to the following conclusions: (1) the U.S. dairy industry needed to become more market-oriented, domestically and internationally; (2) the industry could not become more market-oriented without a level field at home; (3) the industry needed tools to become, and remain, competitive in the world market; and (4) there was inadequate funding to retain and maintain existing Federal dairy programs.

A review of Federal dairy programs (i.e., dairy price supports, Federal milk marketing orders, and the Dairy Export Incentive Program (DEIP)) produced the following conclusions.

First, since the support price was decreased to \$10.10/cwt in the 1990 Farm Bill, the dairy price support program has been largely inactive. For example, in the last 12 months, the Commodity Credit Corporation (CCC) has not purchased any cheese and only purchased 26 million pounds of butter and 27 million pounds of nonfat dry milk. By contrast, a decade ago the CCC purchased 293 million pounds of butter, 591 million pounds of cheese, and 827 million pounds of nonfat dry milk during the same 12 month period. Currently, we have no butter, no cheese, and only 30 million pounds of nonfat dry milk in government storage.

Secondly, existing Federal milk marketing orders act as an impediment to a level playing field domestically. The U.S. dairy industry cannot hope to be competitive in the world market if our domestic marketing system produces competitive advantages and disadvantages at home unrelated to market indicators and other economic conditions. The Congressional Budget Office projects that Class I differentials, fixed by statute in 1985, will add an average of \$134 million annually to the cost of the dairy price support program in the next five fiscal years by creating artificial incentives to produce milk in regions with sufficient Class I supplies of milk. Studies of Federal milk marketing orders by the General Accounting Office in 1988 and 1995 have produced similar conclusions.

Thirdly, the inactivity of the dairy price support program and the low levels of government-stored dairy products are directly related to the success of the DEIP program. Dairy economists across the nation uniformly agree that the DEIP program has added between \$.50/cwt to \$1.00/cwt to producer prices in each of the last five years.

Rationale

With these conclusions in mind, the following changes in Federal dairy policy are accomplished in this legislation which have a cumulative reconciliation savings of \$511 million estimated by the Congressional Budget Office.

Chapter 1 of subtitle B replaces the dairy price support program on January 1, 1996 with a market transition program for milk producers and a recourse loan program for dairy processors. Producers will receive seven market transition payments in exchange for the termination of the price support program. Since any negative impact resulting from that termination will be greatest in 1996, producers will receive two of the seven market transition payments during calendar year 1996.

From a GATT perspective, the termination of the price support program will make U.S. cheese, butter and nonfat dry milk immediately competitive on the world market. This is significant because, by the end of the decade, 17 percent of the world market for nonfat dry milk, 23 percent of the world market for cheese, and 31 percent of the world market for butter will have opened up due to reductions in subsidized exports under the Uruguay Round.

The recourse loan program will permit processors of cheddar cheese, butter and nonfat dry milk to place their product under a recourse loan with the CCC at 90 percent of the average market value for that product during the previous three months. Loans will be at CCC interest rates and will come due at the end of the fiscal year (September 30), but can be extended into the upcoming fiscal year.

Chapter 2 of subtitle B further enables the United States to become, and remain, a player in the world dairy market of the 21st Century. The DEIP program is reauthorized through September 30, 2002 and fully funded to the limits permitted under the Uruguay Round in each fiscal year. The Secretary of Agriculture is authorized to assist the U.S. dairy industry in establishing an export trading company, or other entity, to provide international market development and export services.

Chapter 3 of subtitle B further assists the industry in becoming more market-oriented by reauthorizing the Fluid Milk Promotion Act of 1990, extending the producer promotion assessment under the Dairy Production Stabilization Act of 1983 to imported dairy products, and by requiring that at least 10 percent of the budget of the National Dairy Promotion and Research Board be al-

located to international market development annually.

Indeed, the purpose of Federal dairy promotion programs authorized under the Fluid Milk Promotion Act and the Dairy Product Stabilization Act is to maintain and expand markets for fluid milk and the products of milk, not to maintain or expand the share of those markets which any particular processor or association of producers currently has. The programs created and funded by these Acts are not intended to compete with or replace individual advertising and promotion efforts, but rather to meet the governmental goal and objective of maintaining and expanding the market for fluid milk and the products of milk through continuous and coordinated programs of promotion, research, and consumer information.

Chapter 4 of subtitle B replaces current Federal milk marketing orders on July 1, 1996, with a program which verifies receipts of, prices paid for, and uses of milk, and which further provides an auditing mechanism for marketing agreements and other private contracts for the receipt and payment of milk between producers and handlers. The Secretary will report statistics to the industry including information on payments to producers on a component basis, including payments for milkfat, protein and other solids.

The elimination of the pricing and pooling functions of Federal milk marketing orders will assure a level playing field domestically among producers and insure that industry responds to market signals rather than decade-old fixed differentials which provide artificial incentives to produce milk.

Chapter 5 of subtitle B extends miscellaneous expiring provisions in law related to these Federal dairy programs.

Subtitle C—Other Commodities

The Committee commenced hearings and received testimony from over 100 witnesses in the areas of the United States where peanuts and sugar beets, sugar cane, and corn are grown, as well as in Washington, D.C., to discuss reform of the peanut and sugar programs. The Committee outlined reform criteria with the goal of revising the current peanut and sugar programs to make them more market-oriented and operate at no cost to the Federal Government, while still providing a safety net for producers.

These programs have been increasingly criticized by consumer groups, food processors and manufacturers, environmental groups, and others for a variety of reasons, including artificially increasing prices, encouraging the environmentally-damaging practice of monoculture cropping, and allowing a relatively small number of producers to reap the program benefits at the expense of taxpayers and consumers.

In this context, the Committee's recommendations with respect to the Federal programs for peanuts and sugar are reform-oriented and are made with the intention of providing the framework for a more market-oriented approach to production, with less government involvement.

Peanuts

According to the United States Department of Agriculture (USDA), net peanut government program expenditures for fiscal year 1995 are estimated to be \$85.6 million. USDA projects an annual cost of \$76 million per year for fiscal years 1996-2000 if current program provisions were retained. The proposed title I would eliminate the administrative costs of the program through the elimination of the national poundage quota and undermarketing provisions which allow additional peanuts to receive the quota price support rate. This will allow the Secretary to set the national poundage quota at a level

that satisfies the estimated domestic consumption and prevent additional peanuts from entering the quota pool at the higher loan rate.

With respect to price support, title I would freeze the price support loan rate for quota peanuts at \$610 per ton for the 1996 through 2002 crops. This is a reduction from the current loan rate of \$678 per ton, which is approximately commensurate to a price support level based on current cost of production. Current law provides that the price support level may only increase based on cost of production, up to 5% over the support rate for the preceding year. If the previous years' quota price support rates were allowed to increase or decrease 5% per year, today's price support level would be approximately \$608.64.

Among other changes, title I, as proposed, would also instruct the Secretary to decrease the quota support rate by 15 percent to any producer who refuses an offer from a handler to purchase quota peanuts at the quota support rate, in order to provide an incentive to producers to sell to the market rather than taking out a price support loan.

Title I would prioritize the method of covering losses in area quota pools. Losses would first be covered through individual gains on sales of additional peanuts, then by pool gains on sales of additional peanuts, before proceeding to the cross compliance provisions. The Secretary of Agriculture would also be given the authority to increase the marketing assessment on growers in a pool to cover any further losses, with a provision directing any unused assessment funds to be returned to the Treasury.

With respect to the sale, lease, and transfer of quota, several changes are recommended. Currently, quota can only be sold or leased to another owner or operator in the fall or after the normal planting season within the same country. The Committee recommends full sale, lease or transfer of quota to any county within a State without any restrictions. The Committee also proposes a review of the feasibility of quota transfer of across state lines under the purview of the Commission on 21st Century Production Agriculture.

In addition, the Committee's recommendation would tighten the eligibility of those who own quota by mandating that any required reductions in the national poundage quota in a State shall first be reduced with respect to public entities, non-resident quota holders who are not producers, and resident quota holders who are not producers before reducing the quota allocation of a State's producers.

Sugar

The Committee proposal increases revenue to the Treasury through an increased marketing assessment from 1.1% to 1.5% of the loan rate for raw cane sugar and from 1.17% to 1.6083% of the loan rate for beet sugar. Provisions in current law mandating that the program operate at no net cost to the Treasury would be maintained.

Sugar beet and sugar cane loan rates are frozen at current 1995 levels. However, loan rates are required to be reduced if the Secretary determines that negotiated reductions in export subsidies and domestic subsidies provided for sugar of the European Union and other major sugar growing countries in the aggregate exceed the commitments made as part of the Uruguay Round Agreement.

With respect to marketing allotments, the Committee's recommendation would allow full and unrestrained production of sugar in the United States through elimination of marketing allotments.

The Committee also proposes a consistent increase of imports through the establishment of a loan modification threshold which is initially triggered at 1,257,000 short tons raw value in fiscal years 1996 and 1997, and at 103% of the loan modification threshold for the previous fiscal year level for fiscal years 1998 through 2002. Under this provision, recourse loans to processors are made available up to the threshold level and would be converted into nonrecourse loans if imports rise above the threshold level.

Subtitle D—Miscellaneous Program Changes

The Federal Crop Insurance Reform Act of 1994 (Reform Act), contained in Title I of P.L. 103-354, made significant changes in the multi-peril crop insurance (MPCI) program as well as ending, for all practical purposes, ad hoc Federal assistance to farmers for crop failures. Two controversial and complex provisions of the new law have caused consternation and irritation among agricultural producers, and that, in turn, has made MPCI a less attractive product for many farmers.

A principal provision of the Reform Act required any agricultural producer who is a farm commodity program or Conservation Reserve Program participant or who is receiving a loan or loan guarantee through the U.S. Department of Agriculture (USDA) to purchase a MPCI policy to insure against at least a catastrophic crop loss (CAT), i.e., for a crop loss of 50 percent loss in yield, on and individual or area yield basis. To obtain CAT coverage, producers pay an administrative fee for each crop produced in a county. Because of USDA's implementation of the Reform Act, each landlord who receives a program payment (shared tenancy) is required to pay the \$50 fee. This link between farm program participation and crop insurance caused a great deal of confusion and irritation among producers because of the inequities in USDA implementation. For example, an owner-operator growing only wheat on a section of land in a single county could purchase CAT coverage for a single \$50 fee, while multiple owners with a tenant farming in more than one county were required to pay multiple fees. One particularly egregious case that came to light involved nine different landlords and their tenants who farmed three different crops in three counties. Each of the owners was required to pay three fees for each crop in each of the three counties, resulting a substantial amount of dollars in fees for insurance on a minimal number of acres.

A second provision that caused undue confusion involved the delivery system implemented by the Consolidated Farm Service Agency (CFSA) within USDA. Because each agricultural producer could be required to purchase at least the CAT insurance policy, Congress allowed CFSA local offices to sell CAT coverage in those areas of the country where private insurance agents were not available or not readily available. As implemented, however, CFSA became an instant competitor with insurance agents around the country. Because the new MPCI program was late in clearing Congress and even later in getting into the field, local CFSA personnel obviously were confused during the initial start-up phase of the new program. This confusion was spread throughout farm country during this past spring and harmed a program that already was disliked and unused by a majority of producers in almost every part of the country.

It also has come to the Committee's attention that the assistant administrator for risk management who is the FCIC manager and responsible for its day-to-day operations also has become totally absorbed by CFSA administrators to an extent that risk management and crop insurance are being run as

if they were just another farm program, in other words, not in an actuarially-sound manner. Under any policy scenario, Federal farm price and income support programs are in transition, making it vitally important that our agricultural producers have sound risk management programs they can use for price and yield protection and marketing assistance without undue USDA intervention. Creating an independent agency and then subsuming the congressional policy objective of providing new risk management techniques, including MPCI offered generally through a private delivery system, within the scope of traditional, 50-year-old New Deal policies does not make sense. Congress clearly set new policy and structural changes at the new CFSA, and thus far, CFSA has ignored many of those policy objectives.

Finally, in that regard, the FCIC board has been inactively engaged in its responsibility to manage FCIC operations in the current Administration, ceding its authority to CFSA personnel. Because of that, the MPCI program has been neglected and is a less viable risk management tool than Congress intended but for the inattention to its direction by CFSA.

Amendments included in the agricultural title of the omnibus budget reconciliation bill seek to change both the mandatory link of MPCI and USDA farm and credit programs so that producers not wanting to purchase CAT coverage could do so by waiving the right to any possible crop disaster assistance for the crop year in which CAT coverage had been offered by the FCIC but not purchased by the producer. This saves \$180 million over the seven-year period.

Additional amendments provide for a totally private delivery system by the crop insurance industry. Under the Committee amendments, FCIC is required to submit its delivery plan that will provide at least CAT insurance availability to each producer in the country (who wants to purchase it) to the agriculture committees of Congress by May 1, 1996. The clear intent is that MPCI, both CAT coverage and additional, buy-up coverage, will be offered, sold and serviced by the private crop insurance industry that has invested a great deal of time and money toward providing crop insurance services to agricultural producers.

Other amendments included in the budgetary provisions establish a fully independent Office of Risk Management with an administrator who will manage the FCIC as well as assume other risk management responsibilities enumerated by the amendments. The Secretary of Agriculture is directed to (shall) appoint the Administrator of the Office of Risk Management.

Further amendments will recreate a more effective FCIC board of directors by providing a more diverse composition of the board's directors as well as providing for terms of appointment for specific time periods. Impairment of the board to act under the law also will impair the delegation of authority to the FCIC manager. This should ensure the board will remain an active participant in FCIC's policy and operational direction.

By any measure, farmers, agricultural economists, wildlife advocates and environmentalists alike believe the Conservation Reserve Program (CRP), established by the 1985 Food Security Act ('85 FSA), has been a success. Landowners have enrolled about eight percent of U.S. cropland in 12 separate signups from 1986 to June 1992. At the end of the 12th signup, about 375,000 contracts had been put into effect, although around two-thirds of the acreage currently subject to contracts will expire at the beginning of fiscal year 1998.

Billions of tons of topsoil have been saved over the life of the program. Large sections of prairie have been returned to grass, providing critical habitat for migratory waterfowl as well as restorative nesting cover for game birds. Net savings in farm program expenditures also have been realized throughout the life of the CRP.

As mentioned previously, however, 1992 was the last year of new CRP enrollments even though the 1990 amendments to the '85 FSA provided for a 38 million-acre program. The appropriations committees of the Congress in those years refused to provide for any additional acreage to be enrolled in the CRP.

Current law also does not give a landowner with a CRP contract any flexibility to opt out of his contract even though the rental payment is intended to pay for conservation in the Federal fiscal year for which the payment is made. Should commodity prices rise enough to entice a landowner using acceptable conservation systems with an approved compliance plan to get out of the program to meet market demands, he may not do so unless the Secretary is satisfied there is sufficient grain needs worldwide to require use of CRP lands.

The amendments set out in Section 1402 of Subtitle D are intended to resolve these issues. As of the date of enactment, the Committee will ratify, by an amendment in title I, four years of appropriations committee policy by capping the CRP at the current acreage of 36.4 million acres during the seven-year period beginning with the date of enactment.

The Committee's amendments also would allow for landowners to opt out of their contracts by giving the Secretary 60 days notice of the contract termination. Should the contract be terminated prior the end of the fiscal year, September 30 of any calendar, the Secretary shall prorate the payment. The highly-erodible land must be farmed under a conservation system and compliance plan that is not more onerous than systems and plans for similar land in the area.

Landowners who have terminated a contract may resubmit a subsequent bid to enroll the high-erodible land under a new CRP contract. Extensions of existing contracts or any new contracts of reenrolled lands will be at 75 percent of the previous rental rate for the land. These provisions provide savings between 1996-2002 of \$570 million.

Subtitle E—Commission on 21st Century Production Agriculture

The changes in Federal farm policy made in the preceding subtitles are a dramatic departure from current farm commodity programs. Many of those involved in production agriculture from the farmer to the economist, to rural lenders, and especially to those with an economic interest in current programs, are concerned that a change of the magnitude described in the preceding subtitles coupled with less Federal subsidy dollars will adversely affect not only the U.S. agricultural industry, but also rural America. While the dramatic changes proposed for the Federal Government's involvement in agriculture as prescribed by the Freedom to Farm Act, are in fact a recognition of the changing rural and urban landscape of America, an examination of the changes wrought by these policy changes and what farm policies are needed for the 21st Century farm sector is in order.

When the present Federal programs for agriculture were adopted, the nation was in the darkest depths of the Great Depression of the 1930's. Not everyone believed the Federal Government should get involved in agriculture. Indeed, the original Agricultural

Adjustment Act of 1933 was declared unconstitutional by the Supreme Court. But a consensus was reached and the United States Government embarked upon a course of substantial involvement in agriculture. The present programs were claimed to be created out of political and economic necessity, because the nation was largely rural and the majority of the population lived on farms or rural areas.

In the intervening 60 years, the United States has been transformed into a largely urban society with less than 2 million citizens on farms. There is evidence that Federal farm programs may have eased the transition from a rural society to an urban society. While the United States is now largely an urban population, nearly 20 percent of the Gross National Product can be attributed to agriculture if the entire sector is considered, i.e., from the farm to the manufacturing, distribution, and input infrastructure involved in modern agriculture's miracle of productivity.

The United States is blessed with a very valuable asset: fertile land, with adequate moisture, growing season, and dedicated users of such land that make it the envy of the world. The challenge for the United States as we enter the 21st Century is how do we wisely use our very valuable natural resource: agriculture. The present system of agricultural price supports and supply control programs has come under increasing attack by economists, environmentalists, and farmers as being inadequate for modern agriculture. The Freedom to Farm Act is meant to be a transition policy for U.S. agriculture. But a transition to what?

Over the 7 years of the transition contract, the Congress hopes a national debate can take place as to what should be the Federal involvement in production agriculture in the 21st Century. Should it be a system of direct price supports found in the present system? Should it be some type of income support mechanism that provides some means of income or revenue protection given the nature of production agriculture, which is subject to the vagaries of weather, pestilence, and geopolitical market disruptions. Should the Federal involvement in production agriculture be limited to only foreign market development and research that enhances U.S. agriculture's relative competitive position? Or can many of the goals necessary to have a healthy food and fiber sector be accomplished through Federal tax policy?

To stimulate substantial debate and provide answers to these questions, Subtitle E establishes a Commission on 21st Century Production Agriculture, which is designed to give future Congresses and Presidents and others information and feedback to gauge the effectiveness of the changes made by this legislation, and also to recommend further appropriate Federal policy and involvement in production agriculture. The Commission is to conduct a "look-back" (how successful is Freedom to Farm) and a "look-to-the-future" that recommends new or different policies for 21st Century agriculture.

This Commission, comprised of 11 members to be appointed by the President and the Chairmen of the House and Senate Agriculture Committees in consultation with their Ranking Minority Members, will conduct a comprehensive review of changes in the condition of the agricultural sector, taking into account land values, regulatory and taxation burdens, export markets, and progress under international trade agreements. The Commission will also make an assessment of changes in production agriculture, identify the appropriate future relationship between the Federal Government and production agriculture after 2002, and assess the future personnel and administrative

needs of USDA. Not later than June 1, 1998, the Commission shall report its interim findings with respect to its comprehensive review of the condition of the agricultural sector. Not later than January 1, 2001, the Commission shall make a final report concerning its assessments and determinations regarding the future role of the Federal Government in farm policy.

SECTION-BY-SECTION ANALYSIS
SUBTITLE A—FREEDOM TO FARM

Section 1101.—Short title

This Subtitle may be cited as the "The Freedom to Farm Act of 1995".

Section 1102.—Seven year contracts to improve farming certainty and flexibility

Subsection (a). Contracts authorized

Subsection (a) amends obsolete section 102 of the Agricultural Act of 1949 to provide authority for the Secretary to enter into seven-year market transition contracts.

Amended section 102(a), in paragraph (1), authorizes the Secretary to enter into 7-year market transition contracts between 1996 and 2002 with eligible owners and operators on a farm containing eligible farmland. In exchange for annual payments under the contract, the owner or operator must agree to comply with the applicable conservation plan for the farm and the wetland protection requirements of title XII of the Food Security Act of 1985.

Amended section 102(a), in paragraph (2), describes eligible owners and operators, that include:

(A) an operator who assumes all risk of producing a crop;

(B) an operator who shares in the risk of producing a crop;

(C) an operator with a share-rent lease regardless of the length of such lease if the owner also enters into the contract;

(D) an operator with a cash rent lease that expires on or after September 30, 2002, in which case the consent of the owner is not required;

(E) an operator with a cash rent lease that expires before September 30, 2002, and the owner consents to the contract; and

(F) an operator with a cash rent lease, but only if the operator declines to enter into a contract, in which case payments under the contract will not begin until the fiscal year following the year in which the lease expires.

Amended section 102(a), in paragraph (3), instructs the Secretary to provide adequate safeguards to protect the interests of operators who are tenants and sharecroppers.

Amended section 102(b), in paragraph (1), provides that the deadline for entering into a market transition contract is April 15, 1996, except that owners and operators on farms which contain acreage enrolled in the Conservation Reserve Program ("CRP") may enter into a market transition contract upon the expiration of the CRP contract.

Amended section 102(b), in paragraph (2), provides that the contracts shall begin with the 1996 crop year and extend through the 2002 crop year.

Amended section 102(b), in paragraph (3), provides that, at the time a contract is signed, the Secretary shall estimate the minimum payment that will be made under the contract, and the owner or operator may terminate the contract without penalty if the first actual payment is less than 95 percent of the estimate.

Amended section 102(b), in paragraph (4), instructs the Secretary to issue a report to the House and Senate Agriculture Committees within 90 days after the date of enactment of this section setting forth a plan as to the number of, and acreage in, contracts to be signed, the anticipated amount of payments, and the manner in which the contracts will be signed.

Amended section 102(c) describes eligible farmland, which is land that contains a crop acreage base, at least a portion of which was enrolled in the acreage reduction programs authorized for a crop of rice, upland cotton, feed grains, or wheat and which has served as the basis for deficiency payments in at least one of the 1991 through 1995 crop years, including zero-certified considered planted acreage under section 503(c)(7) of the Agricultural Act of 1949. With respect to contracts for acreage enrolled in the CRP, such acreage must have crop acreage base attributable to it.

Amended section 102(d) establishes the payment dates under the market transition contracts as September 30 of each of the fiscal years 1996 through 2002, and provides that an owner or operator may opt to receive half of each annual payment not later than March 15 of each year. For the 1996 fiscal year, an owner or operator may elect to receive half of the payment within 90 days of signing a market transition contract.

Amended section 102(e), in paragraph (1), establishes an overall spending limit for the fiscal years 1996 through 2002 at \$38,733,000,000.

Amended section 102(e), in paragraph (2), establishes yearly spending limits of:

- (A) \$6,014,000,000 for FY 1996;
- (B) \$5,829,000,000 for FY 1997;
- (C) \$6,244,000,000 for FY 1998;
- (D) \$6,047,000,000 for FY 1999;
- (E) \$5,573,000,000 for FY 2000;
- (F) \$4,574,000,000 for FY 2001; and
- (G) \$4,453,000,000 for FY 2002.

Amended section 102(e), in paragraph (3), directs the Secretary to adjust the amounts specified in paragraphs (1) and (2), if necessary, by:

(A) subtracting payments required under sections 101B, 103B, 105B, and 107B for the 1994 and 1995 crop years;

(B) adding producer repayments of deficiency payments received during that fiscal year under section 114(a)(2);

(C) adding market transition contract payments withheld at the request of producers, during the preceding fiscal year as an offset against repayments of deficiency payments otherwise required under section 114(a)(2); and

(D) adding market transition contract payments which are refunded during the preceding fiscal year under amended section 102(h).

Amended section 102(f) establishes the basis for determining the allocation of available funds under a market transition contract for crop acreage base for each contract commodity;

Amended section 102(f)(2), in subparagraph (A), directs the Secretary to calculate the total expenditures for all contract commodities for the 1991 through 1995 crops under sections 101B, 103B, 105B, and 107B, including expenditures in the form of deficiency payments, loan deficiency payments, marketing loan gains, and marketing certificates.

Amended section 102(f)(2), in subparagraph (B), authorizes the Secretary to use estimates, as contained in the President's budget for fiscal year 1997 submitted to Congress under section 1105 of title 31, United States Code, in the absence of information regarding actual 1995 crop expenditures for a contract commodity.

Amended section 102(f), in paragraph (3), provides that the amount available for a fiscal year for payments with respect to crop acreage base of a contract commodity shall be equal to the product of:

(A) the ratio of the amount calculated under section 102(f)(2) for that contract commodity to the total amount calculated for all contract commodities under paragraph (2); and

(B) the amount specified in section 102(e)(2) for that fiscal year (including any adjustments under section 102(e)(3)).

Amended section 102(g), in paragraph (1), establishes the basis for determining the amount of production attributable to a contract commodity covered by a contract, which is equal to the product of:

(A) the crop acreage base of that contract commodity attributable to the eligible farmland subject to the contract; and

(B) the farm program payment yield in effect for the 1995 crop of that contract commodity for the farm containing that eligible farmland.

Amended section 102(g), in paragraph (2), provides that for each of the fiscal years 1996 through 2002, the total amount of production of each contract commodity covered by all market transition contracts shall be equal to the sum of the amounts calculated under paragraph (1) for each market transition contract in effect during that fiscal year.

Amended section 102(g), in paragraph (3), provides that the payment rate for a contract commodity for a fiscal year shall be equal to—

(A) the amount made available under section 102(f)(3) for that commodity for that fiscal year; divided by

(B) the amount determined under paragraph (2) for that fiscal year.

Amended section 102(g), in paragraph (4), provides that, for each of the fiscal years 1996 through 2002, the amount to be paid under a particular market transition contract with respect to a contract commodity shall be equal to the product of—

(A) the amount of production determined under section 102(g)(1) for that contract for that contract commodity; and

(B) the payment rate in effect under paragraph (3) for that fiscal year for that contract commodity.

Amended section 102(g), in paragraph (5), provides that the provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act relating to assignment of payments shall apply to market transition contract payments, and requires that the owner, operator, or assignee to notify the Secretary of such assignment.

Amended section 102(g), in paragraph (6), directs the Secretary to allow for sharing of payments made under a market transition contract among the owners and operators subject to a contract on a fair and equitable basis.

Amended section 102(h) establishes an annual payment limitation under a market transition contract at \$50,000 per person during any fiscal year and instructs the Secretary to issue regulations defining the term 'person' which shall conform, to the extent practicable, to the regulations defining such term issued under section 1001 of the Food Security Act of 1985. The Secretary is further instructed to ensure that contract payments issued to corporations and other persons described in section 1001(5)(B)(i)(II) of such Act comply with the attribution requirements specified in paragraph (5)(C) of such section.

Amended section 102(i), in paragraph (1), authorizes the Secretary to terminate a market transition contract if an owner or operator violates the farm's conservation compliance plan or wetland protection requirements. Upon termination, the owner or operator forfeits future payments and must refund payments received during the period of the violation, with interest as determined by the Secretary.

Amended section 102(i), in paragraph (2), provides that, if the Secretary determines that the nature of the violation does not warrant termination of the contract as provided in paragraph (1), the Secretary may—

(A) require a partial refund with interest thereon; or

(B) adjust future contract payments.

Amended section 102(i), in paragraph (3), prohibits the Secretary from requiring repayments from an owner or operator if farmland which is subject to the contract is foreclosed upon and the Secretary determines that forgiving such repayments is appropriate in order to provide fair and equitable treatment. This authority does not void the responsibilities of such owner or operator if the owner or operator continues or resumes control or operation of the property subject to the contract, and in effect reinstates the contract.

Amended section 102(i), in paragraph (4), provides that a determination by the Secretary under this subsection shall be considered as an adverse decision for purposes of review by the National Appeals Division under subtitle H of title II of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994.

Amended section 102(j), in paragraph (1), provides for transfers of land subject to a market transition contract. Upon a transfer, a contract is automatically terminated unless the transferee agrees to assume all obligations under the contract. A transferee may request modifications to a contract before assuming it, if the modifications are consistent with the objectives of this section as determined by the Secretary.

Amended section 102(j), in paragraph (2), authorizes the Secretary to issue regulations regarding contract payments in instances in which an owner or operator dies, becomes incompetent, or is otherwise unable to receive a contract payment.

Amended section 102(k), in paragraph (1), establishes planting flexibility provisions on land subject to a market transition contract. Crops which can be grown include—

(A) rice, upland cotton, feed grains, and wheat;

(B) any oilseed;

(C) any industrial or experimental crop designated by the Secretary;

(D) mung beans, lentils, and dry peas; and

(E) any other crop, except any fruit or vegetable crop (including potatoes and dry edible beans) not covered by subparagraph (D), unless such fruit or vegetable crop is designated by the Secretary as—

(i) an industrial or experimental crop; or

(ii) a crop for which no substantial domestic production or market exists.

Amended section 102(k), in paragraph (2), authorizes the Secretary to prohibit the planting of any crop specified in paragraph (1) on acreage on the farm subject to the market transition contract.

Amended section 102(k), in paragraph (3), directs the Secretary to make a determination each crop year of the commodities that may not be planted pursuant to this subsection and make available a list of such commodities.

Amended section 102(k), in paragraph (4), provides that, in lieu of planting crops, owners and operators may devote all or part of the eligible farmland subject to a contract to conserving uses in accordance with regulations issued by the Secretary.

Amended section 102(k), in paragraph (5), allows for haying and grazing of eligible farmland subject to a contract, except that haying and grazing is not permitted during the 5-month period designated by the State Committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act between April 1 and October 31st of each year. The Secretary may permit unlimited haying and grazing on eligible farmland in cases of a natural disaster, and may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising such natural disaster authority.

Amended section 102(l) provides that market transition contracts are legally binding.

Amended section 102(m) directs the Secretary to carry out this section through the Commodity Credit Corporation, except that no funds of the Corporation shall be used for any salary or expense of any officer or employee of the Department of Agriculture in connection with the administration of market transition payments or loans under this subtitle.

Amended section 102(n) authorizes the Secretary to issue such regulations as are necessary to implement this section.

Subsection (b). Conforming amendments

Subsection (b) amends sections 107B(c)(1)(E), 105B(c)(1)(E), 103B, 101B(c), and 205(c) of the Agricultural Act of 1949 so that such sections are applicable only through the 1995 crop year (with respect to certain payments etc.), and section 509 of such Act only until January 1, 1996.

Section 1103.—Availability of nonrecourse marketing assistance loans for wheat, feed grains, cotton, rice, and oilseeds

Subsection (a). Nonrecourse loans available

Section 1103(a) amends the Agricultural Act of 1949 by inserting after section 102 a new section 102A which establishes a nonrecourse marketing assistance loan for certain crops.

New section 102A(a), in paragraph (1), directs the Secretary to make nonrecourse marketing assistance loans available to eligible producers of wheat, feed grains, upland cotton, extra long staple cotton, rice, and oilseeds for each of the 1996 through 2002 crops of such commodities under terms and conditions prescribed by the Secretary at a loan rate calculated under 102A(c). Such loans shall have a term of nine months, and may not be extended by the Secretary.

New section 102A(b) directs the Secretary to announce the loan rate for each commodity not later than the start of the marketing year for such commodity.

New section 102A(c), in paragraph (1), establishes the loan rate for each commodity at 70 percent of the simple average price received by producers during the marketing years for the immediately preceding five crops (a rolling average).

New section 102A(c), in paragraph (2), directs the Secretary to reduce the loan rate of a commodity for a marketing year if the Secretary estimates that the market price for a commodity is likely to be less than loan rate calculated under paragraph (1).

New section 102A(c), in paragraph (3), instructs the Secretary to determine the five-year simple average price received by producers, excluding the highest and lowest years.

New section 102A(d) provides that, if the Secretary determines that the market price of a commodity falls below the lower of: (1) the loan rate; or (2) the adjusted loan rate set under paragraph (2), the Secretary shall allow such loan to be repaid at such market price. This subsection does not apply to marketing assistance loans for extra long staple cotton, rye or oilseeds.

New section 102A(e) authorizes the Secretary to make such adjustments in the announced loan rate for a commodity as the Secretary determines appropriate to reflect differences in grade, type, quality, location, and other factors.

New section 102A(f), in paragraph (1), provides that, in the case of a marketing assistance loan for a crop of wheat, feed grains (except rye), upland cotton, or rice, only a producer whose land on which the crop is raised is subject to a market transition contract shall be eligible for a marketing assistance loan.

New section 102A(f), in paragraph (2), provides that, in the case of a marketing assistance loan for a crop of extra long staple cotton, rye or oilseeds, any producer shall be eligible for a marketing assistance loan except as provided in subsection (d).

New section 102A(g) provides that the Secretary may not make payments to producers to cover storage charges incurred in connection with marketing assistance loans.

New section 102A(h), in paragraph (1), defines 'feed grains' to mean corn, grain sorghums, barley, oats, and rye; and in paragraph (2), defines 'oilseeds' to mean soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, and, if designated by the Secretary, other oilseeds.

New section 102A(i) authorizes the Secretary to issue such regulations as are necessary to carry out this section.

Subsection (b). Repeal of current adjustment authority

Subsection (b) repeals section 403 of the Agricultural Act of 1949, relating to loan rate adjustment authority.

Section 1104.—Reform of payment limitation provisions of Food Security Act of 1985

Subsection (a). Attribution of payments made to corporations and other entities

Subsection (a) amends paragraph (5)(C) of section 1001 of the Food Security Act of 1985 relating to payments made to corporations and other entities.

Amended section 1001(5)(C), in clause (i), directs the Secretary, in the case of payments to corporations and other entities described in section 1001(B)(i)(II), to attribute payments to individuals in proportion to their ownership interests in the corporation or entity receiving the payment, or in any other corporation or entity that has a substantial beneficial interest in the corporation or entity actually receiving the payment. The provisions of this subparagraph shall apply to individuals who hold or acquire, directly or through another corporation or entity, a substantial beneficial interest in the corporation or entity actually receiving the payment.

Amended section 1001(5)(C), in clause (ii), directs the Secretary, in the case of payments to corporations and other entities described in section 1001(B)(i)(II), to also attribute payments to any State (or political subdivision or agency thereof) or other corporation or entity that has a substantial beneficial interest in the corporation or entity actually receiving the payment in proportion to their ownership interests in the corporation or entity receiving the payment. The provisions of this subparagraph shall apply even if the payments are also attributable to individuals under clause (i).

Amended section 1001(5)(C), in clause (iii), provides that for purposes of subparagraph (C), 'substantial beneficial interest' means not less than five percent of all beneficial interests in the corporation or entity actually receiving the payment, except that the Secretary may set a lower percentage in order to ensure that the provisions of this section and the scheme or device provisions in section 1001B are not circumvented.

Subsection (b). Tracking of payments

Subsection (b) amends paragraph (3) of section 1001(A)(a) to provide that each entity or individual receiving payments as a separate person shall notify each individual or other entity that acquires or holds a substantial beneficial interest in it of the requirements and limitations of section 1001(A)(a). Each such entity or individual receiving payments shall provide to the Secretary, at such times and in such manner as prescribed by the Secretary, the name and social security number of each individual, or the name and taxpayer

identification number of each entity, that holds or acquires a substantial beneficial interest.

Subsection (c). Conforming amendment

Subsection (c) amends paragraph (2) of section 1001(A)(a) to provide that, for purposes of subsection 1001A(a), 'substantial beneficial interest' has the meaning given such term in amended section 1001(5)(C)(iii).

Section 1105.—Suspension of certain provisions regarding program crops

Section 1105 suspends provisions of permanent law relating to commodity programs for the 1996 through 2002 crop years.

Subsection (a). Wheat

Subsection (a) suspends: (1) sections 331 through 339, 379b, 379c (relating to wheat crops for 1996 through 2002); (2) sections 379d through 379j of the Agricultural Adjustment Act of 1938 (applicable to wheat processors or exporters from June 1, 1996 through May 31, 2003); (3) the joint resolution entitled "a joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended" (applicable to the 1996 through 2002 crops of wheat); and (4) section 107 of the Agricultural Act of 1949 with respect to the wheat crops of 1996 through 2002.

Subsection (b). Feed grains

Subsection (b) suspends 105 of the Agricultural Act of 1949 with respect to the 1996 through 2002 crops of feed grains.

Subsection (c). Cotton

Subsection (c) suspends sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 and section 103(a) of the Agricultural Act of 1949 with respect to the 1996 through 2002 crops of upland cotton.

SUBTITLE B—MILK AND THE PRODUCTS OF MILK
Chapter 1—Authorization of Market Transition Payments in Lieu of Milk Price Support Program

Section 1201.—Seven year market transition contracts for milk producers

Section 1201 amends the Agricultural Act of 1949 by replacing section 204, and conforming sections 201(a) and 301 accordingly.

Subsection (a). Contracts authorized

Subsection (a) replaces existing section 204 of the Agricultural Act of 1949 with the following new provisions.

New section 204(a) authorizes the Secretary to enter into market transition contracts with milk producers in which a producer would agree to continue compliance with any government animal waste regulations and any wetlands protection requirements applicable to the producer's operation in exchange for seven market transition payments. A milk producer is defined as any person that was engaged in the production of milk on September 15, 1995, and that had received a payment during the 45-day period prior to that date for cows' milk marketed for commercial use.

New section 204(b) requires that contracts be entered not later than April 15, 1996, and that they shall extend through December 31, 2001.

New section 204(c) requires the Secretary to provide an estimate of payments anticipated under the market transition contract at the time the contract is entered.

New section 204(d) provides that the first payment under a market transition contract be made on April 15, 1996, or as soon thereafter as practicable. Subsequent payments would occur on October 15 of fiscal years 1997 through 2002.

New section 204(e) establishes the following payment schedule and payment rates: April 15, 1996 (10 cents/cwt); October 15, 1996 (15 cents/cwt); October 15, 1997 (13 cents/cwt); Oc-

tober 15, 1998 (11 cents/cwt); October 15, 1999 (9 cents/cwt); October 15, 2000 (7 cents/cwt); and October 15, 2001 (5 cents/cwt).

New section 204(f) requires the Secretary to determine the historic annual milk production, expressed in hundredweights (cwt) of milk, for each milk producer on the basis of the producer's milk checks or other records of commercial marketings of milk acceptable to the Secretary. If a producer has produced milk for at least three calendar years, the producer's historic annual milk production will be the average hundredweight of milk marketed during the three highest production years from 1991-1995. If a producer has produced milk for less than three calendar years, the producer's historic annual milk production will be the annualized average of the monthly quantity of milk marketed by the producer during the period in which the producer has produced milk.

New section 204(g) provides that a producer's payment in any fiscal year will be equal to the payment rate in effect for that fiscal year times the producer's historic annual milk production.

New section 204(h) provides that market transition contracts with milk producers are freely assignable, but that the Secretary may require notice of any assignment of a contract.

New section 204(i) permits the Secretary to terminate or adjust the market transition contract of a milk producer if the producer fails to comply with animal waste regulations or wetlands protection requirements. The Secretary is required to make a determination regarding violations of animal waste management regulations in consultation with appropriate State governmental authorities. If the Secretary determines that a termination is appropriate, the producer forfeits all rights to future payments and is further required to refund any payment received after the producer was notified of the violation. If the Secretary determines that the violation does not warrant termination, the Secretary may require the producer to refund any payment received after the producer was notified of the violation and may make adjustments in the amount of future payments otherwise required under the contract.

New section 204(j) provides that market transition contracts are legally binding.

Subsection (b). Continued operation of existing program through 1995

Subsection (b) provides that the dairy price support program under existing section 204 of the Agricultural Act of 1949 continues in operation through December 31, 1995 at which time it is terminated. Producers that are entitled to a refund of their 1995 budget reconciliation assessment (i.e., their marketings of milk in calendar year 1995 did not exceed their marketings of milk in calendar year 1994) will receive those refunds from CCC funds rather than from assessments on producers in 1996.

Subsection (c). Conforming repeal of general authority to provide price support for milk

Subsection (c) conforms sections 201(a) and 301 of the Agricultural Act of 1949 to eliminate milk from the designated and undesignated nonbasic agriculture commodities for which the Secretary has general authority to provide price support.

Section 1202.—Recourse loans for commercial processors or dairy products

Section 1201 amends the Agricultural Act of 1949 by replacing section 424 with the following.

New section 424(a) authorizes the Secretary to make recourse loans available to commercial processors of cheddar cheese,

butter and nonfat dry milk dairy products to assist those processors in assuring price stability for the dairy industry.

New section 424(b) provides that loans are to be made available at 90% of the reference for a product and at established CCC interest rates.

New section 424(c) provides that loans may not extend beyond the end of the fiscal year in which they are made, except that the Secretary may extend a loan for an additional period not to exceed the next fiscal year.

New section 424(d) defines the reference price for cheddar cheese as the average price for 40 pound blocks of cheddar cheese on the National Cheese Exchange for previous three months, for butter as the average price for butter on the Chicago Mercantile Exchange for butter for the previous three months, and for nonfat dry milk as the Western States price for nonfat dry milk for the previous three months.

Chapter 2—Dairy Export Programs

Section 1211.—Dairy Export Incentive Program

Section 1211 amends section 153(c) of the Food Security Act of 1985 to make the following revisions in the Dairy Export Incentive Program (DEIP).

Subsection (a). In general

Subsection (a) requires the Secretary to use the DEIP program to export the maximum allowable quantities of U.S. dairy products consistent with the obligations of the United States as a member of the World Trade Organization, minus the quantity sold under section 1163 of the Food Security Act of 1985 during that year, except to the extent that such volume would exceed the limitations on value set forth in subsection (f).

Subsection (b). Sole discretion

Subsection (b) establishes that the Secretary of Agriculture exercises sole discretion over the DEIP program.

Subsection (c). Market development

Subsection (c) authorizes the Secretary to include an amount for the development of world markets for U.S. dairy products in the payment rate for DEIP.

Subsection (d). Maximum allowance amounts

Subsection (d) limits the Secretary's use of money and commodities for the DEIP program in any year to the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization minus the amount expended under section 1163 of the Food Security Act of 1985 during that year.

Subsection (e). Conforming amendment

Subsection (e) extends the operations of the DEIP program through the year 2002.

Section 1212.—Authority to assist in establishment and maintenance of export trading company

Section 1212 authorizes the Secretary of Agriculture to assist the United States dairy industry in establishing and maintaining an export trading company under the Export Trading Company Act of 1982 to facilitate the international market development for an exportation of U.S. dairy products.

Section 1213.—Standby authority to indicate entity best suited to provide international market development and export services

Section 1213 provides standby authority for the Secretary of Agriculture to indicate which entity, autonomous of the U.S. government, is best suited to provide international market development and export services to the U.S. dairy industry and to assist that entity in identifying sources of funding for its activities.

Subsection (a). Indication of entity best suited to assist in the international development for and export of United States dairy products

Subsection (a) provides that, in the event that (1) the U.S. dairy industry does not establish an export trading company, or (2) the quantity of exports of U.S. dairy products during the period July 1, 1996–June 30, 1997 does not exceed the quantity of exports of U.S. dairy products during the period July 1, 1995–June 30, 1996 by 1.5 billion pounds (milk equivalent), the Secretary is directed to indicate which entity autonomous of the U.S. government is best suited to facilitate the international market development for and exportation of U.S. dairy products.

Subsection (b). Funding of export activities

Subsection (b) requires the Secretary to assist the entity chosen by the Secretary in subsection (a) in identifying sources of funding for its activities from within the dairy industry and elsewhere.

Subsection (c). Application of section

Subsection (c) limits the Secretary's authority to engage in the activities specified in section 1213 to the period between July 1, 1997 and September 30, 2000.

Section 1214.—Study and report regarding potential impact of Uruguay Round on prices, income and Government purchases

Subsection (a). Study

Subsection (a) directs the Secretary of Agriculture to perform a study of the potential impact of new access cheese imports under the Uruguay Round on U.S. milk prices, dairy producer income, and the cost of Federal dairy programs.

Subsection (b). Report

Subsection (b) directs the Secretary to report the results of the study conducted under subsection (a) to the Committees on Agriculture of the Senate and the House of Representatives not later than September 30, 1996.

Subsection (c). Rule of construction

Subsection (c) provides that any restriction on the conduct or completion of studies or reports to Congress shall not apply to this study unless section 1216 is explicitly referenced by that restriction.

Chapter 3—Dairy Promotion Programs

Section 1221.—Research and promotion activities under Fluid Milk Promotion Act of 1990

The following sections of the Fluid Milk Promotion Act of 1990 (subtitle H of title XIX of Public Law 101-624) are amended.

Subsection (a). Extension of order

Subsection (a) amends section 1999O to eliminate the automatic termination of any order issued under the Act on December 31, 1996.

Subsection (b). Definition of research

Subsection (b) amends section 1999C to expand the definition of research to include research that would lead to the expansion of sales of fluid milk products, the development of new products and new product characteristics, and improved technology in the production, manufacturing and processing of milk and the products of milk.

Subsection (c). Conforming amendments regarding marketing orders

Subsection (c) amends section 1999J to conform the Fluid Milk Promotion Act to amendments made in chapter 4 of this subtitle which eliminate the Federal milk marketing order program.

Subsection (d). Clarification of referendum requirements

Subsection (d) amends sections 1999N and 1999O to clarify the referendum requirements

of the Fluid Milk Promotion Act which were inadvertently impacted by amendments made to the Act in 1993 which altered the definition of "fluid milk processor". Any future order issued under the Act must now be approved by the affirmative votes of fluid milk processors representing 60 percent or more of the volume of fluid milk products marketed by all fluid milk processors voting in the referendum before it can be implemented.

Section 1222.—Expansion of Dairy Promotion Program to cover dairy products imported into the United States

Section 1222 amends the Dairy Production Stabilization Act of 1983 to extend the assessment for generic research and promotion on U.S. dairy producers to imported dairy products.

Subsection (a). Declaration of policy

Subsection (a) amends section 110(b) to include imported dairy products among those items upon which an assessment for generic dairy promotion is levied.

Subsection (b). Definitions

Subsection (b) amends section 111 to alter the definitions of "milk", "dairy products", "research", and "United States" and to add definitions of "importer" and "exporter" to facilitate the extension of the dairy promotion assessment to imported dairy products, including casein.

Subsection (c). Membership of board

Subsection (c) amends section 113(b) to expand the membership of the National Dairy Promotion and Research Board from 36 to 38 members to include one importer and one exporter as members.

Subsection (d). Assessment

Subsection (d) amends section 113(g) to place an assessment on imported dairy products equal to 1.2 cents per pound of total milk solids in such products or 15 cent per hundred weight of milk in such products, whichever is less. Importers of dairy products will be entitled to the same credit for contributions to State or regional promotion or nutrition programs to which domestic producers are entitled.

Subsection (e). Records

Subsection (e) amends section 113(k) to require importers to maintain such records and make such reports as the Secretary determines are appropriate to the administration or enforcement of the promotion program.

Subsection (f). Termination or suspension of order

Subsection (f) amends section 116(b) to include importers among those eligible to vote on the suspension or termination of any order issued under the Act.

Section 1223.—Promotion of United States dairy products in international markets through Dairy Promotion Program.

Section 1223 amends section 113(e) of the Dairy Production Stabilization Act of 1983 to require that the budget of the National Dairy Promotion and Research Board during each of the fiscal years from 1996 and 2000 shall provide for the expenditure of not less than 10 percent of anticipated revenues available to the Board on the development of international markets for, and the promotion within such markets of, U.S. dairy products.

Section 1224.—Issuance of amended order under Dairy Production Stabilization Act of 1983

Section 1224 establishes the following procedure to implement the amendments required by sections 1222 and 1223 to the dairy products promotion and research order issued under the Dairy Production Stabilization Act of 1983.

Subsection (a). Implementation of amendments

Subsection (a) requires the Secretary to issue an amended dairy products promotion and research order reflecting the amendments in sections 1222 and 1223, and no other changes to the order in existence on the date of enactment of this Act.

Subsection (b). Proposal of amended order

Subsection (b) directs the Secretary to publish a proposed order reflecting the amendments in sections 1222 and 1223 not later than 60 days following the enactment of this Act, and shall provide notice and an opportunity for public comment on the proposed order.

Subsection (c). Issuance of amended order

Subsection (c) provides that, following notice and an opportunity for public comment, the Secretary shall issue a final dairy products promotion and research order.

Subsection (d). Effective date

Subsection (d) requires the final dairy products promotion and research order to be issued and become effective not later than 120 days following the publication of the proposed order.

Subsection (e). Referendum on amendments

Subsection (e) amends section 115 of the Dairy Production Stabilization Act of 1983 to direct the Secretary to conduct a referendum of producers and importers not later than 36 months after the issuance of the final order reflecting the amendments required by sections 1222 and 1223 for the sole purpose of determining whether those amendments shall be continued.

Chapter 4—Verification of Milk Receipts

Section 1231.—Program to verify milk receipts

Section 1231 creates a new subsection (j) in section 204 of the Agricultural Act of 1949 to establish a program to verify receipts of milk and audit marketing agreements and other contracts for the marketing and receipt of milk between producers and handlers.

Subsection (a). Establishment of verification program

Subsection (a) provides that, under new section 204(j)(1), the Secretary shall establish a program through which the verification of receipts of all cow's milk marketed commercially in the contiguous 48 States and the auditing of marketing agreements with respect to receipts of such milk can be accomplished. The Secretary shall prescribe regulations to implement the verification program.

New section 204(j)(2) requires the program to provide a means by which: (1) processors, associations of producers and other engaged in the handling of milk and milk products file reports with the Secretary regarding receipts of milk, prices paid for milk, and the purposes for which milk was used by handlers, (2) authorized deductions from payments to producers, including assessments for research and promotion programs, are collected, (3) assurance of payment by handlers for milk is achieved, and (4) the reports, records, and facilities of handlers are reviewed and verified. The Secretary shall publish statistics regarding receipts, prices and uses of milk. Statistics published by the Secretary are to include information on payments received by producers for milk on a component basis. The expenses associated with the collection and publication of such statistics are to be paid by handlers. Such assessments shall not exceed the total expenses of the Secretary.

New section 204(j)(3) directs that the program shall further provide a means by which the weighing, sampling, and testing of milk

purchased from producers is accomplished and verified. Cooperative Marketing Associations may continue to provide such services for their members. The cost of providing such marketing services shall be paid by producers. Such assessments shall not exceed the total cost of the services.

New section 204(j)(4) authorizes producer and associations of producers to negotiate and enter into marketing agreements or other private contracts with handlers for the marketing or receipt of milk. Upon request, the Secretary may audit an agreement or contract to assure compliance with its terms. The Secretary is to be reimbursed for any costs associated with an audit.

New section 204(j)(5) provides that no marketing agreement or government regulations applicable to milk or its products in any marketing area or jurisdiction shall prohibit or in any manner limit the marketing in that area of any milk or product of milk produced in any production area in the United States.

New section 204(j)(6) mandates that, effective July 1, 1996, the verification program shall supersede any Federal milk marketing order issued under section 8c of the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937 with respect to milk or the products of milk.

Subsection (b). Time for issuance

Subsection (b) requires the Secretary to issue final regulations implementing the verification program not later than July 1, 1996.

Subsection (c). Process

Subsection (c) provides that the Secretary shall issue proposed regulations not later than April 1, 1996, and shall provide for a comment period on the proposed regulations not to exceed 60 days nor extend past May 31, 1996.

Section 1232.—Verification program to supersede multiple existing Federal orders

Section 1232 provides that the verification program established by section 1231 will supersede existing Federal milk marketing orders by making the following amendments to the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

Subsection (a). Termination of milk marketing orders

Subsection (a) terminates existing Federal milk marketing orders by striking paragraphs (5) and (18) of section 8c.

Subsection (b). Prohibition on subsequent orders regarding milk

Subsection (b) conforms paragraph (2) of section 8c to remove milk from the list of commodities for which the Secretary has general authority to issue marketing orders.

Subsection (c). Conforming amendments

Subsection (c) makes conforming amendments to section 2(3), 8c(6), 8c(7)(B), 8c(11)(B), 8c(13)(A), 8c(17), 8d(2), 10(b)(2), and 11.

Subsection (d). Effective date

Subsection (d) provides that the amendments made by section 1232 are effective on July 1, 1996.

Chapter 5—Miscellaneous Provisions Related to Dairy

Section 1241.—Extension of transfer authority regarding military and veterans hospitals

The authority of the Secretary to transfer dairy commodities to military and veterans hospitals is extended through 2002.

Section 1242.—Extension of Dairy Indemnity Program

The Dairy Indemnity Program is extended until 2002.

Section 1243.—Extension of report regarding export sales of dairy products

The requirement that the Secretary report on export sales of dairy products is extended through 2002.

Section 1244.—Status of producer-handlers

The legal status of producer-handlers is not altered or otherwise affected by the provisions of this subtitle.

SUBTITLE C—OTHER COMMODITIES

Section 1301.—Extension and modification of price support and quota programs for peanuts

Section 1301 amends section 108B of the Agricultural Act of 1949 and part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938, which are currently effective only for the 1991 through 1997 crops of peanuts, by extending such section and part through the 2002 crops of peanuts.

Subsection (a). Extension of price support program

Subsection (a) amends subsections (a)(1), (b)(1), (g)(1), (g)(2)(A), and (h) of section 108B of the Agricultural Act of 1949 by extending such price support, marketing assessment, and reporting provisions for quota and additional peanuts through the 2002 crops of peanuts.

Subsection (b). Changes to price support program

This subsection amends section 108B of the Agricultural Act of 1949 by making changes in the price support provisions of such section.

Amended section 108B(a), in paragraph (2), establishes a national average quota support rate for the 1996 through 2002 crops of quota peanuts at \$610 per ton. Section 1301(b)(1)(B) provides that such amendment does not affect the loan rate in effect for the 1995 crop of quota peanuts.

Amended section 108B(a), in new paragraph (4), provides that the Secretary shall reduce the support rate by 15 percent for any producer on a farm who had available to the producer an offer from a handler to purchase quota peanuts from the farm at a price equal to or greater than the applicable quota support rate (and redesignates existing paragraphs (4) and (5) as paragraphs (5) and (6)).

Amended subsection 108B(d)(2) provides that losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) the proceeds due any producer from any pool shall be reduced by the amount of losses incurred on transfers of peanuts from an additional loan pool to a quota loan pool by such producer under section 358-1(b)(8) of the Agricultural Adjustment Act of 1938;

(B) further losses in a quota pool shall be offset by reducing the gain of any producer in such pool by the amount of pool gains to the same producer from the sale of additional peanuts for domestic and export edible use;

(C) the Secretary shall use marketing assessment funds collected from growers under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools (any such unused assessment funds shall be transferred to the Treasury);

(D) further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358-1(b)(8), shall be offset by any gains or profits from quota pools in other production areas (not including separate type pools established for Valencia peanuts produced in New Mexico) as the Secretary provides by regulation; and (E) any further losses in an area quota pool (not covered by subparagraphs A, B, C and D) shall be covered by an increase in the marketing

assessment imposed by the Secretary, but such increase in an assessment shall only apply to quota peanuts in such pool.

Subsection (c). Extension of national poundage quota

Subsection (c) amends subsections (a)(3), (b)(1)(A), (b)(1)(B), (b)(2)(A) and (C), (b)(3)(A), and (f) of section 358-1, subsection (c) of section 358b, subsection (d) of section 358c, and subsection (i) of section 358e of part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 by extending such subsections through the 2002 marketing year.

Subsection (d). Prioritized quota reductions

Subsection (d) amends section 358-1(b)(2)(C) of the Agricultural Adjustment Act of 1938 Act to provide a priority method for allocating decreases in poundage quota.

Amended section 358-1(b)(2)(C) provides that if the poundage quota apportioned to a State under section 358-1(a)(3) is decreased, rather than apply the decrease to all farms in the State, such decrease shall be first be allocated among farms in the following order:

(i) farms owned or controlled by municipalities, airport authorities, schools, colleges, refuges, and other public entities.

(ii) farms for which the quota holder is not a producer and resides in another State.

(iii) farms for which the quota-holder, although a resident of the State, is not a producer.

(iv) other farms described in the first sentence of this subparagraph.

Subsection (e). Elimination of quota floor

Subsection (e) amends section 358-1(a)(1) of the Agricultural Adjustment Act of 1938 by eliminating the 1,350,000 ton minimum national poundage quota.

Subsection (f). Spring and fall transfers within a State

Subsection (f) amends section 358b(a)(1) of the Agricultural Adjustment Act of 1938 relating to farm poundage quota transfer.

Amended section 358b(a), in paragraph (1), allows farm poundage quota to be sold or leased, either before or after the normal planting season, to any other owner or operator of a farm in the same State. Current provisions requiring 90 percent of a farm's basic quota to be planted or considered planted before a fall (or after the normal planting season) transfer is allowed are maintained.

Subsection (g). Transfers in counties with small quota

Subsection (g) amends section 358b(a) of the Agricultural Adjustment Act of 1938 by adding a new paragraph (4) which authorizes the sale, lease or other transfer of farm poundage quota at any time to any other farm within a State if the county in which the transferring farm is located was less than 10,000 tons of national poundage quota for the preceding year's crop. Current authority regarding quota transfers to other self-owned farms in paragraph 2 and transfers in States with less than 10,000 tons of quota in paragraph (3) is maintained.

Subsection (h). Undermarketings

Subsection (h) amends section 358-1(b) of the Agricultural Adjustment Act of 1938 by deleting paragraphs (8) and (9) relating to increases in farm poundage quota based on undermarketings in previous marketing years (and adds conforming amendments).

Subsection (i). Limitation of payments for disaster transfer

Section (i) amends section 358-1(b) of the Agricultural Adjustment Act of 1938 by adding a new paragraph (8) relating to disaster transfer authority.

Amended section 358-1(b), in a new paragraph (8), provides that additional peanuts

on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, may be transferred to the quota loan pool, under certain conditions, except that such peanuts shall be supported at a total of not more than 70 percent of the quota support rate, for the marketing years in which such transfers occur, and such transfers shall not exceed 25 percent of the total farm quota pounds, including pounds transferred in the fall.

Subsection (j). Temporary quota allocation

Subsection (j) amends section 358-1(b)(2) of the Agricultural Adjustment Act of 1938 by deleting the current subparagraph (B) relating to allocation of increased quota in Texas and inserting a new subparagraph (B) authorizing temporary increases in quota based on seed use.

Amended section 358-1(b)(2), in subparagraph (B), provides that, for the 1996 through 2002 marketing years, a temporary quota allocation for the marketing year only in which the crop is planted, equal to the number of pounds of seed peanuts planted for the farm that shall be made to the producers for the 1996 through 2002 marketing years, in addition to the normal farm poundage quota established under section 358-1. Subparagraph (B) also provides that there is no change in the requirement regarding the use of quota and additional peanuts established by section 359a(b) of the Agricultural Adjustment Act of 1938. A conforming amendment deletes the word "seed" from subsection (a)(1) relating to the establishment of national poundage quotas.

Subsection (k). Suspension of marketing quotas and acreage allotments

Subsection (k) suspends subsections (a) through (j) of section 358, subsections (a), (b), (d) and (e) of section 358d, part I of subtitle C of title III, and section 371 of the Agricultural Adjustment Act of 1938 relating to the suspension of marketing quotas and acreage allotments for the 1996 through 2002 crops of peanuts.

Subsection (l). Extension of reporting and recordkeeping requirements

Subsection (l) amends section 373(a) of the Agricultural Adjustment Act of 1938 by extending the recordkeeping requirements of such section to the 1996 through 2002 crops of peanuts.

Subsection (m). Suspension of certain price support provisions

Subsection (m) suspends section 101 of the Agricultural Act of 1949 related the authority of the Secretary to provide price supports for any crop at a level not in excess of 90 percent of the parity price of the commodity for the 1996 through 2002 crops of peanuts.

Section 1302.—Availability of loans for processor of sugar cane and sugar beets

Subsection (a). Sugar loans

Subsection (a) amends section 206 of the 1949 Act to provide loans for the 1996 through 2002 crops of domestically grown sugarcane and sugar beets.

Amended subsection 206(a) sets the loan rate for raw cane produced from domestically grown sugarcane crops, subject to the authority of the Secretary to reduce loans as provided in subsection (c), at the 1995 level.

Amended subsection 206(b) sets the loan rate for refined beet sugar produced from domestically grown sugar beet crops, subject to the authority of the Secretary to reduce loans as provided in subsection (c), at the 1995 level.

Amended subsection 206(c)(1) requires the Secretary to reduce the loan rate specified in subsections (a) and (b) if the Secretary deter-

mines that negotiated reductions in export subsidies provided for sugar of the European Union and other major sugar exporting countries in the aggregate exceed the commitments made as part of the Agreement on Agriculture. Amended subsection 206(c) also provides that the Secretary shall not reduce the loan rate under subsections (a) and (b) below a rate that provides domestic sugar a competitive measure of support to that provided by the European Union and other sugar exporting countries based on the provisions of Agreement on Agriculture, section 101(d)(2) of the Uruguay Round Agreements Act.

Amended subsection 206(d) provides for the Secretary to carry out the section through the use of recourse loans for sugar. However, it also provides that during any fiscal year in which the tariff rate quota (TRQ) for imports of sugar into the U.S. is set, or increased to, a level that exceeds the loan modification threshold, the Secretary is directed to carry out this section by making nonrecourse loans (previously made recourse loans are to be modified by the Secretary into nonrecourse loans). The "loan modification threshold", for sugar for purposes of the subsection, means 1,257,000 short tons raw value for fiscal years 1996 and 1997, and for subsequent fiscal years, 103 percent of the loan modifications threshold for the previous fiscal year. If the Secretary is required to make nonrecourse loans (or modify recourse loans) under this subsection during a fiscal year, the Secretary is to obtain from processors adequate assurances that such processors will provide appropriate minimum payments to producers as set by the Secretary. Not later than September 1, of each fiscal year, the Secretary shall announce the loan modification threshold that shall apply for the subsequent fiscal year.

Amended 206(e) provides that for three month loans, which can be extended for additional three-month periods, except that a loan may not be extended beyond nine months nor extended beyond the end of the fiscal year (September 30). Processors may terminate a loan and redeem the collateral at any time by paying all principal, interest, and any applicable fees.

Amended subsection 206(f) directs the Secretary to use the funds, facilities, and authorities of the Commodity Credit Corporation in carrying out this section.

Amended subsection 206(g) requires first processors of raw cane sugar to CCC non-refundable marketing assessment for each pound of raw cane sugar equal to 1.5 percent of the loan rate, while first processors of sugar beets are to remit to CCC a marketing assessment of 1.6083 percent of the loan rate for raw cane sugar, during fiscal year 1996 through 2003 on all marketings. Assessments are to be collected on a monthly basis, except that any inventory which has not been marketed by September 30 of a fiscal year shall be assessed at that point, except that the latter sugar shall not be assessed later when it is marketed. Any person who fails to remit the assessment is liable for a penalty based on the quantity of the sugar involved in the violation times the applicable loan rate at the time of violation. "Market" is defined in paragraph (6) to mean to sell or otherwise dispose of in commerce (including the movement of raw cane sugar into the refining process in the case of integrated processor and refiner) and deliver to a buyer.

Amended subsection 206(h) requires processors and refiners must report such information to the Secretary as is required in order to administer the program. A penalty applies for failure to report and the Secretary is required to make monthly reports on pertinent sugar production, etc. data.

Amended subsection 206(i) requires the Secretary to estimate, each year on a quarterly basis, the domestic demand for sugar which shall be equal to domestic consumption, plus adequate carryover stocks, minus carry-in-stocks. Quarterly reestimates are to be made by the Secretary at the beginning of each of the second through fourth quarters.

Amended subsection 206(j) authorizes the Secretary to issue such regulations as are necessary to implement this section.

Subsection (b). Effect on existing loans for sugar

Subsection (b) provides that the amendments made to section 206 of the Agricultural Act of 1949 by subsection (a), above, shall not affect loans made before the date of enactment of this Act for the 1991 through 1995 crops of sugarcane and sugar beets.

Subsection (c). Termination of marketing quotas and allotments

Subsection (c) repeals Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa-1359jj) relating to marketing quotas and allotments.

Section 1303.—Repeal of obsolete authority for price support for cottonseed and cottonseed products

Section 301(b) of the Disaster Assistance Act of 1988 is amended by striking paragraph (1) and section 420 of the Agriculture Act of 1949 is repealed.

SUBTITLE D—MISCELLANEOUS PROGRAM CHANGES

Section 1401.—Limitation on assistance under Emergency Livestock Feed Assistance Program

This section amends section 609 of the Emergency Livestock Feed Assistance Act of 1988 by striking subsections (c) and (d) and inserting a new subsection (c) to provide that no person may receive benefits attributable to lost product of a fee commodity if catastrophic insurance protection or noninsured crop disaster assistance is available to the person under the Federal Crop Insurance Act.

Section 1402.—Conservation Reserve Program

Subsection (a). Limitations on acreage enrollments

Subsection (a) in paragraph (1) amends section 1231(d) of the Food Security Act of 1985 to limit the total number of acres authorized to be enrolled in the Conservation Reserve Program to 36,400,000 acres, and paragraph (2) amends section 727 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1996 by striking the proviso relating to the enrollment of new acres beginning in calendar year 1997.

Subsection (b). Optional contract termination by producers

Subsection (b) amends section 1235 of the Food Security Act of 1985 by adding a new subsection (e).

New subsection (e), in paragraph (1), provides that an owner or operator of land enrolled under a conservation reserve contract may terminate the contract upon written notice to the Secretary.

New subsection (e), in paragraph (2), provides that the cancellation shall become effective 60 days after the owner or operator submits written notice under paragraph (1).

New subsection (e), in paragraph (3), provides that when a contract is terminated before the end of a fiscal year, the annual payment shall be prorated accordingly.

New subsection (e), in paragraph (4), provides that a contract termination under this section does not affect the future eligibility of an owner or operator to submit a subsequent bid to enroll in the conservation reserve program.

New subsection (e), in paragraph (5), provides that, if land is returned to production of an agricultural commodity upon termination of a contract under this section, the Secretary cannot impose conservation requirements on such lands which are more onerous than the requirements imposed on other lands.

Subsection (c) Limitation on rental rates

Subsection (c) amends section 1234(c) of the Food Security Act of 1985 by adding a new paragraph (5), which limits rental rates for contracts that are extended, or new contracts covering land that was previously enrolled in the conservation reserve program, not to exceed 75 percent of the annual rental payment under the previous contract.

Section 1403.—Crop insurance

Subsection (a). Conversion of catastrophic risk protection program to voluntary program

Subsection (a) amends section 508(b)(7) of the Federal Crop Insurance Act by redesignating current subparagraph (B) as (C) and inserting a new subparagraph (B) that provides that catastrophic risk protection may be declined, beginning with the spring-planted 1996 crops and in any subsequent crop years, and remain eligible for a market transition contract or marketing assistance loan, the conservation reserve program or any benefit described in section 371 of the Consolidated Farm and Rural Development Act as long as the producer agrees in writing to waive any eligibility for emergency crop loss assistance with respect to losses for which the producer declines to obtain catastrophic risk protection.

Subsection (b). Delivery of voluntary catastrophic protection

Subsection (b) amends section 508(b)(4) of the Federal Crop Insurance Act by inserting new subparagraphs (C) and (D).

Amended section 508(b)(4), in new subparagraph (C), provides that, if mandatory participation is not required, the Secretary will no longer have the option of delivering catastrophic risk protection coverage for agricultural crops and all such risk protection policies written by the Department prior to that date will be transferred, along with all fees collected, to the private sector for all service and loss adjustment functions.

Amended section 508(b)(4), in new subparagraph (D), provides that the Federal Crop Insurance Corporation (FCIC) must consult with approved insurance providers in developing a plan to ensure that each producer of an insured crop has the option to be served by an approved insurance provider if insurance is available for that crop in the county, and the FCIC shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate by May 1, 1996, regarding the implementation of such plan.

Subsection (c). Establishment of the Office of Risk Management

Subsection (c) amends the Department of Agriculture Reorganization Act of 1994 by inserting after section 226 a new section 226A.

New section 226A(a) directs the Secretary to establish and maintain an independent Office of Risk Assessment within the Department.

New section 226A(b) provides that such office shall have jurisdiction over:

- (1) the supervision of FCIC.
- (2) administration and oversight of all aspects of all programs authorized by the Federal Crop Insurance Act;
- (3) any pilot or other programs involving revenue insurance, risk management, savings accounts, or the use of the futures mar-

ket to manage risk and support farm income that may be established under the FCIC Act or other law; and

(4) such other functions as the Secretary considers appropriate.

New section 226A(c) provides that the Office shall be headed by an Administrator who shall be appointed by the Secretary, and that the Administrator shall also serve as the Manager of FCIC.

New section 226A(d), in paragraph (1), authorizes the consolidation of the human resources, public affairs, and legislative affairs functions of the Office of Risk Management under the Under Secretary of Agriculture for Farm and Foreign Agricultural Services.

New section 226A(d), in paragraph (2), directs the Secretary to provide human and capital resources to the Office of Risk Management sufficient to enable the Office to carry out its functions in a timely and efficient manner.

New section 226A(d), in paragraph (3), provides that not less than \$88,500,000 of the fiscal year 1996 appropriation provided for the salaries and expenses of the Consolidated Farm Services Agency shall be provided to the Office of Risk Management for its salaries and expenses.

Subsection (d). Reconfiguration of board of directors

Subsection (d) amends section 505 of the Federal Crop Insurance Act by making changes in the composition and functions of the FCIC Board of Directors.

Amended section 505(a) vests the management of FCIC in a Board of Directors subject to the general supervision of the Secretary.

Amended section 505(b)(1) provides that the Board shall consist of the manager of FCIC, the Under Secretary of Agriculture for Farm and Foreign Agricultural Services, one person who is an officer or employee of an approved insurance provider, one person who is a licensed crop insurance agent, and one person who is experienced in the reinsurance business not otherwise employed by the Federal Government, and four active producers who are not otherwise employed by the Federal Government. The Secretary shall not serve as a member of the Board.

Amended section 505(b)(2) provides that in appointing the 4 active producers the Secretary shall ensure that 3 such members are policyholders from different geographic areas of the U.S. with diverse agricultural interests. The fourth active producer may also be a policyholder and shall be a person who receives a significant portion of crop income from crops covered by the noninsurance crop disaster assistance program established in section 519 of the Federal Crop Insurance Act.

Amended section 505(c) provides for the appointment, terms, and succession of members of the Board. The Administrator of the Office of Risk Management shall serve as the Manager of the FCIC. Terms of office shall be for 3 years except for the first term which will provide for different expiring terms. A member may serve after expiration of his or her term until a successor is appointed.

Amended section 505(d) provides that five of the Board members in office shall constitute a quorum for the transaction of business.

Amended section 505(e) provides that the powers of the Board to execute the functions of FCIC shall be impaired at any time there are not six members of the Board in office, which shall also serve to impair the powers of the Manager to act under any delegation of power provided in subsection (g).

Amended section 505(f)(1) provides that members of the Board who are employees of USDA shall not be further compensated, but may be allowed travel and subsistence expenses outside of Washington, D.C.

Amended section 505(f)(2) provides that members of the Board who are not Federal Government employees shall be compensated as the Secretary determines, except that such compensation shall not exceed a level V of the Executive Schedule under section 5316 of title 5, United States Code. Actual necessary traveling and subsistence expenses are also authorized and are to be paid out of the insurance fund established in section 516(c).

Amended section 505(g) provides that the Manager of FCIC shall also be its chief executive officer, with such power as the Board may confer.

Section 1404.—Repeal of the Farmer Owned Reserve Program

Subsection (a). Repeal

Subsection (a) of this section repeals the Farmer Owned Reserve Program authorized by section 110 of the Agricultural Act of 1949.

Subsection (b). Effect of repeal on existing loans

Subsection (b) clarifies that the repeal of the Farmer Owned Reserve Program under this section does not affect the validity or terms and conditions of any extended price support loan provided under such program before the date of enactment of this Act.

Section 1405.—Reduction in funding levels for export enhancement program

Section 301(e)(1) of the Agricultural Trade Act of 1978 is amended so as to limit the amount of the CCC funds or commodities available for the Export Enhancement Program as follows: \$400,000,000 for fiscal years 1996 and 1997; \$500,000,000 for fiscal year 1998; \$550,000,000 for fiscal year 1999; \$579,000,000 for fiscal year 2000; and \$478,000,000 for fiscal years 2001 and 2002 (not more than \$500,000 was provided for fiscal year 1995).

Section 1406.—Business Interruption Insurance Program

Subsection (a). Establishment of program

Subsection (a) directs that not later than December 31, 1996, the Secretary is to establish a Business Interruption Insurance Program that allows a producer of a program crop to obtain revenue insurance coverage in case of loss of revenue for a program crop. The Secretary is authorized to determine the nature and extent of such a program including the manner of determining the amounts of indemnity to be paid.

Subsection (b). Report on progress and proposed expansion

Subsection (b) provides that the Secretary must submit data to the Commission on 21st Century Production Agriculture established under Subtitle E by January 1, 1998, regarding the results of the program through October 1, 1997. The Secretary shall also make recommendations to the Commission about how to best offer a revenue insurance program to agricultural producers in the future, at one or more levels of coverage, that—(1) is in addition to or in lieu of, catastrophic and higher levels of crop insurance, (2) is offered through reinsurance arrangements with private companies, (3) is actuarially sound, and (4) requires the payment of premiums and administrative fees by participating producers.

Subsection (c). Programs crop defined

Subsection (c) defines program crop to mean wheat, corn, grain sorghums, oats, barley, upland cotton, or rice.

SUBTITLE E—COMMISSION ON 21ST CENTURY PRODUCTION AGRICULTURE

Section 1501—Establishment

This section establishes a commission to be known as the "Commission on 21st Century Production Agriculture."

Section 1502.—Composition

Subsection (a). Membership and appointment

Subsection (a) of this section requires that the Commission be composed of eleven members: three members appointed by the President; four members appointed by the Chairman of the Committee on Agriculture of the House of Representatives (in consultation with the ranking minority member); and four members appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate (in consultation with the ranking minority member).

Subsection (b). Qualifications

Subsection (b) establishes the qualifications required of the persons appointed to the Commission. At least one member appointed by each the President, the Chairman of Committee on Agriculture of the House of Representatives, and the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate shall be an individual who is primarily involved in production agriculture. All other members appointed to the Commission must have knowledge and experience in agriculture production, marketing, finance, or trade.

Subsection (c). Term of members; vacancies

Subsection (c) requires that the appointment to the Commission be for the life of the Commission. It also directs that a vacancy on the Commission shall not affect the Commission's power and shall be filled in the same manner as the original appointment.

Subsection (d). Time for appointment; first meeting

Subsection (d) requires that the members of the Commission be appointed no later than October 1, 1997 and that the Commission convene its first meeting 30 days after six members of the Commission have been appointed.

Subsection (e). Chairman

Subsection (e) requires that the chairman of the Commission be designated jointly by the Chairman of the Committee on Agriculture of the House of Representatives and the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate from among the members of the Commission.

Section 1503.—Comprehensive review of past and future of production agriculture

Subsection (a). Initial review

Subsection (a) of this section requires the Commission to conduct a comprehensive review of changes in the condition of production agriculture in the United States subsequent to the date of enactment of this Act and the extent to which such changes are the result of the changes made by this Act. This review shall include: (1) the assessment of the initial success of market transition contracts in supporting the economic viability of farming in the United States; (2) the assessment of the food security situation in the United States in the areas of trade, consumer prices, international competitiveness of United States production agriculture, food supplies, and humanitarian relief; (3) an assessment of the changes in farm land values and agricultural producer incomes; (4) an assessment of the regulatory relief for agricultural producers that has been enacted and implemented, including the application of cost/benefit principles in the issuance of agricultural regulations; (5) an assessment of the tax relief for agricultural producers that has been enacted in the form of capital gains tax reductions, estate tax exemptions, and mechanisms to average tax loads over high and low-income years; (6) an assessment of the effect of any Government interference in agricultural export markets, such as the im-

position of trade embargoes, and the degree of implementation and success of international trade agreements; and (7) the assessment of the likely effect of the sale, lease, or transfer of farm poundage quota for peanuts across State lines.

Subsection (b). Subsequent review

Subsection (b) requires the Commission to conduct a comprehensive review of the future of production agriculture in the United States and the appropriate role of the Federal Government in support of production agriculture. This review shall include: (1) an assessment of changes in the condition of production agriculture in the United States since the initial review under subsection (a); (2) an identification of the appropriate future relationship of the Federal Government with production agriculture after 2002; and (3) an assessment of the manpower and infrastructure requirements of the Department of Agriculture necessary to support the future relationship of the Federal Government with production agriculture.

Subsection (c). Recommendations

Subsection (c) requires that the Commission develop specific recommendations for legislation to achieve the appropriate future relationship of the Federal Government with production agriculture identified under subsection (a)(2).

Section 1504.—Reports

Subsection (a). Report on initial review

Subsection (a) of this section requires that by June 1, 1998, the Commission submit a report containing the results of the initial review to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Subsection (b). Report on subsequent review

Subsection (b) requires that not later than January 1, 2001, the Commission submit a report containing the results of the subsequent review conducted under section 1503(b) to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Section 1505.—Powers

Subsection (a). Hearings

Subsection (a) of this section authorizes the Commission to conduct hearings, take testimony, receive evidence, and act in a manner the Commission considers appropriate to carry out the purposes of this Act.

Subsection (b). Assistance from other agencies

Subsection (b) authorizes the Commission to secure directly from any department or agency of the Federal Government any information necessary to carry out its duties under this title. The head of such department or agency shall furnish information requested by the chairman of the Commission, to the extent permitted by law.

Subsection (c). Mail

Subsection (c) authorizes the Commission to use the United States mails in the same manner and under the same conditions as the departments and agencies of the Federal Government.

Subsection (d). Assistance from Secretary

Subsection (d) requires that the Secretary of Agriculture shall provide appropriate office space and reasonable administrative and support services available to the Commission.

Section 1506.—Commission procedures

Subsection (a). Meetings

Subsection (a) of this section requires that the Commission meet on a regular basis. The frequency of such meeting shall be determined by the chairman or a majority of its

members. Additionally, the Commission must meet upon the call of the chairman or a majority of the members.

Subsection (b). Quorum

Subsection (b) provides that a majority of the members of the Commission must be present to produce a quorum for transacting the business of the Commission.

Section 1507.—Personnel matters

Subsection (a). Compensation

Subsection (a) of this section provides that members of the Commission serve without compensation, but are allowed travel expenses when engaged in the performance of Commission duties, including a per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code.

Subsection (b). Staff

Subsection (b) provides that the Commission shall appoint a staff director. The staff director's basic rate of pay shall not exceed that rate provided for under section 5376 of title 5 United States Code. The Commission may appoint such professional and clerical personnel as may be reasonable and necessary to enable the Commission to carry out its duties without regard to the provisions governing appointments in the competitive service, title 5, United States Code, and provisions relating to the number, classification, and General Schedule rates in chapter 51 and subchapter III of chapter 53 of title 5 or any other provision of law. No employee appointed by the Commission (other than the staff director) may be compensated at a rate exceeding the maximum rate applicable to level 15 of the General Schedule.

Subsection (c). Detailed personnel

Subsection (c) authorizes the head of any department or agency of the Federal Government to detail, without reimbursement, any personnel of such department or agency to the Commission to assist the Commission in carrying out its duties. The detail of any such personnel may not result in the interruption or loss of civil service status or privilege of such personnel.

Section 1508.—Termination of commission

This section provides that the Commission shall terminate upon the issuance of its final report required by section 1504.

COMMITTEE CONSIDERATION

The Committee on Agriculture met, pursuant to notice, on September 20, 1995, a quorum being present, to consider Recommendations to the Budget Committee for Title I—Committee on Agriculture—with respect to the Reconciliation Bill for Fiscal Year 1996, and other pending business.

The Chairman called the meeting to order at 9:30 a.m. and after finishing the first item of business, offered a statement concerning the Committee's budget reconciliation responsibilities. Ranking Minority Member de la Garza was recognized for a statement also.

The Chairman laid before the Committee the Chairman's recommendation for title I—of what he stated probably would be the first title of the House Reconciliation Bill—and stated that such title I would be open for amendment by subtitle.

Thereafter, the Chairman proposed to take up the two substitute amendments (de la Garza-Rose-Stenholm, and Emerson-Combust) before beginning the amendment process.

At that point Mr. de la Garza was recognized to speak on the de la Garza-Rose-Stenholm amendment in the nature of a substitute and to control the time for the Minority to speak on the substitute. A summary was then provided to the Members.

After considerable discussion on the de la Garza-Rose-Stenholm Substitute, a vote was

requested by Mr. de la Garza. By a roll call vote of 22 yeas to 25 nays, the de la Garza-Rose-Stenholm Substitute was not adopted. See Roll Call Vote No. 1.

Mr. Emerson was then recognized to offer the Emerson-Combust EnBloc Amendment (also known as a Substitute) and a summary of the Substitute was provided to the Members.

Mr. Allard asked that the record indicate whether the total Emerson-Combust package had been scored by CBO. Mr. Combust noted that the exact number had not been scored, but that provisions similar to those in the Emerson-Combust bill (H.R. 2330) have received preliminary scores. It was also noted that whatever final package came from the Committee would have to receive final scoring from CBO.

Discussion occurred on the parliamentary procedures by which a reconciliation bill would proceed to the Budget Committee, the Rules Committee, and to the House Floor. Chairman Roberts clarified the procedures which would occur if the Committee did not meet its budget obligations.

Mr. Lewis asked about the tobacco provisions in the Emerson-Combust Substitute which he had not seen before, and the Chairman asked for an explanation of the provisions. Mr. Ewing indicated that there should be some review by the Subcommittee on Risk Management and Specialty Crops on the tobacco provisions included in the Substitute.

Discussion also occurred on the dairy provisions of the Emerson-Combust Substitute. By a recorded vote of 23 yeas to 26 nays, the Emerson-Combust Substitute was not adopted. See Roll Call Vote No. 2.

Mr. Volkmer was recognized and requested unanimous consent for all debate on the Volkmer dairy amendment and all amendments thereto end at 5:00 p.m. Chairman Roberts indicated he would make every effort to honor the request.

Mr. Volkmer then offered an amendment, the Dairy Policy Act of 1995, and presented a brief description. After much discussion, the Volkmer amendment was not adopted by a vote of 22 yeas to 25 nays and 2 present. See Roll Call Vote No. 3.

Mr. Smith was then recognized to offer and explain an amendment on behalf of himself and Mr. Lewis, the Dairy Act of 1995. A summary was provided to Members. Discussion occurred and by a voice vote, the Smith-Lewis amendment failed. Mr. Smith requested a roll call vote, but an insufficient number of Members were in favor of a roll call vote, so the roll call vote was not ordered.

Mr. Ewing was then recognized to discuss the peanut and sugar provisions contained in Subtitle C. Brief discussion occurred, and Mr. Everett was recognized to offer an amendment concerning peanut temporary quota allocation. Mr. Ewing indicated that he would accept the amendment.

Chairman Roberts called for a vote on the Everett amendment, and by a voice vote, the amendment was adopted.

Mr. Foley was then recognized to offer an amendment regarding sugar that would replace the original five-year average loan modification threshold with a loan modification threshold set at 103% of imports for the previous year and would eliminate provisions to grant import licenses to cane refiners for imports above the GATT minimum level. After discussion, the amendment was adopted, by a voice vote.

Mr. Smith was recognized to offer an amendment regarding the accumulation and storage of sugar by the Federal Government. Representatives from the Department of Agriculture addressed what was presently being implemented regarding the No Net Cost

Sugar Provisions and the sugar price support program using nonrecourse loans. Further discussion occurred, and without objection, Mr. Smith withdrew his amendment to pursue the matter at a more appropriate time.

Mr. Allard was then recognized to offer an amendment regarding reduction of USDA bureaucracy to signal his displeasure with the Department for misleading statements made by Department officials at a hearing held on February 15 relating to State water rights and Departmental policy that permits the Forest Service to take water allocated for urban, suburban and rural uses for another purpose.

Chairman Roberts assured Mr. Allard that he had discussed the matter with Secretary Glickman and that the Secretary had indicated that he would address the issue. With assurances of the Chair to work with him in resolving this issue, Mr. Allard, without objection, withdrew his amendment.

Mr. Dooley was recognized to offer an amendment regarding recourse marketing loans and marketing deficiency payments for wheat as market-based alternative to the contract provisions in the Freedom to Farm Act. Discussion occurred and by a voice vote the Dooley amendment failed.

Mr. Hostettler was recognized to offer an amendment concerning crops which may be grown instead of program crops on what was formerly known as crop base acreage. Discussion occurred and at the request of the Chairman, Mr. Hostettler, without objection, withdrew his amendment with the understanding that the issue would be considered in the farm bill.

Mr. Barrett was recognized to engage in a colloquy with Counsel regarding limitations on forage planting relative to subsection (k) Planning Flexibility of the Chairman's Mark. After further discussion, Mr. Barrett chose not to offer his amendment.

Mr. Minge was then recognized and indicated that he had planned to offer an amendment which would extend the current program into the 1996 crop year so that farmers could be assured of what type of program they would have during the 1996 crop year. Chairman Roberts assured Mr. Minge that he shared his concern and wanted to expedite the process so that producers would know the government program for the 1996 crop year.

Mr. Smith was recognized and indicated that he had intended to offer an amendment regarding limitation on rental rates under the Conservation Reserve Program, but that he would just bring it to the attention of the Committee that this provision may need to be addressed. Mr. Allard and the Chairman indicated they would work with Mr. Smith during farm bill deliberations to address his concerns.

Mrs. Clayton was then recognized and indicated that she had two amendments. One amendment concerned housing assistance to rural communities, which likely would be ruled out of order, so she would just raise the issue and not offer the amendment. The second amendment concerned water and waste grants and loans for rural communities. Discussion occurred on the appropriate committee of jurisdiction and discretionary and mandatory funding accounts. After discussion, Mrs. Clayton requested a vote, and by a show of hands 25 yeas to 15 nays, the amendment was adopted. However, the Chairman stated that in his opinion the amendment was subject to a point-of-order and he would probably object to its inclusion at the Rules Committee.

Mr. Gunderson moved that the Committee favorably report its recommendations for title I—Agriculture to the Committee on the Budget for insertion in the Reconciliation Bill. Mr. Emerson requested a rollcall vote.

CBO COST ESTIMATE OF HOUSE OF REPRESENTATIVES RECONCILIATION BILL REGARDING AGRICULTURE AND CONSERVATION—Continued

[In millions of dollars, by fiscal years]

| Section | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 1996-2002 |
|--|-------|-------|-------|-------|-------|-------|-------|-----------|
| 1404 End Farmer Owned Reserve | 0 | -17 | -17 | -17 | -18 | -18 | -18 | -105 |
| 1405 Cap EEP spending | -279 | -482 | -281 | -130 | 0 | 0 | 0 | -1172 |
| 1406 Business Interruption Insurance Program | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (7) |
| Total | -1016 | -1851 | -1851 | -1857 | -1858 | -2501 | -2508 | -13442 |

¹ These provisions could have some direct spending impact, but the level is either likely below \$500,000, of indeterminate.
 Note.—Assumes effective date of November 15, 1996. some estimates would change with later effective date.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that enactment of the Chairman's recommendations of the Committee on Agriculture with respect to the reconciliation bill for fiscal year 1996 will have no inflationary impact on the national economy.

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Reform and Oversight under clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by the Chairman's recommendations of the Committee on Agriculture with respect to the reconciliation bill for fiscal year 1996.

No specific oversight activities other than the hearings detailed in this report were conducted by the Committee within the definition of clause 2(b)(1) of rule X of the Rules of the House of Representatives.

SHARING THE PAIN OF ALZHEIMER'S

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. LEVIN. Mr. Speaker, on October 18, 1995, the Alzheimer's Town Meeting in Troy, MI, will give family members who care for Alzheimer's patients a chance to share with others the physical and emotional challenges they face daily.

They will have the opportunity to learn more about the options and resources available to them. And they will be able to share experiences with sympathetic listeners who know too well the devastation of the disease.

Alzheimer's does not discriminate. In America, 1 in 10 people know someone suffering from the disease. In metro Detroit, 60,000 people have Alzheimer's. Their families know that caring for an Alzheimer's patient is a supreme challenge. The tireless effort put forth by caregivers is remarkable and an example for all.

These caregivers have been called the hidden patients of Alzheimer's, and I agree. I commend the Alzheimer's Association for making this effort available and for raising consciousness about Alzheimer's in the metro Detroit area.

We must continue our fight against this painful disease. Through research, financial aid for Alzheimer's families, and a health care system that works for Alzheimer's victims, we can provide the best possible support for everyone affected by the ravages of Alzheimer's.

THE 11TH ANNUAL GREAT LAKES CONFERENCE ON EXPORTS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. ROTH. Mr. Speaker, on September 15, I held my 11th Annual Great Lakes Conference on Exports. We had 1,043 attendees, making this the largest exports conference in the Midwest.

Our opening speaker this year was C. Michael Armstrong, chairman and CEO of Hughes Electronics, and the Chairman of President Clinton's Exports Council.

As the chairman of the Trade Subcommittee of the House International Relations Committee, I have worked very closely with Mike. His insights have been invaluable to the committee as we have tried to increase U.S. exports.

I'd like to share some of those insights with you today. Following is the text of the address Mike Armstrong gave at the Exports Conference.

If we are to remain competitive, improve our balance of trade, and move strongly ahead into the 21st century, we need to listen to CEO's like Mike Armstrong. I urge you all to take heed of his advice.

THE EXPORT IMPERATIVE: PUBLIC POLICY AND PRIVATE ENTERPRISE FOR THE NEW CENTURY

(By C. Michael Armstrong, Chairman & CEO, Hughes Electronics)

Thank you for that very warm Wisconsin welcome. This conference, drawing so many high-powered participants not simply from Wisconsin but from across the Great Lakes region, is testament to the energies and insight of Congressman Toby Roth. The knowledge and pro-active approach he brings to the public debate about the market system and exports is critical to the future of this country.

Gatherings like this are instructive for another reason as well—as an indicator of the kind of collective, collaborative, effort we must have to turn economic opportunity to advantage. In the context of the local economy, some of you may be seated down the row this morning from a competitor. But in the context of the global economy, even competitors share a common interest in a system that permits and promotes economic opportunity and puts American firms on an equal footing with companies from other countries.

The theme of this year's conference captures the challenge we face: "Going global" is, quite simply, where the growth is. Companies, and ultimately countries, that refuse to recognize this reality, no matter how powerful, no matter how well-positioned, are destined to decline. By the same token, even small companies that grasp this reality will reap world-class rewards. I'll say here what I say to every businessman and Congressman I speak with: America's economic destiny is as an Export Superpower.

For my company, the export imperative is already the dominant fact of our economic life: Today, our competition, our customers, our standard of quality, are all global. I've tried to translate my experiences, at IBM, at Hughes and as Chairman of the President's Export Council into an advocacy of pro-export policies that will not only define the growth of our country, but will define the opportunities and standard of living for our children and our children's children.

That's the mission that shapes my message this morning: The change in mind-set—in public policy, and in the private sector—we need to see for this country to fulfill its economic destiny. For this to happen, we must act on three critical issues: Where government policy is hurting us, it has to stop; where government can help, it has to start; and where the private sector lacks reach or competitiveness, it has to change.

If I may, let me start with a snapshot of the importance of exports to the American economy. Take the current projections of 2½ percent growth for the U.S. economy—a steady, but unspectacular rate. Now, compare that 2½ percent to the growth rate for American exports which is 10 percent plus. Even during the 1990-91 recession, exports continued to grow putting a floor under a downturn I know all of us thought was deep enough. Each year export growth adds about \$30 billion dollars to our GDP.

Now numbers like that can be distant from the day-to-day we deal with, they're almost unreal: So let me bring it a bit closer to home—at the average manufacturing wage nationwide, export growth, each year, is good for 1 million new jobs. Last year, right here in Wisconsin, 2,300 companies exported \$7 billion dollars worth of goods, supporting 192,000 American jobs. And statewide, export earnings are up 19 percent from the year before.

And it's the same story in the other states represented here today. Last year in Minnesota, exports accounted for \$10 billion dollars and 158,000 jobs; in Illinois, \$24 billion dollars and 440,000 jobs; in Michigan, \$36 billion and more than half-a-million jobs. And in every one of your states 95 percent of the businesses active in export are small to mid-size companies of 500 employees or less. That's the reality and the strength, of America's export economy.

However, for just a moment, imagine our economy without export growth. Our country would red-line almost instantly, plunging into recession. With export growth gone, we'd see unemployment head for double-digits, and a downward economic spiral historic in proportion and its affect on all of us. It's a nightmare scenario none of us want to look at much less live through.

The bottom line is, exports are the economic engine of our country and their importance is growing. Lets look ahead from where things are today to the world as we'll know it twenty years from now. A combination of demographics and development will join to spark an economic boom in the nations we once termed the Third World: 12 developing countries with a total population of 2.7 billion people—more than 10 times the

population of the United States—will account for 40 percent of the world's export opportunities. Some may see this developing world emergence as a shift away from American economic dominance to a zero-sum future in which their sunrise is our sunset. I see it a different way. I see it as a whole new world hungry for the goods and services American companies can provide. I see it as long-term sustainable prosperity for the U.S., if more of us get off our domestic duff and into global markets.

But to crack those markets, to translate that opportunity into American exports and American jobs, will take more than American ingenuity and enterprise. It's going to take a shift in government policy as profound as the technological revolution taking place around us.

So let's start with public policy. Just what government support and policy is necessary for the United States to be globally competitive?

Here, I'm going to depart from the prevailing wisdom that puts a pox on both Houses as well as 1600 Pennsylvania Avenue—by asserting there is a constructive role government must play when it comes to exports.

First, we need to keep and extend export financing. There are opportunities for export that entail unique risks, deals where commercial banks with their balance sheets rightly fear to tread alone. We need adequate government-backed export financing. We need the Ex-Im Bank and OPIC—the U.S. Overseas Private Investment Corporation—to step in where political risk, or competitive country government involvement inhibits our opportunity. Government financing in international markets is not a form of foreign aid, it is a competitive imperative.

Second, we've got to improve export advocacy. I know some of the folks in Washington have declared war on the Commerce Department. I want to propose something short of a scorched-earth solution. All of us want to see non-essential government functions eliminated—and yes, we want to see the fat trimmed on federal spending—but we need to preserve a cabinet-level Commerce or Trade Secretary to give voice and substance to global export advocacy and policy. We need to retain an International Trade Agency that helps U.S. companies the way other governments back our foreign competitors. And fortunately today we have a very effective Secretary of Commerce who provides real help in growing this country's exports.

Third, and this is key for many of the companies represented at this conference, we need more national export support for small business. Support that helps the company in the industrial park down the street find and sell to new customers around the world. What makes the American economy thrive is the little guy with the big idea—the seed from which great things grow. For most of our history, small business has been a home-grown affair. But that's changing; It's becoming possible in America to be an export entrepreneur.

For example, the U.S. Commercial Service with its regional offices across the U.S., and links to every U.S. Embassy, is helping small American firms make the foreign contacts that lead to foreign contracts; that turns entrepreneurship into global business.

If you are not using these resources today, you should be. I do.

If these are 3 ways government can help us—our government is also hurting us. We ought to demand that government apply to its actions the physicians' Hippocratic Oath: "First, do no harm."

I'll limit myself this morning to one example, I think the most egregious example, of the way government policy is crippling our competitiveness, costing us jobs and limiting

our growth: I'm talking about the impact of the old, Cold War-era export controls.

This is a case where bureaucracy simply can't keep pace with technology. It is a fact of life in the Information Age: Technology travels. The space between generations of technology is contracting, and the speed with which technology penetrates the marketplace is accelerating, making a mockery of borders and bureaucratic barriers of all kinds. In too many cases, export controls that limit U.S. firms, that keep us on the sideline, simply invite other countries to capture the market. It's a sad fact for those of us in the satellite and communications business that U.S. Government export controls constitute the single most significant competitive advantage our European competitors possess.

Ladies and gentlemen, that's wrong and it's got to change.

We've got to pass an Export Administration Act that clears away out-moded, antiquated export licensing that penalizes American companies.

Now, if we had a Congress filled with Toby Roths, this issue would be resolved tomorrow. But given the reality, we've got to keep educating, agitating, and pressing for change before the world passes us by. In just the 90s, these outdated export policies have cost my company several billion dollars and thousands of jobs. You and I must demand a new, realistic and competitive Export Administration Act.

So far I've focused on what government can and cannot do to promote export growth. But that brings me to my final issues this morning: The point where public policy ends and private sector responsibility begins.

Because the fact is, we can clear away counter-productive restraints and regulations and we can sustain and strengthen public sector assistance but there is a limit to what government can do, a line that separates what business must do for itself.

No policy, no program, no political fix can overcome a lack of American competitiveness. That's the responsibility of you and I, American management, and no one else.

And while there are some encouraging signs that American management is adapting and restructuring for global competitiveness, there is one significant indicator. I would submit, that says our house is not yet in order. Our problem is relatively weak investment in R&D, an important indicator that an enterprise is pursuing leading-edge and looking long-range. In 1994, the U.S. economy invested just 1.9 percent of GDP in civilian R&D. Our 1.9 percent compares to 3 percent for Japan and 2.7 percent for Germany: And remember in 1984, both of those countries were in recession.

While private investment would be aided by a permanent flat R&D tax credit, it is management's ultimate responsibility to invest, to train and to re-engineer our capabilities. Our shareholders, our customers and our employees will not, and should not, let us point the finger or pass the blame somewhere else. We simply must have the courage to challenge ourselves to change, and the conviction to invest to stay ahead of our global competitors.

And if this conference proves anything, it demonstrates there is plenty of courage and conviction right here in this room.

I know from talking to Toby Roth that there are companies in this room exploiting global economic opportunities to their advantage. No matter how many employees they may have, that's no small accomplishment. I cite and compliment all today that are on this path—in the spirit of challenge to all of us; A challenge to be aggressive and enterprising in making the global market your customers.

And that, ladies and gentlemen, is my message:

First, we must all recognize the growing importance of exports in our increasingly global economy—and that America's economic destiny is as an Export Superpower.

Second, we must translate that export imperative into modern export public policies out of Washington.

And third, businesses in America should be assuring their competitiveness, investing in their conviction and pursuing global markets.

WELCOME TO PRESIDENT JUAN CARLOS WASMOSY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. LANTOS. Mr. Speaker, today Members of Congress will have the opportunity to meet with His Excellency Juan Carlos Wasmosy, President of the Republic of Paraguay, who is visiting the United States.

Mr. Speaker, President Wasmosy is the first civilian constitutional President of Paraguay in over half a century, and he has worked diligently to move his country and society along the path of democracy, social justice, and market economic development after years of the dictatorship of General Stroessner. As my colleagues know, the Stroessner regime permitted a number of leading Nazis, including Josef Mengele, to find refuge in Paraguay. I am delighted to report that under President Wasmosy important changes are being made in Paraguay's policies.

As my colleagues also know, terrorism has been a particular concern of mine. President Wasmosy has been a good ally in the effort to deal with Middle Eastern terrorists. Earlier this year, President Wasmosy courageously withstood pressure to release seven individuals arrested in Paraguay in connection with the bombing last year of the Jewish Community Center in Buenos Aires, Argentina, which resulted in the death of nearly 100 people. The Paraguayan courts ordered the extradition of these individuals to Argentina. For these actions, Bnai B'rith commended the Paraguayan Government.

Mr. Speaker, I commend President Wasmosy for his conscientious efforts to change the policies and the political culture of Paraguay. The institutionalized negative impacts of the Stroessner dictatorship have left a legacy that is difficult to eliminate. Paraguay still faces difficulties in dealing with international drug traffickers, and we in the United States must intensify our efforts to work with the government of President Wasmosy to eradicate this vicious scourge.

Mr. Speaker, I join my colleagues in welcoming to the Congress His Excellency Juan Carlos Wasmosy, President of the Republic of Paraguay.

CHARITABLE GIFT ANNUITY ACT

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. HYDE. Mr. Speaker, today I am introducing the Charitable Gift Annuity Antitrust

Relief Act of 1995 (H.R. 2525), legislation which grants antitrust protection to a charitable organization which issues gift annuities in accordance with the provisions of the Internal Revenue Code.

Charitable giving through gift annuities is currently under attack. For example, a Federal lawsuit in Texas alleges that charities are price fixing when they choose to offer the same annuity rates to their donors. A motion for class certification is pending which, if granted, would add as defendants virtually every charity in America. Regardless of the outcome of the suit, there is no denying that it has had and will continue to have a chilling effect on gift giving and that it is consuming financial resources which would otherwise be allocated to charitable missions.

Charitable giving has evolved well beyond the days when we simply put money in the collection plate or gave away our used clothes. There are now many innovative ways in which a donor can benefit a charity with a gift and himself with a charitable deduction. One increasingly popular mechanism is through a charitable gift annuity, which allows a person to give a chunk of money but obtain an income stream from it while alive, and also claim an immediate tax deduction. These gift annuities are attractive to both sides of the transaction: the donor still gets the income produced by his capital, and the charity gets immediate control over the entire amount of the donation.

Of course, the operative word here is "gift." Gift annuities are not intended to maximize the value of the lifetime income stream, as one would through a commercial annuity. Rather, they are intended primarily to result in a donation to the chosen charity. In order to accomplish this, the rate of return paid to the donor is intentionally set at a level which will allow the charity to retain a substantial portion of the value of the donation.

Our goal should be to encourage gift giving through legitimate means, and particularly through instruments which the IRS approves and regulates. Gift annuities carry this imprimatur. Allowing litigants to use antitrust law as an impediment to these beneficial activities should not be countenanced where, as here, there is no detriment associated with the conduct. In the first instance, it is a misnomer to use the term "price" to describe the selection of an annuity rate: an annuity rate merely determines the portion of the donation to be returned to the donor, and the portion the charity will retain. Second, the fundraising activities of charitable organizations are not trade or commerce, an essential predicate for establishing the application of our antitrust laws. Moreover, it is difficult to see what anticompetitive effect the supposed setting of prices has in a context where the decision to give is motivated not by price but by interest in and commitment to a charitable mission.

H.R. 2525 would make clear that the conduct alleged in these lawsuits would not be considered illegal under the antitrust laws. The protection it provides is narrowly tailored to cover only those activities required to market and create a gift annuity. I urge my colleagues to support this legislation so as to eliminate further frivolous lawsuits and barriers to charitable giving.

If you would like to cosponsor this measure, please call Diana Schacht on extension 53951.

75TH ANNIVERSARY OF SAINT ANTHONY HIGH SCHOOL

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. HORN. Mr. Speaker, I rise today to salute the 75th anniversary of Saint Anthony High School in Long Beach, CA—the oldest parish high school in the Los Angeles archdiocese. Since 1920, Saint Anthony High School has played a vital role in the education of our area's young people, shaping the lives of many who have gone on to become community builders and leaders—including a former Member of the House of Representatives, the Honorable Daniel Lungren, now California's able attorney general, and Archbishop William Levada of Portland, OR. Today, it has a student body of ethnically diverse young people who are building their futures on the solid base of a Saint Anthony High School education.

Academic excellence has always been the priority at Saint Anthony High School. As the school moves into the 21st century, this proud tradition continues. The school's newly developed medical science program is the only one of its kind in California. Its Air Force Junior ROTC program is the only one in the Los Angeles archdiocese. Saint Anthony's offers an extensive honors and advanced placement program. Students in the advance placement economics and accounting classes have a 100-percent passage rate, while in most public schools that rate is 15 percent. And, Saint Anthony High School students were the undefeated champions of the Long Beach Academic Challenge Bowl 3 of the five years the competition was held.

Schools such as Saint Anthony High School have made our Nation strong—and hold the hope for the future of our country. For 75 years, Saint Anthony High School has taken this mission to heart. As the students and faculty move into the new century, I wish them many more years of success.

COMMEMORATING THE 10TH ANNIVERSARY OF LEON KLINGHOFFER'S MURDER

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. ACKERMAN. Thank you, Mr. Speaker, and I thank my colleague, the gentleman from New York, for bringing this to the attention of the House in the form of a special order.

Unfortunately, we are not here today to celebrate, but rather, to commemorate a horrible tragedy perpetrated upon an American—for the sole reason that he was a Jew. Today marks the 10th anniversary of the brutal slaying of Leon Klinghoffer, an elderly, wheelchairbound, American Jew, who was, with his wife Marilyn, celebrating his wedding anniversary on the Italian luxury liner *Achille Lauro*.

The horrible days of the 1980's when terrorist hijackings abroad were becoming the norm, have dissipated. And yet now, on our own shores, we are being subjected to attacks by

devious operants with dark agendas. Recent tragedies have made it clear that Americans are no longer immune to terrorist attacks, even upon our own soil. However, rather than lamenting the situation, there is something we can do about it.

What we can, and should do is send a strong united message from this country. This message needs to be clear in stating our complete and unquestionable intolerance against any perceived threat to our national security and domestic tranquility. We need to make these people who would undermine that security and tranquility understand that we will punish them severely for what they do.

As a democratic Nation, we have always prided ourselves on the time-honored tradition of healthy dissent and debate. The actions promulgated by these terrorists are in direct opposition to that tradition. It flies in the face of everything that this country represents. Therefore, I say enough. We need to tell these people that they have no place in our society. We need to tell these people that they will never receive either shelter or any other assistance from the United States or the American people. We need to tell these people that America will forever be a bastion of freedom and democracy.

Therefore, we stand together—as Americans and as human beings—in commemoration with Leon and Marilyn's two daughters, Lisa and Ilsa. Two women who are determined to preserve the memory of their father, and prevent a recurrence of this tragedy for another American family. We thank these two brave women for their work and their tireless spirit, and we reach out to them on this anniversary of grief, while we look forward to a celebration of unity against the forces of terrorism.

TRIBUTE TO DR. GABRIEL J. BATARSEH ON HIS RETIREMENT

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to Dr. Gabriel J. Batarseh of Florence, SC, for his dedication to serving his fellow citizens both publicly, through his professional career, and privately through the work he has done in his community.

Dr. Batarseh is a native of Bethlehem. He graduated from the Middle East College in Lebanon and received a masters degree and a doctorate of educational psychology from the University of South Carolina in 1964. Since then, Dr. Batarseh has unselfishly dedicated his life to enriching the lives of people with disabilities and their families in the State of South Carolina. He currently serves as director of the Pee Dee region in the South Carolina Department of Disabilities and Special Needs. Dr. Batarseh is retiring after 30 years of public service.

Dr. Batarseh's career has spanned many years. In 1966, he implemented all programmatic, educational, and cottage life services for the South Carolina Retarded Children's Habilitation Center, which is today known as Coastal Center in Ladson. Two years later, he opened the first South Carolina group home in Charleston. Since 1977, Dr.

Batarseh has been working for the citizens with mental retardation and their families in the Pee Dee region of South Carolina to provide them with specialized programs and services. As superintendent of the Pee Dee Center in Florence, he reintegrated hundreds of residents in to prosperous lives in their home communities, while providing support mechanisms to enhance the lifestyles of remaining residents.

Over the years, Dr. Batarseh has not only modernized the Pee Dee Center, but he also initiated a number of novel services for people with mental retardation. He guided staff to provide early intervention training at home, encouraged the involvement of schools and families, and helped establish mental retardation boards in local communities to ensure people received the services they require.

Moreover, Dr. Batarseh has demonstrated his commitment to the community beyond his professional career. He is a very active member of All Saints Episcopal Church, where he has served as a warden and a lay reader. He was also a volunteer coach for the Family Y League and the Florence Soccer League for several years. Dr. Batarseh is married to the former Lillian McCarter of Clover, SC. They have three children: Leila, Mark, and Matthew.

Mr. Speaker, I join the South Carolina Commission on Disabilities and Special Needs to praise the work of Dr. Batarseh and salute the sacrifices he has made for the benefit of mentally retarded citizens and their families in the

State of South Carolina. I am honored to represent such a citizen as Dr. Gabriel Batarseh in the Sixth Congressional District of South Carolina, and I hope you will join me in honoring this fine American.

TRIBUTE TO WILLIAM R. "PAT"
PHILLIPS ON HIS RETIREMENT

HON. ROBERT C. SCOTT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. SCOTT. Mr. Speaker, I rise today with my colleague, Congressman HERB BATEMAN, to pay tribute to a gentleman whose life and work have exemplified the values of hard work and dedication. Mr. William R. "Pat" Phillips ends a 46 year career when he retires from Newport News Shipbuilding on November 1st of this year.

Mr. Phillips completed the Apprentice School at Newport News Shipbuilding in 1954. He received a Bachelor of Science degree in Mechanical Engineering from Virginia Polytechnic Institute and has been awarded an Honorary Doctor of Science Degree by Old Dominion University.

During his impressive career at the shipyard, Mr. Phillips amassed a long list of achievements, holding over a dozen positions on his way to his current position as Chairman

and Chief Executive Officer. Before reaching this status, he was the President and Chief Executive Officer of the shipyard.

Mr. Phillips' leadership was instrumental to the Shipyard's continued success during the challenges of military downsizing and the shipyard's effort to re-enter the international commercial shipbuilding market, a market closed to U.S. shipyards for almost four decades. He played the key role in landing a commercial contract for the yard to build eight double-hull tankers for export. This contract has led to letters of intent for the yard to build up to 10 more of these commercial ships.

Mr. Phillips is leaving the shipyard after a distinguished career and he will focus his future concerns upon his family and his community. He is very active in the local community, serving on numerous civic and educational boards. Among his many awards, Mr. Phillips was named the 1986 "Peninsula Engineer of the Year" by the Peninsula Engineers Committee and, in 1994, he was one of five to receive the "First Annual International Maritime Hall of Fame Award," presented by The Maritime Association of the Port of New York/New Jersey.

Pat Phillips has been a role model who has shown to his employees that hard work does pay. Having worked his way from the bottom ranks of the company to the top position, Mr. Phillips' outstanding achievement will not go unnoticed nor soon be forgotten.