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House of Representatives

The House was not in session today. Its next meeting will be held on Friday, February 9, 1996, at 11 a.m.

Senate

WEDNESDAY, FEBRUARY 7, 1996

The Senate met at 7:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Trust in the Lord with all your heart, and lean not on your own understanding; in all your ways acknowledge Him, and He will direct your paths.—Proverbs 3: 5–6.

Gracious God, we put our trust in You. We resist the human tendency to lean on our own understanding; we acknowledge our need for Your wisdom in our search for solutions we all can support. As an intentional act of will, we commit to You everything we think, say, and do today. Direct our paths as we give precedence to patriotism over party and loyalty to You over anything else. We need You, Father. Strengthen each one and strengthen our oneness. In the name of our Lord, Amen.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The PRESIDENT pro tempore. The clerk will report the unfinished business.

The assistant legislative clerk read as follows:

A bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Craig (for Leahy/Lugar) amendment No. 3184, in the nature of a substitute.

Wellstone (for Kohl) amendment No. 3442 (to amendment No. 3184) to eliminate the provision granting consent to the Northeast Interstate Dairy Compact.

AMENDMENT NO. 3442 TO AMENDMENT NO. 3184

The PRESIDENT pro tempore. Who yields time on the amendment?

Mr. KOHL. Mr. President, I would like to call up our amendment.

The PRESIDENT pro tempore. That is the pending question.

Mr. KOHL. I yield myself 4 minutes.

Mr. President, today, I and others rise in opposition to the Northeast Interstate Dairy Compact. While we have only a short time to discuss this matter, I think that it is important to fully understand its ramifications—for farmers of other regions, for consumers in the Northeast, and for the principle of free trade within our country.

As I have said before, it is difficult for me to stand here and oppose my friends from the Northeast in their efforts to help the dairy farmers of their region. But I feel that this is a very important issue, and that it is the wrong thing to do.

The Northeast Interstate Dairy Compact is a regional compact unlike any we have seen before. It is an effort by six Northeastern States to wall themselves off from the rest of the Nation economically. The compact would bring about artificially increased milk prices in the Northeast, for the benefit of the farmers in those States, at the expense of that region's consumers, without regard to market forces. And it would do so by imposing a prohibitive compensatory payment scheme to prevent more reasonably priced milk from coming in from other regions. It is at its heart anticompetitive.

I will be the first to say that dairy issues are regionally divisive, and the first to agree that we should get beyond our divisions and find common ground. And I believe that compromise and consensus are possible, even in dairy policy.

But the Northeast Dairy Compact ignores all efforts at compromise, and instead is an effort by one region to remove itself from the national system and establish a regional dairy policy. It takes an already outmoded milk pricing system, and twists it even further.

While the context for this compact is dairy, I believe its ramifications are far more broad.

Make no mistake about it. This compact is unprecedented in the history of the Nation. It is true that the Constitution allows States to enter into a compact with other States, as long as those compacts are approved by Congress. This authority has been used many times, without controversy, by States that seek to address multistate environmental or transportation concerns. But I know of no instance where it has been used to allow States to engage in price-fixing activities, or as a way to circumvent the commerce clause of the Constitution. Congressional approval of this compact is an invitation for all sorts of economic balkanization.

The Framers of the Constitution had the foresight to see the dangers of allowing States and regions to erect economic barriers against other States in the Union.

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

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Two years ago, when the Northeast Dairy Compact was considered in the Senate Judiciary Committee, many of my colleagues raised valid constitutional concerns with the compact.

If we set the precedent today by granting consent to one region of the Nation to wall itself off economically from the rest, we must ask ourselves, where will it stop?

If we deny free trade within our own borders, we are whittling away at the economic unity that is one of the core principles of this country. And I will not stand for it.

So I urge my colleagues to vote in favor of the motion to strike the Northeast Interstate Dairy Compact from this bill.

I yield to the Senator from Minnesota.

Mr. WELLSTONE. I want to thank the Senator from Wisconsin for his exceptional leadership. Last night, when I laid down this amendment the Senator is speaking about, I did it because of what I think all of us in the Midwest feel very, very strongly about. First of all, many of us have been working for 5 years to have milk marketing order reform. That is what we really stand for. That makes all the sense in the world.

We have had a system in place since 1933, and it worked in the beginning, but it is archaic and it has a discriminatory effect on dairy producers in the upper Midwest. We have lost thousands of dairy farms in my State of Minnesota.

Mr. President, the problem with the Northeast Dairy Compact, above and beyond what the Senator from Wisconsin has spoken about, in terms of some of the regional barriers it creates, is that this also will forestall the kind of genuine reform that we really need of the milk marketing order system.

Mr. President, it is not appropriate to cut a special deal for one region's dairy farmers to the detriment of dairy farmers in other regions, especially in the upper Midwest. So, Mr. President, I think this is a critical vote, and I am proud to stand with the Senator from Wisconsin. I hope that our colleagues will support this amendment. It is absolutely key to the future of the dairy industry in this country to have a fair milk marketing order system, to have real reform. This amendment really takes us in that direction.

Mr. KOHL. Mr. President, I yield 3 minutes to the Senator from Minnesota [Mr. GRAMS].

Mr. GRAMS. Mr. President, I join my colleagues today in offering this amendment to strike the Northeast Interstate Dairy Compact from the farm bill.

As a Senator from Minnesota, I rise today for the over 11,000 dairy farmers I represent—the most productive, yet overburdened, dairy producers in the world.

For years, Minnesota's dairy industry has struggled against the harmful impact of an archaic Federal milk marketing order pricing scheme, which has played a key role in the loss of over 10,000 dairy farms over the last decade—an average of nearly 3 farms every day.

These statistics emphasize the importance of fixing the dairy program. Yet, today we are faced with a proposal which would impose another set of burdensome regulations and harmful trade barriers on our dairy producers.

If this dairy compact is enacted, it will increase the minimum price paid to dairy farmers in New England. These higher prices will likely increase dairy production in that region, causing New England milk producers and processors to seek additional markets in States like Minnesota. In the process, this overproduction has the potential to flood markets and depress milk prices paid to dairy farmers outside of the compact States.

The long-term effect of these lower prices would be to drive the dairy industry from States like Minnesota out of business—leading to a shortage of milk within the region and requiring processors to import more expensive milk from other regions.

Due to the 20-percent loss of milk production in Minnesota over the last decade, this is already happening. With the dairy compact, we run the risk of making this even worse for dairy producers around the country.

In addition, the compact will result in the proliferation of anticompetitive trade barriers between the States. If enacted, the Compact Commission will have to make immediate decisions about how to keep lower priced milk in States outside the Northeast from entering their region.

In order for the compact to survive, New England would have to engage in protectionist behavior, not from other countries, but from within the United States itself.

At a time when we are trying to open up global markets for our Nation's farm producers, it makes no sense to encourage protectionism within our own borders. Yet, that is exactly what the dairy compact would do.

The Nation's dairy industry should be exactly that—a national industry. Special favors for one region of the country will have a detrimental impact on the others.

For far too long, regional politics have made the dairy program what it is today: archaic, unfair, unwise, and unworkable. Let us not take another step backward by authorizing this Northeast Dairy Compact.

After all, the purpose of the Agricultural Marketing Transition Act is to remove the Government from interfering in the agricultural decisionmaking process and reduce the regional conflicts that have plagued our farm policy for years.

The dairy compact would do just the opposite: It would expand the role of government in dairy policy, create an unfair advantage for dairy producers in New England, and further weaken the dairy industry in States like Minnesota.

I will not stand for that. And neither should any other Senator. It is time to put an end to the failed dairy policies of the past—and certainly to the unwise proposal before us today.

I urge my colleagues to join me in standing up for small dairy farmers across the country and voting to strike the Northeast Interstate Dairy Compact from this bill.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Vermont.

Mr. LEAHY. Mr. President, who controls time?

Mr. JEFFORDS. I believe I control the time on our side, Mr. President.

Let us get down to what we are talking about. I think it was brought out well by the Senator from Minnesota. That is, they want to protect their farmers. That is understandable. They would like to have no milk orders. They would like to have nothing in this country because they believe they are lowest producers. That is fine.

This issue was raised before. I want to remind everybody, the Senate voted 65 to 35 earlier this year to say that, yes, the six States of New England, a small area of our country, has the right to act like any big State, because California and several other States have done the same thing we seek to do. Many have said, ''We want to protect and help our dairy farmers stay in business.'' Little old New England, six States are no bigger than many of the other small States.

We talk about the State's rights here. These six legislatures voted to do this. Two of those are metropolitan States. They said, ''We want to protect the farms of Vermont.'' We are tucked way up in there. We do not bother anybody with our milk supply. We could not. We are too far away. We are at the end of the energy, the end of everything up there. We are bordering on Canada that has milk prices 50 percent higher than ours. We cannot get into their markets. Hopefully with NAFTA we can.

All we are saying, ''Let us do what any other State can do and let us get our producers a little more money for their milk that goes to the consumers.'' The consumers agreed, ''We are willing to pay it, we are willing to pay it.''

So why does Minnesota and Wisconsin—later on we will have a chance to vote for something to protect them, something to give them what they want. We are willing to go along with it if they leave us alone. They do not, no. We will have the ability to be able to help our producers. It is only 5 years, a sunset, that says try it for 5 years and keep it going until NAFTA or something comes by.

It is hard to understand why they would pick on our farmers up there so far away. There is no way we are a threat to their markets. I cannot understand why they have taken this position. Fortunately, the Senate has already said 65 to 35 that you are right,

New England, your States have a right to act like any big State.

I yield to the Senator from Vermont.

Mr. LEAHY. I thank my friend and colleague from Vermont.

Mr. President, it probably makes sense this is the first thing we are debating this morning because of the fact that it is a dairy amendment and dairy farmers get up early, work hard, maybe a little bit early for some of our friends in the Senate, but Senator JEFFORDS' and my good friend, Harold Howrigan, up in Franklin County, VT, is up there. He has already finished milking, had breakfast, and probably back in the barn now feeding the calves.

I mention him for this reason: Harold is the president of the St. Albans Cooperative, but first and foremost a hard working dairy farmer like so many men and women in Vermont. I hope when we debate this amendment we consider how it will affect the average dairy farmer. This compact was an idea that came from Vermont. It could help Vermont's hard working farmers get a better return for their work. It will also help consumers gets more stable prices.

All of New England is united in this effort. I ask those who would vote against it, how would they explain to somebody in New England why they did it? It allows the States to take over their own destiny.

We hear all kinds of talk about the need to give more responsibility back to the States. We heard it across town at the National Governors' Association, telling Members of Congress to do that. In fact, I tell my colleagues, if I understand the wire service copy I was reading at about 1 o'clock this morning, the National Governors' Association has voted to support this concept. Now, the Senate also voted that way, 65 to 34.

This is not something that is anticonsumer legislation. It is something where people come together in their own region to help their own region.

We are talking about beverage milk. That is a regional market. You do not drive milk halfway across a country. You do it in the region. Over 97 percent of the package milk sold in New England comes from bottlers regulated in New England. The rest comes from outside. Less than 1 percent comes from outside our region.

This is also not closing out other markets. They are not there, anyway. Fluid milk remains within the region where it is. It also is not something where the consumers are going to be gouged. This compact would increase prices only if four of the six New England States agree to it.

Rhode Island, Connecticut, New Hampshire, and Massachusetts have 11 million consumers. They have fewer among all of them than 1,000 farmers. This is not a case where some farm bloc is going to roll over consumers. It is going to have to be something where the consumers want to do it, not that the farmers want to do it. They are an infinitesimal part of the population involved.

It also will make the point that it is not the farmer that is getting this money, it is the retailer. The past 12 years, farm prices fell 5 percent. Retail prices, I ask my friend from Vermont, I believe went up about 30 percent, is that not right, or more, during that same time? If you want to look at the price of milk, look to the retailers. It is amazing, as the price goes down to the producer, the cost goes up in the supermarket.

I yield back to my friend from Vermont, but I ask if that is not the case?

Mr. JEFFORDS. That certainly is. I happen to have a chart here.

Mr. LEAHY. I thought you might.

Mr. JEFFORDS. I have a chart that displays that fact. The farmers are the most important group that the consumers ever have to keep prices down, but they cannot do it if the retailers keep going up. Our farm prices have been going down for the last 10 years, and the retail prices have been going up. Every time we go down, they go up. Anybody that tries to say we are the cause of high retail prices, there is just no evidence of that whatever.

Mr. LEAHY. I hope, Mr. President, that the 65 Senators who voted for this last time, who obviously felt it was important to do so, felt they had legitimate reasons to do so, would not suddenly decide to change exactly as they voted last time.

To reiterate:

Mr. President, I rise today in strong opposition to the amendment offered by Senators WELLSTONE, FEINGOLD, KOHL, and others.

The underlying bill would grant congressional consent to the Northeast Interstate Dairy Compact. This compact is an agreement among the six New England States to create a commission that will have the authority to oversee the pricing of fluid milk. All six States' Governors and legislatures strongly support this amendment.

All year we have heard about the need to give more responsibility back to the States. Across town, at the National Governor's Association meeting, Members of Congress are lining up to tell the Governors how they are willing to turn more control back to the States.

The underlying bill would allow the six New England States to take more control over milk pricing. The Senate voted 65 to 34 in favor of an amendment that added the compact during the budget bill debate.

Even though the 6 New England States have debated this compact for 7 years, and even though 65 Senators voted in favor of the compact, my colleagues from Wisconsin insist that they know what is best for new England. So they want to strip this provision from the bill.

They claim that the compact would hurt their region, but that claim is false. We are talking about beverage milk, which is a limited regional market. It does not travel long distances because it is perishable. Fluid milk from Minnesota or Wisconsin is not sold in New England.

Over 97 percent of the packaged milk sold in New England comes from bottlers regulated in New England. The rest comes from the neighboring milk marketing order. Less than 1 percent comes from outside our region.

Even if fluid milk did come in from outside our region, which it does not, the compact would allow the flow of milk into and out of the region just as it occurs now.

Opponents make a lot of claims about this compact. They claim it would erect a trade barrier around New England.

This is simply not true. Over 20 percent of the milk sold in New England comes from New York. The compact would ensure that these farmers also receive their share of benefits from the compact.

The compact works just like the current Federal order system. Any producer supplying the market would receive the benefits.

I agree that the national industry needs to come together behind a unified dairy policy. I will support reasonable reforms of the milk marketing orders and the dairy program.

In the meantime, I do not see how we can hold the New England States hostage. This compact is State law in the six New England States, an idea that came from the countryside, not from Washington. The New England States think they have a better way of pricing milk. We should let them.

Some try to make the claim that the compact would raise consumer prices. The link between farm and retail milk prices is tenuous at best. In the past 12 years, farm prices have fallen 5 percent, while retail prices have increased over 30 percent.

There is no guarantee there would be any price increase. The compact would increase prices only if four of the six New England States agreed. Rhode Island, Connecticut, New Hampshire, and Massachusetts have 11 million consumers and fewer than 1,000 farmers. Their consumer interests far outweigh their farmer interests. Both farmers and consumers would have to be represented on the commission.

The New England State legislatures have voted overwhelmingly to give the compact commission this authority. All 12 members of the New England delegation are cosponsors of the compact and it has already received the support of 65 Senators.

This is a grassroots effort. New England is asking for nothing from this body nor the Federal treasury—just the opportunity to act in concert for their common good. In the spirit of federalism I urge my colleagues to vote against this amendment and give this opportunity to the New England States.

I yield back to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont controls 7 minutes.

Mr. JEFFORDS. Mr. President, let me make one comment. We are not ruling out anybody else flowing their milk in. Hey, guys, bring it up if you can get the price. Bring it in, Minnesota. You can get the price. We are not trying to lock anybody out. You can get the price, Pennsylvania, then ship milk in, come on in, and take advantage of the price. That is your right.

We have not ruled anybody out, and we are not trying to make a market for ourselves. We are trying to be generous in helping the dairy farmers to stay alive in our area. If you can do it, if the price goes up, and it attracts you, what you are saying, and the end result is, we have to knock you out so that price gets even higher so we can ship in. If you cannot ship in with the high price, we will give you—you want it higher than that. You want to really rip our consumers off it you are going to get into our markets because you can get into them now.

Mr. President, I retain the balance of my time.

Mr. HATCH. Mr. President, I congratulate Senator DOLE, Senator LUGAR, Senator LEAHY, and others for their tireless efforts in bringing us a farm bill. I know that they have overcome many obstacles, and that it has not been an easy task. I also understand that there is an urgency to pass this bill. It is important for all those in the business of providing food for America that we act to improve these programs. Overall, I support these improvements and will vote for this bill.

I do object, however, to the provision added to the compromise version of S. 1541 that would give congressional approval to the Northeast Interstate Dairy Compact. This proposal was introduced and placed directly on the Senate calendar, bypassing the Judiciary Committee which has jurisdiction over interstate compacts. In other words, we are being asked to vote on this controversial compact without having had a hearing or a committee markup on the issue during this Congress.

Although some changes and minor improvements were made to the proposal from the version that was debated in the 103d Congress, those changes have not altered the essential nature of this compact. It would still permit member States to set the price for fluid milk above the existing Federal order price, effectively setting up a dairy cartel. These member States would be protected from competition from other States. This form of trade barrier is exactly the kind of practice prohibited by the commerce clause of the Constitution, and it is not one we should sanction in an interstate compact. Compacts have been used to build bridges, roads, and tunnels; to dispose of waste; or to set boundaries. Never have they been used to restrict interstate commerce.

Despite the modifications its proponents have made, I remain concerned about the dairy compact's potential anticompetitive effects, the burdens it places on interstate commerce, and the harm it would cause to consumers by increasing prices. The compact would raise the prices milk processors would have to pay for milk sold in the compact States, and those costs would be passed on to consumers.

I am equally concerned that the compact will disrupt existing Federal programs that regulate milk prices and that it will increase costs to the Federal Government. Costs to the Government will undoubtedly increase if the Government is forced to purchase more surplus when farmers are encouraged to increase production well beyond demand. This is certainly not a time when we should be increasing pressure on the Federal budget.

The fact is that we already have a Federal system for setting minimum milk prices to dairy farmers. That system provides a safety net through the dairy price support program and dictates minimum prices paid through the Federal milk marketing order program. I see no reason to establish a second milk pricing mechanism that will benefit only a few States.

In short, I remain seriously concerned that the dairy compact will hurt consumers, milk processors, and taxpayers. At a minimum, it embodies a concept that requires deeper scrutiny and further discussion.

Ms. SNOWE. Mr. President, I rise in strong opposition to the Wellstone amendment to strike the Northeast Interstate Dairy Compact from this bill.

Mr. President, we have heard a lot of talk in this debate about the need to preserve the family farm, and how the farm legislation that we pass should, at the very least, not cause more family farmers to go out of business.

Well, I can tell you that what we have at stake in this vote on the Wellstone amendment is nothing less than the survival of many family dairy farms in Maine and the other New England States.

It's very simple. If this amendment wins, large numbers of family dairy farms in Maine, Vermont, New Hampshire, and other New England States go out of business. If we defeat the Wellstone amendment and retain the Craig-Leahy language, more farmers have an opportunity to keep their farms, the rural economy of our region stays afloat, and consumers and processors in our region have the satisfaction of knowing that the price they pay for fresh milk provides a fair return to the farmer who produced it.

And that is one thing that I hope everyone keeps in mind on this vote: The only people directly affected by the compact—the farmers, consumers, and processors of New England—all support it.

What is also at stake is the concept of State-based problem-solving. In the debates held so far in this Congress, and surely in the debates to come, we have heard and will hear many Members argue that the States are often best positioned to solve their own problems, and that they should be allowed to do so without interference from Washington. I couldn't agree more.

With this vote on the Wellstone amendment today, Senators will have an opportunity to match words on this concept with deeds. The compact represents a regional response to a regional problem. It directly affects only those States that belong to the compact, and it doesn't cost the Federal Government anything. We have to decide whether we are going to support State problem solving, or obstruct it.

As in many other rural regions of the country, agriculture is a cornerstone of Maine's economy. Within the agricultural sector, dairy farming usually ranks second or third in cash receipts every year. The dairy industry provides not only jobs for the farmers themselves, but for the people who sell farm machinery, service the machinery, sell fuel and feed, and provide other goods and services. Dairy farms also account for large shares of the municipal tax base throughout rural Maine, making them critical contributors to local schools and essential town services.

Unfortunately, all is not well in the Maine dairy industry. In 1978, Maine had 1,133 dairy farms. By 1988, that number had declined to 800. In 1991, there were 680. And today we are down to roughly 600. I understand that our New England States have experienced the same devastating trend, and that Vermont, especially, has been losing huge numbers of family farmers. Without the compact in this bill, I can tell you: the bleeding of our family farms will continue.

The precipitous decline in the number of dairy farms can be attributed to several factors, but most notably to the fact that Federal market order prices in New England are generally much lower than the costs of production in the region. Opponents sometimes like to say that New England has some of the highest average order prices in the East. This is generally the case because most of New England's milk market involves fresh, fluid milk, which brings a higher price than milk sold for other products; whereas, in other regions like the Upper Midwest, less than one-sixth of the milk producers is sold for the fresh fluid market. But the average order price in New England in the first half of 1995 was $13.17 a hundred, while the costs of production in Maine, which is a fresh fluid milk market, are close to $17 per hundred. New England farmers cannot make it under the existing order system.

Mailbox prices provide a better illustration of the fact. The mailbox price is the actual price that the farmers receive after deducting the costs of marketing their milk. And if we look at mailbox prices, we see that New England farmers get the lowest take-home prices east of the Mississippi River.

Farmers in Wisconsin and Minnesota receive significantly higher mailbox prices—nearly 50 cents a hundredweight more.

Faced with the same problems throughout the region, the six New England States banded together to develop a joint regional solution. They painstakingly negotiated an interstate dairy compact that will ensure a fairer and more stable price for dairy farmers in the region. But it is a pricing program that also protects the interests of consumers in the region. As evidence of the balance and fairness achieved by the compact, both the net-producing and net-consuming States in the region all approved the compact with strong support.

The compact creates a regional commission which has the authority to set minimum prices paid to farmers for fluid, or class I milk. Delegations from each State comprise the voting membership of the commission, and these delegations in turn will include both farmer and consumer representatives. The minimum price established by the commission is the Federal market order price plus a small ''over-order'' differential that would be paid by milk processing plants. This over-order price is capped in the compact, and a two-thirds voting majority of the commission is required before any over-order price can be instituted.

Mr. President, until a court struck down the Main dairy vendor's fee in 1994 because we did not have the required congressional authorization, milk in my State was priced by a mechanism that is similar to that which could be utilized by the Compact Commission. Maine's experience was uniformly positive. Farm prices were stable and reasonable, but no farmers got rich on the minimal adjustment provided by the ''over-order'' price under the vendor's fee program. It only helped the farmers keep their heads above water. Dairy processors and vendors maintained their business, and consumers did not see any significant increases in the price of milk. It was a win-win proposition for everyone in Maine, and I am confident that the compact will achieve the same success throughout New England without violating the constitution's interstate commerce clause.

With very few exceptions, the compact only affects New England consumers, farmers, and dairy processors. The compact applies only to fluid or class I milk, and approximately 97 percent of the fluid milk consumed in New England is processed by New England-based processors. Approximately 75 percent of the milk that these processors process comes from New England farmers; the rest comes from New York, whose farmers would receive any higher prices for their milk sold to New England under a compact.

Although the direct impacts of the compact fall only on the New England States, we have shown a more than ample willingness to address the concerns expressed by Senators from other States. The compact consent provision in this bill provides additional assurances that the compact only applies to class I, fluid milk. The provision also includes a 5-year sunset, so that another act of Congress will be required to continue the compact after years. It's a fail-safe. If problems do arise with this compact, then Congress can let it expire after 5 years. In effect, what we are proposing in a kind of pilot program.

And we would be willing to go even further. Senate Joint Resolution 28, the consent resolution that we introduced last year, explicitly provides that no additional States will be allowed into the compact without the formal approval of both Houses of Congress, that out-of-region farmers who sell milk in the compact region will get the same price as farmers in the region, that the commission's pricing authority is strictly limited, and that the commission must develop a plan to ensure that over-order prices do not lead to increases in production. Unfortunately, the amendment before us ignores the good-faith, constructive offerings that we have made in the past.

Mr. President, why should the Federal Government deny the States an opportunity to solve their own problems, especially when it doesn't cost the Federal taxpayers? The answer is that we shouldn't. We should praise the States for their self-reliance and ingenuity when they devise creative ways to solve their problems, as they have done in the case of this compact. I hope that Senators will recognize the value in this kind of state-based problem-solving, support the wishes of the people who will really be affected by this legislation, and vote no on the Wellstone amendment.

• Mr. HATFIELD. Mr. President, yesterday, I voted for cloture on the Craig/Leahy substitute to the farm bill. I cast my vote in hopes of reaching cloture so that we could debate and discuss the 1995 farm bill. I have consistently voted in the past in favor of moving forward with debate to ensure the integrity of farm legislation which would allow our farmers to plant their crops. We were not able to obtain cloture yesterday, however, late yesterday evening, the leadership came to an agreement to complete a farm bill. Unfortunately, I am not able to be present for today's debate due to business which takes me away from the Senate. These past months I have postponed scheduled meetings and trips in order to meet the Senate schedule. The business which takes me away from the Senate today was planned many months ago with the knowledge that we would be in recess for the month of February. I am leading an important delegation from Oregon, which includes members of the Port of Portland, on a vital trade mission to Taiwan and Korea.

Mr. President, I know that millions of jobs, including those of truckers, retailers, farm implement dealers, bankers and exporters, are dependent upon a healthy farm economy. Consumers are accustomed to consistently having quality, yet, inexpensive agricultural products on their grocery shelves. Yet, there is no more troubled sector in the American economy than agriculture. Agricultural surpluses, declining farm exports, failed farm and farm related businesses are constant reminders of the need to reestablish strength and stability of American agriculture.

The roots of our farm crisis are many and the solutions to the problems are indeed complex. The Senate and House Agriculture Committees have labored for the past year in an attempt to bring bills to a vote in our respective Chambers. Truly, it has been a daunting year. We are now in a crisis situation where we have reverted to laws written in the 1930's and 1940's. If we do not find compromise and pass a farm bill now, we face much greater costs and exacerbate instabilities in the agricultural sector. Many of the programs of the 1930's are unpopular because they call for strict acreage allotments and marketing quotas on major crops. However, a simple extension of the current law for more than a few months will prove to be economically disastrous for both the Federal Treasury and beleaguered farmers who fall behind daily as talks continue in the Senate Chamber.

I cannot say that I agree entirely with the proposed farm bill, S. 1541. The proposed 7-year contracts with the Federal Government, guaranteeing continued payments regardless of market conditions will allow farmers broad flexibility to grow crops in accordance with market conditions and not Government regulations. However, I am concerned that the bill would cut spending for the Export Enhancement Program, which subsidizes overseas sale of U.S. commodities, such as wheat. I am also concerned that the Market Promotion Program [MPP], which helps U.S. companies fund overseas promotional and advertising campaigns, would be capped. If we are to allow flexibility to meet market demands we must also tap into as well as create markets in foreign countries, especially in the Pacific rim in order to achieve the goal of independence from traditional Government assistance to farmers.

Mr. President, I also offer an amendment which addresses a problem in Oregon that deals with the Oregon Public Broadcasting's [OPB] eligibility for the Public Television Demonstration Program administered by the U.S. Department of Agriculture. OPB's eligibility for the program was held in suspension last year when it was discovered that OPB's broadcast coverage did not meet the statute's statewide requirement. OPB covers 90 percent of the State's population and 84 percent of the State's rural area. And, since all of OPB's productions are rebroadcast by one local public television station,

OPB's programs are essentially available to all Oregonians. Until the definition of ''statewide'' is clarified, OPB will not be eligible for the grant program. Thus I submit my amendment to clarify the language for the eligibility criteria for the Public Television Demonstration Program.

In conclusion, I find sections of this farm bill which I would like to change, as do many of my colleagues. However, we must continue to find and forge compromise in order to move toward not only a farm bill but balancing our national budget. I sincerely believe we will soon achieve that goal.●

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I yield up to 5 minutes of our time to Senator FEINGOLD.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I rise in strong support of Senator WELLSTONE's amendment to strike the congressional approval to the Northeast Dairy Compact contained in this Leahy substitute. I am pleased to be a cosponsor of his amendment.

Mr. President, there are so many things wrong with this Northeast Interstate Dairy Compact, it is difficult to know where to begin.

The greatest irony of the Northeast Dairy Compact's inclusion in freedom to farm is that the package, in the words of the Agriculture Committee Chairman LUGAR, purports to be market oriented. He called this package a bold departure from current law. Well, he's right. The Northeast Compact is a bold departure from current law, but it is far, very far, from the goal of market orientation.

Mr. President, the Northeast Dairy Compact is the antithesis of market orientation. It is exactly the type of program that reformers in this body have been targeting for 2 years. Many of those who support the Northeast Interstate Dairy Compact have been among the most outspoken critics of farm programs which impose taxes on consumers to support agricultural producers—which is exactly what the Northeast Compact does. But it does far more than that, Mr. President.

The compact allows six States with far more consumers than dairy producers, to artificially raise the price that consumers pay for fluid milk. It is a price fixing compact, pure and simple, Mr. President. And it is without precedent in our Nation's history.

This is not about States rights. Never was the 10th amendment or the compact clause of our Constitution intended to allow several States to collude to fix prices for products produced in those States while simultaneously keeping products produced in other States out of the compact region. Mr. President, that would be a restraint of interstate commerce. Well, Mr. President, that is what this compact does—it restrains trade and it allows States to fix prices. And it has far-reaching consequences for the entire Nation.

Who will pay for the generosity of these compact States to their dairy farmers?

Consumers in the compact region and dairy farmers throughout the country.

Since this bill has not been the subject of a single hearing in the Senate, and has never been marked up by the committee of jurisdiction, the Judiciary Committee, in the 104th Congress, I think it is important that we review what the compact actually does.

First, it allows six States to enter into to a compact to fix prices for fluid milk at a level substantially higher than allowed under the current Federal milk marketing order system.

It would also allow six additional States to enter the compact if they wish, along with any States contiguous to those additional six States. This is no small compact, Mr. President. If those additional States are added—and how could Congress justify denying those States if we approve the initial six?—the compact area would comprise 20 percent of national milk production.

That is a significant level of production that would substantially disrupt national milk markets and ultimately depress prices for all dairy producers in this country—except those in the compact.

Second, the compact would allow those States to set the price for fluid milk up to $17.40 per hundredweight—a full $1.35 above the current minimum fluid milk price in that region established by Federal orders. I would also caution my colleagues that the current fluid milk price for the Northeast is at one of its highest levels in years. What this means is that the $1.35 bonus for New England milk producers is likely the smallest that bonus will be for the 5-year period of this compact. That minimum bonus would translate into a minimum consumer-funded payment of $4,000 for a farmer with a 50-cow herd.

Also keep in mind that the minimum price in the compact States is allowed to be adjusted by inflation using 1990 as a base year. By the year 2000 the cap on fluid milk prices could be well over $20 if inflation increases by 3 percent per year.

That consumers will pay dearly for the privilege of supporting the New England dairy industry is proven by the provision in this bill that requires the compact States to reimburse the Women, Infants and Children's Supplemental Food Program for the increased cost of milk purchased under the program. However, taxpayers would not be reimbursed for the higher costs of mandatory nutrition programs such as national school lunch and breakfast programs, food stamps, and others.

For a Congress so fervently promoting tax breaks for Americans, I am surprised to see this tax on consumers so heartily embraced by the compact supporters and the supporters of the Leahy substitute which contains the compact.

I am sure the many consumers in the compact region would like a taxbreak of $4,000 or more each year. Instead they will receive a tax increase through their purchases of milk.

I also urge my colleagues to keep in mind, that while in-region milk producers get to vote on whether or not they want the higher price for the compact milk, consumers are afforded no such voice. Mr. President, I ask unanimous consent that an editorial from the New York Times, entitled ''Milking Consumers,'' be printed in the RECORD at this point.

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

[From the New York Times, Saturday, July 22, 1995]

New England senators and governors are pressuring Bob Dole, the Senate majority leader, to submit a pernicious bill to a hasty vote before it clears committee.

The bill creates a compact among Maine, Vermont, New Hampshire, Connecticut, Rhode Island and Massachusetts to raise milk prices above Federal levels. By some estimates, the cost of a gallon of milk would rise from about $2.50 to between $2.85 and $3.

Over all, the price increase would pump perhaps $500 million a year into the bank accounts of New England dairy farmers. But it would needlessly pummel poor parents by forcing them to spend up to 20 percent more to buy milk.

Besides discouraging milk drinking, the compact sets an ugly precedent. New England cannot enforce artifically high prices unless it keeps milk produced outside New England from flowing into the region. That is why the bill imposes what amounts to a protective tariff on ''imported'' milk.

The compact would in effect create a barrier to interstate commerce, sharing our milk produced in the Middle West the way the United States threatened to shut out luxury cars from Japan. The precedent so set would be ill advised, if not unconstitutional. What might be next? An oil compact in the Southwest? A wheat compact in the Midwest?

Mr. Dole ought to reject a quick vote on the dairy compact because it raises unexplored constitutional issues. Senators ought to reject the compact because it needlessly harms children. Mark Goldman, president of a New Jersey milk processor, poses the right question. Who believes that the voters of New England if forthrightly asked, would approve paying an additional 56 cents for a gallon of milk for the privilege of fattening the bank accounts of a few nearby farmers?

Mr. FEINGOLD. The New York Times editorial states:

The price increase [provided in the Compact] would pump perhaps $50 million a year into the bank accounts of New England dairy farmers. But it would needlessly pummel poor parents by forcing them to spend up to 20 percent more to buy milk.

The editorial provides some good advice to Senators who will soon vote on this measure—Senators ought to reject the compact because it needlessly harms children. I think that is pretty good advice, Mr. President.

In addition to the ill effects on consumers, the compact erects barriers to

keep milk from other States from flowing into the compact region. The Compact requires that lower cost milk produced in surrounding States must receive the higher compact price, through compensatory payments, even if producers in those other States can provide that milk at a lower cost to buyers. When you include transportation costs, any buyer of milk in the compact region would be foolish to acquire milk from outside the compact region. Any unwise buyer who did so would soon be put out of business by their competitors.

That producers from noncompact States are free to sell into the compact region, as the supporters claim, is accurate. However, there would be no demand for that milk because of the disincentives the compact creates for its acquisition.

While compact supporters claim that any producer in the country will be able to benefit from this, it is illogical to conclude that is true. If it were, the compact itself would be rendered ineffective because the compact region would be flooded with less expensive milk from surrounding States. Make no mistake, this compact is only supported by its sponsors because the walls it erects around the compact region are high and well-reinforced.

Third, while milk from outside the compact region is prevented from entering, milk processors in the compact region who must pay the higher price for the raw product, may receive a subsidy to allow them to ship their products outside the compact region. The compact includes that trade subsidy because those compact region processors will be required to pay so much for milk that their products would be uncompetitive in other parts of the country where milk producers do not receive artificially inflated prices.

For members who think the impacts of the compact are isolated to compact States, I suggest they take a careful look at this provision. The very export subsidies we have been trying to tear down in international trade through GATT and NAFTA will be imposed by the compact region States to the disadvantage of milk processors and producers in other States.

In summary, Mr. President, this compact provides authority for six States—and potentially many more—to fix artificially high prices for milk at the expense of consumers. It erects barriers to any noncompact milk, and it subsidizes exports of compact region products.

I've talked about the impacts on consumers. But what of the impact on dairy farmers throughout the country?

The compact balkanizes the U.S. dairy industry by insulating the Northeast dairy industry from the market conditions that all other farmers in this country must face. And, Mr. President, there are dairy farmers in every State of this Nation that will be affected by this. That is because there is a national market for milk, not a regional one. A surplus in one region depresses prices for all farmers nationally, and a shortage in one region raises prices for all farmers. That is why there is a national system for the marketing and pricing of milk.

However, with this compact, when national prices that farmers receive for milk plummet due to changing market conditions, the Northeast compact States will be completely isolated from those price fluctuations. When dairy farmers in Texas or New Mexico or Florida are responding to lower milk prices by reducing supply, the Northeast producers will continue to overproduce milk despite the market signals. And that, Mr. President, will exacerbate the excess supply situation depressing prices nationwide.

Not only will the compact insulate Northeast producers from price shocks that all other farmers face, it will also have the effect of driving down prices for dairy farmers in other parts of the country even if supply and demand are in balance.

It is a simple fact of economics that dairy farmers respond to higher prices with greater production. The exorbitant compact prices will surely increase production in the Northeast and yet the compact provides for no effective method of supply control. Those surpluses produced in the Northeast will drive down prices for farmers everywhere.

In addition, without a market for that surplus milk in fluid form, it will go into secondary milk markets. It will be manufactured into cheese and butter and powdered milk. Those products, generated by excess production in the Northeast, will then compete on the national market alongside products produced in other States by producers receiving far lower milk prices.

Not only will noncompact producers suffer from lower prices, but they would also lose markets for their products.

Mr. President, not only does this compact fail to recognize the national nature of milk markets, but it builds additional regional biases into current law.

The compact exacerbates current inequities of the Federal milk marketing order system that have discriminated against upper Midwest dairy producers for years. It is inherently market distorting and regionally discriminatory.

I want to just reiterate, the Senator from Vermont, Senator JEFFORDS, indicated we will have a opportunity later in the day to vote on something to help the Midwest. That is not clear at all, unless there is an agreement between the parties. We are trying very hard, but if that is not achieved we will be ending up with current law in this area, so there is no real help for the rest of the country in that regard.

In addition, this compact will also have a significant impact on the entire U.S. dairy industry. It insulates New England dairy producers from the market.

Mr. President, I understand why the compact States want the consent of Congress for this compact. The Northeast is losing dairy farmers. But, Mr. President, the decline in dairy farmer numbers is a national trend and the pain is felt nationwide.

Today there are 27,000 dairy farmers in my home State of Wisconsin, more than any other State in the Nation; 15 years ago, Mr. President, there were 45,000. Mr. President, our average herd size in Wisconsin is small—55 cows. These are small farmers who have experienced the same problems facing the Northeast—but far more acutely than any other region of the country and more than any other individual State. My State of Wisconsin, which until 1993 was the No. 1 milk producing State in the country, suffers from the loss of over 1,000 dairy farmers per year. We lose more farms per year than the current number of dairy farmers in five of the six compact States.

A recent survey indicated that in the next 5 years 40 percent of our remaining farmers will go out of business. That is over 10,000 family dairy farmers.

This trend is mirrored in other States throughout the upper Midwest. While we recognize that there are many reasons for this decline, the overwhelming message I hear from family dairy farmers in Wisconsin, Minnesota, and throughout the Midwest is that we need reform of outdated Federal milk marketing orders which provide artificial advantages to other regions of the country driving Wisconsin farmers out of business.

So I understand the desire of the Northeast to remedy their local and regional problems in their dairy industry, however further regionalizing dairy policy is not the answer. Congressional changes to dairy policy must recognize the national nature of milk marketing as well as the comprehensive and interrelated nature of fluid and manufactured milk products.

Wisconsin dairy farmers can no longer afford to help other regions at their own expense.

The supporters of this legislation have tried to present this as a very simple idea—that of a simple interstate compact designed to help the struggling producers of that region in isolation from national markets and having no unintended effects on noncompact producers.

Mr. President, I urge my colleagues to recognize that simply is not the case. This compact is unprecedented and Members should not be surprised that approval of this package will result in additional request to approve price fixing compacts.

I urge my colleagues to support the motion to strike the Northeast Dairy Compact from the bill. It is not market oriented. It is the antithesis of market orientation and its inclusion in this bill is completely inconsistent with the rhetoric of this Congress including many of the supporters of this compact.

Providing congressional consent to this compact in a bill which purports to allow farmers to take their signals from the marketplace not the Government would be the ultimate irony of this farm bill.

If we pass this compact today, I believe every Member will soon regret it.

I urge my colleagues to support this motion to strike the Northeast Interstate Dairy Compact from the farm bill.

The PRESIDING OFFICER. The Senator from Wisconsin has 2 minutes remaining.

Mr. KOHL. Mr. President, on behalf of myself, Senator FEINGOLD, Senator WELLSTONE, Senator GRAMS, Senator LAUTENBERG, and Senator HATCH, I urge my colleagues to vote in favor of this motion to strike the Northeast Dairy Compact.

I would also like to point out the 65- to 35-vote that Senator JEFFORDS and Senator LEAHY referred to was a vote on a much broader reconciliation amendment that had other things in it beside the Northeast Dairy Compact, so that was not a clean vote. What we are going to have today on the Northeast Dairy Compact is a clean vote without any other considerations. I hope that will elicit a different and a more correct response than the vote that occurred heretofore.

I thank the Chair.

Mr. JEFFORDS. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Vermont has 5 minutes and 50 seconds left.

Mr. JEFFORDS. Mr. President, I rise in strong opposition to this amendment. The Northeast interstate dairy compact is the remarkable product of 7 years of formal, interstate cooperation in New England. It has the bipartisan support of the region's six Governors—four Republicans, one Democrat and one Independent. And it is backed by the region's farmers, consumers, and milk processors alike.

Mr. President, we have spoken often this past year in this Chamber about returning power back to our sovereign States, to allow the States to work together with the Federal Government to solve the problems we face. Here is a fine example of such a cooperative federalism, most appropriately presented in the context of this farm bill.

The compact is a pilot project, with a 5-year sunset. It simply needs congressional consent to be approved. I urge this body to give the New England States an opportunity to implement this test program.

Mr. President, the compact has had an impressive journey through the six New England State legislatures. In fact, it has passed with overwhelming margins in both producing and consuming States. The Rhode Island State Legislature, representing over 1 million consumers and only 31 dairy farms voted near unanimously to pass the compact.

Some of my colleagues have been misinformed about what the compact would or would not do. Not surprisingly, the dairy processors' lobby have been promoting misguided information on how the compact will work. They have a long history of working against legislation that protects and improves dairy farmer income.

However, the compact, which has been approved overwhelming in each of the six New England State legislatures is not the monster that a select few have made it out to be.

The Northeast dairy compact is intended to help give farmers and consumers fair and stable milk prices. The compact has been carefully crafted so that it will not affect the national diary industry or burden the consumer. The compact can only regulate class I milk in New England, that is beverage or fluid milk, which makes up only 1.5 percent of the national milk supply. We are dealing with a very small amount of fluid milk. National processors will not be affected by this compact. It will have no affect on class II of class III milk which is used for manufactured products.

Mr. President, my own State of Vermont has lost over 1,200 farms in the last 10 years. Today, Vermont dairy farmers are receiving milk prices well below the cost of production. Current milk prices for farmers are as low as they were over 10 years ago.

I understand that Vermont is not the only State to witness a decline in its number of dairy farms. Dairy farms throughout the country deserve price stability and enhancement and I hope that a dairy compromise amendment will be offered and accepted today that will benefit farms across this Nation.

Mr. President, New England is not asking Washington to solve its problem, it is asking Washington to allow New England to solve its problem on its own. The compact is a regional solution to a regional problem. The six New England States should not be denied the opportunity to do just that.

Mr. President, I urge my colleagues to vote against this amendment and allow the people of Vermont and New England the opportunity to help themselves protect the future of their dairy farms.

Mr. President, let me remind everyone again, you have been reminded, you voted for this and I think you ought to keep that in mind. You voted for it in a very similar situation. It was a bigger bill, yes, but it was the same issue exactly.

The New England States have taken 7 years to examine what they can do to help the dairy farmers. I have here, and I ask unanimous consent to have printed in the RECORD, a letter from the six New England Governors to the leader here, telling him that they support this bill, together with some other material. It is very important.

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

NEW ENGLAND
GOVERNORS' CONFERENCE, INC.,
Boston, MA, July 17, 1995.

Hon. ROBERT DOLE,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR DOLE: We, the Governors of the New England States, have learned that you will soon consider the Northeast Interstate Dairy Compact, SJR 28, on the Senate Floor. We would like to take this opportunity to thank you for agreeing to take this critical, procedural step on behalf of the Compact, and to reaffirm our strong support of its passage.

Enclosed, you will find the New England Governor's Conference resolution which was adopted in support of Congressional approval of the Compact. The resolution details the significance of the Compact to our region with regard to its specific importance to both New England dairy farmers and consumers, and, equally, as a model of formal, interstate cooperation.

Thank you again for agreeing to move the Compact forward. We are hopeful that, when it comes to the Floor, you will consider its importance to our region.

Very truly yours,

STEPHEN MERRILL,
Governor, New Hampshire, Chairman.
WILLIAM F. WELD,
Governor, Massachusetts.
JOHN G. ROWLAND,
Governor, Connecticut.
HOWARD DEAN, M.D.,
Governor, Vermont, Vice Chairman.
ANGUS KING, Jr.,
Governor, Maine.
LINCOLN C. ALMOND,
Governor, Rhode Island.

RESOLUTION 127—NORTHEAST DAIRY COMPACT

A Resolution of the New England Governors' Conference, Inc. in support of congressional enactment of the Northeast Dairy Compact.

Whereas, the six New England states have enacted the Northeast Interstate Dairy Compact to address the alarming loss of dairy farms in the region; and

Whereas, the Compact is a unique partnership of the region's governments and the dairy industry supported by a broad and active coalition of organizations and people committed to maintaining the vitality of the region's dairy industry, including consumers, processors, bankers, equipment dealers, veterinarians, the tourist and travel industry, environmentalists, land conservationists and recreational users of open land; and

Whereas, the Compact would not harm but instead complement the existing federal structure for milk pricing, nor adversely affect the competitive position of any dairy farmer, processor or other market participant in the nation's dairy industry; and

Whereas, the limited and relatively isolated market position of the New England dairy industry makes it an appropriate locality in which to assess the effectiveness of regional regulation of milk pricing, and

Whereas, the Constitution of the United States expressly authorizes states to enter into interstate compacts with the approval of Congress and government at all levels increasingly recognizes the need to promote cooperative, federalist solutions to local and regional problems; and

Whereas, the Northeast Interstate Dairy Compact has been submitted to Congress for approval as required by the Constitution: Now, therefore, be it

Resolved, That the New England Governors' Conference, Inc. requests that Congress approve the Northeast Interstate Dairy Compact; and be it further

Resolved, That, a copy of this resolution be sent to the leadership of the Senate and the House of Representatives, the Chairs of the appropriate legislative committees, and the Secretary of the United States Department of Agriculture.

Adoption certified by the New England Governors' Conference, Inc. on January 31, 1995.

STEPHEN MERRILL,
Governor of New Hampshire, Chairman.

INTERSTATE COMPACT LEGISLATIVE PROCESS

Connecticut: (P.L. 93–320) House vote—143–4; Senate vote—30–6. (Joint Committee on Environment voted bill out 22–2; Joint Committee on Government Administration and Relations voted bill out 15–3; Joint Committee on Judiciary voted bill out 28–0.)

Maine: Originally adopted Compact enabling legislation in 1989 (P.L. 89–437) Floor votes and Joint Committee on Agriculture vote not recorded. The law was amended in 1993. (P.L. 93–274) House vote—114–1; Senate vote—25–0. (Joint Committee on Agriculture vote not recorded.)

Massachusetts: (P.L. 93–370) Approved by unrecorded voice votes.

New Hampshire: (P.L. 93–336) Senate vote—18–4; House vote—unrecorded voice vote; (Senate Committee on Interstate Cooperation vote—unrecorded voice vote; House Committee on Agriculture voted bill out 17–0.)

Rhode Island: (P.L. 93–336) House vote—80–7; Senate vote—38–0. (House Committee on Judiciary voted bill out 11–2; Senate Committee on Judiciary voice vote not recorded.)

Vermont: Originally adopted Compact in 1989. (P.L. 89–95) House vote—unanimous voice vote; Senate vote—29–1. The law was amended in 1993. (P.L. 93–57) Floor voice votes, and House and Senate Agriculture Committee voice votes, not recorded.

Mr. JEFFORDS. Also, I have letters from the Governors to all of us with respect to that. We have brought this over here. We have explained it to staffs and they agreed with us, 65 to 35. I wanted you to keep that in mind.

Second, we are a negative producer. What are they afraid of? We only produce 70 percent of the milk consumed in New England. We are not a threat to anybody. Mr. President, 30 percent of our milk comes from New York and Pennsylvania. It can come from Wisconsin. It can come from Minnesota. We are not creating any barriers to anybody.

We say our consumers are so desirous of making sure that our farmers are there—they love the cows on the hillsides. That is New England. It is tradition.

All we are asking is to be treated as any other big State can be. New York has an order that helps protect their producers, California does, other States do. Why can we not, as six little States up in New England tucked off up in the corner there, have the ability to protect our dairy farms?

I yield to the Senator from Vermont.

Mr. LEAHY. Mr. President, obviously I agree completely with my colleague from Vermont on this. The point is, this goes beyond questions even of romanticism or anything else. It is not romanticism when we talk about the hard work of the dairy farmers. This is one of the most difficult jobs in America today.

They have also, though, created even more problems for themselves because they are the most efficient producers in America today. Their efficiency and their hard work is not being rewarded. It tends to be punished, with the system we have.

What we are saying is at least allow us, consumers and producers alike in New England, to set our own destiny. It is the only fair thing. This is not a case where it is farmers against consumers, as though the two are different; or consumers against farmers. This is a case where producers and users come together to make it work.

I hope we defeat the effort to strike the New England Dairy Compact. It has been put together by Republicans and Democrats alike. This Senate ought to approve it.

Mr. JEFFORDS. Mr. President, we have spoken often in the past year, in this Chamber, about returning power back to the sovereign States to allow the States to work together with the Federal Government to solve the problems we face. Here is a fine example of such cooperative federalism.

Most appropriately presented in the context of this farm bill here, the compact is a pilot project with a 5-year sunset. It simply needs congressional consent to be approved. Other States can do it by themselves. They are big enough. We cannot.

I urge this body to give the New England States an opportunity to implement this test program. The compact has had an impressive journey through six New England State legislatures—six State legislatures. Two of them, primarily consumers have approved so they can help keep their dairy farmers and the rural life of Vermont alive. The Rhode Island State Legislature, representing over 1 million consumers and only 31 dairy farms, nearly unanimously passed this. Why should we be prohibited from doing what other States can do, merely because the Midwest believes and hopes that sometime in the future they can ship their milk to us because the price would get so high, because our farmers are out of business, that they could ship it over there to profit?

They are welcome now. Why do they want to be so greedy?

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Vermont has 1 minute and 25 seconds.

Mr. JEFFORDS. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, I would like to add that Senator PRESSLER is cosponsor of this amendment. He was an original sponsor.

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

Mr. KOHL. Mr. President, I would like, in closing, to remind Senators that if we allow this kind of a price-fixing scheme to make its way through the Congress, then there will be no way to prevent in a logical way any other group of States setting up similar price-fixing mechanisms under the same justification, not only in dairy but in any other industry. That is not what we intend to do in this country. We need a national market for our products in this country.

So every Senator is affected by what will occur if we allow the Northeast Dairy Compact to make its way through Congress. It is for that reason—and the other reasons that we have discussed—that I urge my colleagues to reject the Northeast Dairy Compact.

I thank you.

Mr. JEFFORDS. Mr. President, as we bring this to a close, I know everyone is interested in saving their dairy farms. The question is whether you try to do it at the expense of some other dairy farmer. Vermont has lost one-third of its farms in the last 10 years. I know the Midwest has done likewise. But they are not hurt by us. As pointed out, they can ship to us now. They can ship at a higher price if this goes through. But they cannot do it; they are too far away. That is our problem. We are too far away from anything. We are at the end of the energy stream. We are at the end of everything. We are tucked up in that little corner barricaded from markets in Canada. We could get 50 percent more for our milk if we could go across the border. We want to stay alive, and our States and our State legislators want us to stay alive. When you get six States to approve something that helps the farmers primarily in two States, you have got to really believe that they are sincere in their efforts to try to do what is best for their State.

Mr. President, I urge a ''no'' vote on this motion to strike. By a vote of 65 to 35 the Senate voted against what they are being asked to do today. I hope they will recognize that and keep the same wonderful logic that they used for those 65 votes.

I yield to the Senator from Vermont for a final comment.

The PRESIDING OFFICER. All time has expired.

Mr. LUGAR. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays have already been ordered.

Mr. LUGAR. I thank the Chair.

Mr. President, I ask unanimous consent that the Kohl amendment be temporarily set aside with the vote to occur on or in relation to the amendment and the time to be set by the majority leader after consultation with the Democratic leader. I also ask unanimous consent that if there are stacked votes, the votes occur in the order they were offered.

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

Mr. LUGAR. Mr. President, for the benefit and information of all Members, the agreement calls for several amendments in sequence. To the best

of our ability, we will shift back from one party to the other, although the agreement reached last evening was that if there are not Members present from the opposite party, we would feel free to move to whoever had an amendment. There are 10 amendments offered on the Democratic side and five on the Republican side if the maximum were to be offered.

Next in sequence we are anticipating the amendment by the distinguished Senator from Colorado, who is in fact present. He will control the time on our side on that amendment.

Mr. LEAHY. Mr. President, will the Senator from Indiana yield for another housekeeping observation?

I urge Senators who may have amendments, or issues, if they can to come and talk with the distinguished Senator from Indiana and myself to see if maybe not all amendments necessarily need a vote. If it is possible for us to come together on something, now is the time to do it.

The other thing is that I hope when we stack the votes— and I believe it is the intention of the leaders to do this at that time—that after the first vote there would be a shortened time for subsequent votes. But I urge the cooperation of Senators, certainly on my side of the aisle, and I am sure the distinguished Senator from Indiana feels that way about his side of the aisle we as we move forward on these issues.

Mr. LUGAR. Mr. President, I concur in all the distinguished Senator has said.

Let me also mention that one reason for having votes late in the morning is literally to clear the trail—it is the intent of the leadership to complete action on this bill at 4:45—so that everyone has been heard, and votes occurring may in fact be stacked votes later in the morning.

I yield the floor.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 3443 TO AMENDMENT NO. 3184

(Purpose: To direct the Secretary of Agriculture to ensure that private property rights, including water rights, will be recognized and protected in the course of special use permitting decisions for existing water supply facilities)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 3443 to amendment No. 3184.

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

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

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . CLARIFICATION OF EFFECT OF RESOURCE PLANNING ON ALLOCATION OR USE OF WATER.

(a) NATIONAL FOREST SYSTEM RESOURCE PLANNING.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following new subsection:

''(n) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act.''

(b) LAND USE PLANNING UNDER BUREAU OF LAND MANAGEMENT AUTHORITIES.—Section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) is amended by adding at the end the following new subsection:

''(g) LIMITATION OF AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate, or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act.''

(c) AUTHORIZATION TO GRANT RIGHTS-OF-WAY.—Section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) is amended—

(1) in subsection (c)(1)—

(A) by striking subparagraph (B);

(B) in subparagraph (D), by striking ''originally constructed'';

(C) in subparagraph (G), by striking ''1996'' and inserting ''1998''; and

(D) by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively:

(2) in subsection (c)(3)(A), by striking the second and third sentences; and

(3) by adding at the end the following new subsection:

''(e) EFFECT ON VALID EXISTING RIGHTS.—Notwithstanding any provision of this section, no Federal agency may require, as a condition of, or in connection with, the granting, issuance, or renewal of a right-of-way under this section, a restriction or limitation on the operation, use, repair, or replacement of an existing water supply facility which is located on or above National Forest lands or the exercise and use of existing water rights, if such condition would reduce the quantity of water which would otherwise be made available for use by the owner of such facility or water rights, or cause an increase in the cost of the water supply provided from such facility.''

Mr. BROWN. Mr. President, both sides have a copy of this amendment. It simply is a clarification of an action that the Senate had taken earlier in the year. That action was taken on an appropriations bill. As I am sure Members will appreciate, the members of the Appropriations Committee are reluctant to legislate on an appropriations bill. The form it took was a restriction in spending of funds by the Secretary of Agriculture.

Mr. President, to be brief, the situation arises out of a rather difficult circumstance that involved what I believe is a maverick regional forester. The situation is this: Colorado has about 37 percent of its State owned by the Federal Government. It is literally very difficult, or impossible in some areas, to transfer water from the mountain areas where it is accumulated from the snow melt and the reservoirs to the cities for drinking water without crossing Federal ground. There are a few areas where it is possible to get drinking to the cities and deliver drinking water and agricultural water without crossing Federal ground, but very few.

To cross Federal ground, what has traditionally been the case is permits have been offered by the Federal Government. As the Senate is well aware, when someone applies for a new permit, an extensive review takes place. That is to ensure that it meets the environmental standards of the Forest Service. What is happening in Colorado is an entirely new event which has begun to take place, and in other places around the country. That is, when these permits to cross Federal ground came up for renewal, the Forest Service has demanded that the cities forfeit a third of their drinking water for them to be allowed to renew their permit to cross Federal ground.

No provision for forfeiting water is included in the statutes. One would certainly understand if these were new permissions, but they are not. They are existing permits. In a number of cases, the permits preexisted the existence of the Forest Service. Some had literally been in existence for well over 100 years. They are the absolute lifeblood of the State. I may say this practice appears to do be followed by a number of other foresters around the country as they look at it and begin to apply this same consent to other States.

Literally what happened is the Forest Service wanted to extort—I use that word advisedly because it is a strong word, but I think it fits—water from the cities as a condition to renew an existing permit. Let me emphasize that nothing was changed. If something was different, if there was an expansion of the permit or a change in the use of the permit, one would understand action by the Forest Service. But these were circumstances where the city wanted to specifically use its drinking water the way it had for over 100 years. The Forest Service used the event of renewing the permit to demand a forfeiture of the water. No statute gives them that authority, but when they have the ability to stop the

renewal of the permit, they have enormous leverage.

Our cities and our water districts spent literally millions of dollars. One of the most environmentally conscious communities, I believe, in the Nation—Boulder, CO—had attorney's fees that exceeded millions of dollars just in that one city's case alone. What happened is some of the small cities that could not afford the attorney's fees forfeited a third of their water, or a portion of their water rights. Others, through negotiation, forfeited less. Others fought it through court and continue with longstanding studies and expensive attorneys' fees to negotiate the process out.

All this amendment does is exactly what was done earlier in the year through the appropriations process. It simply says when you have an existing permit, where you are not changing it, that they cannot require you to forfeit your water rights. It stops extortion in effect.

I do not know of any opposition. The amendment, when it came up on the appropriations bill, enjoyed strong bipartisan support. It was adopted by the House conferees on the Appropriations Committee.

Let me emphasize, it is important because the cities continue to spend millions of dollars in attorneys' fees. To change the rules after the project is built, after the drinking water is delivered, is wrong. It is not simply bad policy, but it is wrong in terms of a moral standard. To change the rules of the game after you have set up your water system, spent millions of dollars, and you have thousands of people dependent on it for drinking supplies is a travesty.

This sets forth in the statute clear guidelines so that you cannot retroactively repeal someone's water rights or extort water. It does not, let me emphasize, apply to new projects. Everyone should understand that the Forest Service has an appropriate job in renewing new applications, but it is a very important item to be included in this measure and a very important protection for cities, municipalities and farmers around the Nation.

I do not know of opposition. I will be happy to answer questions from other Members, and I reserve the remainder of my time.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, how much time is available to any who might speak in opposition?

The PRESIDING OFFICER. Fifteen minutes.

Mr. LEAHY. Mr. President, I reserve that time.

I should say that I do have a concern. This came up quite late last night, and I have just had a chance to start looking at it. I am concerned that the amendment would change permanent Forest Service law and does so without the normal hearings and debate or committee consideration. We have done this before. The Senate one other time changed Forest Service law on an ad hoc basis, and I think many of us rued the day for that. The so-called salvage rider was done on an ad hoc basis. It was done to address dead and dying trees. In fact, the measure instead suspended laws in Oregon and Washington and forced the Forest Service to cut live, green, ancient forest.

What I worry about is under the constricted and contracted situation in which we find ourselves we might do something similar.

The Senator has held a dozen hearings this year on Forest Service law focusing especially on conflicts within the existing law, but this issue has not received significant attention in this logical forum despite representation on the Energy and Natural Resources Committee.

I worry when we tell the Forest Service that they have to mandate for multiple use, which we have. That is a law passed long before any of us were in the Senate. That means the Forest Service has to manage for anglers, boaters, fisheries, wildlife, recreation, skiing, and a dozen other uses. They have to do that by law. Now we have this amendment though that says a single use gets preference but yet the multiple use law which has been there for 35 years still stands.

If we have a problem here, let us find a better way of doing it. I think it can be solved administratively. The Department of Agriculture spent a lot of time, I am told, on this issue. I am informed that all the parties involved have been invited to participate and that the relevant parties have agreed to a settlement. If that is the case, I think we should follow that procedure, not venture into unknown territory with a sweeping amendment to laws that have been on the books for decades.

The Forest Service was established to serve the many interests of all Americans. This amendment says that is fine, they can serve all Americans except that one becomes more equal than the other, water uses. And the idea of multiple use goes out the window.

So between now and the time of the vote I would be happy to talk with the proponent of the amendment, but, frankly, at this point I would have to oppose it because I believe it steps into a major area of law and does it in a way that could have unforeseen and difficult results.

I reserve the remainder of my time.

Mr. BROWN. Mr. President, if I could respond to the Senator from Vermont, I appreciate his remarks, and I think he is right to be concerned that we take a thorough look at these amendments as they come up.

Let me say that this was not only the action as a result of debate, extensive debate in the Chamber on an amendment to the appropriations bill earlier this year, but it was the very subject on which a high ranking member official of the Department of Agriculture had misrepresented the facts to Congress. It was extensively debated during that debate last year.

I might say this has gone on for several years, and the administrative response, of course, is the first thing you would think of and the most natural, and I might say when this first happened, let me spell out if I could what happened.

When I first heard about this, I learned that Boulder, which has had reservoirs in the mountains and used them for drinking water for well over 100 years, had been denied the reissuance of the permit even though they intended to use it exactly the same way they had always used it, and they had demanded from them a third of their water rights.

When I heard that and I found it applied to other cities, I went to the Secretary of Agriculture, who was at that time Secretary Madigan.

So I might say to the Senator from Vermont I did follow the administrative route on this. I did talk to Secretary Madigan. He issued a specific directive ordering them to issue the permit. Secretary Madigan gave out a special directive, signed by the Secretary, directing the regional forester to issue the permit. The regional forester received that directive and did not follow it—ignored it—until Secretary Madigan had left office. It was at that time that the administration indicated to us that policy was still in effect and they intended to eventually issue the permits.

So we have followed the administrative route.

Now, what happened was a high ranking official from the Department of Agriculture testified that this was still the policy, testified under oath before Congress that this was still the policy, and it was not. They had repealed it secretly. So this has had extensive debate and extensive review.

I have to tell the Senator in the strongest words I know I cannot sit back and have my cities lose their direct drinking water on a permit that is over 100 years old when they do not intend to change it.

Now, that is not reasonable. I do not intend to change existing law one single bit, not one bit. The McCarran law discusses specifically the primacy of State with regard to water allocation and water rights. But let me assure the Senator and the Members of the Senate this in no way mandates multiple use—no way.

This is a restatement of the McCarran law as it applies to permits. I want to indicate to the distinguished Senator from Vermont, I would be happy to work with him on this amendment. If he has suggestions for it, I would be happy to look at those and review them. I would be happy to work with him in any way I can. But one thing I cannot do—and I cannot believe any Member of the Senate could do—is

stand idly by and watch their cities lose their drinking water. That does not make good sense. That is what is involved. The millions and millions of dollars our taxpayers have had to pay in attorneys fees to get an existing permit renewed without any change is outrageous.

So I make that offer to the Senator. I hope very much that if there are improvements or suggestions he has for me, he would bring them forth. But I hope he would join me in supporting this measure.

I yield 2 minutes to the Senator from Idaho at this point.

Mr. LEAHY. Mr. President, before the Senator does that, would the Senator yield to me on my time for just a response?

Mr. BROWN. Yes.

Mr. LEAHY. Mr. President, obviously my concern is, as I stated, that I do not want to see a major change in the multiple-use Forest Service law on an amendment within a forum of this nature. I would also say to the Senator from Colorado, this is a matter that I first heard of I think about 11:30 last night. I know he is aware of that. I think most of us heard of this amendment at about 11:30 last night.

As you know, I have been fairly active in the negotiations on the bill. This was not the first item that I was looking at. It is going to be some time before we actually have a vote. It will be after 11 o'clock, in any event. Between now and then, I will meet with the Senator from Colorado. We will discuss it further.

Mr. BROWN. I appreciate very much the Senator's willingness to review this.

I yield 3 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank my colleague from Colorado for yielding.

If I could have the attention of the ranking member of the committee, the Senator from Vermont. I would like to express to him that I have been involved with the Senator from Colorado for well over 2 years as he fought this battle, and chairing the subcommittee that deals with forestry, we have taken a close look at the amendment and the problems involved.

What has happened in the West historically—and I think the Senator from Vermont appreciates this—while the watersheds, largely the head waters, were owned or retained by the Federal Government, the right of water acquisition and water management and control was given to the States. And, of course, municipalities and irrigation districts went into those head waters and developed facilities under the permits of the Forest Service and the McCarran Act. That established the water systems of the West.

In many situations we find Federal agencies, for whatever reasons, saying, ''To get reissuance of your permits, you have to give us some of the water.'' Instead of going in and filing for water like every other citizen has the responsibility to do to acquire a water right, they are extorting, as the Senator from Colorado said, by arguing that you cannot continue—we will not renew your permit or you cannot gain this right-of-way or continued access unless you do this. And in almost all instances, it gives up some of the water, even though that is not the responsibility of the Federal Government in the West, and historically it has never been.

I know that is an issue that is being fought by many, but it is an issue that Western States will simply not give up, nor should they. They must retain primacy on water.

While I have found, in all instances, cities and irrigation districts and others willing to comply in the modernization and in the safety codes of their facilities, this is not an issue about safety, it is not an issue about the environment; it is an issue about water, power, the power of holding the water or controlling it.

So what the Senator from Colorado is doing, in my opinion, is exactly right. It is a reinstatement, not an expansion, of law, a reinstatement of the existing law and the way it has operated and provided the municipalities of the West, provided the irrigation districts that have allowed the arid West to flourish, the kind of position and control in the water that we think is critically necessary.

I strongly support my colleague and hope that the Senate will concur with him in this amendment. And I hope, Mr. President, that if at all possible, we could work this out and take this amendment. I think it fits very nicely into existing law.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I ask Members of the Chamber to think how they would feel if they represented California and the Federal Government said that the drinking supply crosses the Federal highway and goes into San Francisco, and we are going to cut off the water for San Francisco. I do not think any reasonable person in this Chamber would think that made sense.

How would they feel if they represented New York City and the Federal Government said, ''Your water line crosses over a Federal property and naval base that the Federal Government owns, and as a condition of being able to continue to cross that ground, we are going to take a third of your drinking water''? I do not think there is a Member of this Chamber who would think that made sense.

That is literally what we face here. We face a bureaucrat at the regional forestry level that has made up their own law and provided conditions that the statute does not call for. The only way we can deal with it is to make this very clear that this clarifies existing law. It does not change it.

Mr. President, it is essential that we do this. Without it, our cities face literally millions of dollars of attorneys' fees, long, dragged-out court cases. What we see is a real danger to solid, reliable municipal planning.

I want to assure the distinguished Senator from Vermont I want to work with him, and I will be happy to do that between now and the time the votes come up later this morning.

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

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I am authorized by the distinguished Senator from Vermont to yield back all time on his side of the amendment.

Is there further debate by the distinguished Senator from Colorado?

Mr. BROWN. I thank the distinguished chairman. I have no other requests for time. I believe that the Senator from Vermont indicated that at the appropriate point he was going to yield back.

Mr. LUGAR. He has indeed. I am prepared to do that.

Mr. BROWN. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back on the amendment.

Mr. LUGAR. Mr. President, I ask unanimous consent that the Brown amendment be temporarily set aside, with a vote to occur on or in relation to the amendment at a time set by the majority leader after consultation with the Democratic leader. For a matter of information, that would come after the Kohl amendment that we considered earlier.

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

Mr. LUGAR. I thank the Chair.

AMENDMENT NO. 3444 TO AMENDMENT NO. 3184

(Purpose: To improve the bill.)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 3444 to amendment No. 3184.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. LUGAR. Mr. President, I yield to myself such time as I may require on this amendment.

I rise to offer an amendment to the Agriculture Reform and Improvement Act of 1996. In July 1995, the Agriculture Committee gave preliminary, but unanimous, approval to four titles of the farm bill. They covered farm credit, trade, rural development, and

research. Since then, there has been further bipartisan work on a miscellaneous title and an agriculture promotion title. I present the fruits of those labors to the Chamber today.

The Government's role in agricultural lending is substantial. This amendment provides direction to USDA to focus on helping beginning farmers and ranchers to get started and progress in farming and ranching. The amendment emphasizes that the USDA's assistance is temporary, and, most importantly, it modifies or ends a variety of risky farm loan policies which the committee considered during hearings this year.

The amendment will expand and maintain our presence in overseas markets for high-value and bulk commodities. It establishes measurable benchmarks to evaluate U.S. export performance programs, including dollar value and market share growth goals. In addition, increased flexibility in the operation of export credit programs will allow us to seize future opportunities.

We know that all leadership is local. Rural businesses and communities cannot sustain themselves without first taking a hard look at the human capital and resources at their disposal.

This amendment provides for a new rural program delivery mechanism that depends on local and State leadership and consolidates over a dozen duplicate programs.

The amendment also address the vital role that agricultural research, extension, and education play in ensuring a productive, efficient and competitive agricultural sector in our Nation. Research is the foundation for agriculture's future success.

I urge my colleagues to support this amendment which will bring agricultural policy into the 21st century.

Mr. President, this amendment also contains a number of miscellaneous provisions supported by various Senators. We are not aware that these are controversial. Among them are provisions to set oilseed loan rates according to a market-based formula, proposed by Senator MOSELEY-BRAUN; to provide equitable treatment for beginning farmers under the Agricultural Market Transition Program, proposed by Senator PRESSLER; and numerous other amendments. I ask unanimous consent that a description of these provisions be printed in the RECORD.

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

The Lugar amendment will:

1. Correct a typographical error in the Leahy substitute.

2. Establish oilseed loan rates under a formula similar to that used for wheat and feed grains, at 85% of a five-year olympic average of market prices within a range of $4.92 to $5.26.

3. Make a technical change to haying and grazing rules that will allow current practices to continue with respect to grazing on wheat stubble.

4. Make three changes in the peanut provisions of the Leahy substitute: (1) Allow producer gains from the sale of additional peanuts to be used to offset quota pool losses; (2) reduce the quota loan rate 5% for producers that refuse a bona fide offer from a handler at the quota loan rate and instead opt to place their peanuts under loan; and (3) prohibit government entities and out-of-state non-farmers from holding quota.

5. Make a technical change to ensure the continuation of current treatment for fruit and vegetable crops double-cropped on contract acres.

6. Include titles of the farm bill earlier agreed to by the Agriculture Committee, including provisions on trade, research, credit, rural development, promotion and miscellaneous items.

7. Restore a previously-stricken authorization for ethanol research.

8. Allow 20% of available funding from commodity purchases in the Commodity Supplemental Food Program to be permanently carried over for administrative purposes.

9. Authorize a Wildlife Habitat Incentives Program to promote implementation of various management practices to improve habitat, utilizing $10 million in Conservation Reserve Program funding, and make other changes to conservation programs.

10. Make technical changes in Leahy substitute language authorizing land purchases in the Florida Everglades.

11. Clarify disqualification of food stores when knowingly employing Food Stamp traffickers.

12. Reauthorize an existing fluid milk promotion program.

13. Provide a specific authorization for the existing Foreign Market Development Cooperator program.

14. Allow USDA to make adjustments in contract acres (for purposes of the Agricultural Market Transition Program) if necessary to provide equitable treatment for beginning farmers.

15. Clarify definition of ''statewide'' coverage under the USDA's Television Broadcasting Demonstration Grant program.

16. Authorize grants for water and wastewater systems in rural and native villages in Alaska.

17. Provide for a reduced application process for the Indian Reservation Extension Agent program and for equitable participation in USDA programs by tribally-controlled colleges.

Mr. LUGAR. Mr. President, I know of no opposition to these provisions. As the Chair may interpret correctly, this is an attempt to provide in this bill amendments that have been offered by many Senators that have been cleared on both sides of the aisle. I will yield to any Senator who may have comments.

I yield to the distinguished Senator from Idaho.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from Idaho is recognized.

Mr. CRAIG. I thank the Senator for yielding. I thank the chairman publicly for the work he has done on behalf of farm legislation this year, the extensive hearings on almost all of the titles of the farm bill, working them out in a very intricate way, under some very difficult circumstances—circumstances from a Budget Committee that said to the chairman and to the Agriculture Committee that we had to find substantial savings in agricultural appropriations.

I say that, Mr. President, in light of what we have done since 1986. Since 1986, direct payment to production agriculture in this country from Government programs has been reduced by this Congress by 60 percent. So we have continually, over the period of now a decade, progressively reduced the amount of money on a program-by-program basis that was going to production agriculture for one reason or another. In almost all instances, I have agreed with that and voted for it. I think agriculture today is stronger because of it, because they have progressively moved to farm to the market instead of to the program. That is part of the debate today and part of the consideration in the farm legislation we have before us.

But my point is that it made it increasingly difficult for the chairman, myself, and other members of the Agriculture Committee to deal with the important issues of the day. But, I must tell you, I think we accomplished that. Not only did we accomplish that, but I have worked in cooperation with the chairman, the committee, and committee staff in developing what I think is an excellent bill.

Now, the en bloc amendment the Senator has just introduced is a very positive approach in many areas. It looks at foreign market development in a line-item authorization. We all know that, because of the tremendous efficiencies of American agriculture today, if we are going to hold those prices in the marketplace, we have to move a lot of that production to the world market. The chairman is tremendously sensitive to that, and these amendments reflect that.

I have worked for some time to strengthen the ability of alternative crops in the region of the Pacific Northwest and in the State of Idaho and in surrounding States. One of those alternative crops is an oilseed crop known as canola. Many in agriculture are familiar with it. It is a new crop for our region. I have worked with that industry to provide a checkoff, much like the dairy industry has, the beef industry has, and other industries have, so that they can use their own money to promote their own programs, to promote their sales internationally, to do research for the development of a better crop and better alternatives or varieties. That is included in this en bloc amendment, along with an important amendment for the sheep industry's improvement center. We know that the domestic sheep industry today is struggling to stay alive. They need to look at alternative methods for marketing and general improvement of the livestock of that industry. That has been a consideration by the chairman, and I greatly appreciate that.

I hope the Senate can agree on this en bloc amendment. I think it complements the legislation that is before us today, rounds it out into what is a positive farm bill, I think, for American agriculture. I thank the chairman very much for the work he has done in this area and the cooperation he has offered us.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BREAUX. Is it appropriate to make comments, I ask the distinguished chairman?

Mr. LUGAR. I respond to the distinguished Senator from Louisiana that we are discussing the Lugar amendment, and as in each of these amendments, there is 15 minutes to each side. I control the time on our side. It is certainly appropriate if the Senator wishes to use the time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Louisiana. There are 7 minutes remaining on your side.

Mr. LUGAR. The Lugar amendment is pending.

Mr. BREAUX. I will just be brief in my comments. I guess time is running, so if no other Democrat is here, I will make comments.

Mr. President and Members and, really, indeed, everyone who is concerned about the farm situation in this country must be wondering whether the Congress will have the ability to get the job done. Here we are in February, and people in the Deep South, and Louisiana in particular, my farmers, are wondering what is going to happen this year. They have their implements being prepared, the combines, the tractors, the irrigation systems they are concerned about putting into place, and they are wondering while they are working on the equipment what in the world is the program they will operate under for 1996.

I think it is extremely important that the Congress move expeditiously on this legislation. We should have done it last year. I have been in Congress for 20 some-odd years, almost 24 now, and we have always had farm bills done the year before. Generally, farmers had to be in the field deciding what to do.

I think we are late. Farmers cannot be late in their planning. Congress should not be late in tending to our business, the business of passing a farm bill of substance.

I hope we can conclude action today. There will be a number of amendments and I think some may improve the legislation; some, I think, may do damage to the legislation. It is so critically important that we get a bill in place so that the farmers in this country could know what to do, when to do it, and under what economic terms and conditions they are going to have to operate.

I think it would be insane for Members of the Senate to leave Washington, DC, to take a vacation back in our respective States or anywhere else while this pending business is not completed. I think it would be a very serious mistake. We should stay here, get the job done, before we think about moving any further down the line.

My final comment, Mr. President, this morning I think there is going to be an amendment dealing with the sugar program. We fought this fight for years and years and years. It is the only program that operates at no net cost to the taxpayers of America, but ensures a stable and dependable supply of sugar to the consumers of this country. There are some large industrial users that would probably like to get their sugar for free. I can understand that, but it does not certainly serve the needs of the overall farm policy in this country.

Our plan that is in this legislation is a dependable, stable program. Again, it operates at no net cost. It guarantees when additional sugar from foreign sources is needed that it can come into this country to meet the needs of our domestic producers, suppliers and refiners in this country. It has worked well. ''If it ain't broke, don't fix it,'' has been said so many times before in different context. It certainly fits very well in this current situation. We have a program that works. Is it perfect? Of course not. But it works, it is solid, it is stable. I have never, I think, ever, received any letter from consumers or housewives complaining about the price of sugar.

People know that it has been a dependable price. It has always been there. We have had some foreign sugar come in when it is necessary. Yet the suppliers and domestic producers in this country have been able to survive under difficult circumstances.

We have a situation, I understand, in Florida that has brought about some concern. This bill addresses it in a way that I think the Members of the Senate from Florida who are very attentive to the needs of their States have supported, and strongly support.

I conclude by urging that any amendments dealing with sugar in this area to eliminate the program be eliminated as an amendment because we have something that works. We should keep it that way. I yield the floor.

Mr. CRAIG. Mr. President, let me thank my colleague from Louisiana. We serve jointly as cochairs of the Sweetener Caucus here on the Senate side and work cooperatively together to solve the problems that this industry has had. I think we have accomplished that over the years, both in cane and sugar beet production, critical crops to the South, certainly to my State and other States in the West and Midwest.

What is important, as the Senator has spoken to, is creating a balance that offers stability to a program and at a reasonable cost to consumers. It is not just a good program in Idaho for Idaho agriculture, but it employs a tremendous number of people and provides a necessary and important commodity. I will discuss this later if amendments are offered to the program that we have worked very closely on to develop.

MODIFICATION OF AMENDMENT NO. 3184

Mr. CRAIG. Mr. President, I ask unanimous consent that I be recognized to modify amendment 3184 with permanent law provisions and, once that modification has been made, no amendments be in order to strike the permanent law modification during the pending action on S. 1541.

The PRESIDING OFFICER. The Senator has the right to modify without unanimous consent.

Mr. CRAIG. With that, I send that modification to the desk.

The PRESIDING OFFICER. The underlying amendment is so modified.

The modification follows:

On page 1–1, line 12, strike ''amendment made by section 110(b)(2)'' and insert ''suspension under section 110(b)(1)(J)''.

On page 1–1, line 20, strike ''amendment made by section 110(b)(2)'' and insert ''suspension under section 110(b)(1)(J)''.

On page 1–1, line 22, strike ''amendment made by section 110(b)(2)'' and insert ''suspension under section 110(b)(1)(J)''.

On page 1–2, line 12, strike ''amendment made by section 110(b)(2)'' and insert ''suspension under section 110(b)(1)(J)''.

On page 1–11, lines 1 and 2, strike ''(as in effect prior to the amendment made by section 110(b)(2))''.

On page 1–41, lines 14 and 15, strike ''and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.)''.

On page 1–42, lines 13 and 14, strike ''or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.)''.

On page 1–42, lines 21 and 24, strike ''or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.)''.

On page 1–43, lines 10 and 11, strike ''or the Agricultural Adjustment Act of 1938''.

On page 1–43, lines 14 and 15, strike ''or the Agricultural Adjustment Act of 1938''.

On page 1–50, lines 20 and 21, strike ''section 411 of the Agricultural Adjustment Act of 1938'' and insert ''section 104(i)(1)''.

On page 1–53, line 15, insert ''that was produced outside the State'' before the period.

On page 1–73, strike lines 6 through 8.

On page 1–73, line 9, strike ''(i)'' and insert ''(h)''.

Beginning on page 1–76, strike line 1 and all that follows through page 1–78, line 4, and insert the following:

SEC. 110. SUSPENSION AND REPEAL OF PERMANENT AUTHORITIES.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—

(1) IN GENERAL.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops:

(A) Parts II through V of subtitle B of title III (7 U.S.C. 1326–1351).

(B) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(C) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(D) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(E) Part VII of subtitle B of title III (7 U.S.C. 1359aa–1359jj).

(F) In the case of peanuts, part I of subtitle C of title III (7 U.S.C. 1361–1368).

(G) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(H) Subtitle D of title III (7 U.S.C. 1379a–1379j).

(I) Title IV (7 U.S.C. 1401–1407).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts,

the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(b) AGRICULTURAL ACT OF 1949.—

(1) SUSPENSIONS.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 1996 through 2002 crops:

(A) Section 101 (7 U.S.C. 1441).

(B) Section 103(a) (7 U.S.C. 1444(a)).

(C) Section 105 (7 U.S.C. 1444b).

(D) Section 107 (7 U.S.C. 1445a).

(E) Section 110 (7 U.S.C. 1445e).

(F) Section 112 (7 U.S.C. 1445g).

(G) Section 115 (7 U.S.C. 1445k).

(H) Title III (7 U.S.C. 1447–1449).

(I) Title IV (7 U.S.C. 1421–1433d), other than sections 404, 406, 412, 416, and 427 (7 U.S.C. 1424, 1426, 1429, 1431, and 1433f).

(J) Title V (7 U.S.C. 1461–1469).

(K) Title VI (7 U.S.C. 1471–1471j).

(2) REPEALS.—The following provisions of the Agricultural Act of 1949 are repealed:

(A) Section 103B (7 U.S.C. 1444–2).

(B) Section 108B (7 U.S.C. 1445c–3).

(C) Section 113 (7 U.S.C. 1445h).

(D) Section 114(b) (7 U.S.C. 1445j(b)).

(E) Sections 205, 206, and 207 (7 U.S.C. 1446f, 1446g, and 1446h).

(F) Section 406 (7 U.S.C. 1426).

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled ''A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended'', approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1996 through 2002.

Mr. CRAIG. Mr. President, I yield the floor.

AMENDMENT NO. 3444

The PRESIDING OFFICER. Who yields time? The Senator from Iowa?

Mr. HARKIN. Mr. President, parliamentary inquiry. I understand we are now on amendment No. 3184, proposed by Mr. LEAHY, as modified by the amendment just sent to the desk by Mr. CRAIG?

The PRESIDING OFFICER. Amendment No. 3444, the Lugar amendment, is still pending.

Mr. HARKIN. Mr. President, I will be sending an amendment to the desk. Is the bill open for amendment at this point?

The PRESIDING OFFICER. It is not.

Mr. HARKIN. The bill is not open for amendment. Will the Chair advise the Senator when the bill is open for amendment?

Mr. LUGAR. Will the Senator yield?

Mr. HARKIN. I will be delighted to yield when I can figure out what is going on around this place.

Mr. LUGAR. The Lugar amendment is the pending business; as in each case, 15 minutes to a side. We are still on that amendment, and we anticipate within a few minutes there may be clearance on the Democratic side for the Lugar amendment, in which case it will be accepted and we will move on. The distinguished Senator from Iowa will be recognized to offer his amendment.

Mr. HARKIN. I see. I did not understand the process under which we were operating. I was not privy to those deliberations that went on late last night.

Mr. President, let me say I do not even know what the Lugar amendment is, right now. It is probably OK. I just want to take at least a couple of minutes—I guess I have the floor—to raise my voice in protest against this process we are now undertaking.

Agricultural legislation is serious business. It not only affects the farmers in my home State and farmers and ranchers all across the country, it affects consumers and affects people who live in small towns in rural areas.

I have been here 22 years. I have been on the Ag Committee that long, 10 in the House and now 12 in the Senate. I have been through a lot of farm bills. I have never seen such an obscene process as what we are going through right now, and I use the word with its full import and meaning, ''obscene.''

The fact that we have before us a 7-year farm bill—I do not mind debating the farm bill and offering amendments and whatever comes out of this body, fine. That is the will of the body to do that. But, to be choked by a process that only allows several hours of debate, that only allows 10 amendments on this side, allows 5 amendments on that side; that only allows a half-hour evenly divided for any amendment—what kind of deliberative process is this? Is this the U.S. Senate? Or is this some Third World dictatorship, where somebody is trying to cram something through?

I just want to say I protest to the utmost what we are doing here and how we are doing it today. Farm legislation deserves more than 7 hours. We can spend 2 weeks on a telecommunications bill, or longer. I do not know how long it took. We can spend days and days debating other things. But for perhaps the most important thing for farmers and ranchers and rural people, what do we get, 8 hours, 7 hours, to debate and amend and try to fashion a bill?

I am sorry, this process smells to high heaven. I have some amendments I am going to be offering, but I want to make the record very clear I object to the way this bill is being pushed through, the way we are being choked off and strangled in this process. The Senate deserves better.

The PRESIDING OFFICER. Who yields time? The Senator from Indiana.

Mr. LUGAR. Mr. President, I ask unanimous consent the Lugar amendment be temporarily set aside.

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

Mr. LUGAR. Mr. President, the floor is now open. In fact an amendment from the Democratic side would be in order.

AMENDMENT NO. 3445 TO AMENDMENT NO. 3184

(Purpose: To strike the section relating to the Commodity Credit Corporation interest rate and continue the farmer owned reserve)

Mr. HARKIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 3445 to amendment No. 3184.

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

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

The amendment is as follows:

(1) Strike section 505 and insert: ''Notwithstanding the provisions of section 110, the Secretary shall carry out the Farmer Owned Reserve program in accordance of with section 110 of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) as it existed prior to the enactment of this Act.''

Mr. HARKIN. Mr. President, my amendment would do two things. First of all, it strikes section 505. What is section 505? Section 505—believe it or not, I know this is going to come as a shock to you, Mr. President, and others who may not have been privy to what is in this so-called farm bill—section 505 raises interest rates that the Commodity Credit Corporation charges farmers. Under current law, the USDA charges farmers interest on commodity loans at a rate based on the costs of money to the CCC, the Commodity Credit Corporation. It is a Treasury-based rate. This is the way it always has been.

But the bill and the Leahy-Lugar or Lugar-Leahy amendment would increase the interest rate on commodity loans by 100 basis points above the rate, as calculated under the formula in effect on October 1, 1989.

There is simply no justification for hiking the interest on farmers above a level representing the cost of funds to USDA. This bill, as drafted, would constitute usury against farmers. It is unreasonable. Here we have the Fed finally, I think, coming to its senses, I hope, in starting to reduce interest rates. They never should have hiked them in the first place over the last couple of years. Yet, on the other hand, we are going to charge more interest to farmers.

I wonder how many farmers know that. I wonder how many farmers know that in this bill their interest charges are going to go up 100 basis points, for no reason. There is no reason for it. The Treasury rates are going down, not going up. These commodity loans are among the most effective and cost-effective of all farm programs because they do allow farmers to market their grain in a more orderly fashion. It helps them obtain funds to pay their expenses using their commodity as a collateral while improving their opportunity to take advantage of higher prices that usually occur after a harvest.

So maybe that is the reason they are raising the interest rates to farmers. Maybe they will not be able to keep their grain and they will have to dump it at harvest time when prices are low. That is OK for the grain dealers, OK for the processors—bad deal for farmers. These loans also help alleviate the stress and overloading on transportation and marketing channels during the harvest season.

Mr. President, there is simply no reason for USDA to make money from farmers using this program by charging interest rates exceeding the cost of money to USDA. So my amendment would simply retain current law. Because it would simply retain current law, there would be no cost relative to baseline for the amendment. As for the cost of the overall bill relative to baseline, adding the cost of this amendment would still leave the cost of the bill well below CBO baselines.

Mr. President, that is the first part of my amendment, to strike that section that raises interest rates to farmers, leave it as under current law that is the cost of money to the Government.

As I said, these commodity loans help farmers market their grain in an orderly fashion. They can hold their grain and market it when prices are higher. It leaves the farmer more in charge of when he wants to market it rather than when he has to dump it to pay his bills.

But there is another important tool that farmers use in order to maximize their income and to ensure that they can sell their grain at the appropriate time. That is something called the farmer-owned reserve. That is the second part of my amendment. That is to reinstate and restore the farmer-owned reserve, which is eliminated in this bill and in the Lugar-Leahy amendment.

The farmer-owned reserve again helps farmers store crops in times of surplus when prices are low. It alleviates the glut on the market. It helps farmers await opportunities for better prices. It is a marketing tool for farmers. The farmer-owned reserve also protects consumers because it helps to hold grain grown in good times in reserve so that drought or other natural disasters will not drive prices to extremely high levels.

The availability of grain in reserve is also important in bringing a little stability to both grain and livestock sectors. The reserve helps to keep grain prices from going as high as they might otherwise. It helps prevent the liquidation of livestock herds in teams of short feed reduction. The liquidation of these herds eventually leads to higher meat prices at a later point for consumers.

The Food and Agricultural Policy Research Institute at the University of Missouri and Iowa State University estimated that substantial stocks that we held on hand going into the 1988 drought prevented some $40 billion in extra food costs to consumers mostly in keeping the meat prices from going sharply higher. So the farmer-owned reserve bill is good for the grain farmer, has allowed that grain farmer to market the grain when he wants, and it is a marketing tool.

Second, it is good for livestock producers because in times of short production or over demand, it keeps their prices from spiking up, which may cause them to liquidate their herds. They do not have the luxury of not feeding their cattle for a long period of time and waiting until the prices go down. A lot of herds are liquidated because of the sharp spikes in prices.

The other thing is, if we get a glut in the price, they go way down. A lot of livestock people put on more animals, and that leads to great fluctuations in the livestock market.

So the farmer-owned reserve bill provides stability, a marketing tool for grain farmers, some stability in protection for our livestock producers, and it provides a great deal of protection for our consumers. Who knows when we will have the next drought or the next flood? Who knows what crop conditions are going to be like next year with global warming and everything else that is going on and the crazy winter weather? Who knows? It is in our best interest to ensure that we have a farmer-owned reserve.

I remember when the farmer-owned reserve came into existence. I remember the debate at that time. The farmer ought to keep the grain, not the processors, not the shippers, not the elevators. The farmers ought to have control over that grain and sell it when that farmer wants to. That was the whole idea behind the farmer-owned reserve. It had broad bipartisan support. Check the record. I am right. Republicans and Democrats across the board supported the institution of the farmer-owned reserve. There is no reason to do away with it.

Yet, this bill, and the Lugar-Leahy amendment, does away with the farmer-owned reserve. My amendment simply reinstates it as it was. My amendment does not include an offset because the bill is well below the Congressional Budget Office baseline. The amendment would only constitute a continuation of the farmer-owned reserve as it was in the 1990 farm bill. It would not result in spending on the farmer-owned reserve above a baseline level.

So, again, Mr. President, my amendment does two things to help farmers and consumers. One, it knocks out the provision of the bill that raises interest rates to farmers.

I see the chairman is here. Perhaps we can have some discussion. I do not know why we are raising interest rates to farmers 1 percent when the Fed is already starting to lower interest rates and Treasury rates are going down. There is no reason for that.

So the first part of my amendment knocks that out and leaves interest rates on CCC loans at cost of money.

The second part of my amendment reinstates the farmer-owned reserve.

I reserve whatever remainder of time I might have.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes and forty seconds remain.

Mr. HARKIN. I thank the Chair.

Mr. LUGAR. Mr. President, I yield myself as much time as I require on this side.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, two elements of the amendment offered by the distinguished Senator from Iowa are costly provisions. I think Senators need to understand that there are expenses attached which the taxpayers would have if the amendments were to be adopted. Specifically, the Harkin amendment as it deals with CCC credits and the 100-basis-point increase, which the pending legislation would provide in the CCC interest rates, if that were stricken, this would cost the taxpayers $260 million. So it is a significant item.

The point made by the distinguished Senator is, why should interest rates for farmers be increased as represented by the CCC interest rates? And the fundamental answer is that these rates are well below commercial rates. In essence, as the Agriculture Committee dealt with this problem, we have tried to bring some equity among farmers, business people, and those who are involved in commerce generally in America. And the elimination of the 100-basis-point advantage likewise was a very important saving at the time that

we were all considering the balanced budget amendment that was vetoed ultimately by President Clinton.

I hope that simply because the President has vetoed this particular budget, even as the President and congressional leadership are still hard at work as far as we know attempting to find a balanced budget in 7 years, that we would not abandon all of the thoughts that we had that were very important with regard to balancing the budget. This is a $260 million item.

Mr. President, the second part of the Harkin amendment would restore the farmer-owned grain reserve which pays farmers 26½ cents a bushel for storing grain. I would simply point out that restoration of this farmer-owned reserve will also be a costly item—in this case, $100 million of additional expense to taxpayers in this country.

Furthermore, I would simply say as a farmer who has adequate storage capacity on my farm, and well aware of how the farmer-reserve plan worked in the past, that I do not think it is a very good idea. I say this as a farmer, not as somebody coming in from the outside offering advice to farmers.

The truth of the matter is, so long as we had the farmer-owned reserve we had an enormous overhang of grain on markets. Those of us who looked to the markets to give signals for our marketing plans always had to take into consideration hoards of grain—hundreds of millions of bushels held out there that could depress markets strangely and sometimes almost capriciously.

The thought was suggested this morning that this farmer-owned reserve gave some solace to consumers. But it is really quite to the contrary, Mr. President. It has led to fits and starts with regard to marketing plans for farmers that finally we got rid of all of this grain, and the farmer-owned reserve was finally depleted. It is gone. It is no longer a hanging sword over the market price.

I would like to leave it that way, Mr. President. I think that is the desirable policy. In fact, the Senator's amendment does two unfortunate things: It would reestablish bad policy, and charge the taxpayers of the country $100 million for that dubious privilege.

Mr. President, the arguments are starkly simple. I will not embellish them further—$260 million more cost if you strike the 100-point interest differential and $100 million more cost if you restore the farmer-owned reserve situation. In both cases, I think they are bad policy and very expensive.

So, obviously, Mr. President, I strenuously oppose the amendment for the reasons I have suggested.

I reserve the remainder of our time.

AMENDMENT NO. 3445, AS MODIFIED

Mr. HARKIN. Mr. President, I have a modification of my amendment I send to the desk.

The PRESIDING OFFICER. The amendment is so modified.

The amendment, as modified, is as follows:

(1) Strike section 505.

Mr. HARKIN. Mr. President, the modification I sent to the desk was simply to strike the provision on the farmer-owned reserve and that leaves the amendment to strike section 505, which is striking that portion of the bill that raises the interest rates to farmers.

I will have another amendment that I wish to send to the desk that would reinstate the farmer-owned reserve. I ask the chairman if I can do that now, or do I have to wait for another time?

These are two separate issues, and I did not mean to get them together in one bill. So now I have an amendment at the desk that simply strikes that section which raises the interest rates. I wish to also offer the amendment to reinstate the farmer-owned reserve.

Mr. LUGAR. Mr. President, if I may raise a question of the distinguished Senator, he wishes to separate the two issues?

Mr. HARKIN. Yes.

Mr. LUGAR. In two amendments?

Mr. HARKIN. Yes.

Mr. LUGAR. I have no objection.

Mr. HARKIN. Could I send the other amendment to the desk?

I thank the chairman.

The PRESIDING OFFICER. The Chair would suggest that until the first amendment is set aside, a second amendment would not be in order.

Mr. HARKIN. I appreciate that, Mr. President.

Mr. President, I will just take what remaining time I have to respond to the distinguished chairman's comments on the Commodity Credit Corporation. He said it would cost $260 million—that is true—over 7 years, a very small price to pay for ensuring that farmers are not charged higher interest rates that are not even warranted.

Now, when you say that it costs money, it does not really cost money. It just adds to what is in the present bill because the present bill raises interest rates. So if you take that out, you are saying it costs money.

No, it does not. This is sort of a shell game. It does not really cost money. It only costs money because by the bill raising interest rates to farmers, the Government is going to make some money.

Well, I do not think the Government ought to be making money off of farmers by charging them another percent interest rate on commodity credit loans. So let us not get caught up in that kind of nonsense.

Second, on the farmer-owned reserve, the Senator is right; there is no grain in the farmer-owned reserve now because prices are high and farmers have sold their grain. Who can say next year or the year after or the year after or the year after for 7 years?

He talks about the grain hanging over the marketplace. That is the way it used to be when the processors and the elevators got the grain and the grain companies. When Cargill got the grain, yes, they could hold it over. But now that farmers have it, they can market that grain whenever they want, and that is the way it ought to be. It is a marketing tool for farmers, not something that depresses the market. The 7-year cost of this amendment is $81 million, which still keeps the bill well within CBO's baseline. So I did not need an offset for that.

So there are no pay-go problems relative to the baseline here. The bill now saves $784 million against the December 1995 CBO baseline. It saves about $8 billion against the February 1995 baseline, so there is room in the budget for these amendments.

So this first amendment on the Commodity Credit Corporation will cost farmers $260 million. That is what it will do if we leave it in there. If we take it out, it is not going to cost the Government and it is well within the baseline. These increased interest rates on farmers are a tax on farmers. Make no mistake about it; it is an additional tax on farmers. I think it is usurious, and I hope we can get this stricken so the farmers do not have to pay increased interest rates when it is not even warranted by anything happening in the marketplace.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I will just respond briefly to the distinguish Senator's argument. Obviously, we are not imposing a tax on farmers. A farmer wishing to borrow money does that as a citizen, a voluntary act. The question is whether that loan ought to be subsidized by all the rest of the taxpayers, people in various other businesses all over the country. To some extent it is now subsidized, and the legislation that the distinguished Senator from Idaho and I introduced eliminates 100 basis points of the subsidy. It brings the loan rate for farmers closer to that of commercial loans in our country, some basic fairness really with all borrowers. That is the issue.

Now, if we offer a subsidy to farmers, I have pointed out it will cost taxpayers and other borrowers $260 million. That has no relationship whatever to baseline or budget or what have you. It is just a cost of the subsidy.

In the agriculture legislation we provided this year, we have tried to bring about more equity among farmers and other taxpayers in the country. I believe the savings involved are substantial. They are over a 7-year period of time. They do not bring any injury to farmers as a group of people with relationship to anybody else. They bring about equity, and I believe the taxpayers care about that.

Mr. President, I yield the floor.

Mr. HARKIN. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 3½ minutes.

Mr. HARKIN. Mr. President, this is a good debate, and I appreciate the comments by the distinguished chairman

on this issue. But I would engage him even further.

The interest rate was raised in the bill to meet budget considerations. They were looking for every bit of money they could find to meet the budget, and so someone, I do not know whom, decided, well, we will raise the interest rates on Commodity Credit Corporation loans to farmers by a percent, and that gained us $260 million.

We are not now engaged in a budget debate. That has gone. We have room within the budget for this. That is the key. There is room in the budget for this.

Let us take this $260 million that my friend from Indiana said is costing taxpayers. No, it is not. What this $260 million represents is $260 million taken from farmers. That is what it is. Farmers pay it. If we do not have them pay it, that means farmers get to keep that $260 million over 7 years. Now, if we take it from them, what is the difference between that and a tax, I ask you? It is a tax on farmers. And, no, it is not true that taxpayers have to pay it. That is not it at all.

Why should farmers get a better rate on their commodity loans than they can get at the local bank? Why should they? I will tell you why. Because a farmer, an individual farmer out there does not have the economic clout to go to the big banks in Chicago or New York or Kansas City and get the prime rate. They have to pay whatever the local rate is. And it is usually a lot higher.

Now, Cargill, if they want to borrow money, they go to Chicago and they get the prime rate. They might even get it better than that, for all I know, because they are big and they are a big customer. Farmer Joe Jones in Iowa, though, who goes to the local bank to borrow money so he can pay his bills and keep his crop and market it when he wants to, has to pay local going rates.

That is why we have this in the bill. That is why we have had it for 60 years, I think, if I am not mistaken. For pretty close to 60 years we have had that provision which allows farmers to borrow from CCC. And now they are getting slapped with a tax. I am sorry, I am just going to tell it like I see it. This is $260 million taken from farmers. Talk about takings, this is taken from the farmer. There is no reason for it.

On the farmer-owned reserve, again, $81 million over 7 years is a small price to pay for stability for farmers and for consumers to know that if there is a drought or flood or some other national disaster, they are not going to get hit with exorbitantly high food prices. So on both of these issues, but especially on the interest rate issue, I say to my colleagues, do not stick it to the farmers and charge them more interest than what is necessary for the Government. By doing so, you are just taking $260 million more out of farmers' pockets over the next 7 years, and we ought not allow that to happen.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Indiana.

Mr. LUGAR. Mr. President, the distinguished Senator, indeed, makes no apology for being candid. He always has been a truth teller, and I appreciate that. The facts are clear that the Senator believes farmers should receive lower interest rates in this particular instance in the CCC loan than commercial rates.

Clearly, as a part of general equity, the committee felt otherwise. We feel as a matter of fact that the loan rates ought to be comparable for commercial activities in our country, and this was a good time to rectify that. It was a part of the budget consideration, and I hope we have not forgotten that altogether. That is not an issue that has been laid aside by the country, and it is not a question of sticking it to the farmers. The question is simply equity for farmers, equity for taxpayers, equity for all of us. I think this is an important consideration. It is a $260 million consideration, as a matter of fact.

Finally, Mr. President, with regard to stability for consumers, the distinguished Senator from Iowa mentioned that because of high prices now the bins are empty. They will always be empty if prices are very high in the world. The point is, we ought not fill them up again and thus depress the prices because of this overhang. That is the principle and that is the policy. Furthermore, $100 million of savings to the taxpayers is involved in not reinstituting bad policy.

Mr. President, how much time does our side have?

The PRESIDING OFFICER. The Senator has 6½ minutes left.

Mr. LUGAR. I am prepared to yield back, that is, if all time is yielded back on the Harkin amendment.

Mr. FORD. Mr. President, has the Senator from Iowa used all his time?

The PRESIDING OFFICER. That is correct.

Mr. FORD. I thank the Chair.

Mr. LUGAR. Mr. President, I move that the Harkin amendment be set aside.

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

AMENDMENT NO. 3446 TO AMENDMENT NO. 3184

(Purpose: To continue the farmer owned reserve)

The clerk will report the second Harkin amendment.

The bill clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 3446 to amendment No. 3184.

At the appropriate place insert the following: ''Notwithstanding the provisions of section 110, the Secretary shall carry out the Farmer Owned Reserve program in accordance of with section 110 of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) as it existed prior to the enactment of this Act.''

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, this is my second amendment. I yield back all my time. I already discussed it.

Mr. LUGAR. Mr. President, I will follow the same course as the distinguished Senator from Iowa. We have had a good discussion of both amendments and, therefore, I yield our time back on our side. I ask unanimous consent that the second Harkin amendment be temporarily set aside.

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

Mr. LEAHY. Mr. President, might I note, I believe we are open for another amendment on the other side. I should note, Mr. President, for our colleagues that everybody has been very cooperative. A number of Senators have not used all their time. Things are moving forward. I almost hate to mention that as a compliment because it might spoil the rhythm of things.

I encourage Senators to keep coming forward. I know there are others on the floor now. But it is my intention on this side that whenever possible—whenever possible—on an amendment to yield back time. I would not do anything to cut off anybody's time, of course, that is allotted to them, because it is a relatively short amount of time on each amendment. But when we can, we can yield it back.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, the normal rotation would be now to come to our side of the aisle, if one of our Senators is ready.

Is the distinguished Senator from Pennsylvania ready?

Mr. SANTORUM. Just 1 minute.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3225 TO AMENDMENT NO. 3184

(Purpose: To provide farm program equity by reforming the peanut program)

Mr. SANTORUM. Thank you, Mr. President. I have, I believe, at the desk amendment No. 3225. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for himself, Mr. BRADLEY, Mr. BROWN, Mr. SMITH, Mr. GREGG and Mr. KYL, proposes an amendment numbered 3225 to amendment No. 3184.

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

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

The amendment is as follows:

Amend Section 106, Peanut Program, by:

(a) Striking paragraph (2) in subsection (a), Quota Peanuts, and inserting the following:

''(2) SUPPORT RATES.—

''(A) MAXIMUM LEVELS.—The national average quota support rate for each of the 1996 through 2000 crops of quota peanuts shall not be more than $610 per ton for the 1996 crop, $542 per ton for the 1997 crop, $509 per ton for the 1998 crop, $475 per ton for the 1999 and 2000 crops.

''(B) DISBURSEMENT.—The Secretary shall initially disburse only 90 percent of the price support loan level required under this paragraph to producers for the 1996 and 1997 crops, and 85 percent for the 1998 through 2000 crops and provide for the disbursement to producers at maturity of any balances due the producers on the loans that may remain to be settled at maturity. The remainder of the loans for each crop shall be applied to offset losses in pools under subsection (d), if the losses exist, and shall be paid to producers only after the losses are offset.''

''(C) NON-RECOURSE LOANS.—Notwithstanding any other provision of this Act, for the 2001 and 2002 crops of peanuts, the quota is eliminated and the Secretary shall offer to all peanut producers non-recourse loans at a level not to exceed 70 percent of the estimated market price anticipated for each crop.

''(D) MARKET PRICE.—In estimating the market price for the 2001 and 2002 crops of peanuts, the Secrtary shall consider the export prices of additional peanuts during the last 5 crop years for which price support was available for additional peanuts and prices for peanuts in overseas markets, but shall not base the non-recourse loan levels for 2001–2002 on quota or additional support rates established under this Act.

Mr. SANTORUM. Mr. President, I have a very short period of time under the agreement to go through this. So if I can, I would like to first say I would like to describe our amendment so I can get that in; and then I would like to talk generally about the dramatic need for reform.

What we have seen in the bill that is before us right now is an attempt to move farm programs, at least a lot of farm programs, into the 21st century—actually the 20th century; the late 20th century, not really the 21st century—in an effort for reform, the freedom to farm.

There are a couple of programs that have been left aside, that have been allowed to continue as they are and have not been reformed. In fact, in the past several farm bills, while other commodity programs have been reformed, a couple of programs have been set aside for nontouched status. One such program is the Peanut Program.

What we are trying to do with this amendment, Senator BRADLEY and I, is to do just a modest amount of reform over the next few years and really make this program look like programs like the Soybean Program looks today. So we are just trying to bring the Peanut Program into what is the 1960's and 1970's farm policy as opposed to the 1930's farm policy.

What we do is gradually reduce the support price for peanuts from the current level, which is $678—and, by the way, the world market price for peanuts is not $678 a ton, which is what it is in this country for people who grow quota peanuts; it is $350 a ton. So we pay, as this chart shows, a tremendous amount more for peanuts in this country than the world does.

What happens as a result of that? Well, a lot of our folks who process peanuts end up producing Snickers bars and the like up in Canada or Mexico where they can buy peanuts at the world price, not have to subsidize an arcane quota system at $678 a ton. So we are losing jobs. Not only are we losing jobs, but consumption of peanuts is going down. We are losing farms and losing processors and losing shellers.

This is a doomed program. Keeping prices at this level is dooming this program, not just for the processors and consumers, but for farmers also. What we do is gradually reduce the support price for peanuts from $678 to $610 next year, and by the year 2000 it goes down to $475 for the years 1999 and 2000. After the year 2000, we go to a nonrecourse loan program which is similar to other agriculture programs in place right now as a safety net program.

So we still have a program for peanuts when we are done. It looks more like the traditional farm programs. It is not a system, as I will explain in a minute, that is absolutely indecipherable, as well as unfair, to growers who do not happen to have passed on from generation to generation a quota that allows us to charge this outrageous price for peanuts that we do charge.

Let me now talk very briefly about the peanut program. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. COVERDELL). The Senator from Pennsylvania has 11½ minutes remaining.

Mr. SANTORUM. Thank you, Mr. President. Let me talk a little bit about this program. Freedom to farm is about simplifying agriculture programs, providing certainty and simplicity. We do that in a lot of areas of this farm bill, and I commend the chairman, Senator LUGAR, and Senator LEAHY for their work in moving farm programs, albeit slowly, but gradually toward simplicity and certainty.

We do not touch this program. We do not reform this program, and this is how it works. I wish I had time to explain this monstrosity of a program. It has taken me, as a new member of the Agriculture Committee, a year to just begin to understand how this program works.

It is discriminatory is probably the nicest thing you can say about it. If you are a quota farmer—that means, if you own a license to raise so many tons of peanuts—you can sell your peanuts at $678 a ton. If you do not have a license, which has been passed on usually from generation to generation—and, by the way, about 20 percent of the quota holders, 20 percent of the people who own quotas control 80 percent of the quota peanuts in this country. So it is very few farmers, in some cases not even farmers, people who own these things live all over the world and lease out the quotas so people can grow their peanuts. If you do not own one of these quotas, you do not get $678 a ton, you get $132 a ton when the world market price is $350.

There are literally hundreds of thousands of growers out there who cannot even make ends meet because of this program for the privileged few—for the privileged few—who just happened to have a granddaddy who knew somebody on the board when they handed out these quotas back in the 1930's.

That is not the way we should run farm policy in this country, and it is discriminatory. If you look at the percentage of minorities who have quotas, that is another story altogether. Minorities were not given a lot of quotas in the South back in the 1930's to grow peanuts, and that is another inequity built into this program. It is a great reason to get rid of it.

Let me talk about equity. As I said before, in the process of the last couple of farm bills, we have gradually begun to reform the farm programs. We have reduced support prices for a variety of commodities. In fact, we have reduced support prices for every single commodity but one: Peanuts.

Peanuts have gone up. Price supports have gone up since the 1985 farm bill by 21 percent. Peanut support prices have gone up 21 percent. Every other program has gone down. Every other commodity support price has gone down, as we seek to get Government more and more out of supporting agriculture and allowing agriculture to work on its own.

Only peanuts, with this horrible quota system that prejudices folks who were not lucky enough, as I said, to have their granddaddy give them a quota license—those are the folks who make money at the expense of other growers, of shellers, of processors and consumers, because we pay a heck of a lot more for peanuts in this country than they do anywhere else in the world. Why? For a privileged few, a privileged few who just happened to know someone back in the 1930's or their granddaddy happened to know someone in the 1930's.

It is a system that needs to be done away with. Frankly, the right thing to do is to eliminate the program outright. But we understand there are a lot of people who own these quotas who have loans and relationships, that they borrowed money based on the fact they had these quotas and were able to get these increased prices, so we phased it out. We are not going to drop anybody off the quota right away. We phase it out over a period of 5 years and then go to a nonrecourse loan program. We still keep a safety net in place for all peanut growers, not just the privileged few who happen to own quotas, but for all peanut growers.

I reserve the remainder of my time. Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

PRIVILEGE OF THE FLOOR

Mr. FORD. Mr. President, I ask unanimous consent that Ms. Katherine DeRemer, who is on detail from the U.S. Department of Agriculture to the Committee on Agriculture, Nutrition, and Forestry, be granted the privilege of the floor during the consideration of S. 1541, the Agricultural Market Transition Act of 1996.

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

Mr. FORD. I thank the Chair and thank my colleague from Alabama.

Mr. BRYAN addressed the Chair.

Mr. HEFLIN. Mr. President, I yield 30 seconds to the Senator from Nevada.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

Mr. BRYAN. Mr. President, I ask unanimous consent that I be recognized next, for the purpose of offering an amendment, at the conclusion of the debate on the Santorum amendment.

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

Mr. FORD. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. I withdraw it.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. HEFLIN. Mr. President, there has been a great deal of misinformation about the peanut program. It is a very complicated program, but it is a cost-effective and consumer-oriented program.

In the bill that is before us, the underlying bill, there is substantial reform. We have a reform peanut bill that is before us. It is reformed in a great number of ways. It will have the effect of lowering the cost of the peanut program to the extent that it is a no-net-cost program. It is not going to cost the Government.

Over the years, the peanut program has cost the Government about $13 million a year. This past year, the cost has increased, but the peanut program is essentially very little cost to the taxpayer. The quota will be reduced by as much as 28 percent. Therefore, this change alone demonstrates significant reform. Frankly, I said, in my judgment, it went too far, but it prevailed on the Republican side. That is what they wanted to do, and they felt like that was the thing to do. I still believe that the reforms go too far. I do not like it, but it has been reformed.

So all these figures that the distinguished Senator from Pennsylvania is using do not show the reformation that has taken place.

His bill will basically kill the peanut program. Actually, a similar amendment to his in the House was estimated by the U.S. Department of Agriculture to cost the program $110 million in the first year alone, whereas the reform bill in the package before us in the Senate is a no-net cost. In effect, we are talking about a cost to the Government of $110 million in the first year under the Santorum amendment.

The amendment that Senator SANTORUM offers would bring the support and the market price below the cost of production, making financing impossible and driving farmers out of the business and reducing the supply to consumers.

Two separate studies by the farm credit system shows that basically what he is doing will mean that somewhere between 40 and 45 percent of peanut farmers will not be able to get financing the first year. And then in the remaining years, none of them could get financing relative to this. This would leave the industry with a significant reduction in supply.

I have some charts. This is a bag of salted peanuts. It sells for 20 cents, 23 cents, and 7 cents. That is 50 cents. The farmer gets 7 cents. The manufacturer gets 23 cents. The retailer gets 20 cents. That is 99 percent peanuts. I do not know what else you add to it. I suppose you add a little salt. And maybe you can cook them a little bit in peanut oil, which is a good oil relative to it.

Whoever heard of one of these bags of peanuts selling for anything like the bottled drinks, like the colas? When they first started out talking about putting a 1-cent tax on them—it never materialized in that manner. Instead, they have always been increased in multiples of 5. The price used to be 10 cents, and now we find soft drinks being 50 cents, 55 or 60 cents.

How are you going to save any money on a bag of peanuts when the farmer gets that little? Down here you have peanut butter. The peanut butter here contains 90 percent peanuts. This particular jar sells for $2.08. As it is, that is what we picked out in the store. There is a study by Purdue University, and they went out and picked out six cities to sample. The price varied for a jar of peanuts of the same size; I believe it was 18 ounces. It varied from $3.17 down to the lowest at a $1.23 a jar. We are going to show you a chart later showing what it cost the manufacturers to produce peanut butter and make a profit. For the School Lunch Program, manufacturers sell peanut butter and obviously make a profit at about 80 cents a jar, compared to an overall commercial retail average of $1.83. The manufacturer's cost is what they sell to the School Lunch Program, and they make money on that at 80 cents a jar.

Now, M&M's. We have here plain M&M's and peanut M&M's. The consumer pays the same retail price, ''disputing what candy manufacturers have been saying about the effect of peanuts on consumer prices.'' They sell for the same thing. No difference whatsoever when you go into the market.

All right. Here we have Hershey. Bear Stearns, which is a leading investment house, on September 18, issued a new alert relative to Hershey Food Corp., and they upgraded it from neutral, to ''buy.'' Bear Stearns says: ''Hershey will be a major beneficiary of several legislative and regulatory reform measures expected to be put into effect in the near future; namely, the phaseout of Government price support for sugar and peanuts.''

And on another page of this, Bear Stearns said—and this is information they sent out to their investors—''Phase out support for sugar and peanuts. As a new part of the farm legislation being hammered out, the U.S. Government could gradually phase out price supports for sugar and peanuts.'' Bear Stearns is making their stock recommendation based on the elimination of the Price Support Program. We expect this bill to go into effect in 1996. ''Such measures would lead to substantial margin improvements for Hershey, whose chocolate operations consumes huge quantities of these two commodities, sugar and peanuts.'' It goes on relative to profit margins for shareholders and other stock aspects.

Now, several years ago, there was a GAO study pertaining to this, and they said, regarding the support price, there was a possibility of it meaning lower costs to the consumer. Yet, when they testified before the House regarding their report, they came up with a very changed and realistic thing. The GAO basically stated in testimony that by ''consumer,'' they did not mean the final consumer of the product, but the first buyer of the peanuts to make them into candy or peanut butter. Further, GAO admitted that it could be zero that the homemaker would ever see of that savings. The GAO also stated that they had interviewed both small and large manufacturers of peanut products and were told that they may not pass the cost savings directly on to the final consumer of peanut products, but that they could develop some new product lines with a lower support price.

I want to show you the history of what has happened relative to farmer price and retail price. Here are the various things. The support price is in blue on the chart here, and the red is farm prices, and green the retail price. Over the years, the farm price has always been above the support price. That has been consistent throughout. The loan rate has not been used much. Look at the difference as to what the manufacturers and the retailers make, in regards to retail price versus what the farmer makes.

Let us see if we cannot get that chart now pertaining to the cost of the manufacturing. This is from USDA. This chart shows the manufacturers' cost. The manufacturers are able to make and sell peanut butter to the USDA School Lunch Program at 81 cents a pound, while consumers pay more than twice that amount for the very same peanut butter in grocery stores. The retail price illustrated in this chart is actually below the retail average. In some places, the retail price is over $3. As I indicated earlier, 90 percent of

what is in a jar of peanut butter is peanuts. They may have added a little salt and oil and other things pertaining to that.

Now we talked about prices paid by the School Lunch Program versus commercial retail. Let us now turn to the chart on the comparative prices in cities across the world. Again, USDA is the source of this information. In the United States, the average price as of that date—and they vary according to the date—is $2.10. In Mexico, it is $2.55. In Canada $2.72. The argument has been made that peanut butter produced in Canada, or any foreign country, is made with the cheaper, world market peanuts. This chart illustrates Hong Kong, Paris, and Tokyo. The U.S. peanut butter prices are the lowest in the world. I point that out. Let us look at Canada. I will not attempt to quote this French, but they have labeling on this Canadian peanut butter. In Canada, the retail price is $2.99 and in the United States it is $2.21 on that particular date and location. This example even takes into account the exchange rate.

Here we have a Snickers bar. They say they are going to pass on to the consumer savings on Snickers bars. Everybody knows Snickers is packed full of peanuts. But when you get down to it, it actually only has 2 cents worth of peanuts in it. The retail price for this Snickers bar is 55 cents. Furthermore, the sugar in a Snickers bar is only 3 cents. This information is from a reliable source, a director of quality and supply of Nestle's Chocolate and Confections, who made this statement as of the 18th day of June 1995. If the peanut price is reduced what portion will a consumer see in regards to reduced retail price. I say the consumer will see no reduction in the retail price.

Now, foes of the peanut program have been putting out a lot of misinformation about new farmers, that they are not getting into the program. Of course, there is basically not a great number of farmers that are in the program—somewhere between 10,000 to 15,000. However, we have seen a steady increase of new farmers that have gone into the peanut program. Actually, the peanut program is easier for a new farmer to access than is the cotton, wheat or corn program. In order to participate in these commodity programs, a farmer must produce that crop for 3 to 5 years building a base before they can participate.

Really, when you get down to it, ''quota'' means no more than just base, relative to that. So the argument that peanut production is left to an exclusive group and therefore nobody else can get into the market is misleading. This chart illustrating program participation, using USDA figures, demonstrates that new farmers do have access to peanut production.

The other argument, or criticism that is made, is that peanut quota holders do not produce their quota and instead lease, is also misleading. Let us compare it to the other crops. Here we have from the U.S. Bureau of Census: In the peanut industry, there are more farmers who own their land and do not rent than in wheat, soybeans or cotton. This is the percentage of those that rent. The reasons that an individual may rent can be all sorts of things. Say a widow only has Social Security, her husband is dead, she wants to rent the quota, but the critics say there is something wrong with that.

Mr. SANTORUM. Will the Senator yield?

Mr. HEFLIN. I will yield at the end of my remarks.

This chart illustrates the situation relative to wheat, soybeans and cotton, pertaining to the issue of owner-operated and rented. There are some who do rent. However, in this bill, there are provisions that would do away with some of the public entities who own peanut quota, but to do away with the concept of the right to lease one's land, and criticizing those that do, seems to me that we are losing sight of the overall situation pertaining to widows, children and others who have, over the years, rented their land, or rented their quota. That is a distinction we ought to certainly look at.

Now, food safety. We want to show that American peanuts have all sorts of safety tests. There are certain prohibited chemicals that domestic producers cannot use in the production of peanuts. Producers in foreign countries do not have these same restrictions on pesticides that domestic producers must conform with.

Today, under GATT, 74 percent of the peanuts allowed into the American edible market come from Argentina. Yet, 50 percent of the peanuts that come in from Argentina cannot pass FDA tests in regards to pesticide residues. They are listed here—I cannot pronounce all of these—including pirimiphos-methyl. And then China—the two leading sources of foreign produced peanuts they are talking about is in Argentina and China—all Chinese peanuts coming into this country contain pesticide residues that have been banned for in this country. They cannot use these chemicals, yet these chemicals are being used in Argentina and China and are then exported to the United States.

China also has a particular disease known as stripe virus. Stripe virus is a disease we have to be very careful of. There is another disease called aflatoxin that comes in, when growing peanuts. In America, by electronic means, every peanut kernel is inspected. It goes through an electronic process to be sure that there is no aflatoxin contamination. Aflatoxin has been known to cause cancer, but that process does not exist in Argentina and does not exist in China. The food safety requirements in regard to peanuts in the United States is a very important issue and something that we ought to be very careful about.

The issue of contamination was raised a while ago by one of the commissions on world trade matters in regard to peanuts that were stored in Amsterdam. When they were proposed to come into the United States, they were examined, and it was found that there was a substantial number of rat droppings in the peanuts.

I yield to the Senator from Georgia for 5 minutes.

The PRESIDING OFFICER (Mr. HELMS). The Senator from Georgia.

Mr. COVERDELL. I thank the Senator from Alabama. The Senator from Alabama has done such a distinguished job in his describing this important agricultural program and its general benefit to our Nation.

Let me just say briefly with regard to this particular program, my hat is off to the rural community, to the peanut growers who stepped forward very early in this process and became a true force in reform. The Senator from Alabama has already acknowledged the enormous reforms that exist in this bill.

I might point out in the measure that passed the committee, in the measure that passed the Balanced Budget Act, this bill saves over $500 million. This bill lowers the support price 10 percent. The price support escalator has been eliminated—a 200,000-ton reduction in quota has been accomplished. The bill is replete with reform. The growers, the rural community itself, were at the forefront of accomplishing this. They need to be acknowledged for that. They do not need to be set aside. They do not need to be reprimanded. This is a farm community that came forward and did what it needs to do.

Let me say very quickly, the peanut program has been part of rural America for nearly 50 years. The amendment offered by the Senator from Pennsylvania is like throwing a light switch off. These farmers, these rural communities, have been functioning under the set of rules imposed upon them by the Government. The Government itself put this plan in place. If we are going to change it, we need to do it in a transitional form, which is what this bill does.

This program now not only affects the farmers, but it affects the entire rural community—banking, the value of land, agribusiness in general. It is not the kind of thing that you can come in and arbitrarily change the rules in 24 months. You cannot do that without doing enormous damage.

Let me say this. The communities affected by this program are rural and they are poor. In my State, these are the poorest counties in the entire State. They have poverty rates of 20 percent, and actions taken by the Government that are capricious and without sensitivity to time do enormous damage, enormous damage.

The bill, as formed, moves in a market direction. The farm and rural communities have been a willing partner, but it is a transition so that the communities can adjust to the changes in our time.

I will oppose the amendment by the Senator from Pennsylvania. I think it is exceedingly important that when we change the way we conduct our business, when we change what the Government has put in place, there needs to be an enormous sensitivity to allow the communities to adjust and move to change, which is exactly what was accomplished in the bill that came out of committee, and is exactly what was accomplished in the bill we sent to the President which he vetoed and which we are attempting to replicate here this morning.

I commend the Senators from Alabama, from North Carolina, from Virginia, for the work they have done to produce this market reform. I yield back my time to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, the distinguished Senator from Georgia, Senator COVERDELL, mentioned the economic effect. There has been a recent study by Auburn University on the economic impact in the tri-State area of Alabama, Georgia, and Florida, showing that the peanut industry there exceeds $1.3 billion and the employment associated with economic activity related to the peanut industry exceeds 16,000 jobs. This has been based on the way that the Base Closure Commission did their calculations, the effect not just on peanut farmers, but what effect it has on other dealers and communities—the COBRA effect that was set up under the base closures.

Going with the Santorum type of amendment would really mean the end of the peanut program. You would eliminate 37,500 jobs, with $350 million in lost farm revenue, $50 million in lost exports, a $750 million drop in land values, and a $25 million loss in tax revenues. That is just in those three States referenced in the study. It does not take into account other peanut-producing regions. The conclusion is that changes made in the order proposed by Senator SANTORUM will have a tremendous negative economic effect.

In order to accurately understand the situation faced by domestic producers relative to foreign growers of peanuts you have to examine the guidelines, restrictions, wage and labor laws, as well as environmental laws in order to put domestic producers on the same playing field. No. 1, as compared to American peanut producers, they are not subject to minimum wages. The farm labor in those countries—in China and in Argentina and even in Mexico or any of the rest of the peanut producing countries—is so drastically lower than the wages in the United States. There is no environmental protection, and, of course, there is no restricted chemical use, as we pointed out.

There has to be rigorous post-harvest treatment and rigorous inspection here in the United States. None of that exists in the foreign countries. So you have a situation where, if you reduce the price support down to the Santorum level, what this is going to mean is you get it down below the cost of production. Then, what it is going to mean is you are going to drive those farmers out of business because they cannot afford to produce peanuts and make a profit and still comply with all the stricter wage, environmental, and pesticide regulations. Therefore, peanut production will be forced to go overseas. The peanut industry has already suffered from unfavorable trade agreements, such as NAFTA and GATT. You are going to have a situation in which you will see there will be no more peanuts grown in the United States. It is going to mean the end of peanut production. Then you are going to get peanuts coming in from Argentina, China, Mexico, and these other places.

Another example? In the area which Senator COVERDELL talked about, the poor areas of Georgia, there is a large minority participation in the peanut program. The ratio is more than 6 times greater than in the national average in those Southern States. It means those people are going to be losing jobs relative to the peanut industry.

The reform package that is in the Lugar-Leahy-Craig bill, what we have today, already cuts the peanut program by 28 percent. It is a no-cost-to-the-Government program, and it has made substantial reforms—too many, in my judgment. I hope I can do something about it in conference to improve it. But, nevertheless, that is the bill before us right now. Today, it is a matter of whether you are going to kill a reformed peanut program that has worked well or you will support peanut production in the United States.

I understand the Senator from North Carolina, Senator HELMS, would like some time. How much time do we have remaining?

The PRESIDING OFFICER (Mr. COVERDELL). The Senator has just over a minute.

Mr. HEFLIN. I yield to the Senator from North Carolina.

The PRESIDING OFFICER. The Chair recognizes the Senator for a little under a minute.

Mr. HELMS. This may be the best speech I ever made, Mr. President.

I want to compliment the distinguished Senator from Alabama for the lucid presentation he has made.

I want to say to the distinguished Senator from Pennsylvania, he is one of my favorites. I am glad he is in the Senate. I know he is sincere. But, on this matter, he is sincerely wrong. Mr. President, I must oppose the Santorum amendment because it will do grave harm to thousands of small farmers in North Carolina and other peanut-producing States.

The issue here is the future of the peanut program—and thousands of jobs. The importance of this modest program can be measured statistically by emphasizing that it provides $1.2 billion in farm revenue, 150,000 jobs, while generating $200 million in exports. Peanut farmers also provide America with a safe and abundant supply of peanuts.

Mr. President, in North Carolina, peanuts are a major commodity that produces more than $100 million in revenue, while directly and indirectly employing more than 200,000 people in the various aspects of the industry.

Moreover, the subject of reforming the peanut program was considered and debated in the Senate Agriculture Committee.

Interestingly enough, peanut farmers have already voluntarily reformed the program. They have cut their budgets, agreeing to a 10-percent cut in their pockets, and going to a no-net-cost program to eliminate any cost of the program to the taxpayers.

The Congressional Budget Office [CBO] estimates these reforms will save taxpayers over $400 million during the next 7 years.

So, Mr. President, I must oppose the Santorum amendment, and urge other Senators to do likewise and support the distinguished majority leader in his motion to table this amendment.

Mr. WARNER. Mr. President, I rise today to address the issue of the safety of foreign imported peanuts, which was raised previously by the distinguished Senator from Alabama, Senator HEFLIN.

Mr. President, opponents of the peanut program would have you believe that American consumers are being defrauded. As evidence, critics cite a ''world peanut price'' hundreds of dollars lower per ton than that which American producers receive under the peanut-price-support program. What most Americans do not realize, Mr. President, is that those world price peanuts are of a quality and type that would be illegal to sell in the United States. I repeat, Mr. President, under USDA rules and regulations for pesticide use and diseased content, most of these so-called world price peanuts would be illegal to sell to American consumers.

Around the world, U.S. peanuts, and especially those of the type grown in my State of Virginia, are recognized as a premium quality grade worthy of a premium price on the world market. American peanut farmers already are the leading exporters in the world, selling one-fourth of their crop each year on the world market. This so-called world price for peanuts is artificially deflated because it is based on an inferior peanut used primarily for oil and animal feed rather than edible use.

Domestic peanut growers must meet the strictest health, safety, and environmental standards in the world. Our producers are limited as to the types and amounts of pesticides and chemical additives that can be applied to their crops—restrictions that few, if any, imports can meet.

American consumers should know that our peanut farmers cannot

produce peanuts cheaper than their Third World counterparts who are not subject to strict environmental regulations governing the use of pesticides, fertilizers, and other agrichemicals; worker protection laws; minimum wage laws; consumer protection laws; and USDA quality and safety inspections required of American peanuts.

In short, Mr. President, the peanut program provides American consumers with a low cost, stable supply of the highest quality, and safest, peanuts in the world.

Mr. HEFLIN. Mr. President, I reserve the remainder of our time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I ask Senator CHAFEE and Senator REID be added as cosponsors of this amendment.

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

Mr. SANTORUM. Mr. President, the Senator from Alabama said we would not be growing peanuts in this country anymore. We would be driving all of these peanut farmers out of business with our amendment. What our amendment does is, over 5 years, we reduce the quota price by roughly 30 percent, and we then eliminate the quota.

How much of the cost of growing peanuts is the quota? The answer is roughly 30 percent. We reduce the support price equal to the cost the quota adds to the price of peanuts. So it is a wash.

What we have done is open up the market so all these additional growers—we are talking about these little rural communities and all these poor growers. What about these growers who grow peanuts and do not have a quota? They grow peanuts, their price is $132 a ton as opposed to, if you are one of these privileged few quota holders, you get $678 a ton. So let us think about these folks who just did not happen to have a granddaddy who was at the trough 50, 60 years ago when they were handing out these quotas.

Let us look at all the farmers out there working who have to buy quota seeds. To even grow additional peanuts, peanuts that do not get you this nice big price, you have to go to the quota holders and buy their peanuts at their high price so you can plant your poor peanuts, that are just as good in quality but you do not happen to have a quota.

The Senator from Alabama said a lot of things. First off, CBO says our savings in our amendment are the same as under the bill. There will be no increased costs to the Government under the bill.

Second, the Senator from Alabama said under our bill, 49 percent of the farmers would not be able to get loans in the first year. That is different from the underlying bill. I remind the Senator from Alabama we cut the support price in the first year of this bill the same as the underlying bill. We do not change the first year. We go to $610. The underlying bill is $610. To suggest we do the same thing and somehow 49 percent more people are not going to be eligible for loans does not make any sense.

The Senator talked about how we sell peanut butter to the School Lunch Program at a greatly reduced price, much less than market price. First off, I do not know anybody who does not sell bulk, to a mass consumer, in bulk quantities, cheaper than they do when they have to put it in little 6- or 8- or 10-ounce jars and market it. Of course, they are going to charge them less, as any bulk purchaser gets less when you are buying in that size than something you were going to market at a local convenience store. That is No. 1.

No. 2, in 1991 the USDA suspended peanut butter purchases, peanut butter sales for school lunch. School lunch programs suspended it. Why? Because peanut butter prices were too high. They could not afford it anymore, so they had to suspend it. Why? Because we were making a lot of farmers who, again, their granddaddy had a quota, they were making a lot of money and our schoolchildren are not getting peanut butter because it is too expensive.

He looked at foreign price. I remind the Senator, as I am sure he knows, America is somewhat unique in the world in the consumption of peanuts. Most of the people around the world do not eat peanuts like we do. Most grown in the rest of the world is used for feed for animals. Very little is used for food for consumers. It is considered, I would not say a delicacy, but in a sense a very rare item for people to consume.

We consume in this country over 70 percent of the world's peanuts for human consumption. To suggest because a couple of countries that do not sell a lot of peanuts have very high prices, it would be like maybe in this country our prices for caviar are higher than they are in Russia, or something like that, where you have an indigenous food that people consume versus something that is a luxury in other countries. That is not a fair comparison.

Another amazing point that was made, the Senator compared the peanut program with the cotton program and the wheat program and said these other programs rent out their land for production of this crop. The difference is, if you rent your land out for the production of cotton or wheat, you can still sell that cotton or wheat in this country. There is no quota. The difference with peanuts is, when you rent that land out, you rent the quota. If you do not have a quota, you cannot sell your peanuts in this country.

So it is not the same. I mean, the difference is anyone can rent land to grow cotton. You can sell the cotton here. But unless you have a quota, you cannot sell your peanuts here in this country. You talk about the small rural farmer, the guy who goes out and sweats every day to grow those peanuts, and he cannot sell them because you had somebody's granddaddy at the trough 50 or 60 years ago because he was able to get a quota because he knew somebody.

If people do not understand quotas—a liquor license is the same thing. What is a liquor license? It is a piece of paper. It is not worth anything. If you sell a liquor license, you get a lot of money because it gives one an opportunity to do something that nobody else can do. You cannot sell liquor in this country without a liquor license. And you cannot sell peanuts in this country unless you have a little piece of paper saying you can sell peanuts.

Is that American? Is that what we want to do to allow the privileged few—by the way, 70 percent of the people who grow quota peanuts who have this license rent that license. It is owned by somebody else, some fat cat sitting in New York City, or Paris, or someplace. They trade them like securities.

So what do they do? They make a lot of money so a bunch of folks can sit and work their tails off. For what? For what? Basically, the world price for peanuts is what they ultimately get. Who makes this different? A bunch of fat cats who buy liquor—quota—licenses.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HEFLIN. Mr. President, you have to have a piece of paper, a license, to sell liquor. This is different. The largest peanut farmer in the country does not have a quota. He is in California, and he has 5,000 acres of peanuts.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FORD. Mr. President, do I have time to ask unanimous consent?

I ask unanimous consent that I may follow the Senator from Nevada with an amendment after the next majority amendment.

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

Mr. FORD. I thank the Chair.

PRIVILEGE OF THE FLOOR

Mr. LEAHY. Mr. President, I ask unanimous consent that David Grahn and Craig Cox be given floor privileges during the consideration of the farm legislation.

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

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. LUGAR. Mr. President, I ask unanimous consent that the Santorum amendment be temporarily set aside.

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

Mr. LUGAR. I thank the Chair.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. BRYAN. I thank the Chair.

I yield myself 7 minutes.

AMENDMENT NO. 3447 TO AMENDMENT NO. 3184

(Purpose: To provide that funds made available for the market promotion program under this Act may be used to provide cost-share assistance only to small businesses or Capper-Volstead cooperatives and to cap the market promotion program)

Mr. BRYAN. I send an amendment to the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN], for himself, Mr. KERRY, Mr. BUMPERS, and Mr. REID, proposes an amendment numbered 3447 to amendment No. 3184.

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

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

The amendment is as follows:

In Title II, Section 202, on page 2–2, line 8, strike ''$100,000,000'' and insert ''$70,000,000'' where appropriate.

In Title II, Section 202, on page 2–2. after line 9 and before line 10 insert the following:

''*Provided further,* That funds made available under this Act to carry out the non-generic activities of the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) may be used to provide cost-share assistance only to organizations that are non-foreign entities and are recognized as small business concerns under section 3(a) of the Small Business Act (15 U.S.C. 632(a)) or to associations described in the first section of the Act entitled 'An Act to authorize association of producers of agricultural products,' approved February 22, 1922 (7 U.S.C. 291).

Provided further, That such funds may not be used to provide cost-share assistance to a foreign eligible trade organization:

Provided further, That none of the funds made available under this Act may be used to carry out the market promotion program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000.''

Mr. BRYAN. I thank the Chair.

For the RECORD, I want to make sure that the RECORD reflects that this amendment is a joint amendment by my distinguished colleague from Massachusetts, Senator KERRY, Senator BUMPERS, and Senator REID.

Mr. President, I think that those who have followed the debate on agricultural issues know that this Senator has not been a supporter of the Market Promotion Program. In the limited time that I have available this morning, I want to offer an amendment that was previously approved on the floor of the Senate on September 20 of last year by 62 to 36. My preference would be to eliminate the Market Promotion Program, which has cost the American taxpayer more than $1 billion, because I think it is a poster child for corporate entitlements in America and is without justification.

I yield to the pragmatic consideration that, although I have attempted on a number of occasions, joined by my friends on the floor, Senator KERRY and Senator BUMPERS, to eliminate this program, we have been unsuccessful. So last September we crafted a compromise which said, among other things, that we will limit this program so that foreign corporations will no longer be eligible to receive payments.

I might say parenthetically that in the last year in which there is data available, some $12 million of taxpayer money went to foreign corporations to help them supplement their advertising budgets. In addition, some of the largest corporations in America are beneficiaries under this program—companies that ought to be charged with handling their own advertising and promotional expense without reference to taxpayer subsidies.

Here are some of the major corporations in the country in 1993, 1994: Ernest & Julio Gallo, $7.9 million; Dole, $2.4 million; Pillsbury, $1.75 million; Tyson Foods, $1.7 million. And the list goes on.

This amendment would limit the branded promotion programs to those that fall within the definition of the small business company under other provisions of the Federal Code.

It is my view that we should adopt a responsible compromise that has enjoyed the support of my colleagues on both sides of the aisle to place a limitation on this program in each of the two specifics which I have just mentioned, and also to cap the program at $70 million. Under the current proposed legislation which we are debating on the floor, the Market Promotion Program would continue in each of the 7 years at a $100 million annual funding level.

We have talked a lot about curtailing Federal expenditures, taking a look and making some of the tough decisions, downsizing Government. I have listened to a great many speeches on both sides of the aisle. This is our opportunity to strike a modest blow for fiscal sanity by putting a cap on this program and limiting the expenditures to $70 million annually. There can be no conceivable justification for providing taxpayer-assisted funding to supplement the advertising budgets of companies the size of those that are listed in this exhibit that I have offered on the floor.

I might add further that the number of companies who have received assistance, of the 200 largest corporate advertisers listed in the 1992 Standard Directory of Advertisers, 13 of those companies received market promotion programs involving some $9 million in 1992.

So we think that this is something that has been before the Senate. It has enjoyed bipartisan support. We think it makes sense, and we ask for its consideration.

I reserve the remainder of my time and am prepared to yield 5 minutes to the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I want to thank the Senator from Nevada for his persistent efforts and for his tenacity in trying to address this question of inappropriate corporate welfare. I think all of us here would understand and be sympathetic to the notion that, if there are situations in our trading relations where you have a company that is hard pressed and disadvantaged against competition, as some of our companies are in certain industries, then it is conceivable that you can make a legitimate argument that you want to find some kind of Government subsidy to redress the imbalance in the marketplace.

I know, for instance, that Airbus received significant subsidies. And Boeing and McDonnell Douglas have to compete against the French, or against other countries in those industries where there is a very significant subsidy. But here we have a situation where companies that are extraordinarily profitable are going to sell their products abroad anyway for which there is a market for those products anyway, where they are profitable beyond any of the need criteria that you might try to establish, and nevertheless the taxpayers of this country are simply reimbursing them for a subsidy for an advertising budget that they would expend anyway.

Let me be very explicit about that. The M&M Mars company, for instance, has about a $262 million advertising budget. They spend that no matter what. When a company spokesman was asked, ''What do you think about taking these Government funds?'' the company spokesman's answer was, ''Well, you know, it is sort of like the mortgage interest rate deduction. If it is there, you take advantage of it.'' So they take advantage of the funds. It is not even a question of being need based.

At a time when everyone is looking for a responsible way to make judgments, critical judgments about who deserves Government assistance and who does not, it is simply wrong—it is just wrong, wrong economically, wrong politically, wrong morally, wrong on every kind of balance—to suggest that these companies with their—look at Tyson Foods. What is Tyson Foods doing getting a subsidy at this point in time for this?

I like Tyson Foods. I like what they do. We are enormously proud of what they have accomplished and of what they are capable of doing. But at a time when we are being asked to cut back on education funding, on environmental cleanup, on science research, on the R&D tax credit, on all kinds of things that are important, how can you justify this kind of effort?

There are some small companies, there are some people working at a great disadvantage in the international marketplace against countries that have a much greater degree of assistance and of partnership between the Government and the private sector than we do that may need some kind of leverage. It is with that in mind that

the Senator from Nevada and those of us who are promoting a change are not suggesting, even though we think this is not an appropriate program overall, we think that it is fair to recognize those small areas of need and simply to cut this program back to the $70 million cap.

When you measure this particular program and whatever justifications are given for it against the extraordinary reductions that we are facing in title I funds, in drug free safe school money, in Pell grants, in student loans, in environmental enforcement, in infrastructure development, in science and research, in global climate change research—you can run down the gambit and every one of those fundamental needs are being reduced—how can you justify continuing this kind of corporate welfare?

I think most Americans are not even aware that this kind of subsidy is taking place, and every American that I have ever talked to, when you explain to them what is happening, their eyes bug out and they simply are aghast at the notion that this is what people in Washington are choosing to do with their money. The American citizen knows this is inappropriate, it is unnecessary, and measured against all the other choices that we are making in Washington it is plain and simply wrong.

I am grateful to the Senator from Nevada for being willing to lead the charge here in an effort to try to redress it. I hope the Senate will once again vote as it did previously. We won this battle in the Senate. Unfortunately, as is so often the case here in Washington, the interests come into the conference committee or get one or two people to hold up everything and so it was taken out in the conference, and here we are back again. This is the same history that we had on a mink subsidy and on the wool and mohair subsidy, and ultimately we will win this battle because it is the right thing to do.

I thank the Senator from Nevada.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana.

Mr. LUGAR. I yield to the distinguished Senator from Mississippi as much time as he wishes.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. COCHRAN. Mr. President, this is a subject we have debated on a number of different occasions on the floor of the Senate. I recall when we had the agriculture appropriations bill before the Senate this past year there were amendments offered to change various parts of the legal authorization for the program, the statutory authorization. We resisted those amendments on the appropriations bill and tried to keep the focus on the amount of money that was being appropriated for the program.

As I understand the history of this amendment, when it was brought up on the appropriations bill, the Senate passed it, or a version of it. I am advised by members of my staff that on that occasion when we went to conference the House conferees did not agree to accept the language and the provision was dropped. It did not make it through the process to be included in the appropriations bill as finally adopted and submitted to the President for his signature. So that is why this issue is raised again.

Let me just point out, while this is a controversial program, and some of the television networks have sort of made a hobby at least, if not a profession, of attacking it and exaggerating it and trying to sensationalize it as something that is evil and not workable, the facts are that this is a program which has created American jobs because it has expanded our level of exports in agriculture commodity trade and in food product trade to the extent that it has been reauthorized. It has been supported by this Senate and the House as well time after time because of the evidence. The evidence is that this program works. It was originally designed to be targeted against unfair trade practices by our competitors around the world. It was called the targeted export assistance program. The fact is it continues to work in that way because funds are allocated by the Department of Agriculture where there are special problems or special opportunities and only this kind of assistance is considered to be effective.

So I urge Senators to look at this amendment very carefully. I am not going to get all out of breath, or red in the face, arguing against it again. But I am going to say we should vote against this. It unnecessarily restricts—unnecessarily restricts—the Department of Agriculture, in the administration of the program. The Department of Agriculture has submitted testimony time and time again about how this has been a very useful program. I hope the Senate will not be stampeded by the clever arguments that are being made by my good friends who continue to take this issue up and make a semicareer out of attacking the Market Promotion Program. It is a good program, and I am going to vote against the amendment. I hope Senators will join me in doing so.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask for 5 minutes from my distinguished colleague.

First of all, I compliment my good friend from Nevada for his perseverance in trying to rein in, if not torpedo totally, a program that has absolutely no justification. He has been very diligent about this, and I have been honored to stand by his side to try to bring some sanity to the agriculture program but especially to eliminate the Market Promotion Program. As long as this program is on the books, at least once a year every news magazine in the country, from ''60 Minutes'' on down, is going to do a piece on it.

Every time they do a piece on it, millions of Americans are going to say, ''What on Earth are those clowns thinking about? How on Earth can they justify such a program as this?'' Well, America, the answer is, we cannot.

If I had my druthers, I would torpedo this program to zero. But the Senator from Nevada is not asking to cut the program totally. He is saying go back to the figure the Senate adopted 62 to 32 about 6 months ago, and put it back where the Senate had it at that time. It was passed overwhelmingly here.

I am not going to belabor the arguments that have already been made, but the one salient argument that the Senator from Massachusetts and the Senator from Nevada has made—and I will make it again because you cannot make it often enough—what in the name of God are we doing subsidizing Ernest and Julio Gallo, even Tyson Foods, the biggest employer in my State, and Jim Beam? That ought to make the Christian Coalition happy.

All we are saying is, in the future we are going to do what GAO recommended, except for one thing: They recommended that it be cut to a small business, generic, a new-to-exports small business program and funded at no more than $50 million. The Senator from Nevada's amendment says $70 million. Of course, that is $70 million too much, but we live in a real world around here. We know we cannot torpedo the thing because big business has too many defenders in this body.

The second thing GAO said is there is absolutely no proof that we are not simply replacing money these corporations would use on their own. Everybody knows that is true. It is just a piece of welfare. If I were the Gallo brothers, if I were Ralston Purina, Tyson Foods, Campbell Soup, Jim Beam, whoever, I would take the money, too.

But, colleagues, here is what this amendment does. It says, No. 1, you cannot give this money directly to a big business. You can give it to a generic institute. You can give it to Riceland Foods. You can give it to any of these national coalitions that have as their members all the poultry industry, all the liquor industry, those kinds of things. But we also confine it to generic small business as defined by the Small Business Administration.

It is a tragedy that we cannot kill this program. When I think about what we are doing to worthy programs in discretionary spending and standing here, pleading with you to cut the most outrageous program that we fund from $110 to $70 million, it is unfathomable.

So, Mr. President, let me say the jobs the Senator from Mississippi talks

about this creating, GAO says those are jobs we created anyway. Do you think McDonald's is going to quit trying to sell Big Mac's all over the world if we do not give them money?

Let me close by the saying I have had an excellent relationship with the Senator from Mississippi. Back before a terribly untoward event happened in November 1994, I was chairman of the Agriculture Appropriations Subcommittee and he was my ranking member. Now he is chairman and I am his ranking member. This is one of the few disagreements he and I ever had. We get along just fine in that committee and worked out those appropriations bills jointly, and I hope for the country's benefit. This is one place I strongly disagree.

I hope our colleagues will again vote 62 to 32 to pass this amendment. I yield the floor and yield back such time as I have to the Senator from Nevada.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER (Mr. COCHRAN). The Senator from Indiana.

Mr. LUGAR. I yield as much time to the distinguished Senator from Idaho that he may require.

Mr. CRAIG. I thank my chairman for yielding, Mr. President.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I will not stand before any of the Members of the Senate today and attempt to justify large multinational, billion-dollar corporations getting taxpayer-subsidized promotion programs. That needs to be reformed, no question about it.

In the committee this year we have reduced the overall level of funding from $110 to $100 million. But the reason the chairman of the appropriations subcommittee, who just spoke, and the reason I am on the floor defending the program is because we are trying to take the Government out of production agriculture and put the Government in the right and proper role as it relates to its relationship to domestic industries. And that is for small producers who have to compete against subsidized producers in foreign countries, our Government should serve as a leveler of the playing field.

That is where our Government can work best. We know that in our country today for American agriculture to flourish, it must sell in foreign markets. And, oh, yes, by the way, every item that one of those companies sells in many instances is produced by a small producer and sold to that company that then markets it in a foreign country. That is the other side of the story.

But what I am interested in are the marketing co-ops and the associations that go to countries to develop markets so that we can sell to them directly our products. That is where market promotion works at its very best. That is what the ag committee is really trying to get at.

I am not going to be stampeded by a couple of great, dramatic television programs. That should not dictate policy on the floor of the U.S. Senate. It should make us aware of policy that is in trouble, that deserves to be corrected. That is exactly what we are trying to do.

The Senator from Massachusetts and the Senator from Nevada and the Senator from Idaho are not going to defend McDonald's. They do not need help. But those who produce the commodities that build the components of the food they sell need to be assured that they have full access to foreign markets under the General Agreement on Tariffs and Trade and all other trade agreements we get into.

The only way we can maintain profitability at the production level on the farm is to assure that our Government works in cooperation with that producer in assuring them the level playing field and the access to foreign markets.

I am sorry, if we do not do that, if we allow foreign barriers to be constantly built against our producers, without the advantage of breaking those barriers down, then surplus arrives, profitability drops, and guess where we will be? We will have agriculture lined up at the door of the Congress once again, saying, ''You have got to help us out. You have got to provide a minimum income level. We're all going broke.''

The transition that we have been involved in for well over a decade, Mr. President, has been to move the farmer to the market and allow that farmer to produce for a market. And that market is an international market as well as a domestic market. The Market Promotion Program has been designed to expand that foreign market and create a greater desire on the part of the foreign consumer for the U.S. agricultural product. It has worked in spades. We know that. USDA knows it. That is why it has defended it. It has been misused. We all know that. We are working to correct that. I am going be as aggressive as anyone in getting it done.

We have cut the funding now. That is a responsible action to take. We will target and prioritize the money where it should be under the premise that I have laid out. That, I think, is the premise that all have agreed on was the intent of the program originally.

So I hope the Senate will reject this amendment. It is important that we look internationally when we think about American agriculture. That is a role where Government can play a responsible part as a partner with our domestic U.S. farmer.

The PRESIDING OFFICER. Who yields time?

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Let me say briefly that I believe the Senator from Idaho ought to support this amendment. All it does is give the taxpayers' dollars to be used by foreign corporations with respect to the granting of promotions, like McDonald's.

This says, look, no longer are they to be subsidized. We protect the rights of the co-ops to continue to participate in this program. I think we are in agreement, as I understood the thrust of his argument.

I urge my colleagues to support this amendment, as they did on September 20 of last year.

The PRESIDING OFFICER. The time of the Senator has expired. The time remaining in opposition is 5 minutes, 57 seconds.

Mr. LUGAR. Mr. President, I see no other Senators on our side of the aisle who wish to be heard on this amendment. Therefore, I yield back our time.

The PRESIDING OFFICER. The time has been yielded back. All time has been yielded back on the amendment.

Mr. LUGAR. Mr. President, I ask unanimous consent that the Bryan amendment be set aside temporarily.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Mr. President, have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. BUMPERS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Without objection, the amendment is set aside.

Mr. LUGAR. Mr. President, I ask for the yeas and nays on the Santorum amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HARKIN. Mr. President, I would like to ask for the yeas and nays on the two amendments I offered.

The PRESIDING OFFICER. Is there objection to asking for the yeas and nays? Without objection, it is so ordered.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HARKIN. Might I inquire if there is going to be another amendment on the other side. The clock is ticking.

Mr. LUGAR. I will respond to the distinguished Senator, there is no one present on our side of the aisle, therefore, the Senator can proceed.

Mr. HARKIN. I understand there is a unanimous-consent agreement that Senator FORD was going to go next. If he is not available, then I have an amendment I want to offer. I want to make sure Senator FORD offers his amendment, but I do not want to let the clock tick, because we are under time pressure.

Mr. LUGAR. I suggest now it would be good to expedite the situation by asking the Senator from Iowa to offer his amendment. We are going to have a backup.

Mr. HARKIN. Mr. President, I ask unanimous consent that I be allowed to

offer my amendment but that Senator FORD be able to offer the next amendment.

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. Will the Senator modify the request to state the next Democratic amendment?

Mr. HARKIN. Yes, fine.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 3448 TO AMENDMENT NO. 3184

(Purpose: To amend the eligibility criteria for the Environmental Quality Incentive Program)

Mr. HARKIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 3448 to amendment No. 3184.

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

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

The amendment is as follows:

Section 314 is amended by striking ''(ii) 10,000 beef cattle'' and all that follows through ''lambs;'' and inserting the following:

''(ii) 1,000 beef cattle;

''(iii) 100,000 laying hens or broilers;

''(iv) 55,000 turkeys;

''(v) 2,500 swine; or

''(vi) 10,000 sheep or lambs.''

Mr. HARKIN. Mr. President, I will try not to take much time on this. What this amendment does is to reinstate the limits on the size of livestock operations eligible to receive benefits under the Environmental Quality Incentive Program.

Last year, the distinguished Senator from Indiana, Senator LUGAR, and Senator LEAHY introduced a bill called the Environmental Quality Incentive Program. Quite frankly, it was based upon a bill I introduced several years earlier called the Water Quality Incentive Program. So I have been very supportive of it. I think it is a good bill. I have no problems with it because it provides for technical assistance. It provides for cost-sharing assistance and incentive payments for farmers to meet environmental problems with their livestock operations.

In the original bill that the Senator from Indiana introduced last year, there were the following limits, and if you went over these limits, you would not be eligible for cost sharing by the Government, and things like that. Let me read the limits: 1,000 beef cattle; 100,000 laying hens or broilers; 55,000 turkeys; 2,500 swine; or 10,000 sheep and lambs. That was in the original bill last year.

In the bill before us today, all of those numbers have been bumped up to incredible extremes. Rather than 1,000 cattle, we now have 10,000 beef cattle. Rather than 2,500 hogs, we now have 15,000 hogs. And rather than 100,000 laying hens or broilers, which I do not know a great deal about, we have 150,000.

I think the original bill that Senator LUGAR and Senator LEAHY introduced had good limits. Why? Because those numbers in the original bill corresponded to the provisions of the Clean Water Act—I should say, corresponded to the provisions of regulations implementing the Clean Water Act—in terms of livestock concentrations.

So basically, the bill before us raises these limits up to what I think are really unconscionably high levels.

You might say, ''Well, look, if they are big operators and they are polluting, we want to solve these environmental problems, so why not let some of this money in cost sharing and taxpayers' money go to some of the bigger operators to clean up their environmental problems?''

My point is that these larger operators fall under the provisions of the Clean Water Act, and they have to clean up their act. They have to do that.

Take a smaller farmer who has maybe 1,000 hogs, maybe he has 1,000 beef cattle, a family-size operation. That farmer does not have to meet the provisions of the Clean Water Act, but it would be nice if he did so. It would help us all out. So the limited amount of money that we are going to have to help clean up our environmental problems, I think, would better be directed toward the smaller family farmers because it will give them an incentive to do so. They do not have to do so, but cost sharing, technical assistance and support will give them the kind of incentive to go ahead and put in waste management control systems, lagoons, and things like that.

For these bigger operators who have 10,000 beef cattle or 15,000 hogs, they have to do it anyway. They are so big, they ought to have the capital resources that would allow them to do that. Quite frankly, most of them do. So rather than taking the limited amount of money that we are going to have and try and spread it out—and let us face it, bigger operators have attorneys, they have accountants, they know how to go after Federal dollars. You can bet your bottom dollar that the biggest operators will be in there to get the cost share and technical assistance. What the heck, free money. If I am a big operator and I have to comply with the Clean Water Act and there is a pot of Government money over here that I can go after that will help me meet the requirements of the law and I do not have to dip into shareholders' equities or anything like that, well, I will do that, I will go after the free Government money.

That is what will happen under the provisions in the bill before us. The larger operators will go after the Government money, squeeze out the smaller guy. The smaller family farmer has 500 hogs, 1,000 hogs, 700 head of beef cattle. They do not even know this provision is there probably, or if it is there, they will not know how to apply for it. But if we limit it to those smaller operators, then that is where the money will go, and we can focus it where it is needed.

So I really do not understand why the initial numbers that were in the Lugar-Leahy bill were changed. I thought they were quite adequate. I think there should be a limit on Federal assistance to these larger operations. In order to get large, they have to have capital resources. They could not get large if they did not have the capital. If they have the capital, then they have the money to make sure they meet the provisions of the Clean Water Act.

So, again, I will just say, yes, they do have problems, but they can solve them themselves. The Federal Government should not be subsidizing the growth of large operations. My point is that large hog and cattle operations are first and foremost a State issue. States ought to address that issue forcefully. But second, I do not believe the Federal Government, the taxpayers, ought to be in the position of subsidizing in any way the growth of these large operations, and that really is what this would do under this bill as it is before us.

So basically, to repeat, all my amendment does is it takes the numbers for livestock operations that would be eligible for technical assistance and cost-sharing incentive payments to meet environmental standards under the Environmental Quality Incentive Program.

It just reinstates those numbers that were in the bill last year. Again, I want to make it clear that the large operations can still get the technical assistance. I do not mind that. They just cannot get cost share to build an animal waste facility. So that is all I am saying. As far as the cost share money goes, let us target that to the smaller operators.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield time to myself as I may require.

Mr. President, I appreciate the spirit of the argument. I pay tribute to the distinguished Senator from Iowa for the work he has done in this area of environmental consideration for livestock. It is an important area in his State and in mine and in the many States that our committee serves. The program does offer us, through the cost-sharing situation, an opportunity to make a difference in encouraging smaller operations to have more environmentally satisfactory hog operations, although it is not limited to that.

The Senator pointed out that there are limits with regard to cattle and turkeys and chickens. The problem here, Mr. President, is trying to arrive at some compromise in terms of the size of operations farmers now have.

The original limitations on size, I believe, were derived from the Clean Water Act regulations that discussed confined feeding operations in the 1970's. That was the genesis, at least, as I recall of the figures at the time. Of course, the average size of the facilities for feeding of livestock and birds has increased very, very substantially.

I make no case, specifically, for the figures that the committee came up with and that are incorporated in this legislation as having the wisdom of Solomon. They are clearly a compromise, after listening to a large number of producers and trying to think through the intent of the act, which, as the Senator from Iowa has stated correctly, is one of trying to help smaller producers, with the thought that the larger producers will have to take care of their own expenses.

My point is that these terms are relative. Some can move way off the spectrum and they are very large indeed, and under no circumstances are they going to qualify for cost-sharing money. The argument has been about what ought to be the limits as to what is a small- or even medium-size producer under these terms. The Senator from Iowa has probably visited with the pork caucus in Iowa and, within the last week he will have discussed this, I suspect, with many Iowa hog producers who were raising questions about—in terms of the number of hogs in the operation, as well as the payment—the limit of $10,000. In both cases, the point they have made—and it is a very lively issue in Iowa—about the size of hog situations and environmental consequences, because Iowa is a very important pork production State. It is the same in Illinois, Indiana, really, across the corn belt where there are large hog production situations.

Certainly, a number of farmers who came to visit with me about this wanted still a higher limit to qualify. In other words, they had more animals than the limit. They were past the cutoff and they were not going to qualify. They want to get the threshold up higher. They would like to see more money, likewise. I understand what they are saying. I was not able to offer them promises that this is likely to occur, given a limited amount of money and what have been some very extensive conversations with producers of all sizes.

I say, Mr. President, that the Senator raises a good point and is the type of consideration probably best discussed in a roundtable discussion of many producers of different sizes to bring some reality into the argument as to how hogs and cattle are now produced in America and what size operations we are headed toward. It is in that spirit that I simply defend the work we have done and the reasonably pragmatic compromise, based upon the sums of money available, and the actual size of operation in the country now. I hope the Senate will support that, unless there is a substantially greater preponderance of evidence that we have simply missed the mark by a whole lot.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, I will not take much more time. I appreciate the arguments made by my friend from Indiana. I have visited with hog farmers in Iowa, too, and there is a battle going on in my State, and it is not a very pretty one. There are decisions being made about these large hog operations in Iowa. I do not think that is the point of this argument here. The point of my amendment is simply to say, in terms of cost-share money coming from the Government—and it is not a bottomless pit—let us focus that money on our smaller family farmers, who are really not that well-equipped with working capital sometimes to meet the higher standards of environmental quality. In many cases, they do not have to, but with the cost-share program, this would give them incentive to do so. The larger operations can handle themselves. They have the capital to do so. When you are talking about 15,000 hogs, that is an extremely large operation in any State. If you are talking about 10,000 cattle, that is a lot of cattle.

So I think the original numbers that were in the bill, which, as the Senator from Indiana pointed out, do correspond with the regulations covering the Clean Water Act. I believe they still hold pretty true today and will in the future, again, when we are looking at a limited pot of money we can use. I do not need to take any more time.

Mr. GRASSLEY. Mr. President, I rise to support the Harkin amendment. I had filed an amendment virtually identical to this, that I will place in the RECORD.

Due to the unanimous-consent agreement reached last night between the 2 leaders, the Republicans could offer only 5 amendments, while the Democrats are able to offer 10.

Because of this limitation, I was not able to offer the amendment, so I will lend my support to the Harkin amendment.

The Harkin amendment will lower the caps to determine what livestock producers are eligible for cost-share funds under the new Environmental Quality Incentive Program.

Mr. President, it is good public policy to assist farmers in complying with environmental regulations; the environment benefits, the public benefits, and agriculture benefits. Farmers who grow corn, soybeans, cotton, wheat, and many other crops have for many years received cost-share funds to implement environmental measures.

So, I approve of extending this assistance to livestock producers. However, there needs to be limits on what producers can receive USDA funds.

In the original farm bill, contained in the Balanced Budget Act, the Senate approved limits on what producers can receive funds. Only hog producers with less than 2,500 hogs and cattle producers with less than 1,000 head of cattle were eligible.

But when this provision went into conference, these caps were raised to 15,000 hogs and 10,000 cattle. So now every large livestock continent and every factory hog farm can receive money from the U.S. Department of Agriculture to help them comply with regulations.

The problem is, these type of farmers already have the capital to implement these measures. In fact, the Clean Water Act already requires them to do so.

This may not be a bad thing if Congress had an infinite amend of money to spend on this problem. But we do not.

In fact, under this bill only $100 million is authorized for livestock assistance each year. With this limited amount of money, it is essential that we target assistance to the independent pork producer who is forced to compete with the large factory-type hog farmers.

The independent hog producer can compete in this environment only if they have a level playing field. Providing funds to large factory farmers skews this playing field.

The caps in the originally passed Senate bill were reasonable—as are the caps in the Harkin amendment. I urge my colleagues to support the amendment.

I ask unanimous consent that my amendment be printed in the RECORD so that you know exactly my intentions.

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

AMENDMENT TO SUBSTITUTE AMENDMENT NO. 3184 TO S. 1541

(Purpose: To target benefits under the Livestock Environmental Assistance Program to family farmers and to limit the amount any one farmer can receive)

Page 3–14, line 25 strike ''10,000'' and replace with ''1000''.

Page 3–15, line 3 strike ''15,000'' and replace with ''2500''.

Page 3–27, line 11 insert a period after ''$10,000'' and strike everything through line 12.

Mr. HARKIN. I yield the remainder of my time.

The PRESIDING OFFICER. The Senator yields back his time.

Mr. LUGAR. Mr. President, I yield back the remainder of the time on the Harkin amendment on our side.

The PRESIDING OFFICER. The Senator from Indiana yields the remainder of his time.

Mr. LUGAR. I ask unanimous consent that the Harkin amendment be temporarily laid aside.

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

Mr. HARKIN. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LUGAR. Mr. President, I ask unanimous consent that votes occur

beginning at 11:30 a.m. today, that they occur in the order in which they were offered, and that the first vote is a standard 20 minutes in length, and that all remaining stacked votes in the sequence be limited to 10 minutes in length, with 2 minutes to be equally divided between each vote for explanation.

Mr. LEAHY. Reserving the right to object, and I will not object. We have a series of votes lined up here.

During the first votes that will require rollcalls, if there are any on that list where it is possible to vitiate rollcall votes, I urge the sponsors to talk with the distinguished Senator from Indiana and myself and see if that is possible.

I have no objection to the request.

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

AMENDMENT NO. 3449 TO AMENDMENT NO. 3184

(Purpose: To provide funds for rural development and related activities)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kentucky [Mr. FORD], for himself and Mr. DASCHLE, proposes an amendment numbered 3449 to amendment No. 3184.

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

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

The amendment is as follows:

Title V is amended by adding at the end the following:

"SEC. 507. FUND FOR RURAL AMERICA.

''(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

''(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ''Account'')—

''(1) $50,000,000 for the 1996 fiscal year;

''(2) $100,000,000 for the 1997 fiscal year; and

''(3) $150,000,000 for the 1998 fiscal year.

''(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

''(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

''(A) The Housing Act of 1949 for—

''(i) direct loans to low income borrowers pursuant to section 502;

''(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

''(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

''(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

''(v) grants for Rural Housing Preservation pursuant to section 533;

''(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

''(C) Consolidated Farm and Rural Development Act for—

''(i) grants for Rural Business Enterprises pursuant to section 310B (c) and (j);

''(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

''(iii) down payment assistance to farmers, section 310E;

''(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

''(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

''(2) RESEARCH.—

''(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

''(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

''(i) a college or university;

''(ii) a State agricultural experiment station;

''(iii) a State Cooperative Extension Service;

''(iv) a research institution or organization;

''(v) a private organization or person; or

''(vi) a Federal agency.

''(C) USE OF GRANT.—

''(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

''(I) research, ranging from discovery to principles of application;

''(II) extension and related private-sector activities; and

''(III) education.

''(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

''(D) ADMINISTRATION.—

''(i) PRIORITY.—In administering this paragraph, the Secretary shall—

''(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

''(II) seek and accept proposals for grants;

''(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

''(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

''(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

''(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

''(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

''(I) for applied research that is commodity-specific; and

''(II) not of national scope.

''(v) ADMINISTRATIVE COSTS.—

''(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

''(II) LIMITATION.—Funds made available under this paragraph shall not be used—

''(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

''(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

''(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.''

Mr. FORD. Mr. President, I understand we have 30 minutes equally divided.

The PRESIDING OFFICER. The Senator is correct.

Mr. FORD. Mr. President, we have talked a lot this morning about commodity programs—for good reason, they are the heart of the farm bill and the heart of rural America. However, unless we turn our attention to other priorities in rural America, we will be neglecting the needs of millions of our citizens who live in our small towns.

To make sure we stay competitive, we have to make sure we maintain the infrastructure that has made American agriculture second to none, our research, conservation, and economic opportunities for small towns.

To meet those objectives, I am offering an amendment to create a fund for rural America. Over 3 years, this initiative will dedicate $300 million to meeting those needs—$50 million in fiscal year 1996, $100 million in fiscal year 1997, and $150 million in fiscal year 1998 for investing in meeting those priorities.

One of the top priorities must be keeping our research programs going. They make sure our farmers have the most up-to-date, most efficient farming techniques. This amendment will enable the Secretary to augment current programs and keep American agricultural ahead of the competition.

This amendment will, second, enable the Secretary to invest in priorities to enhance economic growth in rural towns—in sewer and water grants, for example. As we prepare American agriculture for the 21st century, we have to make sure that our children, our grandchildren have economic opportunities to stay in our small towns.

This piece of legislation is the only one the Senate will consider that will deal primarily with rural America. Unless we meet all the needs in rural America—not just the real and pressing needs of our farmers—then we will have done a disservice to rural Americans. We must take this opportunity to invest in meeting the needs agriculture will have to address to stay competitive and provide our citizens—and millions around the world—with an abundant, affordable food supply.

I reserve the balance of my time.

Mr. LUGAR. Mr. President, on our side of the aisle we share the need for a very, very, strong agriculture development program. I have confirmed with the distinguished Secretary of Agriculture, even again this morning, about the multiple uses of that money

in our rural areas, including agricultural research, as well as sewer and water grants.

I think it is an important initiative. It is one that has been extremely important, President Clinton's priorities and the Secretary of Agriculture's priorities, but equally important on our side of the aisle throughout the years in hearings we have held and work we have done in agriculture development.

Therefore, I share in supporting the amendment of the distinguished Senator from Kentucky. I am hopeful it might have unanimous passage.

Mr. LUGAR. I am prepared to yield back time on our side unless other Senators wish to address the issue.

Mr. FORD. I am perfectly willing to yield back my time, and if there is no objection, we can pass the amendment. I yield back my time, Mr. President.

Mr. LUGAR. I yield back our time.

The PRESIDING OFFICER (Mr. CAMPBELL). The question is on agreeing to the amendment.

The amendment (No. 3449) was agreed to.

Mr. FORD. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

MODIFICATION TO AMENDMENT NO. 3444

Mr. LUGAR. I ask my amendment now be the pending business, and I send a modification of my amendment to the desk.

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

The modification is as follows:

On page 1–3, strike lines 5 through 14.

Mr. LUGAR. Mr. President, I know of no objection to my amendment. I ask the amendment be agreed to.

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

The amendment (No. 3444), as modified, was agreed to.

Mr. FORD. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3450 TO AMENDMENT NO. 3184

(Purpose: To strike the section relating to the sugar program)

Mr. GREGG. Mr. President, may I inquire of the manager the present status of the timeframe? I understand I have half an hour, but the vote is scheduled for 11:30. I ask, if it is agreeable to the managers, that I be given my half hour before the votes go forward.

Mr. LUGAR. I ask unanimous-consent that the 30 minutes for debate originally agreed to in the unanimous consent request be in order and that the vote occur at the end of that debate of the Senator from New Hampshire, which will be approximately 11:35 a.m.

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

Mr. GREGG. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. GREGG], for himself, Mr. REID, Mr. SANTORUM, Mrs. FEINSTEIN, Mr. CHAFEE, and Mr. KERRY, proposes an amendment numbered 3450 to amendment No. 3184.

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

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

The amendment is as follows:

Notwithstanding any other provision of this Act, none of the provisions dealing with or extending the Sugar Price Support Program shall be enforced.

Mr. GREGG. As I understand, I now control 15 minutes and someone in opposition controls 15 minutes.

The PRESIDING OFFICER. That is correct.

Mr. GREGG. Mr. President, I yield myself 5 minutes.

Mr. President, what this amendment does is address the sugar program. The sugar program has been an item of considerable controversy here in the Senate and in the House and in the farm program generally.

The sugar program is, in my opinion, an outrage. I have said that a number of times on the floor of this Senate. It is a subsidy program where the consumers of this country are asked to pay somewhere between $1.5 and $2 billion of additional costs for sugar used in this country in order to benefit a few growers.

It does not directly cost the Federal Government any money. It does, actually, cost money in the products we buy that are sugar related, but it is not a dramatic amount of money. What it is, essentially, is a tax on the consumers of this country in the form of the price for sugar, which greatly exceeds what the world market price is for sugar.

In fact, if you look at the sugar program honestly, it is the only surviving element of Marxist economics in the Western Hemisphere outside of Cuba. It is a program totally dominated by the Government, where the Government sets the price, where the price is set in a manner which has no relationship to the marketplace, where market force has no impact on the production of the sugar, and where, as a practical matter, if the marketplace were allowed to come into play, American consumers would save around $1.5 billion a year.

Now, the amendment which I offer does not repeal the sugar program. I have offered it on behalf of myself and Senator REID from Nevada. The amendment that I have offered says, rather than giving the sugar program, which is an outrage on its face, a 7-year extension, we will only give it a 2-year extension. So we are essentially saying, listen, this program has enough problems so that it ought to be reviewed on a fairly regular basis. It should not be extended for 7 years.

The benefits of this program run to a very small number of people. In fact, there is one sugarcane grower who gets about $60 billion a year. About 50 percent of the benefit of the program as it affects sugarcane growers runs to about 17 sugarcane growers which has been represented to us; whereas the detriment to this program runs to every American who has to pay an outrageous, inflated, arbitrary nonmarket price for sugar.

Not only does the program have a debilitating effect on our consumers, but it has a negative impact on our international relations because our sister States who want to produce this product cannot produce it and sell it to the United States, specifically, our Caribbean neighbors. And it is having a significant environmental impact in Florida where sugarcane production, which has been arbitrarily increased as a result of this subsidy, is having a dramatic impact on the viability of the Everglades. So the program itself makes no sense. There will be a representation on the other side the program has been changed. That is not true. As a practical matter, the program may have been changed superficially, but the substantive effect of the program has not been changed. The bottom line question is: How much will sugar cost in the marketplace in the United States? Well, there is not a marketplace, really. It will cost about twice the rate it would cost in the world market under the changes. There will continue to be an inflated and subsidized sugar program under the proposal in this bill.

So why the 7-year extension? It comes down to what is called greed, pure and simple greed. The fact is, people know they cannot defend the sugar program. They know if they did not stick it on this bill and bury it in the bowels of this bill, it would never survive the light of day. Even Johnny Cochran could not defend this program before a jury of fair arbiters. The fact is, this program is a pure and simple robbery of the American consumer for the benefit of a very small number of producers.

Here we are, the center of capitalism in this country, rejecting the whole concept of capitalism, having a program which basically eliminates the marketplace.

Mr. President, I yield myself an additional minute.

It says, the marketplace does not have any bearing on how much you should pay for sugar but, rather, a few powerful lobbyists should control how much you pay for sugar. It really is outrageous. But, as I pointed out, even though I find the whole program unbelievable, especially in light of the fact that the Republicans, who are supposedly supporters and defenders of the marketplace, control this Congress, I find it unbelievable we are continuing this program. Our amendment, as supported by the Senator from Nevada, does not terminate the program. It

simply takes it from a 7-year program to a 2-year program. That is still too long, but it seems to be a reasonable attempt at compromise.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Vermont.

Mr. LEAHY. Mr. President, how much time is available on this side?

The PRESIDING OFFICER. Fifteen minutes.

PRIVILEGE OF THE FLOOR

Mr. LEAHY. First, Mr. President, I ask unanimous consent that Dr. Kate DeRemer have the privilege of the floor throughout the debate and votes today.

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

Mr. LEAHY. Mr. President, I yield a minute—I yield such time as he needs to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia [Mr. NUNN] is recognized.

AMENDMENT NO. 3225

Mr. NUNN. Mr. President, first, I would like to associate myself with the remarks made by the Senator from Alabama [Mr. HEFLIN] the Senator from Georgia [Mr. COVERDELL] and others opposing the Santorum amendment on the peanut program. I will summarize my remarks in about 20 seconds in the following points. I oppose the Santorum amendment for three basic reasons.

First, even without the reforms included in S. 1541, the peanut program is already one of the least expensive Federal commodity programs. Under S. 1541, it will be a no cost program. So this bill without the Santorum amendment represents fundamental changes in the peanut program.

Second, the Santorum amendment does not recognize the evolutionary changes in the peanut program which began with competition from GATT and NAFTA. The peanut title reforms included in S. 1541 reflect the inevitable fact that peanut producers in this country are going to have to compete in the international market by reason of those agreements.

Third, even those who support changing the peanut program, in my opinion, should oppose the Santorum amendment. The Santorum amendment does not give peanut producers or the rural communities which depend so much on the peanut program the time to adjust at all.

I urge my colleagues to oppose the Santorum amendment.

AMENDMENT NO. 3450

Mr. LEAHY. Mr. President, I yield 5 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho [Mr. CRAIG] is recognized for 5 minutes.

Mr. CRAIG. Mr. President, I stand in opposition to the amendment that my colleague from New Hampshire has offered this morning.

Let me say at the outset, I ain't no Johnny Cochran, but I can defend the revisions in this program, and I hope the Senator from New Hampshire will listen this morning, because, if he was like many Americans who sat down in a restaurant this morning to eat some cereal for breakfast, they reached out and, for no cost to them, picked up a packet of sugar and spread it upon their cereal. They did not pay a dime for it or a dollar for it. The sugar price is such that it was a service provided by the restaurant. Why? Because the sugar price in America today, in a retail market, per pound is about 39 cents. In Japan it is $1. In Norway it is 70 cents. In Switzerland it is 55 cents. Of the 20 developed countries of the world, we are the third from the bottom in the price of sugar.

Why, then, is this Senator saying that consumers are getting ripped off, that consumers are paying billions of dollars for this program when in fact they are paying less than almost any other country in the world except Third World nations where near slave labor produces it?

What we have today is a program that we are offering in this legislation that responds to what the Senator from New Hampshire was saying, and the Senator from Pennsylvania, and others. Reform needs to be offered to agricultural programs built within the farm bill. What did we do? We eliminated market allotments. No more domestic supply control. Any farmer can raise cane or any farmer can raise sugar beets. We do not restrict the market. We eliminated the 1 cent penalty, effectively lowering the loan rate an additional penny. What is real savings? What do we do? Also, by the assessment, we raise $300 million for deficit reduction.

Then why do we still have a program? We have a program to create a level playing field for the 1,900 farm families in my State, not a few rich producers, but 1,900 farm families who raise sugar beets, who have found that an extremely valuable program.

What this program, then, offers is a Government participation in allowing a flow of foreign raw commodity into the market to balance out domestic production. The 7.5 cents that might be saved if the Senator from New Hampshire succeeds will not be passed on to the consumer. That is 7.5 cents a pound. It will not be passed on to the consumer. It will go in the pocket of the large producers of candy and soft drinks. That would be fine if it did not destroy the market and the production environment for the domestic producer.

What happened in 1974 without a sugar program? The price of sugar was not 39 cents a pound, it was 60 cents a pound. We saw radical gyrations in a market that nearly destroyed the production unit of American sweetener, both in the cane and the sugar beet market.

What we have offered is stability, but we also have heard the Senator from New Hampshire. We also offered reform. In working with my growers and working with the sugar beet industry and the cane industry, we said—myself and Senator BREAUX from Louisiana, with whom I have worked on this—we cannot accept business as usual. The Congress is changing. We want to change farm programs, and you have to farm to a market. And they said they will.

What we also said is that we will not allow the massive dumping of foreign sugar in this market that is produced at little to no cost, oftentimes subsidized, sometimes by $1 a day labor. But that is what the large consumers of sugar want so their profits expand. But what they pass to the consumer will be not one dime of savings. They have openly admitted that after they spent millions of dollars in the television markets of this country trying to convince us there was some kind of a ripoff. This is not a ripoff. This is a program of reform that does not cost the American taxpayer one penny.

I believe it saves them money by creating a stable market. So that the Senator from New Hampshire, or the Senator from Pennsylvania, or this Senator can reach out in a restaurant, pick up a pack of sugar for no cost to them, and spread it across their cereal like thousands of Americans do every day. It sounds like a good buy to me. I think it is a great buy to the taxpayer.

I hope the Senate will reject this amendment.

Mr. LEAHY. Mr. President, I yield 5 minutes to the Senator from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 5 minutes.

Mr. AKAKA. Mr. President, I thank the ranking member for yielding to me.

Mr. President, as I listen to all the evils that are being attributed to the sugar program during today's debate on the Senate floor, I hardly recognize the tiny white crystals that sweeten my cereal each morning.

Sugar is an essential element of human nutrition. It is also the least expensive food item you will find in an American kitchen. When you go to a restaurant, there are only two things available at no charge and in an unlimited quantity: water and sugar. Yet on the Senate floor, sugar is the most maligned commodity grown in America.

Despite all the criticism being circulated by corporate food processors that are trying to put American sugar farmers out of business, sugar is one of the best bargains you will find at the grocery store today. A pound of refined sugar costs 39 cents.

But consumers elsewhere around the globe do not enjoy the same low prices as consumers in America. If you visited the grocery store in other industrialized nations you would get sticker shock when you came to the sugar display. In Tokyo, consumers pay nearly 90 cents for a pound of sugar, more than double the U.S. price. In Europe, prices average 50 to 70 cents per pound.

Among developed countries, the average retail price for a pound of sugar is 54 cents, which is a premium of 38 percent compared to the U.S. price. And what do these consumers get for the premium price they pay? Nothing. They get the same 1-pound box of sugar as we do in America, but they pay substantially more for it—38 percent more.

Thanks to a farm program that assures stable supplies at reasonable prices, sugar is a remarkable bargain for American consumers. U.S. consumers pay an average of 17 cents less per pound of sugar than their counterparts in other industrialized nations. That is a savings of $1.4 billion annually. So there is no doubt about one thing: the sugar program is a great deal for American consumers. By any measure, the sugar program has guaranteed U.S. consumers a stable supply of sugar at bargain prices.

I urge my colleagues to reject this amendment. If Congress reduces or terminates the sugar program, not only will a dynamic part of the economy disappear from many rural areas, but consumers will also lose a reliable supply of high-quality, low-price sugar. I urge my colleagues to vote against the Reid-Gregg amendment.

I am dumbfounded by the arguments of sugar opponents that the changes recommended by the Senate Agriculture Committee are inadequate. If anything, the reforms go too far. Cane sugar growers in my State will barely recognize the sugar program if the Senate bill becomes law.

The Senate bill eliminates marketing controls, eliminates minimum price guarantees, and increases sugar imports by 20 percent. Growers will pay a 1-cent-per-pound penalty when they forfeit sugar, which amounts to a cut in the loan rate. Finally, all beet and cane sugar growers will face a 25-percent increase in fees paid to the Federal Government to market sugar. The only thing that has not changed is the requirement that the program operate at no cost to the taxpayer.

The committee bill contains real reform. For sugar farmers in Hawaii and on the mainland these reforms will be painful, so painful that a number of them will not survive. I urge my colleagues to oppose deeper cuts than those proposed by the committee.

Mrs. FEINSTEIN. Mr. President, I rise in support of Senator GREGG's amendment to delete the sugar program from this bill.

Mr. President, California has not fared well under the current sugar program. Beet sugar production has declined markedly and the west coast's only cane sugar refinery, located in Crockett, CA, has suffered severe financial losses. As a result, California has lost several hundred sugar-related jobs in the past year alone.

In November, I learned that the cane sugar refinery in California was forced to cease operation for a week because it ran out of sugar. I have since learned that the closing of this California refinery was not an isolated case and that other refineries in Baltimore, MD, and Brooklyn, NY, have been closed several times during the past year for the same reason—no sugar.

Mr. President, the sugar program is complex. Under current law, the Secretary of Agriculture is required to provide price supports to growers through nonrecourse loans to processors, and to do so at no cost to the Federal Government. To accomplish this objective, the Secretary uses an elaborate supply management scheme that includes production and marketing allotments and strict import controls.

As currently administered, the sugar program has caused serious financial stress on a major segment of the U.S. sugar industry. The Secretary's initial decision to restrict import imports of raw cane sugar to the minimum allowed by law so distorted the price relationship between raw cane sugar and refined white sugar that all U.S. cane refiners experienced severe operating losses for the past 2 years. The increases in the quota announced by the Secretary of Agriculture last fall and last month are steps in the right direction, but the industry has not yet recovered.

As I understand it, the fundamental problem with the administration of the sugar program is the complete disregard of the relationship between raw cane sugar prices and refined beet and cane sugar prices.

Present Government policy inflates raw sugar prices to unreasonable levels by restricting raw sugar imports.

High price supports encourage excess beet production which, in turn, depresses refined sugar prices.

As a result, the normal economic relationship between raw and refined sugar prices no longer exists.

Raw costs have exceeded refined prices so that cane refiners can no longer recover their refining costs in the marketplace.

And cane refiners have been forced to sell their production at a substantial loss.

If continued as currently administered, the Government's sugar program will destroy the cane sugar refinery industry and seriously threaten the stability of the Nation's sugar supply.

Cane sugar refiners have a vital role to play in the U.S. sugar industry.

They provide over half of the refined sugar consumed in the United States under normal circumstances.

Only cane refiners have the capability to supply sugar when domestic sugar production is adversely impacted by weather or other disruptions.

Since the sugar program was put in place in 1981, 11 of the industry's 22 cane refiners have closed. The Government should not be in the business of deciding who is a winner and who is a loser in the sugar business.

Of immediate concern in my State is the damage the sugar program has inflicted on the California and Hawaiian Sugar Co. in Crockett, CA. This 90-year-old cane sugar refinery is the Nation's largest and the only such facility on the west coast. C&H Sugar refines all the sugar produced in Hawaii, as well as some imported raw cane sugar brought in under the quota. C&H Sugar refines and distributes about 15 percent of the cane sugar consumed in the United States.

As a direct result of the sugar program and its impact on imports, C&H Sugar lost about $13 million in 1994 and incurred operating losses of about $23 million in 1995.

In 1981, C&H Sugar had 1,313 employees. Today C&H Sugar has 582 employees. In other words, since 1981, over 700 jobs at C&H Sugar have been lost. Two hundred-six of these jobs were lost in January. More drastic measures are inevitable unless fundamental changes are made in the sugar program.

Mr. President, the job losses at this refinery are significant. These are good blue-collar jobs, predominantly union, with heavy minority employment. C&H Sugar's work force is 50 percent minority and 75 percent union members. C&H Sugar pays wages of $13.50 to $24 an hour, plus benefits, pension, and medical coverage for retirees. In most cases, these workers are not going to be able to duplicate these jobs.

More recently, in January, Imperial Holly Corp. announced its agreement to purchase of three of Spreckles Sugar Co.'s beet sugar processing plants in California and plans to close all three facilities and consolidate operations at existing Holly facilities in California. This will result in a further loss of hundreds of sugar related jobs in California.

Given the problems facing the sugar industry right now, I cannot support an extension of the current sugar program for 7 years as provided in this bill.

Mr. MOYNIHAN. Mr. President, I rise in enthusiastic support of the amendment offered by Senator GREGG and Senator REID to phase out sugar price supports over 2 years, rather than 7, which is the provision in the underlying bill.

First, let me point out that sugar price supports are set to expire in 2 years under current law. So the pending amendment merely maintains the status quo. Under freedom to farm, the sugar price support program receives a 5-year reprieve. And the underlying bill contains a powerful incentive to hold raw sugar imports at 1.5 million tons, some 25 percent below current levels. If the Gregg-Reid amendment is not adopted, I predict the domestic cane sugar refining industry will virtually disappear.

The Federal sugar price support program properly belongs in Cuba, not in a free market economy. It is a caricature of how a farm program ought to work. The program is cleverly designed to operate at little or no direct cost to the Federal Government. The Department of Agriculture [USDA] provides nonrecourse commodity loans to sugar

growers. If raw sugar prices fall below the loan rate currently 18 cents per pound—the growers simply default on the loan and forfeit the sugar they put up for collateral. To prevent loan forfeitures from occurring, USDA sets very tight import quotas and domestic producer allotments which limit supply and drive prices above the loan rate.

As a result of this program, at 22 to 25 cents per pound, domestic prices for raw sugar are about twice world market prices. Domestic cane refiners, such as Domino of Brooklyn and Refined Sugar of Yonkers, pay more for raw material acquisition and refining than they are able to receive for their finished product. Domestic food processors and confectioners lose market share to foreign competitors who purchase their sugar supply on the world market. The Federal Government pays higher prices about $90 million annually, for products it purchases for nutrition programs. And consumers pay $1.4 billion more than they need to for sugar and products containing sugar, according to the General Accounting Office.

Since the mid-1980's, the number of cane sugar refineries nationwide has declined from 22 to 11. Fifteen hundred jobs have been lost in the refining industry just in the last 5 years; capacity has been reduced by 40 percent. Domino has been forced to close its Brooklyn and Baltimore refineries six times in the past year because of raw cane sugar shortages.

What is particularly galling about the situation is that the refinery jobs are good-paying jobs located in inner cities and around dockyards where other employment opportunities are scarce. Moreover, the sugar program is, perhaps, more distorted than any other farm program in sending enormous benefits to the few largest producers. The top 1 percent of sugar growers, about 150 farms garner 42 percent of program benefits in the form of higher prices. The largest 33 producers each receive over $1 million annually. The Fanjul brothers, who farm 180,000 acres of cane in Florida, receive some $64 million annually. The Fanjuls, whose family dominated sugar production in Cuba before Fidel Castro took over in 1959, are not even United States citizens. All sugar producers receive price and income supports wildly disproportionate to the Federal support received by other farmers. USDA estimates that sugar price and income supports average $472.30 an acre. Corn is supported at the rate of about $33.60 per acre; wheat is supported at $23.40.

Most important, Mr. President, is the fact that the artificially high price for sugar acts as a very regressive tax on low-income consumers. We committed ourselves to phasing out sugar price supports when we passed the 1990 farm bill. We ought to stick to that commitment. I urge the adoption of the pending amendment.

Ms. MIKULSKI. Mr. President, I rise in strong support of the Gregg-Reid amendment to eliminate the sugar title in this bill.

As a Senator from a State which is home to a major sugar refinery—the Domino refinery in Baltimore which provides over 600 jobs—I will not support a bill which threatens their future existence.

This bill is a bad deal for Domino and other refineries. It threatens the livelihoods of thousands of American working families—at refineries not only in Baltimore, but also in New York, in California and elsewhere.

Too often, the sugar program squeezes refineries between artificially high raw cane sugar prices and low supply. The sugar program in this bill will worsen the problem.

Almost half of American sugar cane refineries have gone out of business. Those refineries still in operation have faced temporary closures again and again. These disruptions create economic hardships for workers and disrupts production schedules.

To give our refineries some relief, I offered an amendment called the Emergency Sugar Refiner Relief Act which requires the Secretary of Agriculture to increase imports of raw cane sugar if the price of raw cane sugar exceeds 120 percent of the loan rate. My amendment would have prevented refineries from future closings due to artificially high raw cane prices. Unfortunately, my amendment could not be accepted today but I will keep fighting for it at every opportunity.

It is outrageous that our sugar program has to pit growers against refiners. There is no reason why our refiners have to be left out of the sugar program, threatening the future of this industry.

Mr. President, I will not support legislation that threatens the jobs and livelihoods of hundreds of workers in Baltimore. The sugar program contained in this bill is simply bad policy and there is no excuse for it.

I will continue to fight for the workers at Domino and the rest of the refining industry. For this reason, I strongly support the Gregg amendment.

Mr. LEAHY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Vermont has 3 minutes and 47 seconds, and the Senator from Indiana has 9 minutes.

Mr. GREGG. Mr. President, I yield 7 minutes to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 7 minutes.

Mr. REID. Mr. President, I initially say that I very much appreciate the leadership on this amendment offered by the Senator from New Hampshire, and I appreciate the Senator from New Hampshire's leadership in that I have seen him work on this issue when he was a Member of the House of Representatives. I know that his heart was there when he was Governor of the State of New Hampshire, and certainly for all of the time that he spent here in the Senate he has been trying to do away with this program that I think is one of the most absurd programs we have anyplace in Government.

Mr. President, we talk a lot about reforming welfare. I think where we should start reforming welfare is right here. We should reform welfare as we know it, and that is the sugar program which is one of the biggest welfare programs in the history of the country, if not in the history of the world.

Mr. President, this program is a program that does not benefit farmers. I repeat this is no help to the family farmer.

Seventeen cane growers get 58 percent of the benefit available to all cane growers. One cane grower received more than $65 million in 1 year alone. Thirty-three growers received benefits of over $1 million a year each. In Florida, two growers account for 75 percent of the production in that State which produces huge amounts of sugar.

The GAO concluded a study which said that the benefits going to growers are concentrated among a relatively few. And that is an understatement. Mr. President, 42 percent of grower benefits went to 1 percent of all sugar farms. The sugar cane industry is especially concentrated with 17 of the estimated 1,705 cane farms—about 1 percent—receiving almost 60 percent of all cane grower benefits in 1991. This is corporate welfare at its worst.

The Government-run sugar cartel artificially keeps sugar prices high. The General Accounting Office estimates that because of this program U.S. sugar prices are twice as high as world prices. Because of a Government heavy hand in setting sugar prices, American consumers are paying about $1.5 billion every year in higher food costs. This adds up to a hidden tax of over $10 billion over the last decade.

The big sugar lobbies' contention that they are going to lose jobs is simply without any foundation.

I repeat. This is a program that benefits the wealthy, and just a few wealthy farmers. It does not help the family farms.

It really hurts the American consumer. Take for example, Bobs Candy of Albany, GA, the Nation's largest manufacturer of candy canes—the things with the little crook that we put on our trees at Christmas. They are not going to be able to compete much longer with the Canadian competitors because of their significantly lower cane sugar prices in Canada. If this sugar program is extended, Bobs of Albany, GA, and hundreds of other manufacturers will be forced to move their operations overseas where they can get cheap sugar. And it would eliminate thousands of jobs.

While this program has been doing great, other farm programs have been on a downward path. The sugar program has stayed very stable. It is welfare I repeat at its worst. The sugar program has remained virtually untouched from the last two farm bills

while other farm programs have faced reductions and many reforms.

The environmental consequences of the sugar program is that cane farming is destroying the environment. Take, for example, what it is doing to the Everglades in Florida.

The sugar program is big government at its worst. It sets prices, it controls imports, and it distributes benefits.

We should support this amendment. It would be good government to do so.

Mr. LEAHY. Mr. President, how much time does the Senator from Vermont have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes and 47 seconds.

Mr. LEAHY. Mr. President, I yield 1½ minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, there are many farm programs that have not worked very well. Most of us have understood that, and we have debated what might make them work better. However, the sugar program is one that works.

I represent the Red River Valley area of North Dakota, and others represent the Red River Valley area of Minnesota. It is dotted with hundreds and hundreds of family farmers who raise sugar beets.

The sugar program does work. Instead of trying to figure out how you take apart a program that works in the farm program, we ought to decide how to make the other programs work better. The sugar program ought to be a model.

Now, I hear people talking about the world price for sugar. That is a dump price. Most sugar in this world is traded on long-term contracts country to country. The dump price, which people have been describing, is not related to this debate at all. The sugar program provides stable prices and has always provided stable prices for consumers and fair prices for producers. Every farm program ought to be as successful as this one is.

This is a success story in dozens of ways, and we ought not take it apart. I know people are talking about big agribusinesses. I am talking about family farmers dotting the prairies out there in the Red River Valley of North Dakota who operate successfully as a family farm under this sugar program. I hope this Senate will turn down this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. GREGG. Mr. President, I yield 1 minute to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 1 minute.

Mr. SANTORUM. I thank the Senator from New Hampshire.

Comments were made that this program is good for consumers. I do not think higher prices are good for consumers. I can tell you one thing. It is not good for workers. We had two sugar refineries in Philadelphia that closed in the 1980's as a result of this sugar program and the high cost of sugar that they had to deal with—1,500 jobs in the city of Philadelphia gone as a result of this program.

I hear so much about these small family farms. I am for small family farmers. What about families who work in these refineries that are going out of business, like the ones that are threatened in Georgia and in Maryland and in other places around this country because of this sugar program? Let us not just look to the farmers. Let us look to the workers who want to have jobs processing this sugar and confectioners who want to use this sugar instead of having to send those jobs to Canada or Mexico where they can buy cheap sugar and cheap peanuts and other things they use in making candy.

Those are the kinds of issues we should be looking at, not just one segment of the matter.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Who yields time?

Mr. LEAHY. Mr. President, I yield 1½ minutes to the distinguished Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 1½ minutes.

Mr. BREAUX. I thank the Senator. I will make a couple points.

There will be some people in the country who will never be satisfied until they can just about get free sugar to make all the products they make and thereby destroy the domestic industry.

We have over 700 small family farms that produce sugar in Louisiana that are dependent on this program. This program that we bring to the floor today has a number of significant reforms. There is major change in the program. But this side, some of them want to kill the entire program. Under this bill, there are now going to be no limits on how much domestic production of sugar can occur in the United States. If you want to plant more, go ahead. That is what this new program says. There is going to be no guaranteed minimum price under the reforms that are being presented here today.

We also have a program that is guaranteed to operate at no cost to the American taxpayer. What other program in this country can operate at no cost to the taxpayer? There is none, whether it is in health care or whether it is in other farm programs. This is the only one. You have heard these arguments about how much sugar costs and how expensive it is. I do not think any of us has ever had a housewife say anything about sugar costs in her budget. It is still the only product that they want to give away.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. GREGG. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator has 2 minutes 48 seconds. The Senator from Vermont has 15 seconds.

Mr. GREGG. Does the Senator from Vermont have a closing statement? I would like to maintain the right to close.

Mr. LEAHY. I yield to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, a GAO audit was done of this program several years ago. The Senator from New Hampshire has quoted from that as to impact on consumers. Let me put in the RECORD a letter from the Department of Agriculture, the Under Secretary for Farm and Foreign Agricultural Services, saying that the GAO used a totally faulty basis from which to calculate it. This letter refutes the very figures that are being used by the Senator, and it is important that be a part of the record.

This is the Department of Agriculture that analyzes and monitors this, saying the wrong premise was used; therefore, the wrong figures, and in fact this might be a net savings to consumers instead of a cost because of the stability of the program itself.

The PRESIDING OFFICER. All time in opposition has expired.

Does the Senator want that letter included in the RECORD?

Mr. CRAIG. I do.

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

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, October 24, 1995.

Hon. PATSY T. MINK,
House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSWOMAN MINK: Thank you for your letter of July 26, 1995, concerning the General Accounting Office (GAO) report that stated that the U.S. sugar program costs domestic users and consumers an average of $1.4 billion annually and GAO's July 1995 analysis that the sugar program cost the Government an additional $90 million in 1994 for its food purchase and food assistance programs.

In my opinion, GAO's April 1993 report was flawed in its estimates. Some data were used incorrectly and important data and sugar market issues were not considered. Based on GAO's methodology, but by selecting prices in different time periods, the results are more ambiguous. Depending on the timeframe, one may contend that the domestic sugar program either costs or benefits U.S. users and consumers.

GAO's estimate of $1.4 billion annually was based on an assumption of a long-run equilibrium world price of 15.0 cents per pound of raw sugar if all countries liberalized sugar trade. GAO added a transportation cost of 1.5 cents per pound of raw sugar to derive a landed U.S. price (elsewhere in the report GAO stated that the transportation cost adjustment should be 2.0 cents per pound.) To derive a world price of refined sugar of 20.5 cents per pound, GAO added a refining spread of 4.0 cents per pound.

GAO compared its constructed U.S. sweetener price with its derived world price. However, GAO constructed the U.S. price for the 1989–1991 period during which 1989 and 1990 were unusually high price years for U.S. refined sugar. This exaggerated the difference between the so-called world derived price and the U.S. sweetener price. By selecting a

period of world price spikes, such as 1973–1975, GAO's analysis would show an annual savings to domestic users and consumers of $350 to $400 million.

Clearly, the expected world price of raw sugar with global liberalization is critical to any analyses of the effects of the U.S. sugar program. In 1993, the Australian Bureau of Agricultural and Resource Economics (ABARE) estimated that sugar trade liberalization in the United States, European Union, and Japan alone would result in an average world price of 17.6 cents per pound of raw sugar—2.6 cents per pound higher than GAO's derived world price.

Based on the ABARE analysis and using a transportation cost of 1.75 cents per pound, which more accurately reflects global transportation costs to the United States, plus a refining spread of 4.27 cents per pound (Landell Mills Commodities Studies, Incorporated), a world price of refined sugar is estimated at 23.6 cents per pound. Based on this world price estimate and an average U.S. sweetener price over 1992–1994, a more normal price period, it can be shown using GAO's methodology, that there are no costs to domestic users and consumers.

The estimated effects of the U.S. sugar program are highly sensitive to expected world prices if global sugar trade is liberalized. GAO's analysis, in my judgment, does not adequately consider the complexities and dynamics of the U.S. and global sugar markets.

With respect to the effects of the U.S. sugar program on Government costs of its food purchase and assistance programs, an independent analysis by the Economic Research Service (ERS) estimates the cost at $84 million based on the difference between U.S. and world refined sugar prices in 1994. However, just as for the GAO analysis, different effects could be estimated by using other time periods when the price gap between U.S. and world prices was smaller. Moreover, with global liberalization, the price gap would narrow because of the dynamics of adjustment which were not considered in the ERS analysis.

Sincerely,

EUGENE MOOS,
Under Secretary for Farm and Foreign Agricultural Services.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, no amount of smoke and mirrors here is going to obfuscate the basic fact that you can go into the marketplace—in fact, it was quoted today on CNBC—and buy sugar at 10 cents a pound on the international market, but if you go out and buy it in the United States it will cost you 20, 21, 22 cents a pound. That is because the difference goes to a few growers who have a hammerlock on the political system.

And does it not cost the taxpayers money? That statement was made—it does not cost the American taxpayers money. Of course, it costs them money; $1.5 billion a year in subsidy is carried by the American consumers in order to benefit 17 cane growers who get 42 percent of the benefit, as the Senator from Nevada so aptly pointed out.

The idea that we are presenting is not to eliminate the program. We are saying just do not extend it for 7 years. Do not put this outrage on the back of the American consumers for 7 years, which would cost approximately $20 billion in subsidies having to be paid by the American consumer.

We are saying just hit them for 2 years, just hit them for 2 years. And then let us go back and look at the program again. We are not saying eliminate the program. We are saying just do not be greedy. Be reasonable. Give us a 2-year extension instead of a 7-year extension.

But what would be wrong with eliminating the program? The idea was you would get free sugar; we are not going to be happy until we get free sugar. We do not want free sugar. What we want is prices set by the marketplace. This is called capitalism. It is the concept of Adam Smith, comparative advantage. Those are things Republicans used to stand for. They happen to be things this country was built on. They are things which should be returned at some point in the sugar program. We are not asking they be returned today. All we are asking is that the sugar program only be extended for 2 years instead of 7 years—not an unreasonable request.

Mr. President, I certainly thank the Senator from Nevada for his support and the other Senators who cosponsored this amendment. And I hope that others will join us in putting a 2-year extension in place instead of a 7-year extension in place for a program which should not be extended at all.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent that following the next Democratic amendment and the intervening Republican amendment, Senator DASCHLE be recognized to offer his amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Who yields time? There are 17 seconds remaining.

Mr. GREGG. I yield back the rest of my time.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, we are coming now to the first vote, and the order is that each side have 1 minute of explanation. The proponent of the amendment perhaps will proceed.

The PRESIDING OFFICER. The Senator from Wisconsin.

AMENDMENT NO. 3442

Mr. KOHL. I thank the Senator. The first vote is on the Northeast area compact. I ask unanimous consent that Senator CARL LEVIN be added as a cosponsor.

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

Mr. KOHL. This is a very, very bad amendment. The amendment should not go through. It is anticonstitutional. It only can be authorized by Congress. It should not be authorized by Congress.

It would allow six States to set the price of milk in their States and nobody else would be allowed, no other State would be allowed to compete in that market unless they were prepared to meet that price. If you can imagine, this is not the way we conduct the American economy. No State would like to be the subject of that kind of a restriction. It would allow other States at other times to come to Congress and ask for permission to set prices. We do not set prices in this country. We allow commerce to proceed in a competitive way. The Northeast area compact is specifically an action to prevent that.

The proponents will say that we voted 65 to 35 for this. We have not voted 65 to 35 for this before. The previous vote was on several different provisions on a much broader agricultural amendment. It was not an up-or-down vote on the Northeast area compact. It is bad policy for this Congress, and I urge my colleagues to vote in favor of the motion to strike the amendment.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Who yields time?

Mr. LEAHY. Mr. President, I would strongly urge that the Senate vote as it already has. We have, indeed, voted 65 to 34 in favor of this compact. I would explain that was the vote on the compact before. This is something that involves only the Northeast. It affects dairy only in the Northeast.

It is a compact carefully set up where consumers and farmers work together, where consumers actually have a veto over any price increase. I hope that we would allow the Northeast States to do what their legislatures have joined together to do.

I yield to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont has 20 seconds.

Mr. JEFFORDS. Mr. President, all we are asking is that Vermont be allowed to do what other States can do. Big States can do it. California does the same thing we want to do. We allow anybody to come in. If Minnesota or Wisconsin want to bring their milk in, they can. There are no barriers.

All we are trying to do is make sure we protect the few farms that are left tucked way up at the border of the United States in the Northeast where we have a very, very difficult time being able to buy our grains and all that. So we urge you to vote as you did last time, and that is against the amendment.

The PRESIDING OFFICER. The time has expired. All time has expired.

Under the previous order, the question now occurs on agreeing to amendment No. 3442 offered by the Senator from Wisconsin, [Mr. KOHL]. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER (Mr. DEWINE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 46, as follows:

[Rollcall Vote No. 10 Leg.]

YEAS—50

Abraham	Ford	Nickles
Bingaman	Frist	Nunn
Brown	Glenn	Pressler
Bryan	Grams	Pryor
Bumpers	Grassley	Reid
Byrd	Harkin	Robb
Campbell	Hatch	Rockefeller
Coats	Hutchison	Roth
Conrad	Inhofe	Santorum
Craig	Kempthorne	Simon
Daschle	Kerrey	Simpson
DeWine	Kohl	Specter
Dole	Kyl	Thompson
Dorgan	Lautenberg	Warner
Exon	Levin	Wellstone
Faircloth	McCain	Wyden
Feingold	Moseley-Braun	

NAYS—46

Akaka	Gorton	Mack
Ashcroft	Graham	McConnell
Baucus	Gregg	Mikulski
Bennett	Heflin	Moynihan
Biden	Helms	Murkowski
Bond	Hollings	Murray
Boxer	Inouye	Pell
Breaux	Jeffords	Sarbanes
Burns	Johnston	Shelby
Chafee	Kassebaum	Smith
Cochran	Kennedy	Snowe
Cohen	Kerry	Stevens
Coverdell	Leahy	Thomas
D'Amato	Lieberman	Thurmond
Dodd	Lott	
Feinstein	Lugar	

NOT VOTING—4

Bradley	Gramm
Domenici	Hatfield

So the amendment (No. 3442) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3443

The PRESIDING OFFICER. The question now is on amendment No. 3443 offered by the Senator from Colorado [Mr. BROWN].

Under the previous order, the time has been divided equally, 1 minute apiece.

The Senator has the right to be heard. We cannot proceed if discussions continue.

The Senator from Colorado.

Mr. BROWN. Mr. President, I believe we have worked this amendment out. I am proposing to alter the amendment by dropping the section dealing with BLM, section (c), applying it only to the Secretary of Agriculture, and in section (e), dropping any reference to a grant or issuance of a permit.

This dramatically scales back the amendment, and I believe this meets the concerns expressed about it. As it would be amended, it would simply mean that if an easement has existed for a long time, you could not revoke it or refuse to renew it if the easement is in no way being changed.

AMENDMENT NO. 3443, AS MODIFIED

Mr. BROWN. Mr. President, I ask unanimous consent to modify my amendment.

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

The amendment, as modified, is as follows:

At the appropriate place, insert the following:

SEC. . CLARIFICATION OF EFFECT OF RESOURCE PLANNING ON ALLOCATION OR USE OF WATER.

(a) NATIONAL FOREST SYSTEM RESOURCE PLANNING.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following new subsection:

''(n) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede, abrogate or otherwise impair any right or authority of a State to allocate quantities of water (including boundary waters). Nothing in this section shall be implemented, enforced, or construed to allow any officer or agency of the United States to utilize directly or indirectly the authorities established under this section to impose any requirement not imposed by the State which would supersede, abrogate, or otherwise impair rights to the use of water resources allocated under State law, interstate water compact, or Supreme Court decree, or held by the United States for use by a State, its political subdivisions, or its citizens. No water rights arise in the United States or any other person under the provisions of this Act.''.

(c) AUTHORIZATION TO GRANT RIGHTS-OF-WAY.—Section 501 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1761) is amended as it applies to the Secretary of Agriculture—.

(1) in subsection (c)(1)—.

(A) by striking subparagraph (B);

(B) in subparagraph (D), by striking ''originally constructed'';.

(C) in subparagraph (G), by striking ''1996'' and inserting ''1998''; and.

(D) by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively:

(2) in subsection (c)(3)(A), by striking the second and third sentences; and.

(3) by adding at the end the following new subsection:

''(e) EFFECT ON VALID EXISTING RIGHTS.—Notwithstanding any provision of this section, the Secretary of Agriculture may not require, as a condition of, or in connection with, the renewal of a right-of-way under this section, a restriction or limitation on the operation, use, repair, or replacement of an existing water supply facility which is located on or above National Forest lands or the exercise and use of existing water rights, if such condition would reduce the quantity of water which would otherwise be made available for use by the owner of such facility or water rights, or cause an increase in the cost of the water supply provided from such facility.''

Mr. BROWN. Mr. President, I ask unanimous consent to add Senator BURNS as a cosponsor and to vitiate the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered. The yeas and nays have not been ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that I be permitted to engage in a 1-minute colloquy with the Senator from Colorado. I could not hear one word he said.

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

Mr. BUMPERS. Mr. President, let me ask two questions of the Senator from Colorado.

First, as I understand it, the amendment has been modified so that it will only apply to Forest Service language.

Mr. BROWN. That is correct.

Mr. BUMPERS. And the amendment also has a provision in it that it will only apply to renewal of permits and not new permits?

Mr. BROWN. That is correct. To that end, we have dropped the provisions that dealt with the issuing and the granting.

Mr. BUMPERS. I will not raise a point of order, but would the Senator from Colorado join in requesting the Senator from Idaho to hold a hearing on this subject? I think it is a fairly complicated thing that deserves a hearing.

Mr. BROWN. I appreciate it. That is a valuable suggestion. I am happy to join the Senator.

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

The amendment (No. 3443), as modified, was agreed to.

Mr. LUGAR. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3445, AS MODIFIED

The PRESIDING OFFICER. The question is now on amendment 3445.

Mr. DORGAN. I ask unanimous consent I be recognized to offer the next amendment following the series of votes. We will have the next Democratic amendment. I ask unanimous consent to do that.

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

Mr. HARKIN. Parliamentary inquiry: Is this the first amendment I offered which would strike the section of the bill that raises interest rates for Commodity Credit Corporation loans?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. For Senators who did not hear the debate earlier, for almost 60 years we have allowed the farmers to borrow from the Commodity Credit Corporation using grain and commodities as collateral at interest rates based on Treasury rates. This bill raises the interest rate 1 full percentage point. There is no good reason for that.

There are those who argue farmers ought to be like other people out there, borrowing at commercial rates. Large grain companies, and the large producers can go get the prime rate. My family farmers in Iowa have to go to the local bank and pay prime plus 3. There is no reason to raise these CCC interest rates 1 percent. It is a $260 million tax on farmers. Mr. President, $260 million more that farmers will have to pay into the Treasury over the next 7 years that is not needed, and it will hurt our family farmers.

Mr. LUGAR. Mr. President, I encourage Senators to vote against the Harkin amendment. It is, in fact, a $260 million subsidy to farmers. Deliberately, farmers have been given a rate 1 percent less for a long time, at the

Treasury rate as opposed to the commercial rate. If every other business in America had a similar advantage, that might be a different story but other business people do not.

There was a time when we were interested in balancing the budget in this Chamber. This was $260 million of the savings involved in that situation. All we are asking for a vote ''no'' on this is that farmers have identically the same opportunity at commercial rates and that the $260 million of savings to the taxpayers be preserved.

Mr. DOLE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. Yes.

Mr. DOLE. I ask that the Chair announce the vote at the end of 10 minutes from here on.

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

The question is now on agreeing to the Harkin amendment numbered 3445.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 37, nays 59, as follows:

[Rollcall Vote No. 11 Leg.]

YEAS—37

Akaka	Feingold	Lieberman
Baucus	Feinstein	Mikulski
Biden	Ford	Moseley-Braun
Bingaman	Glenn	Murray
Boxer	Grassley	Pell
Breaux	Harkin	Pressler
Bumpers	Heflin	Pryor
Byrd	Hollings	Sarbanes
Conrad	Inouye	Simon
Daschle	Johnston	Wellstone
Dodd	Kerrey	Wyden
Dorgan	Kohl	
Exon	Levin	

NAYS—59

Abraham	Graham	Moynihan
Ashcroft	Grams	Murkowski
Bennett	Gregg	Nickles
Bond	Hatch	Nunn
Brown	Helms	Reid
Bryan	Hutchison	Robb
Burns	Inhofe	Rockefeller
Campbell	Jeffords	Roth
Chafee	Kassebaum	Santorum
Coats	Kempthorne	Shelby
Cochran	Kennedy	Simpson
Cohen	Kerry	Smith
Coverdell	Kyl	Snowe
Craig	Lautenberg	Specter
D'Amato	Leahy	Stevens
DeWine	Lott	Thomas
Dole	Lugar	Thompson
Faircloth	Mack	Thurmond
Frist	McCain	Warner
Gorton	McConnell	

NOT VOTING—4

Bradley	Gramm	Hatfield
Domenici		

So the amendment (No. 3445), as modified, was rejected.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3446

The PRESIDING OFFICER. The question now occurs on the Harkin amendment, No. 3446. There are 2 minutes for debate evenly divided pursuant to the previous order.

The Senator from Iowa.

Mr. LEAHY. Mr. President, the Senate is not in order. The Senator from Iowa is entitled to be heard.

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order.

Mr. HARKIN. Mr. President, this amendment reinstates the farmer-owned reserve which is suspended for the 7 years of this bill. In the 1970's we heard a hue and cry across the country that the grain companies and processors had a hold over the grain markets because they could buy up grain from the farmers at low prices and the farmers could not market their grain when they wanted to market it. So we put in something called the farmer-owned reserve, which is, first, a marketing tool for farmers that allows them to be able to market their grain when they want to at higher prices. Second, it is also a tool for consumers, because in periods of drought, when we have short supplies——

The PRESIDING OFFICER. The Senator will suspend for a moment. The Senate will be in order.

The Senator from Iowa.

Mr. HARKIN. Then those supplies of grain are available, so we avoid severe shortages and extremely high prices. Mr. President, there is an estimate by the Food and Agricultural Policy Research Institute that, in connection with the 1988 drought, that the substantial stocks of grain on hand, including in the farmer-owned reserve, prevented some $40 billion in extra food costs to consumers because we had that reserve owned by the farmers.

So this amendment just basically continues that program of enabling farmers to store their own grain for a period as a reserve and allow them to market in a more orderly way.

This is both a profarmer and a proconsumer amendment.

Mr. LUGAR. Mr. President, the reason the Senate allowed the farmer-owned reserve to lapse was that essentially it was a very expensive storage business with 26½ cents per bushel to a farmer who wanted to store grain. But eventually over half of the money was paid to elevators and to large grain merchandisers, not to the individual farmers we are talking about here. We finally got rid of it because farmers understood it was a hangover of wheat, corn, and beans over the market. It depressed prices.

I am a farmer. I have storage. I do not need 26½ cents a bushel to store for my own purposes. I market it on the basis of price.

That is the way the country proceeded, and we saved $100 million for taxpayers for another subsidy that is unnecessary and unneeded for farmers.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 35, nays 61, as follows:

[Rollcall Vote No. 12 Leg.]

YEAS—35

Akaka	Feingold	Mikulski
Baucus	Feinstein	Moseley-Braun
Bingaman	Ford	Murray
Boxer	Glenn	Pell
Breaux	Grassley	Pressler
Bryan	Harkin	Pryor
Bumpers	Heflin	Reid
Byrd	Hollings	Rockefeller
Conrad	Inouye	Simon
Daschle	Johnston	Wellstone
Dorgan	Kerrey	Wyden
Exon	Kohl	

NAYS—61

Abraham	Graham	McConnell
Ashcroft	Grams	Moynihan
Bennett	Gregg	Murkowski
Biden	Hatch	Nickles
Bond	Helms	Nunn
Brown	Hutchison	Robb
Burns	Inhofe	Roth
Campbell	Jeffords	Santorum
Chafee	Kassebaum	Sarbanes
Coats	Kempthorne	Shelby
Cochran	Kennedy	Simpson
Cohen	Kerry	Smith
Coverdell	Kyl	Snowe
Craig	Lautenberg	Specter
D'Amato	Leahy	Stevens
DeWine	Levin	Thomas
Dodd	Lieberman	Thompson
Dole	Lott	Thurmond
Faircloth	Lugar	Warner
Frist	Mack	
Gorton	McCain	

NOT VOTING—4

Bradley	Gramm
Domenici	Hatfield

So the amendment (No. 3446) was rejected.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3225

The PRESIDING OFFICER. The question now occurs on agreeing to the Santorum amendment No. 3225.

Mr. LEAHY. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. Will Members of the Senate who are having discussions please retire to the Cloakroom.

The Senator from Pennsylvania is recognized.

Mr. SANTORUM. I thank the Chair.

Mr. President, the amendment that I have is not an elimination of the peanut program. What is does is it phases

down the support price for peanuts 30 percent over the next 5 years and then replaces the quota system with a nonrecourse loan system. So there will still be a peanut program, a safety net program. The only commodity in the last 10, 15 years that has not been reformed is peanuts. It is the only one that has gone up in price since 1985. For everything else the support prices have been cut but not peanuts. Peanuts is still run with a quota system. That means you have to have a license to grow peanuts, and, if you do not have that license, you cannot sell peanuts in this country.

What we want to do is just reform it slightly over the next 7 years to really comport with the other programs that are going through reform, and I urge an affirmative vote to send a good message on this program.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I will just take about 30 seconds.

I have had a lot of experience with the peanut program. There have been reforms made over the years. There are reforms in this bill. We are trying to get a farm bill passed, and I know that the Senator from Pennsylvania has worked very long and very hard and has done a great job, but I think in the spirit of trying to get the bill passed, we ought to take the reforms that have been made. Therefore, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Pennsylvania [Mr. SANTORUM].

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. D'AMATO. Mr. President, on this vote, I have a pair with the Senator from New Mexico [Mr. DOMENICI]. If he were present and voting, he would vote ''yea.'' If I were permitted to vote, I would vote ''nay.'' Therefore, I withhold my vote.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 59, nays 36, as follows:

[Rollcall Vote No. 13 Leg.]

YEAS—59

Akaka	Bond	Campbell
Ashcroft	Breaux	Cochran
Baucus	Bumpers	Conrad
Bennett	Burns	Coverdell
Bingaman	Byrd	Craig
Daschle	Hutchison	Nickles
Dodd	Inhofe	Nunn
Dole	Inouye	Pell
Dorgan	Jeffords	Pressler
Exon	Johnston	Pryor
Faircloth	Kempthorne	Robb
Feinstein	Kerrey	Rockefeller
Ford	Leahy	Sarbanes
Graham	Lieberman	Shelby
Grassley	Lott	Simon
Harkin	Mack	Simpson
Hatch	McConnell	Stevens
Heflin	Mikulski	Thurmond
Helms	Moseley-Braun	Warner
Hollings	Murkowski	

NAYS—36

Abraham	Gorton	Moynihan
Biden	Grams	Murray
Boxer	Gregg	Reid
Brown	Kassebaum	Roth
Bryan	Kennedy	Santorum
Chafee	Kerry	Smith
Coats	Kohl	Snowe
Cohen	Kyl	Specter
DeWine	Lautenberg	Thomas
Feingold	Levin	Thompson
Frist	Lugar	Wellstone
Glenn	McCain	Wyden

PRESENT AND GIVING A LIVE PAIR

D'Amato, against

NOT VOTING—4

Bradley	Gramm
Domenici	Hatfield

So the motion to table the amendment (No. 3225) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

CORRECTION OF VOTE

Mr. BINGAMAN. Mr. President, on rollcall vote No. 13, I was recorded as voting ''nay.'' In fact, I voted ''aye.'' I ask unanimous consent that the official record be corrected to accurately reflect my vote. Mr. President, this will in no way change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

AMENDMENT NO. 3447

The PRESIDING OFFICER. The pending business is the Bryan amendment No. 3447. The Senator from Nevada.

Mr. BRYAN. Mr. President, I ask unanimous consent that the Bryan amendment be in order.

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

Mr. BRYAN. Mr. President, this is an amendment, the identical contents of which was before the Senate last fall and was approved overwhelmingly by a vote of 62 to 36. It seeks to cap the Market Promotion Program at $70 million. Under the current proposal, that funding level would rise to $100 million on an annual basis.

It precludes the payment of market promotion moneys to foreign corporations. Under the current law, foreign corporations may receive money.

It also precludes payments being made to large corporations that would exceed the small business size and scope, and it would make it possible for moneys to continue to be received by cooperative organizations who are advertising on behalf of nonbranded promotions.

I urge its adoption. As I say, it has been before us previously and enjoys the support of the chairman of the committee and the ranking member.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, in opposition to the amendment, let me simply state that there are controls and reforms not only reflected in this legislation before the Senate in the Market Promotion Program, but there are also restrictions imposed by the Department of Agriculture in the allocation of these funds.

In the view of many of us, that should answer all of the charges that have been made by some of the sensationalized attacks on our effort to enlarge our share of the international market through helping our exporters of food and commodities do a better job competing with those countries that engage in unfair practices to keep our products out of markets and to make us lose market share.

This provision in the bill that is sought to be amended creates American jobs. It is time for us to stand up for our farmers and our exporters. I urge the Senate to vote ''no'' on this amendment.

The PRESIDING OFFICER. The question is on agreeing to the Bryan amendment No. 3447.

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 37, as follows:

[Rollcall Vote No. 14 Leg.]

YEAS—59

Abraham	Frist	Lugar
Ashcroft	Glenn	Mack
Biden	Graham	McCain
Bingaman	Grams	Mikulski
Brown	Gregg	Moynihan
Bryan	Harkin	Nickles
Bumpers	Hollings	Nunn
Burns	Hutchison	Pell
Byrd	Inhofe	Reid
Chafee	Jeffords	Robb
Coats	Johnston	Rockefeller
Cohen	Kassebaum	Roth
Coverdell	Kennedy	Santorum
D'Amato	Kerry	Sarbanes
DeWine	Kohl	Smith
Dodd	Kyl	Thomas
Dole	Lautenberg	Thompson
Dorgan	Leahy	Warner
Exon	Levin	Wellstone
Feingold	Lieberman	

NAYS—37

Akaka	Ford	Murray
Baucus	Gorton	Pressler
Bennett	Grassley	Pryor
Bond	Hatch	Shelby
Boxer	Heflin	Simon
Breaux	Helms	Simpson
Campbell	Inouye	Snowe
Cochran	Kempthorne	Specter
Conrad	Kerrey	Stevens
Craig	Lott	Thurmond
Daschle	McConnell	Wyden
Faircloth	Moseley-Braun	
Feinstein	Murkowski	

NOT VOTING—4

Bradley	Gramm
Domenici	Hatfield

So the amendment (No. 3447) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3448

The PRESIDING OFFICER. The question now is on the Harkin amendment, No. 3448.

Under the previous order, the time is evenly divided.

The Senator from Iowa is recognized.

Mr. LEAHY. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order.

Mr. HARKIN. Last year, Senator LUGAR and Senator LEAHY introduced S. 854 to provide for incentive payments, cost-sharing, technical assistance, et cetera, to livestock producers to meet certain environmental standards. In that bill, for example, there is a limit relating to the number of livestock above which you could not get cost share payments, you could not get Government money. For example, in the original bill eligibility was limited to 1,000 beef cattle and 2,500 head of hogs.

In the bill before us, the limits were raised to 10,000 beef cattle and 15,000 head of hogs. We have a limited pool of money, $700 million over 7 years for the livestock environmental assistance. This money ought to go to the family-size farmers who need this help. The bigger operations have a lot of capital. They can take care of their own environmental problems. It is the small family farmers with the smaller herds that need this type of help.

My amendment takes this limited pot of money we have and sets limits basically back to where the initial bill was last year at 1,000 head of cattle and 2,500 head of swine, which corresponds with the regulations that have been promulgated under the Clean Water Act.

Mr. LUGAR. Mr. President, I argue against the Harkin amendment on the basis that the limits that were set in the Lugar-Leahy bill were based upon the herds in 1970. They correspond to the Clean Water Act considerations of that time, and they made sense at that time.

Unhappily or happily, as the case may be, people in cattle, with hog farms, with chickens, and with turkeys, have a great number. We have made a limit of $10,000 per operation, but in meetings with producers all over the country, pragmatically the limits that we have come to seem to be a compromise between the large and the small.

I visited the Iowa Corn Producers last week and they feel that is about the right level. We had the big and the small, and a great controversy was witnessed in that State. There is no magic in the figures. They seem to me to be a practical compromise.

I advocate the committee text be retained and the Harkin amendment be defeated.

The PRESIDING OFFICER (Mr. ASHCROFT). The question is on agreeing to the amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 57, nays 39, as follows:

[Rollcall Vote No. 15 Leg.]

YEAS—57

Akaka	Ford	Mikulski
Ashcroft	Glenn	Moseley-Braun
Baucus	Graham	Moynihan
Bingaman	Grams	Murray
Boxer	Grassley	Nickles
Brown	Gregg	Nunn
Bryan	Harkin	Pell
Byrd	Helms	Pressler
Chafee	Hollings	Reid
Cohen	Inouye	Rockefeller
Conrad	Johnston	Santorum
Daschle	Kennedy	Sarbanes
Dodd	Kerrey	Simon
Dole	Kerry	Smith
Dorgan	Kohl	Snowe
Exon	Lautenberg	Specter
Faircloth	Leahy	Thomas
Feingold	Levin	Wellstone
Feinstein	Lieberman	Wyden

NAYS—39

Abraham	DeWine	Mack
Bennett	Frist	McCain
Biden	Gorton	McConnell
Bond	Hatch	Murkowski
Breaux	Heflin	Pryor
Bumpers	Hutchison	Robb
Burns	Inhofe	Roth
Campbell	Jeffords	Shelby
Coats	Kassebaum	Simpson
Cochran	Kempthorne	Stevens
Coverdell	Kyl	Thompson
Craig	Lott	Thurmond
D'Amato	Lugar	Warner

NOT VOTING—4

Bradley	Gramm
Domenici	Hatfield

So the amendment (No. 3448) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3450

The PRESIDING OFFICER. The question now is on agreeing to amendment No. 3450. Who yields time? There is 1 minute reserved on each side.

Mr. CRAIG. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order. Senators will take conversations to the Cloakroom.

The Senator from Idaho.

Mr. CRAIG. Mr. President, I hope my colleagues will oppose the next amendment that will be up. Reform has been asked for in the sugar program, and we have brought major reform. This is of no cost to the taxpayers. We create stability in the market, which I think all of us want to see.

I yield to my colleague from Louisiana.

Mr. BREAUX. My colleagues, I would say the amendment of the Senator from New Hampshire knocks out all the reforms in the sugar program, which are substantial. He wants to make, I think, the program as bad as it possibly can be. Voting against that amendment preserves the reforms that are in the legislation.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, this is not about reform. There is no reform in this package. The price of sugar will remain twice the market price under this bill or under the old law.

This is an issue of whether or not the sugar program will be locked in for 7 years as a huge subsidy and expense for the American consumers to bear, or whether we are going to continue it for 2 years and come back and revisit the issue. We are just asking for a reasonable chance to revisit the issue over the next 2 years, continue the program for 2 years, come back and take it up. So I hope the people will take a look at this and be willing to vote for a 2-year extension, rather than a 7-year extension.

The PRESIDING OFFICER. The Chair informs the Members of the body that the yeas and nays have not been ordered on this vote.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 35, nays 61, as follows:

[Rollcall Vote No. 16 Leg.]

YEAS—35

Ashcroft	Gregg	Nickles
Biden	Hutchison	Nunn
Bryan	Kassebaum	Pell
Chafee	Kennedy	Reid
Coats	Kerry	Roth
Cohen	Kohl	Santorum
DeWine	Kyl	Sarbanes
Feingold	Lautenberg	Smith
Feinstein	Lugar	Snowe
Frist	McCain	Specter
Glenn	Mikulski	Thompson
Gorton	Moynihan	

NAYS—61

Abraham	Dorgan	Lott
Akaka	Exon	Mack
Baucus	Faircloth	McConnell
Bennett	Ford	Moseley-Braun
Bingaman	Graham	Murkowski
Bond	Grams	Murray
Boxer	Grassley	Pressler
Breaux	Harkin	Pryor
Brown	Hatch	Robb
Bumpers	Heflin	Rockefeller
Burns	Helms	Shelby
Byrd	Hollings	Simon
Campbell	Inhofe	Simpson
Cochran	Inouye	Stevens
Conrad	Jeffords	Thomas
Coverdell	Johnston	Thurmond
Craig	Kempthorne	Warner
D'Amato	Kerrey	Wellstone
Daschle	Leahy	Wyden
Dodd	Levin	
Dole	Lieberman	

NOT VOTING—4

Bradley	Gramm
Domenici	Hatfield

So the amendment (No. 3450) was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I believe the Senator from North Dakota is next. Senators certainly on this side of the aisle have been very good in coming forward to talk about amendments, technical points they may want to have cleared. I appreciate that. I hope if anybody else does they would let us know as soon as possible because this is moving very quickly, and at some point it is going to be wrapped up.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota is recognized.

AMENDMENT NO. 3451 TO AMENDMENT NO. 3184

(Purpose: To require farmers to plant crops to receive Federal payments)

Mr. DORGAN. Mr. President, I have an amendment at the desk, and I would ask that the amendment be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows.

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. DASCHLE, Mr. CONRAD, Mr. KERREY, Mr. HARKIN, Mr. WELLSTONE, Mr. KOHL, Mr. EXON, Mr. PRYOR, Mr. FEINGOLD, Mr. HEFLIN, and Mr. BUMPERS, proposes an amendment numbered 3451 to amendment No. 3184.

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

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

The amendment is as follows:

Section 103(f)(1) is amended by striking subparagraph (A) and inserting the following:

(A) the lesser of—

(i) 85 percent of the contract acreage, or

(ii) the contract acres planted to a contract commodity or oilseeds;

Mr. DORGAN. Mr. President, I offer the amendment on behalf of myself, Senators DASCHLE, CONRAD, KERREY, HARKIN, WELLSTONE, KOHL, EXON, PRYOR, FEINGOLD, HEFLIN, and BUMPERS.

Mr. President, my understanding is there is 15 minutes on each side.

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. Mr. President, I yield myself such time as I may consume.

The bill that we are now debating is called the freedom to farm bill. It is a bill that provides 7 years of fixed payments to farmers. Yet, there is no requirement in this legislation to plant a crop. All you need would to participate is to have some base acres and a bank account. You never need to plant a seed. You never need to harvest a crop. Yet, you would get payments under this proposal.

You can have two farmers side by side under this proposal, one of whom plants a crop, harvests a crop, and works all year operating a family farm. That farmer gets a payment under the Freedom to Farm Act. The other farmer across the road does nothing, packs up, moves to Arizona, does not plant a crop, never plows a furrow, and never starts an engine. That farmer gets the same payment.

Now, this is a farm bill. This bill is about helping farmers farm, not helping farmers not farm. It is a bill about helping farmers who want to farm. This should not be a bill about creating a payment system to pay people for not farming.

My amendment amends the Freedom to Farm Act and says that payments under the Freedom To Farm Act will be made to farmers who plant a program crop, any program crop on their base acres. It provides for total flexibility. It simply says we will not make payments to people who plant nothing. You must plant a program crop on your base acres to be eligible for these payments.

Some will say, well, it has been done before. We have an 0/92 program and an 0/85 program. The 0/92 program allows farmers to plant oilseeds on base acres. That is not the same at all. There is a requirement to plant.

The 0/85 program is a conservation use program. Payments are made for putting the land into a conserving use. Not the same at all.

The current provisions in this bill makes no sense to me at all, and the Senate ought to adopt this amendment. The amendment says let us make this a farm bill. Let us help the farmers who are planting crops and harvesting crops. Let us assist the work of family farmers in this country. But let us not pay people who do not plant and do not harvest.

Mr. President, I have several Members who would like to speak for a minute. Let me yield 1 minute to Senator HARKIN from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I thank the Senator from North Dakota for this amendment. It is a commonsense amendment. This is just plain old common sense. Why should we be giving huge payments to people who may be sitting on Miami Beach.

I have an example here, I tell my friend from North Dakota, of a fairly large wheat farmer in Kansas. He has 1,800 acres of wheat and 600 acres of grain sorghum. Just take this year, wheat prices being what they are, sorghum prices being what they are, and let us see what happens to this individual this year under the present prices. What is he going to get this year? This farmer is going to net about $235,000. That is a profit. Part of his profit is a Government check for $39,768. That is on top of $195,000 in profit already.

Now, unless we adopt the Dorgan amendment, he can get that payment if he did not plant anything at all. He could get that $39,000 if he did not even want to do anything.

The Senator from North Dakota is right. If we are going to be sending out checks from the Government, at least we ought to expect people to work for it and not be able just to sit back and do nothing.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN. I yield 2 minutes to the Senator from Nebraska [Mr. KERREY.]

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. I thank the Chair.

For years, the principal criticism of the farm program has been an inaccurate one, but it has been an effective one, that American farmers are being paid not to farm; converting acres is a payment not to farm; farmers are going to get paid for wetlands regulation, lots of other things.

They are certainly not paid not to farm.

In this program, the way it is written, the law basically says that the Government will calculate the number of acres that you are eligible for based on 4, 5 years of farming using Farm Service Office numbers.

The Farm Service Office will then say, ''Here is what your yields are.'' Both of them, by the way, have built in inequities because that is another problem. The Government will say, ''Here is your number of acres, your yield, multiply your numbers and take 85 percent, then add all the acreage up and all those bushels up.'' It will take the total dollars available for that crop, divide it into the total bushels, and that is how many cents you will get. And you will get half your payment in June and half in September.

The only three things you have to do to get the payment is the following:

First, comply with the conservation requirements; second, comply with the wetlands requirements; and, third, promise not to plant more than 15 percent alfalfa and not to plant fruits and vegetables. Other than that, you do not have to promise to do anything. There will not be any question.

Farmers may make a calculation, ''Maybe I would be smarter not to plant at all. I don't have to plant under this. I don't have to put a crop in and do anything other than take the Government money which they are offering.''

It is a very reasonable amendment, and it seems to me it is very much consistent with the arguments and representations and presentations that advocates of freedom to farm have been making all this day.

Mr. DORGAN. I yield 1 minute to the Senator from North Dakota, Senator CONRAD.

Mr. CONRAD. Mr. President, one of the most frequently heard criticisms of Federal farm programs is that farmers are paid not to farm, not to plant anything. Mr. President, that has not been the case under recent farm law. But if the Dorgan amendment does not pass, it will become the case. In fact, we will have circumstances in which farmers will be paid not to plant, not to farm, not to produce.

Mr. President, I do not think there will be much support in the United States for a program that pays people not to do something, not to do anything. So I hope my colleagues will favor this amendment and vote for it.

Mr. DORGAN. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, let us take the situation of a farmer in America who has land. This is a basic asset for that farmer. Certainly, as commonsense rules, the farmer will plant a crop on the land or attempt to use the land to obtain income.

Certainly it is conceivable that there are Americans who have productive assets and might decide that they simply do not want a return from those assets. But this is improbable. Most persons of sound mind and common sense who have opportunities to utilize economic assets, do so. And they do so continuously to make a living.

For example, the Senator from Iowa has pointed to a potential Kansas farmer, maybe an actual farmer, but as I recall the instance, there were as many as 1,800 acres of wheat crop, and given prices, as the Senator pointed out, that farmer might have a return of almost $200,000 from the markets that are very strong for wheat. The Senator also pointed out that a Government check for $39,000 might also come to that farmer under current programs.

The suggestion was that that farmer might have the option to go to Hawaii and simply forget the wheat fields and collect the check for $39,000. That is possible as an option for that farmer, but most people would ask, what about the $200,000 that he normally takes off the farm?

Mr. President, if the farmer himself is elderly, it is a very probable set of circumstances in America today that the farmer will rent the land to somebody else and share the return. In fact, that happens increasingly as farmers grow old. The payments follow the land. The probability that the land is simply going to sit there and that a Government check comes as an ample reward is, I think, in most cases a ridiculous assumption.

There is the one case, Mr. President, we have to consider carefully, and that is that some farmers in America, in stretching to meet Government program histories for their crops, may have simply overreached and they may have planted on land that in fact was not very fertile and does not get very much return at all. There may be at the margin some cases where some farms, if farmed, lose money simply because the inputs into the farming and all the economic costs involved are more than the return that would come from the crop with or without the Government involved.

As a matter of fact, in the Conservation Reserve Program, we have been attempting to work with farmers to set aside highly erodible land, to have that set aside as part of the program, or land that impacts upon riparian waterway safety. That, I thought, made good sense, Mr. President, in the conservation mode. Many acres probably should not have been planted if our heritage of the soil is to be retained.

So farmers, in fact, have decided, as a matter once again of their own self-interest and given a government payment, to try to move away from the highly erodible lands or those that threaten waterways. But that is an economic decision that makes sense.

Therefore, Mr. President, I understand the attempt of the argument to suggest that there are farmers who simply will escape their responsibilities. But my judgment as a farmer, Mr. President, is that I have known very few people in Indiana farming during my lifetime who, having a good farm there with fertile soil, did not have a crop. They may have planted it themselves, and they may have had children that worked with them. They may have had others to whom they rented the property, but the crop got planted because that was the living for the family. Those were assets that were available. And at the point when they did not really wish to use those productive assets anymore, they sold them or they gave them away to children or through an inheritance. That is the reality of agriculture in America.

The freedom to farm idea comes down to the fact that we are saying to farmers they ought to have exactly that, freedom and flexibility to use their land in each and every way that would be productive and profitable for the farmer.

If we once again insist that a program crop—wheat, corn, rice, cotton—be planted on that land for it to have value, to get a government payment, we are back once again into the same restrictive agriculture that so many of us have decried for a long time. I am one who rejoices that today we have a very good opportunity finally to break out of that mode of governmental restriction.

Why in the world we would once again want to return to those principles I cannot understand. It seems to me somewhat disingenuous, as those who offer this amendment suggest on the one hand—and the Senator from North Dakota was the author of the amendment—others who have spoken have often pointed out very poignant cases of farmers in their States who have struggled against the weather and against great odds. But all the stories are ones of struggle. These are persons who understood how to farm the land. The question is, what sort of odds do they have to meet in order to get income?

I have not heard very many stories from the Senator from North Dakota or from other Senators about their constituents who simply went to Hawaii on the beach and ridiculed the Federal Government and the rest of the taxpayers for paying them for doing nothing.

As a matter of fact, farming is a struggle for a prohibitive majority of Americans who are engaged in it. It is a struggle they chose. Today we are about to give them greater flexibility to make certain that struggle is a more even one, that they really can plant whatever they want to. And they will plant.

As a matter of fact, the great fear always of those who wanted controls and wanted to pin it down was that farmers would plant too much. The real secret of American agricultural debate for 60 years has been this latent fear that farmers, as a matter of fact, are so ingenious, so hard working, that if left to their own devices they would simply plant so much that the price of everything would decline precipitously.

That was the basis of the New Deal philosophy, the burning of the little pigs, the plowing up of crops at the time. It was not the search for farmers going to Hawaii; it was a search for farmers who were too productive, to hold them in bounds, and to put on one restriction after another, which we have not lifted from them in 60 years.

To hear the strange argument today that at the very moment of freedom, farmers are prepared to chuck all of this and say, ''We are headed to Hawaii. Send me the check,'' is not only a gratuitous insult to farmers, but it simply lacks any basis in fact and reality of anybody who is in the farming business.

Mr. President, we are talking about the heart of the freedom-to-farm idea.

If you pin down what has to be planted, once again, with Government restrictions and say it has to be a program crop and, by golly, we have to see it in the ground before you receive a payment, you do, in fact, defeat the whole prospect of freedom to farm, and I do not want to see that occur.

I think Members ought to be alert that this is that type of amendment. It is a killer amendment, and the instinct of going for the jugular with this idea of farmers on the Hawaii beaches is, I think, well crafted to try to give a picture of persons who are idle and who are trying to do in the taxpayers.

What, in fact, we have here is a situation that came out of the Balanced Budget Act. It was clear that through the payments that will occur in a 7-year period of time and diminish in money, we know constantly now that the Federal Government and all the taxpayers are assured that farming is making a very sizable contribution to the deficit relief that we have all sought to a balanced budget.

The last farm bill we passed, those of us involved in it, estimated it would have a cost of about $41 billion in terms of subsidies, the basic deficiency payment for the program crops. It turned out to be $57 billion, and there have been many explanations as to how we could have been that far off.

The freedom-to-farm bill we discuss today does not have surprises of that sort. The payments are known. The amounts that will be distributed are constant, as well as the freedom of farmers to plant abundantly to furnish to American consumers and to the world such abundance as we have never seen and such wealth as we have never observed in terms of our export markets and our competitive ability. That is what the freedom-to-farm act is about.

I am hopeful Senators will oppose the Dorgan amendment, will retain the flexibility portions of this bill and the gist of freedom to farm, which I think is common sense and very clear to all of us.

Mr. DORGAN. I yield 2 minutes to Senator PRYOR.

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

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me and for my colleague from North Dakota yielding me this time.

I have been listening to my good friend from Indiana, Senator LUGAR, the distinguished chairman of our committee. I will just simply say to our distinguished friend from Indiana, Mr. President, that the Dorgan amendment is not a killer amendment by any stretch of the imagination. It is simply an effort to address what promises to become a totally outrageous section and provision of the freedom-to-farm act.

We are saying in the Dorgan amendment—and I am a cosponsor—we are saying that farmers do not have to do anything in order to receive their payments. If the Senator from Indiana has a fear that farmers are not going to plant anything and go to Hawaii, if he says, ''Why, they are not going to do that,'' if he maintains that position, then he should accept this amendment, he should be for the Dorgan amendment, because the Dorgan amendment couples production with an ultimate payment under certain circumstances. It does not decouple as the freedom-to-farm act does.

We want a defendable farm program. This is one, Mr. President, this particular program, this particular proposal, that I do not think we can ultimately defend. I have been through, I think, about four farm bills, and I have never seen one like this, because this is going to be, in my opinion, not an ordinary 5-year farm bill. It is not going to be a 7-year farm bill. It is going to be about a 90-day farm bill, because when people wake up and ''20/20'' and ''60 Minutes'' and everyone else becomes exposed to what we have done to agriculture and to the agriculture industry and the economy in this country, they are going to demand that the Congress go back and draft a new farm bill that will work.

Mr. President, I thank the Chair, and I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I listened carefully to the Senator from Indiana. The Senator from Arkansas apparently said, ''This isn't going to happen. We're not going to have people getting payments and not planting.'' If that is the case, why would anyone object to the amendment? If it is not going to happen, my amendment is something that ought to be accepted.

The Senator from Indiana talked a lot about the flexibility, freedom to farm offers in planting. He seemed to suggest somehow I was going to offer something that had a different kind of standard for flexibility than he and others propose. That is not the case. They, of course, do not propose complete flexibility. You cannot plant fruits and vegetables on base acres. I understand that.

I support the flexibility they are talking about. I provide the exact, same flexibility in this amendment. All I am saying is that you are not going to receive a payment for doing nothing. This is a farm program. Our interest is in helping family farmers farm.

The interesting thing about farming is you have to figure out what your input costs might be in order to determine what your profit might be and estimate what the price might be, because that is a factor of profit.

One can foresee circumstances in which some people will say, ''As far as I'm concerned, I would like to move someplace else and get the payments at this point because the input cost is too high, the price risk is too great. I think I will take the payment and let the land sit.''

I come from a town of 300. That town exists because all around you can also see farmyard lights on at night. They are family farms operating and doing business in town. Every time one of these yard lights is turned off as we lose a farm, it kills a little bit of the economic vitality of that town.

I am not interested in advancing farm bills to pay people not to farm. I am not interested in advancing any farm bills that move in the direction of more stringent requirements.

I am interested in advancing farm bills that do provide for greater flexibility, but not a flexibility that says we want to make Government payments for people who do not start a tractor in the spring and do not drive a combine in the fall, do not plant and do not harvest and are not farming. What kind of sense is that? I wish the Senator would accept this.

I notice he was able to suppress a grin when he said this was a killer amendment. I appreciate the fact he did not grin on that because this is not a killer amendment at all, nothing close to it. It is a simple proposition, and the proposition is this: Let us decide what we are going to accomplish in this freedom-to-farm act. Let us provide a series of payments to assist family farmers who are farming. Let us not advance into the future with a backward-looking approach that pays farmers who have not planted a single seed. That is not what farmers want. That is not the help they need. That will not advance the interests of rural America or family farmers.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2½ minutes remaining.

Mr. DORGAN. I prefer to close debate. If the Senator from Indiana has other speakers or wishes to add anything, I reserve my time at this point.

Mr. LUGAR. How much time remains?

The PRESIDING OFFICER. The Senator from Indiana has 4 minutes remaining.

Mr. LUGAR. I thank the Chair.

Mr. President, without being tedious, I just simply reiterate the fact that a farm that is fertile is going to be planted. It is going to be planted by the farmer and by his children or family, by those associates he rents to. What the Dorgan amendment finally gets to, once again, is almost an insatiable desire on the part of those who want control over what is planted and, therefore, want a relationship between program crops and payments.

We have been down that trail. We are trying very hard to get off that trail today. I will just simply say, in my judgment, the great fear of those who have been in supply controls throughout this time of the New Deal onward has been a fear of planting too much.

It is a strange argument today to argue that somehow farmers would plant too little or nothing at all. They simply will not utilize rich resources.

But given even the hard case, Mr. President, there may be some instances in which there should not be a crop planted if the land is highly erodible, if conservation dictates that it simply should not occur. That maybe becomes an option that is both rational and good in terms of the public good. In other words, there is no particular virtue in proceeding with planting a program crop when it is not economical to do so and when it might be destructive in terms of the environment. In almost every other instance, a crop is going to be planted.

The question we have today is: Will farmers be able to have maximum flexibility of choice as to what to do? Or, once again, will we be back into the toils of supply control, of Government control, tied with those decisions and checks from the Federal Government?

This is a transition program, Mr. President, a transition to the market. The transition is known to farmers as they enter into those programs, and farmers are perfectly free not to enter into contracts. That is also an option that is greatly feared by those who want control because many farmers might simply decide that the time has really come to plant for the market, as opposed to the Federal Government, with transition payments or without.

Those choices we shall see before us, Mr. President. But for the moment, it appears to me that this is a clear-cut issue in terms of freedom to farm. I hope that the Dorgan amendment will be defeated.

The PRESIDING OFFICER. The Senator from Indiana has 1 minute remaining.

Mr. LUGAR. Mr. President, we have no other speakers on our side. I yield back that time.

Mr. DORGAN. Mr. President, whatever amendment the Senator from Indiana was opposing, I would like to oppose it as well. The fact is I would not support an amendment that goes back to supply control, or the old programs that go back to Government control over planting, et cetera. So whatever amendment that was he was describing, sign me up, I am against that as well. But, that is not the amendment at the desk.

My amendment cannot, in any way, under any condition, by anybody in this Chamber, be described as an amendment going back to the old supply control days or to requiring planting restrictions. This amendment simply says that we are not going to pay people who do not plant a seed in the ground and do not plant a crop and do not farm. If, in fact, it is not going to happen that people will decide not to plant but accept the payment—if that is the case and it is not going to happen, and the distinguished Senator from Indiana has made that point twice—then there would be no reason not to accept this amendment. But, of course, it is going to happen.

The Senator from Indiana says it is not going to happen, but then adds it may happen because of conservation reasons. Maybe some land would be put into a conservation use. For that we have a conservation program called CRP. Millions of acres are in the CRP.

This bill was not alleged to be a conservation program on the Senate floor. It is a 7-year program of fixed payments to farmers. We are simply saying, ''Let us not include in any 7-year program of fixed payments a provision that farmers should be able to plant nothing and harvest nothing and still get farm program payments.'' That is not moving into the future. That is not part of a new idea. That is not part of new great freedoms. That does not eliminate planting restrictions.

I have great respect for the Senator from Indiana. He is one of the most able people serving in this body. But I hope that he and others will really think through this process. They should ask themselves a question. Do we want—no matter what program passes in the Senate—a program that says to farmers across this land, ''If you choose to decide that you do not want to plant anything, you get a payment. If you want to move away from your small town and live elsewhere, you get a payment. When you put your farm numbers together and you determine you have risk with the marketplace and then you decide you are not going to farm, you are still going to get that payment.'' I think we make a big mistake if we do that. I hope people will think through this amendment and vote for this amendment.

I yield back my time.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered.

Mr. LUGAR. I ask unanimous consent that the DORGAN amendment be temporarily laid aside.

Mr. DORGAN. Has that been cleared on both sides? What is the order with respect to votes?

Mr. LUGAR. I respond that this is being discussed by the leadership. My impression is that there are other significant amendments, the Senator's amendment being one of these. Others are to be offered. The leadership is attempting to determine whether they should be voted upon at the end of the trail today, moving into final passage, or whether there will be a burst of rollcall votes at some point after we gauge how many amendments are still there.

Mr. DORGAN. Reserving the right to object, it is my understanding that after the first group of votes, we were going to then entertain whatever amendments were offered and have votes sequentially. I know that the minority leader intends to offer a rather comprehensive substitute, and we certainly would want to have a vote on that by itself following debate. I wondered whether the minority leader has been consulted on the unanimous-consent request.

Mr. LUGAR. He has been consulted by the majority leader. My understanding is that they are trying to discuss a way of handling these votes.

Mr. LEAHY. Mr. President, if I might tell my colleague from North Dakota, we are trying to have the first group of votes—as the Senator from North Dakota may know, we were able to dispose of a number of items when we had so many Senators on the floor, unanimous consent items. I believe the leadership is trying to package some others together. Obviously, any Senator, by objecting to unanimous consent, could have a vote after the debate, which, of course, would protect the distinguished Democratic leader. If I might have the attention of the Senator.

Mr. DORGAN. I withdraw my reservation.

Mr. LEAHY. Obviously, the Democratic leader would be protected on the time for a vote on his amendment. I would ensure that he was protected because, absent unanimous consent, a vote would come when his time was completed. But I think the distinguished leaders on both sides have been trying to work on the schedule, knowing that every Senator is protected at the time of the vote.

The PRESIDING OFFICER. Is there objection to the request to lay the amendment aside?

Without objection, it is so ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3452 TO AMENDMENT NO. 3184

(Purpose: To amend the commodity payment provisions and for other purposes)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], for himself, Mr. PRYOR, Mr. HARKIN, Mr. BUMPERS, Mr. CONRAD, Mr. DORGAN, Mr. HEFLIN, Mr. EXON, Mr. BREAUX, Mrs. BOXER, and Mr. BAUCUS, proposes an amendment numbered 3452 to amendment No. 3184.

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

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. DASCHLE. Mr. President, the amendment I offer this afternoon represents what I hope will be a consensus here about farm policy and the direction we take in agriculture for the next 7 years.

We seek many of the same things, Republicans and Democrats.

We want to ensure that we protect rural America to the extent we can.

Democrats believe protecting rural America means ensuring it will provide a safety net for farmers in the difficult times, when prices are low, when crops are poor. We want to provide the maximum degree of flexibility, giving farmers a chance to plant what they want, to recognize the market changes, and to ensure they can respond to those changes as quickly and efficiently and successfully as possible. We want to simplify the complex programs that exist today, making them easier to administer, reducing the administrative intensity and the frustration levels of farmers themselves. Finally, we want to guarantee that farm programs do not end when this legislation expires.

That is the purpose of the amendment I offer this afternoon. I do so with the recognition that we have many very diverse elements within our caucus and within the Senate. In spite of that diversity, we have Senators from the South and the West, the East and the North who have cosponsored this legislation with me this afternoon. I am very disappointed, frankly, that it has come to this, that we have not been able to work, as we have on so many occasions in the past, to come up with farm policy that is much more bipartisan than this has been so far.

Unfortunately, as a result, we do not have a comprehensive bill before us today. We have a very narrow budget bill that fails to address many of the very legitimate concerns of rural America. While the underlying legislation provides for the freedom to farm approach, this amendment will address what we view to be many of the shortcomings, many of those areas that in our view fall short of what we need to do to address in a comprehensive way farm legislation for the next 7 years.

The amendment does a number of things, Mr. President, that I believe are supported by a vast majority of our caucus and hopefully by a majority of the Senate. We provide, as I said, the maximum degree of flexibility. The whole farm base is provided with restrictions only on fruits, vegetables and potatoes.

There is no acreage reduction whatsoever.

We retain permanent law, reinstating the Agricultural Act of 1949 at the expiration of the so-called freedom to farm act.

We establish permanent law for rice at the 1995 levels.

We set out a 3-year farm program instead of a 7-year program, only because we really do not know what the circumstances are going to be in 3 years. We do not know what the market conditions are going to be. We do not know how far short this legislation will fall in a whole range of areas. Rather than simply commit to 7 years and hope for the best, this legislation says we should take a hard look at where we are in 3 years, make whatever adaptations we have to make, and make sure we have covered all of our bases so we are not left high and dry in 3 years without the protection that permanent law provides.

We remove the caps on loan rates contained in the freedom to farm act. We remove the Findley and stocks-to-use triggers, and set loan rates for wheat, feedgrains, oilseeds and rice at 90 percent of the Olympic average. We limit county adjustments to 3 percent.

There is an advance deficiency payment with no repayment necessary. That advance payment is 20 cents per bushel for corn, 43 cents for wheat, 4.9 cents per pound for cotton and 1.54 per hundredweight for rice.

The remaining payment is tied to production and market conditions, the market conditions dictating the degree to which we have an additional payment. This is not a locked-in, 100 percent guarantee to those who own land, whether they farm or not. This is not one of those commitments to corporate agriculture that, indeed, they are entitled to under freedom to farm without any requirement that they farm at all, which is obviously the subject of the Dorgan amendment.

We restore the farmer-owned reserve.

We restore the Emergency Livestock Feed Program.

We eliminate the Commodity Credit Corporation interest rate increase as Senator HARKIN attempted to do.

We eliminate the prohibition of Commodity Credit Corporation funds.

We reduce the EQIP herd size eligibility to EPA point source numbers.

We allow enrollment in the Water Conservation Program and create a Farmland Protection Act to protect against urban sprawl.

We create a conservation escrow account.

We include a sense of the Senate provision on methyl bromide, encouraging Federal coordination on this issue, something we have to do ultimately in California if we are going to deal with this issue effectively.

We reauthorize the Integrated Farm Management Program.

We provide tenant protection regarding the freedom-to-farm contracts.

We provide assistance to protect the Everglades.

Mr. President, in essence, this amendment is a comprehensive farm bill. This is what we should have done. This is legislation addressing virtually every concern that farmers and others throughout the country have raised—many of which go unaddressed in the so-called freedom-to-farm act.

I have a large number of people who have asked to be heard on the bill and, to protect our time, I will reserve the balance of our time, yielding first 3 minutes to the Senator from North Dakota.

Mr. DORGAN. Mr. President, a few months ago a number of us went to the White House to meet with President Clinton. Senator DASCHLE was among them. We brought some farmers from North Dakota and South Dakota to talk to the President about the farm program and what they were experiencing day-to-day on their farms.

One of them from North Dakota was Deb Lundgren. She and her husband and her children operate a family farm near Kulm, ND. They are third generation farmers, trying to run their family farm.

When I called Deb and asked her to come to Washington for a meeting with the President she said, ''It is really a coincidence you called. Yesterday morning,'' she said, ''my husband and I were having kind of a tearful conversation over the breakfast table about whether we would be able to continue farming next year.''

She came to the White House and told a compelling story to the President about the struggle that it takes to operate a family farm with uncertain prices, uncertainty about whether you get a crop. They had a wet year last year and did not have much of a crop. Prices are up, but it does not mean much if you didn't raise a crop.

At the conclusion of the meeting, the President said to Deb, ''You hang in there. We will try to fight for a farm program that really works for family farmers.''

That is the only reason I care about this. If this farm program is not about trying to help preserve a network of family farms in this country, in my judgment we do not need a farm program and we do not need a USDA. Go back to the Abe Lincoln days, when he started the USDA with nine employees.

If we are not going to save family farms, if we are not going to give families a chance to farm in this country's future, we do not need any of this. If we need this, and I think we do, it is to try to help families make a living out on the farm with uncertain prices and uncertainty about whether you can even get a crop.

What Senator DASCHLE had offered is a good compromise. Many of us have worked on it for some long time. It is not the freedom-to-farm act. It does not provide payments for people who do not plant. It is sensitive to the market. It says when prices collapse, and they will, there will be a safety net there and we will respond to the issues of the market. We are not going to yank the safety net out from under family-sized farms. It says there is a need for permanent farm law.

Farm commodity prices go up and they go down. When they go down, the big agrifactories can survive because they have the financial capability of surviving. It is the mom and pop out there trying to run a family farm that can fail.

Some people say that does not matter very much. I suppose to some it does not. The only reason we ought to fight for a farm program on the floor of this Senate is to save farm families like Deb Lundgren and her husband and so many others, who are out there every single day trying to make a living. We can do it if we do it the right way.

This alternative is the right alternative. It provides complete planting

flexibility. It provides up-front payments to help recapitalize family farms. It does all of the right things and is immensely better in terms of farm policy than the freedom-to-farm bill.

I am pleased to support this, and I hope my colleagues will. I hope we can adopt this substitute.

I yield the floor.

Mr. DASCHLE. Mr. President, I yield 3 minutes to the distinguished Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, very generally, the amendment offered by the Senator from South Dakota is an amendment to improve upon the bill before us. Improvement is necessary in order to provide some kind of certainty so farmers know in the future—when prices are not as high as they are now—that there is some stability, some certainty. Improvement is necessary so farmers can continue to farm, continue to pay the bills and make payments on the equipment and fertilizer. In short, so they can stay in business.

We know that today prices of wheat are higher than they have been in many years. It is the same for most other commodities. So this amendment offered by the Senator from South Dakota accomplishes several objectives, all of which I strongly support. One of them, the main one, the main philosophy and rationale, is more stability, particularly in those years—we know it is going to come—when prices are going to be low.

One provision which is also important is improving the marketing loan mechanism, to increase the loan rate from 85 percent of the 5-year average to a level of 90 percent. That is very important, particularly in years of low prices.

The amendment also eliminates the mechanisms by which the Secretary can reduce the loan rate. The so-called Findley amendment and the stocks-to-use adjustment are both eliminated. The amendment also removes the arbitrary caps on loan rates which are contained in the bill. These caps serve to render loan rates lower at those times when the loans are most useful to producers—times when prices are low.

Again, with this amendment there is a little bit more stability, a little more certainty at those times when we know prices are going to fall. That is one of the main reasons I support this pending amendment.

Another is to change the crop insurance. Back in 1994, the crop insurance reform package imposed requirements that producers purchase catastrophic crop insurance coverage in order to participate in the farm program. Basically I think it had some benefits, though I would have preferred to fix certain problems. But the pending bill totally eliminates that requirement. What is the effect? The effect of eliminating mandatory coverage. And that basically seals the fate of the Federal Crop Insurance Program because we will have fewer farmers participating. For the crop insurance program to work, more farmers have to participate. That is basically the theory of insurance. The more everybody is involved, the more insurance works. The provisions in this bill are going to end that linkage between insurance purchase and farm program participation.

I expect that fewer producers are going to participate in the crop insurance program. That means the crop insurance program will be at greater risk. It should be modified, but it should not be eliminated.

Mr. President, I strongly urge Senators to think down the road a little bit. Think of the years when prices are going to be lower. Let us improve this bill by taking care of those situations when prices will be lower and we will have a little more stability and a little more certainty.

Mr. President, I thank our Democratic leader for so aggressively and effectively working to help improve this bill.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. I thank the distinguished Senator from Montana for his eloquence and the tremendous effort he has demonstrated in putting this comprehensive package together. His effort and his leadership are deeply appreciated.

Mr. President, I yield 3 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER. I remind the Democratic leader he has 1 minute 50 seconds remaining.

Mr. DASCHLE. I will use my leader time as I may require. From that time I will yield 3 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, as a Member of the U.S. Senate, it is so remarkably easy from time to time to do something. This is one of those times. This is a time when it is going to be very easy to say to farmers across our country that you do not have to plant to have a check. You are going to get a check in advance. You can go on vacation, you can get your check from the taxpayers. This is one of those times when I think we are about to make the terrible mistake, a terrible compass error, trying to do something that is easy when actually we should be doing something that is responsible.

Many of the farm organizations have come out now in support of the concept of the freedom-to-farm movement. The freedom-to-farm legislation has received the support, in the last several days and hours, of many of the groups that have opposed it. But, Mr. President, that does not mean this is a piece of legislation without flaw. It is seriously flawed. It was a seriously flawed piece of legislation when it was introduced. It is seriously flawed today as we go to a vote with a very short time to debate it.

I applaud the Democratic leader for offering us an opportunity, offering us a chance to save ourselves from making an enormous mistake that could affect agriculture and affect our country for generations to come.

This is a measure offered by the distinguished Democratic leader and others of his colleagues who say that we want to keep a basic safety net. We want to keep flexibility, but we do not want to decouple those payments from production. We need to couple those payments with production. We need to say to the farm sector in our country: Let us slow this down just a moment. We know there is no farm program. But is it better to have a bad farm program than no farm program at all for the moment?

I think the Daschle alternative—very respectfully, I think his alternative gives us that opportunity and that chance to speak to the future of American agriculture. One, it does not tie us for 7 years. It only obligates us and this Congress and the American farmer for a period of 3 years. In that 3-year period, hopefully we will have sorted out where we are and we will have the opportunity to revisit this issue.

The Senator from South Dakota has offered us a very good, constructive option. I hope we will heed his wisdom.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield myself as much time as I may require.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, the amendment by the distinguished Democratic leader is a comprehensive plan. Earlier in our debate, in fact yesterday, as we talked about agriculture, the distinguished majority leader, Senator DOLE, offered, at least as one way of trying to resolve our agricultural legislation this year, the thought that as Republicans we would offer our plan. It is called freedom to farm. It is the plan I laid down and has been amended. We have been debating it throughout the day.

The majority leader challenged Democrats to offer a plan, and the Democratic leader has done so. It is a very different plan, and Members will need to make choices as we finally come to votes on that plan. Let me just say Members ought to understand that the plan offered by the distinguished Democratic leader has expenses attached to it that are fairly substantial.

The Congressional Budget Office estimates for increased spending on the loan rates amount to $7.6 billion over the life of his bill. That is a very substantial sum. Earlier in the day, I criticized amendments by the distinguished Senator from Iowa because they had expenditure increases of $260 million and $100 million respectively. I commented, and I think most Senators agree, that we are still attempting to work toward a balanced budget in this country. The agriculture legislation is a part of that, and the freedom-to-farm

bill that I am advocating today carefully calibrates those decisions in terms of sacrifice that agriculture must make.

The distinguished Democratic leader's idea is to provide, I gather, higher income through rather startling change in the loan rate picture, and a very expensive one—$7.6 billion more. I think Senators and taxpayers need to understand that is a transfer payment once again to farmers who might qualify for those loans.

Let me just suggest, Mr. President, that as we have heard recitation of stories about farmers struggling—and, indeed, the distinguished Senator from North Dakota mentioned the story of a lady attending a White House conference, as I gather, indicating the struggle that she had—those struggles are well-known, and I have been pointing them out throughout the opportunities I have had today.

The freedom-to-farm act provides stability. It provides, despite criticism of some Senators, a payment each year. That is almost as certain as you can make it, if a contract is signed. It provides freedom to farm, but it also provides certainty of income.

Whatever might be said about current farm law and its extension, it does not provide a very great deal of certainty. I can testify to that from my own experience managing my own farm property from 1956 until the present. I have been involved at the ASCS office throughout that period of time. I am very familiar with the corn program and the wheat program, and I would simply say if I were a thoughtful person relying upon the type of security provided by those programs, I would have great fears all the time.

Obviously, each farmer plants for the market, and does the best that he or she can to maximize income. But let me just say, Mr. President, in the freedom-to-farm act that we have taken seriously the thought that we are in transition in the world. We may have a broad swing, as Senators pointed out, at prices, but those certainly will be mitigated by the certainty of income. It would appear to me that all farmers who are looking for, as has been characterized today, some certainty and some stability would clearly find freedom-to-farm to be a superior alternative on those grounds alone.

Freedom to farm is also superior, as I have pointed out, on the basis of budget, on the basis of taxpayer expense, and transfer payments of other citizens to the farm communities.

Mr. President, freedom to farm also offers more certainty because it is a 7-year program, not a 3-year program as suggested by the distinguished Democratic leader. There is great stability in having a multiyear program. This is why, at least in the last two instances, we have tried for as long as a 5-year period of time, and most farmers have found that to be a very satisfactory idea.

Mr. President, I will not attempt to go through each of the details of the Democratic leader's program. I am hearing it and seeing it on first impression today, as are most Senators, although many elements of the program are familiar from arguments we have had before. For example, earlier in the day the Senate rejected the farmer-owned reserve, as I heard—at least the recitation a short while ago that reappears. Likewise, we rejected the thought that farmers ought to be subsidized with lower CCC interest rates, although, as I recall, I think that reappears in the comprehensive package.

In short, there are reappearances of many elements that have been found very unsatisfactory in terms of farm policy by farmers quite apart from the rest of the general public. Indeed, the Democratic leader's bill is a collection of many programs that have had a high degree of failure and lack of confidence, and even a combination of them and with more money injected will not remedy that situation.

Mr. President, I am hopeful that Senators will affirm the freedom to farm idea and the elements that have been discussed now during this debate, and reject the alternative proposal of the Democratic leader.

There is a choice to be made today. I think the choice is a very clear one. And I am most hope hopeful that Senators will support freedom to farm.

I thank the Chair. I yield the floor.

Mr. DASCHLE. Mr. President, I yield 4 minutes of my leader time to the distinguished Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I thank the leader, and I thank the Chair.

Mr. President, this has been a difficult and contentious debate, one that has gone on now since 1995 to 1996. We stand on a precipice. The question is: What direction will we take? I very much fear that the so-called freedom-to-farm formulation will take literally hundreds of thousands of farmers right over the cliff. I believe that to be the case because this is a radical change in farm policy. It says we are going to make fixed and declining payments to farmers over a 7-year period and no one knows what comes next.

Mr. President, it does not provide the kind of price support in a low-price year that is critically important to preventing the loss of literally tens of thousands of family farmers. That is right at the heart of this question and this debate. Do we say to farmers, We make a payment to you even when prices are good, but there is no price protection when prices fall through the floor, no additional price protection? Mr. President, I think that is a profound mistake.

I think we have an opportunity to take the best of the various proposals that are on the table and to have a plan that provides some fixed payments up front to help farmers with cash flow, to especially help them with the repayment of advanced deficiency payments from last year, but to also put into law another form of payment that takes note of reduction in prices and reduction in yield. That is what the alternative does that is before us.

Mr. President, for decades we have sought to protect farmers, to buffer farmers from dramatic swings in commodity prices. Under the Republican plan, the farmers are left swinging. Farmers will no longer be protected in low price years. The safety net on which farmers have relied will be torn. I do not think that is good policy. I do not think it makes sense. I believe it will generate opposition to any future farm programs.

Mr. President, our plan offers a combination of the guaranteed payment up front and price protection and protection against yields that are reduced as a result of natural disaster. Our plan is a compromise. Our plan is a compromise which I think many on both sides of the aisle could accept. It also is something that I think can stand the test of time.

One of the great problems we have here is passing policies that can be sustained. The pure freedom-to-farm policy is not one, in my judgment, that will stand the test of time.

According to North Dakota State University, net farm income in North Dakota under the pure freedom-to-farm will drop 50 percent from the year 1995 to 2001.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. CONRAD. Mr. President, I ask for 1 additional minute.

Mr. DASCHLE. Mr. President, I yield 30 seconds of additional time to the Senator from North Dakota.

Mr. CONRAD. Mr. President, I will just conclude with an example. I have looked at a typical North Dakota farm with about 1,000 acres of wheat under normal production swings in the Congressional Budget Office's expected price projections for 1996 to 2002. This typical farm will receive 43 percent less under freedom-to-farm than under our plan; $22,000 under the Family Farm Protection Act, and $15,000 under freedom to farm.

Our plan stands behind the farmers and beside the farmers. Their plan steps aside.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DASCHLE. Mr. President, let me thank the distinguished chairman for his kindness. He has agreed to allow us the use of 2 of his minutes. As I understand it, I have 4 minutes of leader time remaining.

The PRESIDING OFFICER. The Senator has 3 minutes and 10 seconds remaining.

Mr. DASCHLE. I ask unanimous consent that the Senator from Arkansas have 3 minutes and the Senator from Nebraska have 3 minutes to complete our side of the debate.

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

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, the reason I strongly favor this substitute is because it salvages rice markets. Under the freedom-to-farm bill, payments start out big, peak in the third year, and they go down after that. Right now, cotton, wheat, and corn, three of the big program crops in this country, are all bringing more than the target price, which means under existing law those programs would not cost us anything if those prices hold up through the rest of the year.

That is not true of rice. And I am not optimistic that rice will achieve anything like, say, $9.50 to $10 a hundredweight any time in the foreseeable future. And so what is going to happen under the freedom-to-farm act? Rice farmers are going to be producing rice for about $3 a bushel, if current prices stay up, $3.50, and they cannot do it. They cannot stay in business. So everybody is being lured with this siren song about how much money we are going to pay you on the front end, and then it is over.

Now, the Democratic alternative program at least is a 3-year program, provides for a 40-percent advance, and will at least give rice farmers a chance to produce and stay in business. Under the freedom-to-farm bill, they will stay in business the first 3 or 4 years—unless public clamour forces the entire program to a quick termination, but after that they are going to start dropping like flies.

I am not absolutely rhapsodic about this substitute. I do not have any delusions about it passing. But I wanted to vote for something so they can put on my epitaph that I was violently opposed to the freedom-to-farm bill because I think it is one of the worst disasters this country is going to face.

We did not put in place the existing law just on a whim. We did it because we thought it was a good balance between the taxpayers and the farmers. It is a good balance, and it is working. It is working extremely well. You could not pick a worse time to do away with today's program. On the other hand, if you wanted to do away with farm programs, with today's high prices for most commodities, a time when farmers know that they don't need immediate assistance from Federal farm programs, you couldn't find a better time or a darker night in which to do it. This substitute retains the requirements of actually farming in order to participate in farm programs. This may seem like a trivial requirement, but it does not exist at all in the freedom-to-farm bill. This substitute continues to provide a true safety net for farmers during periods of market collapse. This substitute will protect farmers when they need it and it does not offer them a golden parachute to the tropics.

Farming is hard work, and this substitute works with farmers. Anyone who looks closely at our proposal will learn it has some good features. And most importantly, it is infinitely better than what we have before us in the form of freedom to farm.

I thank the Democratic leader for yielding to me.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 3 minutes.

Mr. EXON. Mr. President, I rise in strong support of the Democratic alternative introduced by the Democratic leader.

The farm bill situation has become so convoluted it is difficult to know where to begin. We face an unprecedented situation. Not since the 1950's has the Congress failed to enact a farm bill in a timely fashion. This predicament is a poor reflection on the 104th Congress.

Is it any wonder that this year's farm bill debate has sunk so low? Not at all. The bill before us, the so-called freedom-to-farm bill, was never considered by the Senate Agriculture Committee. In the House of Representatives, Republican leadership bypassed the Agriculture Committee altogether after it failed there. Through a bit of parliamentary magic, the measure was routed through the House Rules Committee and then ramrodded into the budget bill with little opportunity for debate or amendment.

Throughout history, farm programs have had two essential purposes: to smooth out devastating price fluctuations, and to provide a reasonable safety net for family farmers. These are still worthy goals and should be the subject of debate.

Unfortunately, the freedom-to-farm bill on both counts fails and essentially turns farm programs into welfare programs. It destroys the essential and the traditional connection between the market price and farm payments.

In short, freedom-to-farm promises fixed transition payments, based on historic production levels which decline over time. These payments will be made regardless of market prices, as the Senator from Arkansas has just indicated. In other words, they are entirely divorced. That approach is not market oriented. It is market ignorant.

Some have been led to believe this might be a fair tradeoff; money up front in return for total elimination of farm programs as originally drafted. Now, in a clever but meaningless gesture, in my view, it has been agreed to delete the elimination of the 1949 act. That sounds great, but does anyone believe we would ever agree to $700 wheat and $500 corn?

The National Center for Agricultural Law Research and Information has studied the fine print of the freedom to farm act and concludes that the payments ''* * * are not guaranteed for the life of the Freedom to Farm legislation.'' Other legal experts agree. Simply put, this so-called 7-year contract would be just as vulnerable as any other Federal program.

Where would that leave farmers? They will get the short end of the stick. Future budget negotiators will be hard pressed to defend excessive freedom-to-farm transition payments when dramatic cuts are being made elsewhere.

What we need is a farm bill that provides greater flexibility, one that preserves a basic safety net, one that protects family farmers, and one that taxpayers can support.

I strongly urge acceptance of the alternative offered by the Senator from South Dakota.

I yield the floor.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Chair recognizes the Senator from Indiana.

Mr. LUGAR. I thank the Chair.

How much time remains on our side?

The PRESIDING OFFICER. The Senator has 7 minutes and 20 seconds.

Mr. LUGAR. Mr. President, I see no other speakers on our side. Therefore, I will summarize the case for freedom to farm which, as a matter of fact, is going to mean much greater flexibility and freedom to farmers and provide really the greatest degree of safety over a 7-year period of time.

Senators on the other side of the aisle supporting the distinguished Democratic leader's bill have talked about certainty and stability, about the fact that farmers could go out of business in large numbers in the rice business or in other commodities that have been mentioned. There always is that danger, and this is one reason why the legislation has occurred.

I simply say, Mr. President, if the desire is for security, freedom to farm is by far the preferable option simply because it does have a certain payment for 7 years. The Democratic leader's program is based upon current farm policy and lasts for 3 years, and, as I have pointed out, from my own experience even if there is a loan rate there or even if there are target prices and deficiency payments that come when market prices are lower, these are uncertain in volume. They are no more likely to provide stability or certainty that a farmer will stay in business.

Mr. President, we are on the threshold, in my judgment, of an unprecedented period in American farm history dictated largely by our success in export markets. In this particular year, the Chinese turn of events, that is, their move to import as opposed to export, has turned around prices, as Senators have pointed out on both sides of the aisle, remarkably high prices for wheat and corn and soybeans. Other factors have led to very high prices for cotton during this market year.

Senators have pointed out, given the fact that market prices are well above the target prices, there is a case to be made that there is no Government payment at all under those circumstances. This leads to some question as to where the 40-percent payment would come from, for example, in a year such as this.

Would USDA ignore all the market signals, ignore the facts, even if we were looking toward the year we are about to plant, in which a farmer could sell a contract, a futures contract for corn at least 25 cents above the target price? You can do that now. Where is the advance deficiency payment in that situation? Any honest observer of the scene would say there is no deficiency payment. It is 40 percent of zero. Where the new stability and certainty comes for farmers from that calculation, I fail to see.

We are so mired in our thoughts about the past that we are unable to take a look at what is presently ahead of us. In fact, the crop year we have just had, the one we are about to have, and about to have after that—to stretch my argument a little farther—you can take a look at the futures market and sell your crop for the year after this one and still get a certain price above the target price for corn.

It has been some time since that was possible. But those are the realities now. Where is the advance deficiency payment in years 1 or 2, if you take an honest look really at markets at this point?

What we are saying, those of us advocating this legislation today, freedom to farm, is that obviously what goes up can come down. In the 3d, 4th, 5th, 6th, 7th year there might be great uncertainty. And if there is, there is a certain payment, and you still keep your eyes on the market. That is the best course for agricultural producers, those commodities that there is demand for, and to decouple this from the necessity to plant a certain thing to produce a history or to produce a payment.

So, Mr. President, I oppose the distinguished Democratic leader's idea. He has risen to the challenge of offering an alternative, but it is not a superior one. The freedom-to-farm bill we have before us, in my judgment, is our best bet. I hope it will have a standing success in final passage and, meanwhile, that we defeat the Daschle amendment.

Mr. President, I see no further debaters on our side. Therefore, I yield back all time on our side on this amendment.

I ask unanimous consent, in the presence of the distinguished Democratic leader, that the amendment be temporarily laid aside, as we have pending negotiations on when votes will come.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Democratic leader.

Mr. DASCHLE. Mr. President, I just say that if we are going to complete our work by 4:45, we will have to begin voting, by my calculation, at 3:35. So if there are additional amendments to be offered, we have less than a half-hour to do so.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

Mr. LUGAR. Mr. President, I second the advice of the distinguished Democratic leader and hope that those who still have something to say will come promptly. I will try to expedite the process.

AMENDMENT NO. 3453 TO AMENDMENT NO. 3184

(Purpose: Require the Department of Agriculture to allow private sector to develop farm management plans)

Mr. LUGAR. Mr. President, I send an amendment to the desk on behalf of Senator KEMPTHORNE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. KEMPTHORNE, proposes an amendment numbered 3453 to amendment No. 3184.

Mr. LUGAR. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At page 3–25 after line 8 and before line 9 insert the following paragraph so that beginning at line 9 the bill reads:

''(8) Notwithstanding any provision of law, the Secretary shall ensure that the process of writing, developing, and assisting in the implementation of plans required in the programs established under this title be open to individuals in agribusiness including but not limited to agricultural producers, representatives from agricultural cooperatives, agricultural input retail dealers, and certified crop advisers. This process shall be included in but not limited to programs and plans established under this title and any other Department program using incentive, technical assistance, cost-share or pilot project programs that require plans.''

Mr. KEMPTHORNE. Mr. President, I would like to comment on my amendment to the bill now before us. S. 1541 proposes significant change to our national farm policy, with the goal of bringing our Nation's farmers into a healthy market environment. This amendment will facilitate that transition.

Farmers in my State and across the country participate in numerous conservation efforts. These include federally directed programs including conservation compliance requirements of farm program, and voluntary programs like the Conservation Reserve Program and the Wetlands Reserve Program.

The success of these programs is due in large part to a strong relationship with the private sector and agribusiness farm management planners and advisors. These advisors are members of the community, they live and work on a day to day basis with farmers. These advisors are qualified with the latest agronomic, conservation technological and farm planning techniques.

Mr. President, it would be a shame if we did not ensure that farmers could tap into this resource as they strive to develop the best conservation plan possible for their farmland. This amendment ensures that farmers have the not only the freedom to farm, but to farm wisely by allowing them the broadest possible source of technical information and support.

This is particularly important because this bill proposing expanding the criteria for conservation plans from soil erosion control to include such goals as wildlife management and water quality control.

The idea behind the amendment is to cement the private-public partnership which already exists. We cannot kid ourselves—Federal resources to provide technical assistance to farmers are going to continue to be limited. This amendment would assure that farmers have a strong local resource to supplement the efforts of the Extension Service and the Natural Resources Conservation Service.

Mr. LUGAR. Mr. President, the amendment I offer on behalf of the distinguished Senator from Idaho would ensure that farmers have not only the freedom to farm, but the freedom to farm wisely. The amendment makes sure that farmers can go to the sources they need, including agribusiness experts, to develop management plans for their farms to meet Federal conservation requirements.

My understanding is that this amendment has been agreed to on both sides.

Mr. LEAHY. We have no objection, Mr. President.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Idaho.

The amendment (No. 3453) was agreed to.

Mr. LUGAR. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. WELLSTONE. Mr. President, just for a few moments while we are waiting, I thought I might think out loud with a few reflections about this farm bill.

I said to my colleague from Vermont and my colleague from Indiana, they have been very cooperative. With the managers' amendment, there will be technical corrections to reflect a decision we made earlier this morning that I am very pleased about as a Senator from Minnesota, as a Senator from the Upper Midwest. That is to say we will not have a Northeast dairy compact. I will not go over that debate, but I was very pleased with the vote this morning.

It is with some concern that I speak about the direction we are going because, Mr. President, I think what we are going to see with this freedom-to-farm

approach is a kind of combination of carrot and stick. The carrot will be that farmers will get higher support payments that go with good price that farmers are getting right now. I am pleased to see that good price.

But the question becomes in the medium run, in the long run, what happens when farmers no longer get that good price, whether it be because of the weather, whether it be because of a flood, or whether it be because of the position that farmers are in all too often, not so much as pricemakers but pricetakers.

My concern about the stick is that I think where this takes us eventually is that farmers are going to find themselves on their own when it comes to dealing with Cargill, or on their own when it comes to dealing with the Chicago Board of Trade. Quite frankly, I wish we had Adam Smith's invisible hand. I wish we had real free enterprise in agriculture, but I see an industry where, I think, the conglomerates have muscled their way to the dinner table with tremendous concentration of power.

So I worry about the cap on the loan rate and farmers not having a strong bargaining position as they look to an oligopolistic and, for that matter, monopolistic market.

So I am proud of the vote this morning, 50 to 46. It was extremely important to my State. I felt like the compact was a poison pill for dairy farmers in Minnesota. We still are going to continue—I have been at it for 5 years—trying to reform this milk marketing order system. As I look at the overall bill, that was a victory for dairy farmers. I hope we will have a milk marketing order system that will be good for dairy farmers everywhere in the country. I have to say, I think this bill we are about to vote on is, as I said, a great carrot in the short run, good prices and contract payments, but in the long run, I think what it says to farmers is you are on your own with Cargill, with the Board of Trade. I do not think the farmers in Minnesota or across the country will fare well with that approach.

With that, Mr. President, I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. I am advised the distinguished Senator from Utah has an amendment. I hope he will offer it presently. We are coming down close to the time that the distinguished leader mentioned we will commence the rollcall votes.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

AMENDMENT NO. 3277 TO AMENDMENT NO. 3184

(Purpose: To amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase nutritional supplements of vitamins, minerals, or vitamins and minerals)

Mr. HATCH. Mr. President, I call up amendment No. 3277 and ask unanimous consent that Senator HARKIN be added as a cosponsor.

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

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH], for himself, Mr. MCCONNELL, and Mr. HARKIN, proposes an amendment numbered 3277 to amendment No. 3184.

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

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

The amendment is as follows:

At the end of title IV, insert the following:

SEC. 406. NUTRITIONAL SUPPLEMENTS.

(a) FINDINGS.—Congress finds that—

(1) the dietary patterns of Americans do not result in nutrient intakes that fully meet Recommended Dietary Allowances (RDAs) of vitamins and minerals;

(2) children in low-income families and the elderly often fail to achieve adequate nutrient intakes from diet alone;

(3) pregnant women have particularly high nutrient needs, which they often fail to meet through dietary means alone;

(4)(A) many scientific studies have shown that nutritional supplements that contain folic acid (a B vitamin) can prevent as many as 60 to 80 percent of neural tube birth defects;

(B) the Public Health Service, in September 1992, recommended that all women of childbearing age in the United States who are capable of becoming pregnant should consume 0.4 mg of folic acid per day for the purpose of reducing their risk of having a pregnancy affected with spina bifida or other neural tube birth defects; and

(C) the Food and Drug Administration has also approved a health claim for folic acid to reduce the risk of neural tube birth defects;

(5) infants who fail to receive adequate intakes of iron may be somewhat impaired in their mental and behavioral development; and

(6) a massive volume of credible scientific evidence strongly suggests that increasing intake of specific nutrients over an extended period of time may be helpful in protecting against diseases or conditions such as osteoporosis, cataracts, cancer, and heart disease.

(b) AMENDMENT OF THE FOOD STAMP ACT OF 1977.—Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking ''or food product'' and inserting '', food product, or nutritional supplement of a vitamin, mineral, or a vitamin and a mineral''.

Mr. HATCH. Mr. President, this is the text of a bill, S. 1133, authored by Senators MCCONNELL, HARKIN, and myself. Senators MCCONNELL and HARKIN are chair and ranking member of the Nutrition Subcommittee, and we consider this a very important amendment.

This is a small amendment, but makes a good deal of sense. It allows food stamps to be used to purchase vitamins and minerals, a practice which I believe is permissible under current law, but which is not allowed due to Agriculture Department policy, a ridiculous policy, I might add. It is time to change it.

There is ample evidence to show the nutritional benefits of vitamins and minerals. This incontrovertible fact was recognized not once, but twice, by the U.S. Senate in 1993 when it passed the Dietary Supplement Health and Education Act, Public Law 103–417.

I need not remind my colleagues that the dietary supplement bill passed without a single dissenting vote in either body, abundant proof, I believe, as to the safety and public health benefits of both vitamins and minerals.

For any of my colleagues who remain unconvinced, I direct their attention to Senate Report 103–410 which provides numerous references to scientific studies supporting the nutritional benefits of dietary supplements.

In fact, studies have shown that more than 100 million Americans regularly use vitamins and minerals to ensure that their basic nutritional requirements are met, to support their health during periods of special risk, and to help protect against chronic disease.

Let me point out that there is an ample body of evidence to show that many Americans simply do not have healthy diets, and this is true for children as well as for men and women.

For example, in one Government study of the eating habits of more than 21,000 people, not a single person got the full recommended daily allowance of 10 key vitamins and minerals—and that was just one study.

Many other studies have shown that the poor and elderly in our country are especially likely to have low nutrient intakes, often with significant health consequences. For example, a 1992 study by a world-renowned authority on immune function reported that giving a modest multivitamin with minerals to a group of men and women over the age of 65 for a period of 1 year cut the number of sick days in this group to half compared to a similar unsupplemented group.

Perhaps the best example is folic acid, which the Food and Drug Administration steadfastly resisted revealing to America's women as a significant protector against birth defects.

So while we all recognize it would be desirable for Americans to eat healthy foods and maintain an adequate diet, that simply is not happening.

The purpose of the Food Stamp Program, and let me quote from the Department's own regulation, is to ''promote the general welfare and to safeguard the health and well-being of the Nation's population by raising the levels of nutrition among low-income households.''

I think that just about makes my case. Vitamins and minerals do just that; they raise levels of nutrition.

Vitamins and minerals can prevent half of all neural tube defects in America.

They can protect against heart disease and stroke.

They can improve appetite growth in poor children.

They can protect against some cancers.

They can build bone mass in children.

They can improve mental development in infants.

Those are very compelling reasons why the other Senators and I think this is a good amendment.

Frankly, I do not know why anyone would have an objection to this amendment.

Indeed, I do not know why the Agriculture Department has chosen to exclude vitamins and minerals from food stamp coverage.

As I read the applicable regulations, they only state that eligible foods are ''any food or food product intended for human consumption except alcoholic beverages, tobacco, and hot foods and hot food products prepared for immediate consumption.''

That would certainly seem to include vitamins and minerals which are by Federal law considered to be foods. The law to which I refer is the Dietary Supplement Health and Education Act of 1994, a bill which passed this body twice with literally no objection at all.

I understand that it is the Food and Nutrition Service Handbook 318 which prohibits food stamp purchases of vitamins and minerals under the theory that they are deficiency correctors or therapeutic agents. That definition flies in the face of the Food, Drug and Cosmetic Act, which, as modified by the Dietary Supplement Health and Education Act of 1994 confirms that dietary supplements are—by law—foods. I think many of my colleagues would be astounded to learn that under the Agriculture Department's interpretation, a food stamp recipient can buy sunflower seeds or wheat germ, but not vitamin C or calcium tablets.

So we are forced to come to the floor today and correct this agency misinterpretation.

To me, the reasons for our amendment are obvious. We want to help improve nutrition, and vitamins and minerals can do just that.

As one expert pointed out during House hearings on this issue, food stamp recipients have free choice of virtually every food sold in the supermarket—except vitamins and minerals. Let us think about the wisdom in that policy.

To be fair, some expressed concerns about the wisdom of adopting this change in the law, but I believe there are compelling counter arguments which this body should consider.

For example, I recognize that Ms. Yvette Jackson, Deputy Administrator of the Food Stamp Program, has testified against the House version of this amendment.

Frankly, I am disappointed with the administration's testimony and dismayed with its rationale. In the House testimony, Ms. Jackson was quoted as saying: ''It is unclear what effect a policy permitting the use of food stamp benefits to purchase vitamin and mineral supplements would have on the ability of recipients to purchase a varied and nutritious diet.''

I do not see what could be more clear than the fact that dietary supplements can improve the health of the American people.

When we passed the Dietary Supplement Health and Education Act last year, and it passed the Senate twice by unanimous consent, it is no secret that the administration, in general, and the Food and Drug Administration, in particular, resisted our efforts.

To me, the USDA testimony is but further evidence that this administration cannot, or will not, accept the fact that dietary supplements can benefit the American people.

As I mentioned, this was made abundantly clear with the Food and Drug Administration's foot-dragging on approving a health claim for folic acid. Even after the Centers for Disease Control and Prevention made a formal recommendation, endorsed by the Public Health Service, the FDA held back. It has been estimated by public health experts that 50 percent of neural tube defect cases could be eliminated by consuming 0.4 milligrams per day of folic acid a day. I fail to see how a food stamp policy that allows women to purchase folic acid in pill form can do anything but to further the public health. We are talking about healthy babies. That's what this amendment does.

Another argument that the administration and other critics of the policy make is that—and I quote from the administration's own testimony—''Adding more stores and more products would certainly make our efforts to fight fraud and abuse more difficult.''

First off, I do not see how the argument about adding more products passes the laugh test when you consider that each year literally thousands of food products and food producers enter the marketplace, and virtually all of these products are food stamp eligible, no questions asked.

I also don't see how opening up the Food Stamp Program to new outlets, presumably health food stores, not already selling some conventional products would appreciably increase the incidence of fraud or abuse. Query how many retail outlets that sell vitamins and minerals don't also already sell food stamp-eligible products?

It seems to me that many grocery store, pharmacy, and health food store already sell food stamp-eligible products. Even if some new retail outlets come on line with this change, I think that is a good thing.

I challenge anyone in this body to present any factual information that supports the proposition that a modest expansion of new stores would necessarily lead to more fraud and abuse.

I certainly never have seen this type of argument used to curtail new vendors from becoming eligible to participate in a Federal entitlement program.

Let us be honest about it. If one extended this argument to its logical conclusion, we should cut back the 216,000 stores that utilize food stamps.

And while we are at it, we should cut back the number of doctors and hospitals that provide Medicare and Medicaid services. How many of us would support that approach? That is how ridiculous this is.

Let me spend a few moments to review what I hope is a now-undisputed fact that dietary supplements are beneficial to health.

I mentioned a few of the health benefits of supplements that were on the chart, including protection against heart disease and stroke. This is the number one cause of death in this country.

We also know that supplements can help promote growth in children. According to testimony presented by the Council for Responsible Nutrition, low-income children can particularly benefit from consuming the recommended daily allowances of vitamins and minerals.

As the National Nutritional Foods Association has pointed out, we know that supplements can help protect against cancer, help build bone mass in children and the elderly, and help improve mental developments in infants.

Last year, as my colleagues may recall, when we passed the dietary supplement legislation, our findings included these two statements:

> Congress finds that the importance of nutrition and the benefits of dietary supplements to health promotion and disease prevention have been documented increasingly in scientific studies; there is a link between the ingestion of certain nutrients or dietary supplements and the prevention of chronic diseases such as cancer, heart disease, and osteoporosis.

It seems to me that changing the food stamp laws to encourage low-income people to use these product is good public policy.

As my colleagues can see from my second chart, it has been estimated that in 1994 about $216 billion was spent by Americans on food products in supermarkets.

A little over three quarters of this, 77.7 percent, was spent on so-called core foods; these are foods that, in lay terms, your mother and your health teachers taught you are good to eat.

These core foods include produce, dairy products, meat, poultry, seafood, baby food, juices, nuts, pasta, rice, bread, and other good food.

As the diagram also shows, what some have termed frivolous foods, make up 21.7 percent of food sales in supermarkets. These foods are exactly what you think they are: snack foods that are so good to eat but may not be the most healthy choice. If you think about what you ate during the Super Bowl—chips, cookies, candy, soft drinks, and the like, you know what we mean when we use the term frivolous foods. They have a place in our diets, but so do vitamins and minerals.

About 22 cents out of every $1 goes to these types of products, which amounted to some $47 billion in 1994.

Compare that substantial amount of purchasing power with the less than 1 percent—about $587 million in 1994—that

was estimated to be spent on vitamins in food stores during the same period.

In relative terms, much, much more is spent on what some nutritionists would call junk foods than on vitamins.

The reason I point this out is not to castigate any particular type of food. Rather, since some of my colleagues criticize this amendment because they say it dilutes the spending power of the food stamp, I would like to point out how very, very small spending on vitamins and minerals is compared to all other foods sold in the supermarket setting.

And so I think we must question the public health benefit of continuing a policy that allows for Federal subsidization of frivolous foods but prevents food stamp coverage of valuable dietary supplements? Indeed, I think both should be covered, and that is my point.

Let me drive this home. As my last chart shows, it is OK under current food stamp policy to buy all the soda pop you want—and this may be very refreshing but it probably is not the most healthful product in the world.

At the same time, it is not OK to use food stamps to buy vitamins and minerals that generally are agreed upon by health experts to have unquestioned health benefits for the people who use them.

In other words, a food stamp recipient can use a coupon to purchase a 50-cent can of soda, but not a 2-cent multivitamin. That is the most compelling argument I know against those who feel that this amendment would dilute the purchasing power of the food stamp.

I think our amendment would help recipients to make more wise purchases.

It seems to me that something is wrong with this picture and what is wrong is that vitamins and minerals should be covered by the food stamp program as well as all other foods.

I think it is entirely appropriate, indeed warranted, that any participant in the food stamp program who wants to improve his or her own health be allowed to purchase vitamins and minerals.

Why allow parents on food stamps the opportunity to give their children Cheez Whiz instead of vitamin C? Why not do both?

Why allow pregnant women to buy Fritos but not folic acid, which prevents neural tube defects?

Does this body really stand for the proposition that a Twinkie a day is more nutritious than a multivitamin?

Mr. President, if there is room in the food stamp program for vanilla wafers and Milky Ways, surely, there is room for vitamins and minerals as well.

I hope our colleagues will support this amendment. We think it is a worthwhile amendment. We hope that we can have the support of our friends.

I yield the floor.

Mr. HARKIN. Does the Senator have some time to yield?

Mr. HATCH. I am happy to yield whatever time I can.

Mr. HARKIN. Are we operating on a time limit?

The PRESIDING OFFICER. The Senator has 4½ minutes.

Mr. HARKIN. Will the Senator yield a couple minutes?

Mr. HATCH. Yes.

Mr. LEAHY. How much time is there in opposition?

The PRESIDING OFFICER. Four minutes ten seconds.

Mr. LEAHY. Mr. President, the side in opposition has not spoken a word yet.

The PRESIDING OFFICER. It is 4 minutes for the proponents, 15 minutes for the opponents.

Mr. HARKIN. Mr. President, I am in strong support of the amendment offered by Senator HATCH. It is a commonsense amendment that is based on legislation we introduced last year along with our distinguished chairman of the Nutrition Subcommittee, Senator MCCONNELL.

Today food stamps can be used to buy Twinkies, but not vitamin C. That does not make sense. Poor children and women and elderly often have significant vitamin and mineral deficiencies. For examples, studies have shown that 40 percent of poor children have iron deficiencies and 33 percent have vitamin E deficiencies.

Our amendment is supported by a broad coalition of groups and nutrition experts. For example, it is backed by the Alliance for Aging Research, the Spina Bifida Association of America, the National Osteoporosis Foundation and the National Nutritional Foods Association. It is also supported by nutrition experts and various scientists and heads of departments, including Dr. Paul Lachance, chairman of the Department of Food Science at Rutgers University; Dr. Jeffrey Blumberg of Tufts University; Dr. Charles Butterworth, Director of Human Nutrition at the University of Alabama Birmingham; and Dr. Dennis Heldman, chairman of the Department of Food Science and Human Nutrition at the University of Missouri.

Mr. President, there is absolutely no evidence to suggest that people will forego important food purchases to buy vitamins. In fact, you can buy a month's worth of multivitamins for about the price of one can of soda.

So I do not think we have to worry that somehow food stamp recipients will be wasting money. Quite the contrary, if the amendment goes through—they can buy vitamins and minerals. This simply allows the food stamp recipients the right to improve their intake of key vitamins and minerals.

I make a plea on behalf of pregnant women, especially poor pregnant women who are on food stamps. We know the evidence is clear that many lower income women are more likely to have inadequate intake of key nutrients. Women with incomes 130 percent or less of the poverty level have higher rates of deficiencies in vitamins A, D, C, B–6 and B–12, as well as iron and niacin. They need these nutrients to have a healthy baby. And we know the great benefits of this.

Mr. President, the amendment that I've joined the Senator from Utah, Senator HATCH in offering is a commonsense amendment allowing low-income people greater access to nutritional supplements. It is bottom-line common sense. Why should we not allow them to buy vitamin A or vitamin C, iron and mineral supplements, but allow them to buy Twinkies or Cheese Whiz?.

I say it is time to say to the people on food stamps, they can have access to vitamin and mineral supplements to improve their health.

Mr. LEAHY. Mr. President, there is much in this amendment that sounds appealing until you look at it.

I have to say I strongly, strongly oppose the idea of the amendment. It would be a major, significant change in our food stamp legislation. It would be done without any debate, really—15 minutes on the floor, no hearings, without going through the committee of jurisdiction, without looking at the complexities of it. At a time when 1 out of every 10 Americans are on food stamps, when the budget is being stretched, this makes no sense at all.

In fact, many of the families who are on food stamps today find they run out of food by the end of the month. Adding other things they could purchase is not going to help. In the 1991 publication of the National Academy of Sciences, they said food, rather than vitamin and mineral substances, should serve as the sole source of nutrients to meet the dietary needs. This is not asking food stamp purchasers to go on a yuppie diet fad of the moment that somehow they can just have vitamin pills, whether they work or not—expensive, they should work—whether they work or not and substitute it for food.

We are facing potential food stamp cuts as it is. To cut even more of the amount of money available to food makes very little sense to me. It is a significant change in the food stamp legislation that was carefully put together over the years by people on both sides of the aisle, by the distinguished Republican leader, the senior Senator from Kansas, by the distinguished senior Senator LUGAR, by myself, and others. To willy-nilly change it does not make sense. I would not support it.

I wish that the proponents would withdraw the amendment. If they do not, I will join with others in opposition to it in an effort to defeat the amendment.

Mr. LUGAR. How much time remains on both sides of the amendment?

The PRESIDING OFFICER. There are 12 minutes and 18 seconds; and on the proponents' side, there is no time remaining.

Mr. LUGAR. I take this moment to ask unanimous consent that immediately following debate on the Hatch amendment regarding vitamins, the Senate proceed to a vote on or in relation to the Dorgan amendment No. 3451, to be followed by a vote on or in relation to the Daschle substitute amendment, to be followed by a vote on or in relation to the Hatch amendment.

Further, that Senator LUGAR be recognized to offer a final amendment to include an additional manager's amendment; and following the adoption of that, the Senate proceed to vote on the modified Craig-Leahy substitute, to be immediately followed by a vote on passage, as modified. And further, there be 1 minute of debate equally divided in the usual form between each of the stacked votes.

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

Mr. LUGAR. I ask unanimous consent that all votes following the first rollcall vote in this sequence be limited to 10 minutes in length.

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

Mr. LUGAR. I say, with relation to the current amendment, that no one disputes the need for good nutrition, but the amendment obviously opens the door for food stamp recipients to spend scarce food dollars on items other than food. There is no dispute that it is best to get vitamins and minerals from food.

Therefore, I oppose the amendment. I will not speak further.

Mr. DOLE. I hope the Senator from Utah and the Senator from Idaho might let us have hearings on it. It might have a lot of merit. I think rather than press it to a vote and lose, it might be preferable to have a hearing in the Agriculture Committee and the Nutrition Subcommittee. I am happy to be there if that would help.

Mr. HATCH. I wonder if I could ask the two leaders, is it possible to agree to have hearings on this matter?

I cannot see for the life of me why this adds anything to the cost of food stamps. It just says that instead of buying pop, you might buy vitamins and minerals.

Mr. DOLE. It may be a good idea.

Mr. HATCH. If you will hold hearings and if we can make a case that this is beneficial—I have no doubt in my mind we will make that case—if you will hold a hearing on this specific issue on a bill that we will file, and if we make the case you will help us move the bill, I am willing to withdraw the amendment for now. But if not, we should just vote on it.

Mr. LUGAR. I pledge to the distinguished Senator, after consultation with my distinguished colleague——

Mr. HARKIN. If I might have the attention of the distinguished majority leader, I think having hearings would be a good thing to have to look at this proposal. It is something that both Senator HATCH and I—and Senator MCCONNELL has a bill in that we are cosponsoring to do just this.

Hearings are fine. We welcome the hearings. Again, could we have some vehicle on which we might be able to move this at some point later, either for up or down after the hearings? If we could have some type of an agreement to move the bill, the McConnell-Hatch-Harkin bill.

Mr. HATCH. If the leaders will help us move the bill, and the leaders will help call it up, I think we could do it in 10 minutes, because I think we can make more than an adequate case.

It is a smart thing to do for the American people. It is hard to understand how anybody could understand that this is not a good amendment.

We will be happy to do it your way if the leader prefers.

Mr. DOLE. If we make a case, that is fine.

Mr. LEAHY. My understanding is we would have hearings first.

Mr. LUGAR. I have indicated we will have hearings.

Mr. HATCH. In a relatively short period of time.

Mr. LUGAR. As promptly as we can.

Mr. HATCH. Mr. President, on behalf of my cosponsors, we withdraw this amendment and hope it accommodates our colleagues and our leader.

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

The amendment (No. 3277) is withdrawn.

AMENDMENT NO. 3451

Mr. LUGAR. We now proceed to the vote on 3451, the Dorgan amendment, with 30 seconds on each side.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The pending question now is the Dorgan amendment No. 3451. Who yields time on the amendment?

Mr. LUGAR. Mr. President, I ask for the defeat of the Dorgan amendment. Clearly, the idea that farmers will not utilize the land to plant and try to obtain income is not a sound one. The attempt of the Dorgan amendment, once again, is to couple together payments with controls. We are opposed to that with freedom to farm.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. DORGAN. Mr. President this is the simplest possible amendment. If you believe payments ought to go to farmers for the purpose of not farming, then you want to defeat this amendment. If you believe this is a farm bill to help farmers who are farming, then you should support it. If you do not want to be making payments to people who simply have some land and a bank account, and do not start a tractor, do not use a combine, and do not plant anything, then you should be for my amendment. This is not about controls or flexibility. It is a question whether you want a farm program that is going to pay farmers for not farming.

I want a farm program that is a good program and that helps farmers who are actually farming the land. If you believe in that, then support this amendment.

I yield the floor.

The PRESIDING OFFICER. All time is expired. The question is on agreeing to the Dorgan amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER (Mr. THOMPSON). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 48, nays 48, as follows:

[Rollcall Vote No. 17 Leg.]

YEAS—48

Akaka	Feinstein	Levin
Baucus	Ford	Lieberman
Biden	Glenn	Mikulski
Bingaman	Graham	Moseley-Braun
Boxer	Gregg	Moynihan
Breaux	Harkin	Murray
Bryan	Heflin	Nunn
Bumpers	Hollings	Pell
Byrd	Inouye	Pryor
Cohen	Johnston	Reid
Conrad	Kennedy	Robb
Daschle	Kerrey	Rockefeller
Dodd	Kerry	Sarbanes
Dorgan	Kohl	Simon
Exon	Lautenberg	Wellstone
Feingold	Leahy	Wyden

NAYS—48

Abraham	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Pressler
Brown	Hatch	Roth
Burns	Helms	Santorum
Campbell	Hutchison	Shelby
Chafee	Inhofe	Simpson
Coats	Jeffords	Smith
Cochran	Kassebaum	Snowe
Coverdell	Kempthorne	Specter
Craig	Kyl	Stevens
D'Amato	Lott	Thomas
DeWine	Lugar	Thompson
Dole	Mack	Thurmond
Faircloth	McCain	Warner

NOT VOTING—4

Bradley	Gramm
Domenici	Hatfield

So the amendment (No. 3451) was rejected.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3452

The PRESIDING OFFICER. The question occurs on agreeing to amendment No. 3452 offered by the Democratic leader, Mr. DASCHLE.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DASCHLE. I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, this vote will be a 10-minute rollcall vote.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 33, nays 63, as follows:

[Rollcall Vote No. 18 Leg.]

YEAS—33

Akaka	Exon	Levin
Baucus	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Harkin	Moynihan
Breaux	Heflin	Murray
Bumpers	Hollings	Pryor
Byrd	Inouye	Rockefeller
Conrad	Johnston	Sarbanes
Daschle	Kennedy	Simon
Dodd	Kerrey	Wellstone
Dorgan	Kohl	Wyden

NAYS—63

Abraham	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Graham	Murkowski
Biden	Grams	Nickles
Bond	Grassley	Nunn
Brown	Gregg	Pell
Bryan	Hatch	Pressler
Burns	Helms	Reid
Campbell	Hutchison	Robb
Chafee	Inhofe	Roth
Coats	Jeffords	Santorum
Cochran	Kassebaum	Shelby
Cohen	Kempthorne	Simpson
Coverdell	Kerry	Smith
Craig	Kyl	Snowe
D'Amato	Lautenberg	Specter
DeWine	Leahy	Stevens
Dole	Lieberman	Thomas
Faircloth	Lott	Thompson
Feingold	Lugar	Thurmond
Feinstein	Mack	Warner

NOT VOTING—4

Bradley	Gramm
Domenici	Hatfield

So the amendment (No. 3452) was rejected.

Mr. LUGAR. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I have a series of amendments that I will send to the desk. They have been cleared on both sides and they will require voice votes.

AMENDMENT NO. 3454 TO AMENDMENT NO. 3184

Mr. LUGAR. Mr. President, I send to the desk an amendment proposed by Mr. GRAHAM, for himself, and Mr. MACK dealing with crop insurance.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. GRAHAM, for himself, and Mr. MACK, proposes an amendment numbered 3454 to amendment No. 3184.

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

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

The amendment is as follows:

At the end of section 502, insert the following:

(c)(1) CROP INSURANCE PILOT PROJECT.—The Secretary of Agriculture shall develop and administer a pilot project for crop insurance coverage that indemnifies crop losses due to a natural disaster such as insect infestation or disease.

(2) ACTUARIAL SOUNDNESS.—A pilot project under this paragraph shall be actuarially sound, as determined by the Secretary, and administered at no net cost to the U.S. Treasury.

(3) DURATION.—A pilot project under this program shall be of two years' duration.

(d) CROP INSURANCE FOR SPECIALTY CROPS.—Section 508(a)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(6)) is amended by adding at the end the following:

''(D) ADDITION OF SPECIALTY CROPS.—(i) Not later than 2 years after the date of enactment of this subparagraph (i) the Corporation shall issue regulations to expand crop insurance coverage under this title to include Aquaculture; and

(ii) The Corporation shall conduct a study and limited pilot program on the feasibility of insuring nursery crops.

(e) MARKETING WINDOWS.—Section 508(j) of the Federal Crop Insurance Act (7 U.S.C. 1508(j)) is amended by adding at the end the following:

''(4) MARKETING WINDOWS.—The Corporation shall consider marketing windows in determining whether it is feasible to require planting during a crop year.''.

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

The amendment (No. 3454) was agreed to.

AMENDMENT NO. 3455 TO AMENDMENT NO. 3184

(Purpose: To establish a farmland protection program)

Mr. LUGAR. Mr. President, I send to the desk an amendment proposed by Mr. SANTORUM, to establish a farmland protection program.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. SANTORUM, proposes an amendment numbered 3455 to amendment No. 3184.

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

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

The amendment is as follows:

On page 3–3, strike lines 3 through 6 and insert the following:

''(B) the wetlands reserve program established under subchapter C;

''(C) the environmental quality incentives program established under chapter 4; and

''(D) a farmland protection program under which the Secretary shall use funds of the Commodity Credit Corporation for the purchase of conservation easements or other interests in not less than 170,000, nor more than 340,000, acres of land with prime, unique, or other productive soil that is subject to a pending offer from a State or local government for the purpose of protecting topsoil by limiting non-agricultural uses of the land, except that any highly erodible cropland shall be subject to the requirements of a conservation plan, including, if required by the Secretary, the conversion of the land to less intensive uses. In no case shall total expenditures of funding from the Commodity Credit Corporation exceed a total of $35,000,000 over the first 3 and subsequent fiscal years.

Mr. LUGAR. Mr. President, I ask that the amendment be considered.

Mr. BYRD. Mr. President, may we have an explanation of the amendment?

Mr. LUGAR. Mr. President, the Santorum amendment calls for a land preservation—I sent the Santorum amendment to the desk. Mr. President, let me ask the distinguished Senator, does he want an explanation of the Santorum amendment, the amendment that is now pending?

Mr. BYRD. I do not know what we are voting on.

Mr. LUGAR. Senator SANTORUM has proposed a farmland protection program, for which $35 million would be devoted. It would authorize the Commodity Credit Purchase Corporation conservation easements of not less than 170,000, not more than 340,000 acres of land, subject to a pending offer from State or local governments. It is cosponsored by Senator LEAHY and has been cleared on both sides.

Mr. BYRD. Mr. President, I thank the Senator.

Mr. HARKIN. Mr. President, I understand this is open for debate at this time?

The PRESIDING OFFICER. There was 1-minute debate equally divided.

Mr. HARKIN. I understand each amendment is supposed to have half an hour, 15 minutes on a side. I have not heard of this amendment. Like Senator BYRD, I do not know what this is. I heard an expenditure of $35 million. Earlier today, amendments were offered and we were told because they cost additional money, they could not be accepted. All of a sudden we have an amendment which no one is going to debate or know what it is and it is going to cost.

Mrs. BOXER. Will the Senator yield for a question?

Mr. HARKIN. I will be glad to yield for a response. I want to know what it costs.

Mrs. BOXER. If the Senator will yield, this was in the Democratic alternative, and also the other side thinks it is an excellent idea because it is going to help us save farmland. It is a conservation amendment. I hope the Senator will support it. He supported the Democratic alternative.

Mr. HARKIN. I would not mind supporting conservation. I have been a strong proponent of conservation. We do not know what it is. There has been no explanation. How many millions of dollars is it going to cost?

Mrs. BOXER. Mr. President, it is a $35 million item to help preserve farmland so that if there is encroachment on the farmland, the farmers are not

going to lose money. They have a chance to sell and stay in the farming business. I think the Senator supported it. It is supported by all the environmental groups and farm groups, and it was in the Democratic alternative.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, have we made any disposition whatsoever of the amendment that has just been talked about that no one seems to know anything about?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. EXON. Mr. President, I advise the Chair I have checked out the amendment that I knew nothing about, but I have no objection to the amendment. I hope that the Senate could proceed in its usual fashion.

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

The amendment (No. 3455) was agreed to.

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

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

Mr. LEAHY. Mr. President, I also have a package of amendments that have been worked out with the other side. One on behalf of Mr. JOHNSTON, Mr. PRYOR, Mr. BREAUX, and Mr. BUMPERS; another which adds the term ''education'' to the EQUIP program. A third is a sense-of-the-Senate resolution on methyl bromide and a colloquy between Senator LUGAR and myself.

Mr. DASCHLE. Mr. President, as I understand it, Senator CONRAD had a couple of amendments. Are they on that list?

Mr. LEAHY. I understood he had what he wanted. I asked a question of him and I have not heard back.

Mr. DASCHLE. We need to add those to the list.

Mr. LEAHY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENTS NOS. 3456 THROUGH 3461 EN BLOC

Mr. LEAHY. Mr. President, I have a series of amendments on behalf of a number of people. I ask that they be considered en bloc.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes amendments Nos. 3456 through 3461, en bloc.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 3456

Section 101 of the Agricultural Act of 1949 is amended by adding a subsection (e) that reads as follows:

''(e) RICE.—The Secretary shall make available to producers of each crop of rice on a farm price support at a level that is not less than 50 percent, or more than 90 percent of the parity price for rice as the Secretary determines will not result in increasing stocks of rice to the Commodity Credit Corporation.''

AMENDMENT NO. 3457

On page 3–16 of amendment No. 3184, at line 1 after ''payments'' include the word ''education''.

On page 3–16, line 9, after ''payments,'' include the word ''education''.

On page 3–16, line 13, after ''payments,'' and ''education''.

AMENDMENT NO. 3458

At the appropriate place in the bill, add the following language:

It is the sense of the Senate that the Department of Agriculture shall continue to make methyl bromide alternative research and extension activities a high priority in the Department.

Provided further, That it is the sense of the Senate that the Department of Agriculture, the Environmental Protection Agency, producer and processor organizations, environmental organizations, and State agencies continue their dialogue on the risks and benefits of extending the 2001 phaseout deadline.

AMENDMENT NO. 3459

(Purpose: To reduce uncertainty among farmers as to the status of agricultural lands with respect to environmental and conservation programs)

At the appropriate place in the title relating to conservation, insert the following:

SEC. ___. ABANDONMENT OF CONVERTED WETLANDS.

Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by adding at the end the following:

''(k) ABANDONMENT OF CONVERTED WETLANDS.—The Secretary shall not determine that a prior converted or cropped wetland is abandoned, and therefore that the wetland is subject to this subtitle, on the basis that a producer has not planted an agricultural crop on the prior converted or cropped wetland after the date of enactment of this subsection, so long as any use of the wetland thereafter is limited to agricultural purposes.''.

AMENDMENT NO. 3460

(Purpose: To improve the provisions relating to rural business and cooperative development and flexibility)

Beginning on page 7–86, strike line 11 and all that follows through page 7–87, line 11, and insert the following:

''(3) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT.—The rural business and cooperative development category shall include funds made available for—

''(A) rural business opportunity grants provided under section 306(a)(11)(A);

''(B) business and industry guaranteed loans provided under section 310B(a)(1); and

''(C) rural business enterprise grants and rural educational network grants provided under section 310B(c).

''(d) OTHER PROGRAMS.—Subject to subsection (e), in addition to any other appropriated amounts, the Secretary may transfer amounts allocated for a State for any of the 3 function categories for a fiscal year under subsection (c) to—

''(1) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1490(c);

''(2) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485);

''(3) rural cooperative development grants provided under section 310B(e); and

''(4) grants to broadcasting systems provided under section 310B(f).

AMENDMENT NO. 3461

(Purpose: To change the land ownership requirement applicable to qualified beginning farmers and ranchers for the purposes of the Consolidated Farm and Rural Development Act)

At the appropriate place in title VI, insert:

Notwithstanding any other provision of law, section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended in subparagraph (F)—

(i) by striking ''exceed 15 percent'' and all that follows through ''Code'' and inserting the following: ''exceed—

''(i) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code.

Mr. LEAHY. I ask unanimous consent that the amendments be agreed to, en bloc.

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

So the amendments (Nos. 3456 through 3461) were agreed to, en bloc.

Mr. LEAHY. Mr. President, I would like to engage in a colloquy with the distinguished chairman so that we may provide assurance to the many producers in the United States that are actively engaged on farms owned or operated by persons participating in the Market Transition Program, so that they will continue to be eligible for payments and will be treated fairly and equitably under the bill. Specifically, the substitute provides that the Secretary shall provide adequate safeguards to protect the interest of operators who are tenants and sharecroppers who farm land that is enrolled in the Market Transition Program. It also provides that the Secretary shall provide for the sharing of contract payments among the owners and operators subject to the contract on a fair and equitable basis. Mr. President, I would appreciate the chairman's assurance that it is the intent of the substitute that all tenants and sharecroppers who are actively engaged in farming regardless of whether the tenant or sharecropper is an operator of the farm will be eligible for payments, assuming that they are producers on a farm with contract acreage that qualifies for participation in the program.

Mr. LUGAR. I agree with the distinguished Senator that it is the intent of the substitute that all tenants and sharecroppers who are actively engaged in farming will be eligible for payments, assuming that they are producers on a farm with contract acreage that qualifies for participation in the program and that they meet the payment limitation provisions.

Mr. LEAHY. I thank the distinguished chairman. In addition, would the distinguished chairman give assurance as well that it is the intent of the substitute that contract payments must be shared with these tenants and sharecroppers on a fair and equitable basis.

Mr. LUGAR. The Senator is correct, it is the intent of the substitute that all tenants and sharecroppers must be treated fairly and equitably in the division of payments under the bill.

AMENDMENT NO. 3462

(Purpose: To require the Secretary of Agriculture to establish standards for the labeling of sheep carcasses, parts of carcasses, meat, or meat food products as ''lamb'' or ''mutton'')

Mr. LUGAR. Mr. President, I send an amendment to the desk on behalf of Senators CRAIG and BAUCUS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR], for Mr. CRAIG for himself and Mr. BAUCUS, proposes an amendment numbered 3462.

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

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

The amendment is as follows:

After section 857, insert the following:

SEC. 858. LABELING OF DOMESTIC AND IMPORTED LAMB AND MUTTON

Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

''(f) LAMB AND MUTTON.—

''(1) STANDARDS.—The Secretary, consistent with U.S. international obligations, shall establish standards for the labeling of sheep carcasses, parts of carcasses, meat, and meat food products as 'lamb' or 'mutton'.

''(2) METHOD.—the standards under paragraph (1) shall be based on the use of the break or spool joint method to differentiate lamb from mutton by the degree of calcification of bone to reflect maturity.''.

Mr. LUGAR. The amendment would simply require a national age standard be set for labeling of lamb in the United States and that this standard would be also enforced on imported product. This is a relatively simple measure that would ensure that lamb coming into the United States is actually lamb and not mutton. This amendment would be GATT legal since the requirements are the same on both domestic and imported product.

If we are to have a viable lamb and wool industry in the United States something must be done to enhance stability and future growth while halting the hemorrhaging of our industry's infrastructure.

Mr. President, I ask unanimous consent that the amendment be agreed to.

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

So the amendment (No. 3462) was agreed to.

COMMODITY SUPPLEMENTAL FOOD PROGRAM AMENDMENT

Mr. DOMENICI. Mr. President, I am today offering an amendment that will provide the necessary flexibility to the U.S. Department of Agriculture to carry out the Commodity Supplemental Food Program [CSFP].

The amendment is very simple. It allows the Food and Nutrition Service of USDA to use a portion of available carryover funding for administrative expenses. The administration will then have sufficient funds to provide this important nutrition assistance to as many people as possible.

This is not a new issue to the Senate. This same language was enacted as part of the 1995 Second Supplemental Appropriations and Rescissions Act at my request.

The amendment was needed to correct an inadvertent effect of congressional action on the CSFP program in the 1994 Agriculture and Related Agencies Appropriations Act.

When Congress was considering the Agriculture appropriations bill, the Appropriations Committee learned that the program had $25 million in funding that could be carried over into 1995. The committee decided to reduce the overall CSFP program by $10 million due to the carryover funding.

However, while the carryover funds were available to purchase food commodities for distribution, the reduction in overall program funding limited administrative expenses by law to an amount insufficient to allow them to be used. This was a particular blow for programs in my State that serve a significant rural population; they were short of the administrative funds needed to distribute the commodities that could be purchased.

This language simply allows 20 percent of the funds carried over from 1995 into 1996 to be used for administrative expenses. This is the same percentage allowed for administrative expenses for new appropriations. The estimated amount of carryover funding is $12.6 million.

Mr. President, I have consulted with officials of the Food and Nutrition Service as to the need for this language. They concur that it is needed to carry out an effective Commodity Supplemental Food Program this year.

The Senate passed this same language in the fiscal year 1996 Agriculture appropriations bill, but it was inadvertently dropped in conference. I urge my colleagues to adopt this amendment and provide the resources necessary to carry out an effective CSFP program.

DAIRY REFORM

Mr. GRAMS. Mr. President, I would like to engage the distinguished chairman of the Agriculture Committee in a discussion on Federal dairy reform. It is my understanding that considerable time has been spent in an effort to achieve a balanced series of reforms in milk marketing orders.

Mr. LUGAR. The Senator is correct. Unfortunately, the Senate was unable to agree on those reforms due to intense regional differences over reform proposals.

Mr. GRAMS. Mr. President, could the chairman describe the reforms that were initially negotiated for the information of the Senate?

Mr. LUGAR. I will be happy to do so. The negotiations have yielded reform in milk marketing orders in three fundamental ways. First, the reforms would have mandated a reduction in the number of orders, with a consolidation plan to be decided by the end of 1998 and implemented by the end of 2000. Second, they would have mandated the use of a multiple-basing point pricing system in Federal orders. Third, they would have provided that no Federal funds could be used to administer more than 14 marketing orders after December 31, 2000, if the Secretary of Agriculture failed to implement the order consolidation plan, which would have required no fewer than 10 nor more than 14 orders.

Mr. GRAMS. While I am pleased with the overall agriculture reforms in the underlying bill, I am disappointed that our efforts regarding real dairy reform have not succeeded at this point. I do understand the intense, and oftentimes, rigid regional conflicts these proposed dairy reforms typically generate in the Senate. Although I would have preferred comprehensive reform of the class I differential as well, I believe the milk marketing order reforms the chairman has just outlined would have provided a major step toward assuring a more market-oriented system. Will the chairman give his assurance that, in conference with the House, he will work toward adoption of milk marketing order reforms?

Mr. LUGAR. Mr. President, I will. I want to commend the Senator from Minnesota for his strong and active interest in reforming the Federal order system. His efforts have been positive for Midwestern agriculture and the Nation as a whole.

AGRICULTURE RESEARCH

Mr. BENNETT. Mr. President, I would like to bring a matter to the attention of the chairman regarding agriculture research. While it does not require a legislative provision, I believe it deserves some attention by the Department of Agriculture, and it seems appropriate to discuss while we are talking about the farm bill.

Is it the chairman's understanding that the Department of Agriculture has an interest in eradicating livestock diseases, and also has funded research and other programs for the purposes of researching, controlling, and eradicating disease over the years?

Mr. LUGAR. That is my understanding.

Mr. BENNETT. Is it the chairman's understanding that scrapie, a contagious and fatal livestock disease, has had a detrimental impact on the sheep industry?

Mr. LUGAR. That is my understanding.

Mr. BENNETT. Would the chairman agree that given the scarcity of resources, a way to maximize a tight research budget may be to share the cost with other countries?

Mr. LUGAR. That seems to be a commonsense approach given our limited resources.

Mr. BENNETT. I understand that there is a collaborative research project being developed by two well-respected research groups, one in the United States and the other in Scotland, that has the hope of eventual eradication of this disease by understanding how and when scrapie is transmitted. At least two countries, the United Kingdom and New Zealand, have committed to share the cost of funding the research project with the United States. Part of the study will be conducted at a land-grant university. While the research project does not appear to fit squarely into current funding mechanisms at ARS, APHIS, or CSREES within the Department of Agriculture, would the chairman agree that it would be in the interest of the U.S. Department of Agriculture to seriously consider the feasibility of funding such a study?

Mr. LUGAR. It seems reasonable for the United States to consider providing funding for a credible study, in light of commitments from the United Kingdom and New Zealand, and I would urge the USDA to look seriously at doing so.

Mr. BENNETT. I thank the chairman.

Ms. MOSELEY-BRAUN. Mr. President, I am very pleased that the Lugar-Leahy amendment to S. 1541 contains a provision I authored that will provide a competitive loan rate for soybeans and other oilseeds.

Soybeans represent the third largest crop in the United States, with the second largest value of over $14 billion annually. Worldwide, the demand for protein meal and vegetable oil grows about 3 percent each year.

Meanwhile, U.S. oilseed acreage has declined by 17 percent since 1979, from 77 million acres to 63.8 million acres expected in 1996. Approximately 3.5 million soybean acres are enrolled in the Conservation Reserve Program, and an estimated 9.7 million soybean and sunflower acres have shifted to corn and wheat production.

The point is, that, while worldwide demand for soybeans and oilseed products increase, acreage dedicated to oilseeds in the United States has decreased. And that means American farmers are losing important economic opportunities when it comes to oilseed exports.

One notable cause for the decrease in U.S. oilseed acres has been Federal farm policy, which has made wheat and corn planting more attractive. Another factor in the loss of oilseed acreage is the lack of Government promotion for export and domestic use of vegetable oil. Export opportunities for soybeans and sunflower oil under the EEP and SOAP will be reduced 79 percent under the Uruguay round. And unlike tax incentives for ethanol production, which target corn production, there is no Federal program for soy-based biodiesel.

This provision, by setting marketing loan rates for oilseeds at 85 percent of the Olympic 5-year average price, will help to put soybeans and other oilseeds at the same percentage level as other crops. For soybeans, the marketing loan rate would be set at 85 percent of the Olympic 5-year average, but no less than $4.92 or no more than $5.26 per bushel. For sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, loan rates would also be set accordingly, but at rates no less than $0.087 or more than $0.093 per pound.

This provision, which I filed as an amendment to the Lugar-Leahy substitute amendment to S. 1541, allows the soybean loan rate to rise by 5 percent if prices increase, providing some protection for small producers against increased volatility in production and prices that could result from full planting flexibility. It would remove disincentives for planting soybeans, encourage increased soybean acreage, and provide an opportunity for reasonable prices and adequate supplies of high-protein meal for pork and poultry producers.

Mr. President, Illinois leads the Nation not just in the production of farm commodities, but also in farm commodity exports. And in my conversations with Illinois farmers, one theme resonates time again and again: the future of American agriculture lies in exports, and in enhancing the export competitiveness of U.S. agriculture.

I agree, and I believe my amendment will help U.S. oilseed producers seek out greater export sales, and ensure that market demand, rather than Federal policies, determine how many acres of soybeans are planted.

I would like to thank the distinguished majority leader, Senator DOLE, and Senators LUGAR, LEAHY, GRASSLEY, and COCHRAN for their assistance and support for this amendment.

Mr. NICKLES. Mr. President, I first want to compliment the managers of the farm bill for their hard work in crafting legislation which reforms our Nation's agriculture policies. No longer will the Government tell farmers which crops to plant and no longer will the Government tell farmers to leave productive land idle in exchange for a Federal handout. I believe giving more flexibility to farmers is a step in the right direction and urge my colleagues to support the freedom-to-farm legislation.

I thank the chairman and ranking member for clarifying the sponsors' intent with respect to the haying and grazing provision of the substitute amendment. This technical change allows farmers to continue the haying and grazing flexibility they have under current law and I am pleased the bill's sponsors agree this traditional freedom should continue under the reform proposal.

Once again, I thank the managers for making this technical change and appreciate their leadership on farm policy.

Mr. SIMON. Mr. President, I want to thank the distinguished minority leader for his hard work in crafting a bill that meets the needs of production agriculture, national wide. It's close to an impossible task.

I support this compromise farm bill. While I do not agree with everything in the bill, I think it has a chance of passing the House and being signed into law.

In many ways, it is a good bill for Illinois. It offers farmers limited certainty in the area of income protection, provides a safety net for farmers in future years, and protects our conservation programs, as well as important nutrition programs.

Illinois is second to Iowa in soybean production, with 9.7 million acres planted to soybeans. Exports for soybeans and soybean products totaled $7.9 billion in 1995 making soybeans the largest exporter, in terms of value, in U.S. agriculture.

With the good work of my colleague Senator MOSELEY-BRAUN, this bill raises the marketing loan rate for soybeans to 85 percent of an Olympic five-year average, with a cap of $5.26 per bushel. Despite a 3 percent annual growth in world demand for vegetable oil and protein meal, U.S. oilseed acreage has declined by 17 percent since 1979. This slight increase in the marketing loan rate creates some incentive for soybean production in the U.S., which helps our trade balance and is very good for Illinois farmers.

The bill also retains permanent law for farm programs. Good agriculture policy protects family farms as well as consumers. The original freedom-to-farm proposal eliminated permanent law for farm programs, allowing no safety net past the year 2002. With the leadership of Senator DASCHLE, the Democrats were able to push for a compromise that guaranteed a safety net for farmers in year 7.

Mr. BAUCUS. Mr. President, it is time to get the farm bill done. So I rise in support of this bill. But I do so with some misgivings.

Now, I know that the first rule of medicine is ''Do no harm.'' And I am well aware that a lot of Americans have adjusted their expectations of this new Congress. A year or so back, they had high hopes. Today, they consider it a good month when the Congress simply decides not to do anything harmful or destructive. They're relieved that we haven't shut the Government down in nearly a month, and that the plan to

let Medicare wither on the vine seems to have stalled.

OUR NUMBER ONE INDUSTRY

So sometimes doing nothing is better than doing harm. But, Mr. President, with the farm bill, it is just not good enough to wait any longer.

Agriculture is the largest industry in my State. Our State statistics service reports that Montana has about 22,000 farms, averaging about two residents per farm. Those farms support almost 50,000 additional Montana jobs in agribusiness and the food industry. So our failure to provide some policy direction puts almost 100,000 people directly at risk, not to mention the tens of thousands of others in small banks, gas stations, auto dealerships, and other small businesses who depend on a strong rural economy.

That is true across the country.

In rural States, the entire economy depends on successful production agriculture.

In urban areas, stable, fair and predictable food prices are the key to consumer well-being.

In international trade, agriculture is one of our bright spots.

Our agricultural exports will reach $58 billion in 1996—an all-time record for any country, and twice our projected $29 billion in imports.

And we all know that nobody and no country can be safe or secure without a reliable supply of food.

All this depends on a sound approach to farm policy. And the first element of a sound farm policy is to avoid giving farmers new troubles and headaches. Yet, if Congress delays the farm bill any longer, that is just what will happen.

Farmers all over America are preparing to put their 1996 crop into the ground. In Montana, and across the Great Plains, many already have their winter wheat planted. If the bitter cold has not destroyed their crop, they will begin harvesting in a few months.

These producers need to know what rules they will operate under when that harvest comes in. Because of the dereliction of the Congress, they have no idea what those rules will be. So the time has come to take up this admittedly imperfect bill, get it past the Senate, and ask the House to follow suit. We need to act now.

SUCCESSES OF THE 1996 FARM BILL

Now let me talk for a few moments about the bill. And let us begin with the good news. I would like to mention six points in particular.

The most important good news, of course, is that when the 1996 farm bill passes, producers will have a few years of certainty and stability ahead. They will be able to run their businesses without fear that the Government will make them change horses in midstream.

Two, we restore the safety net which the original more radical ideas proposed to abolish. That is, it continues the 1949 Agricultural Policy Act in case Congress threatens to let farm policy lapse altogether as it did last year. Thus, producers have the confidence that a single year of drought, flood, or collapsing prices will not financially ruin them.

Three, we include several provisions to assist an industry which has suffered from Government mistakes. That is the sheep industry. In this bill we authorize a sheep industry improvement center, which will be a clearinghouse to improve research and infrastructure for the industry. We also introduce some fairness into the lamb market by making Australian and other foreign lamb to meet the same freshness requirements as American lamb.

Four, we reauthorize the Conservation Reserve Program, one of our environmental success stories. It also authorizes two other critical environmental programs—the Livestock Environmental Assistance Program and the Environmental Quality Incentive Program—which help producers improve the management of the natural resources on their farms and ranches, and with it the quality of life in rural America.

Five, we reauthorize the nutrition program, meaning a continuing guarantee of assistance for children and poorer Americans.

And six, in the 1996 farm bill we increase planting flexibility, so producers can base their planting decisions according to the market and their potential profits, rather than on rules established by the bureaucracy.

THE MAJOR FLAW

Now let us look at what may be the real flaw in the bill.

My greatest concern is the so-called decoupling of farm payments from prices and volume of production. In essence, a farmer will now get a straight payment regardless of how much he or she produces and regardless of the price.

Since the forecasts call for a good harvest in 1996, this will be very good for farmers for at least the next year. However, if we get a bad year in 1997 or 1998, the payments may be inadequate.

Equally serious, but more of a long-term problem, is that by decoupling payments from the market, we may decouple farm policy from the broad public support it has enjoyed since the creation of the farm program during the Depression.

Most Americans can see that agriculture is a volatile business, and understand the need for some stability from year to year. It may be that the public at large will be less enthusiastic about a straight payment that remains high in good years.

Only time will give us the answer to that question. But we know that delaying action any longer this year will mean a year of questions, uncertainty and difficulty for farmers. So the time has come to pass the 1996 farm bill.

I will vote for this bill, and I hope the Senate will pass it. And I would ask the House to act as quickly as possible—to stop toying with revolutionary experiments—to cut their vacation short—and to get the job done.

Mr. CHAFEE. Mr. President, I want to compliment my colleague, the senior Senator from Indiana, for the enormous amount of effort he has put into this bill. He and his colleague on the other side have done good work. The legislation that is before the Senate represents a critical change in our farm policy that will do much to move us toward a market-oriented system. And that is a welcome change indeed.

I must say, however, that as enthusiastic as I am about the important structural changes wrought by this bill, I am sorely disappointed that one provision of particular importance to my State and the New England region was deleted earlier today. It was my understanding that this provision would be included in the final version of the Senate bill. The provision that I am referring to is the New England Dairy Compact—which has earned broad support from our region's Governors, legislators, and industry. Without congressional authorization, the compact cannot move forward. And today's action to eliminate the necessary congressional consent means moving forward will be extremely difficult.

I also regret that the Senate failed to adopt much-needed reforms to the sugar and peanut programs. While the legislation crafted by the managers revises both of these programs to some extent, those revisions do not go nearly far enough.

Therefore, with regret, I will be casting my vote against the underlying bill.

CHANGE OF VOTE

Mr. FRIST. Mr. President, I ask unanimous consent I be allowed to change my vote from ''yea'' to ''nay'' on rollcall vote 14, which passed earlier today by a vote of 59 to 37. It will not change the outcome of the vote.

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

Mr. FEINGOLD. Mr. President, I voted against the farm bill today for a number of reasons.

First, while I and other Senators from the Upper Midwest were successful in striking from the Leahy substitute the northeast interstate dairy compact, this bill contains no fundamental reform of Federal milk marketing orders so badly needed by Wisconsin dairy farmers. Attempts to reach a bipartisan agreement on a moderate order reform amendment were ended when regionalism overwhelmed reason. I found that very disappointing.

I remain hopeful, however, that there will be an opportunity in the conference with the House farm bill to revisit these issues and get some changes that will help create a more level playing field for our dairy producers.

Second, Mr. President, I was very disappointed at the process under which the debate over the farm bill took place in the Senate. This is an important bill that is considered every 5

years, and normally consumes several weeks of floor debate following extensive and open committee action. This year the bill was rammed through the Senate in 1 day under tight time controls that allowed little opportunity for Senators to scrutinize neither the underlying bill nor the amendments offered. Furthermore, with only one-half hour to debate each amendment, it was difficult for Members to fully analyze the impacts and implications of their votes. One amendment passed by the Senate was over 500 pages long and was the subject of absolutely no debate. Conducting business under those kinds of constraints is ultimately not good for farmers, consumers, or the taxpayers. We should take the time to debate publicly and examine thoroughly existing farm programs as well as the proposals to change them.

At the same time, I recognize the urgency that many in this Chamber felt that some type of farm bill had to move forward quickly so that farmers who are putting seed in the ground right now would have some idea of what Federal policies would be in play for this growing season. But Congress should have begun this process a year ago to give farmers the assurances they need. The need for just any bill is no justification for voting for a bad bill.

Ultimately, I voted against this bill because it failed to reform programs in a way which targets benefits to those family farmers most in need, it did little to limit Government payments to the Nation's largest and wealthiest farmers, it provides excessive guaranteed giveaway payments to landowners who never have to plant a crop, and did absolutely nothing to reform Federal milk marketing order to rectify the harms current law imposes on Wisconsin dairy farmers.

This farm bill process was fiscally irresponsible policy making. From a deficit reduction perspective, this bill could have achieved far greater budget savings while still protecting family farms. It is my hope that the Senate never again engage in this process for major legislation that affects every farmer, consumer, and taxpayer in this country.

Mr. LEVIN. Mr. President, the Senate is about to vote on final passage of S. 1541, the farm bill. This vote should have taken place last year, after a full and thorough debate. The House has recently recessed without completing action on the matter, and the Senate's action is very late. As a result, farmers are not getting the timely information they need to make important decisions for the 1996 crop year.

Without the Dorgan amendment, which I supported, freedom-to-farm payments will be made even to farmers who might choose not to plant a single seed. This doesn't make any sense and certainly seems like a potential waste of taxpayers' money. I am very concerned about the lack of market sensitivity in these freedom-to-farm payments.

Fortunately, the bill is not all bad. We were successful in removing the northeast dairy compact, which would have established unfair barriers to interstate trade and potentially hurt Michigan milk producers and processors. And, we reformed, without destroying, the sugar program. The bill does contain several good provisions that will encourage farmland preservation, establish a livestock environmental assistance program, and addresses other important trade, research, credit, and conservation matters.

On balance, however, I cannot support this bill. I hope the conferees can improve it.

Mr. WELLSTONE. Mr. President, I believe the Senate will make a mistake today if we pass this farm bill. I think I can understand why some believe this is the best way forward for American agriculture. But I profoundly disagree with that judgment.

I have been saying for weeks, even months, that I have been prepared to debate the farm bill. Today's debate is overdue, and it has not exactly been what I had in mind. It has been limited due to time constraints. Our opportunity for amendments has been constricted.

I am afraid that the best that can be said about this week's action on the farm bill is that farmers across the country now can see what this Congress might be delivering for a farm bill. Perhaps the House will act soon, and I expect that their bill will be close in principle to this one.

I voted in favor of cloture last week. I did so not because I support freedom-to-farm. I do not. I favor long-term policy that would promote family agriculture and revitalize our rural economy. This is not that. I voted for cloture because I believe that American farmers need to know what programs they will be operating under this year. With no farm policy in place, I did not want to block consideration of new farm legislation even though I was quite certain I could not support the bill's final passage.

Of course, yesterday's vote against cloture was due to the sudden inclusion into the bill of the Northeast Dairy Compact, which I have called a poison pill for Minnesota dairy farmers. I am extremely pleased, as I have already said here on the floor, that we were able to strike the compact from the bill, and I was proud to lay that amendment down on behalf of myself and other midwesterners late last evening.

Let me address the freedom-to-farm proposal. There are some good things in this bill, particularly some of the conservation provisions which some of us have ensured are in the bill. I am glad that we finally have authorized the enrollment of new acres into the successful and popular Conservation Reserve Program [CRP], which I have been advocating for some time. And we Democrats ensured that permanent farm law is retained, and that oilseeds will be allowed some equity in marketing-loan rates.

But freedom-to-farm, which is the core of this farm bill, is fundamentally bad policy.

I believe freedom-to-farm is a dubious carrot followed by a very real stick. If it becomes law, it will likely lead to the elimination of farm programs, ultimately leaving farmers to the tender mercies of the grain companies and the railroads and the Chicago Board of Trade during years when prices are low. In the long term I believe it may have disastrous effects on family farmers and our rural economy.

Some farmers believe that freedom-to-farm is the best deal they will get from this Congress. I understand that. Many in this Congress oppose farm programs, and those people have made a credible threat to the future existence of farm programs. This plan offers farmers payments this year even though prices are projected to be strong. And it promises to lock in at least some payments for 7 years. For some farmers, even those who know that it is bad policy, that is attractive.

I have supported what I consider to be genuine reform of farm programs. I cosponsored a 7-year proposal last year which called for a targeted marketing-loan approach. That plan would provide farmers the planting flexibility they need. But it also would provide needed long-term protection from some of the uncertainties that farmers face—uncertainties of weather, and of markets that are dominated by large multinational companies. It also would raise loan rates and target farm-program benefits to family-size farmers.

The freedom-to-farm concept entails a transition to what is called market orientation. I support market oriented farm policy. That is why I advocate support for family-size farmers when prices are low—not so-called contract payments regardless of market conditions and regardless of what, or whether anything, is planted. In fact, what I really support is helping farmers getting a fairer price in the marketplace so that they do not need government payments at all. Fair prices are key to improving farm income.

It must be remembered that the rationale for the transition payments in freedom-to-farm is that farm programs will end. There is no reason for decoupled payments called transition-payments unless farm programs will be ending. So we should not fool ourselves about the gesture of leaving permanent farm law in place underneath this bill. We Democrats rightly insisted upon that provision, but we have to admit it was a maneuver to help achieve a time agreement and should not be considered genuinely permanent. It may or may not survive conference.

This bill will end payments to farmers within a few years. Meanwhile, its approach will discredit farm programs forever. High payments to farmers during good-price years will not wash in

the public when we are cutting government spending on other much-needed programs. I am concerned that when prices drop back down, which is inevitable—I would say it is encouraged by the capping of loan rates in this bill—there may be no farm program there to help. I voted today to lift the loan-rate caps. I also note that I voted for amendments to retain the Farmer Owned Reserve and raise loan rates. And I voted to require that a farmer actually plant a crop in order to qualify for a so-called contract payment.

Mr. President, I do not believe we are finished debating agriculture or rural policy. I will continue to speak here on the topic. I intend to continue to fight for rural Minnesota.

Mr. KERRY. Mr. President, I voted against final passage of S. 1541 because, while it was better than some proposals put forth during this debate, ultimately, it was not the package that I believe it should have been.

Yesterday, I supported cloture on the Leahy-Dole substitute because I felt strongly that it was essential that Congress act to develop new farm policy reforms as soon as possible. The existing authorization for the numerous nutrition, conservation, and commodity programs that comprise the heart of the farm bill expired during 1995. With the expiration of these programs, the outdated 1949 Agricultural Act became the permanent law governing Federal commodity programs. According to the U.S. Department of Agriculture, the 1949 statute, if enacted today, would cost taxpayers $10 billion for 1996 alone, substantially more than the recently expired provisions. I believed then, and remain convinced, that we need a new approach to farm policy. Therefore, I supported cloture to advance the debate on the Leahy-Dole reform package which would have replaced the 1949 statute with a new reform program to phase out price supports after 7 years and would have reauthorized critical nutrition and conservation programs through 2002.

However, the package that was before us on final passage, while it included many important provisions on nutrition and conservation, fell short of true reform because a provision was added to retain the 1949 act as the permanent law. By retaining the 1949 statute, the 7-year farm support phaseout provisions of the Leahy-Dole bill become just another price support program. There is no longer a phaseout, only an interim payment plan for the intervening 7 years.

Until this package returns from conference, there is always hope that there will be important improvements to the reform provisions while retaining critical conservation and nutrition programs upon which millions of Americans depend.

AMENDMENT NO. 3184

The PRESIDING OFFICER. The question is on agreeing to the Leahy amendment No. 3184, as amended.

The amendment (No. 3184), as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. DOLE. Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI], the Senator from Texas [Mr. GRAMM], and the Senator from Oregon [Mr. HATFIELD] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 32, as follows:

[Rollcall Vote No. 19 Leg.]

YEAS—64

Abraham	Frist	Moseley-Braun
Akaka	Gorton	Moynihan
Ashcroft	Graham	Murkowski
Baucus	Grams	Nickles
Bennett	Grassley	Nunn
Biden	Hatch	Pell
Bond	Heflin	Pressler
Boxer	Helms	Robb
Breaux	Hutchison	Roth
Brown	Inhofe	Shelby
Burns	Inouye	Simon
Campbell	Johnston	Simpson
Coats	Kassebaum	Smith
Cochran	Kempthorne	Specter
Coverdell	Kyl	Stevens
Craig	Leahy	Thomas
D'Amato	Lieberman	Thompson
DeWine	Lott	Thurmond
Dole	Lugar	Warner
Faircloth	Mack	Wyden
Feinstein	McCain	
Ford	McConnell	

NAYS—32

Bingaman	Feingold	Levin
Bryan	Glenn	Mikulski
Bumpers	Gregg	Murray
Byrd	Harkin	Pryor
Chafee	Hollings	Reid
Cohen	Jeffords	Rockefeller
Conrad	Kennedy	Santorum
Daschle	Kerrey	Sarbanes
Dodd	Kerry	Snowe
Dorgan	Kohl	Wellstone
Exon	Lautenberg	

NOT VOTING—4

Bradley	Gramm
Domenici	Hatfield

So the bill (S. 1541), as amended, was passed.

(The text of the bill will be printed in a future edition of the RECORD.)

Mr. LUGAR. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. LUGAR. Mr. President, I thank all Senators for prompt consideration of the farm bill. I think we have an excellent bill. I had wanted to go to the conference with the House and hopefully expedite decisionmaking for farmers throughout the country.

I thank my colleague, Senator LEAHY, who has worked so well, once again, in a bipartisan way, on an important bill. I thank the majority leader, Senator DOLE, for his very, very strong leadership throughout the cloture battles, as well as all we have experienced today, and the distinguished Democratic leader, Senator DASCHLE, who worked to make certain we had both a pathway to success today, and expedited the timing of that.

I want to thank, especially, staff members who have done so much, and I want to mention them by name.

I have Andy Morton, Randy Green, Dave Johnson, Marcia Asquith, Beth Johnson, Terri Snow, Michael Knipe, Dave Stawick, Terri Nintemann, Katherine McGuire, Darrel Choat, Danny Spellacy, Doug Leslie, Barbara Ward, Debbie Schwertner, Jill Clawson, Cathy Harrington, Mary Kinzer, David Dayhoff, Pat Sweeney, Bob Sturm, Bill Sims, Jim Hedrick, and, of course, Chuck Conner, our chief of staff, who has done a splendid job, as always.

I thank all of them and all Senators for their support.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Vermont.

Mr. LEAHY. Mr. President, I also want to thank the distinguished majority leader and the distinguished Democratic leader for all they have done. The distinguished senior Senator from Indiana said he thanks the distinguished Democratic leader for helping us get the pathway to be here. That is true, we would not be here without that help.

I know, at least in my 21 years here, I have never known a farm bill to go through without some strife. This is probably no exception. But the fact is that we have now brought a farm bill through that we can go to the other body with in a conference. I hope we can go to them and point out that on the final vote it was passed on a bipartisan basis. If we did not have one, had it not been passed on a bipartisan basis, I would not hold out much hope for the conference. Instead, we have one that speaks for those who produce our food and fiber but also includes protection for the environment, conservation, nutrition programs, all of which are important to get a bill that can eventually be signed.

I thank my friend with whom I have worked so many years, Senator LUGAR, on such legislation. I thank him for his help and his staff's help, and his honesty and openness to it.

I also want to thank Pat Westhoff for his outstanding economic analyses of complicated proposals; on our staff, David Grahn, who stayed up many nights drafting legal language; Craig Cox, for an outstanding job developing one of the most progressive conservation titles; Tom Cosgrove, for handling a very politically sensitive issue, dairy, and doing it very, very well; Kate Howard, who has done such a great job on

trade; Kate DeRemer for her outstanding work on the research title; Brooks Preston for all that he has done for the environment and for forestry; Nick Johnson for his very hard work on rural development. Diane Coates, Kevin Flynn, and Rob Headberg, for all that they have done. Gary Endicott and Tom Cole at the legislative counsel. I would especially like to thank Ed Barron, the Democratic chief of staff, and Jim Cubie, our chief counsel, who I think have not been to bed in several days.

I would say, if any members of their family are watching, I know exactly where they were. They were here all the time, chained to their desks but helping us go through. And also I give my personal thanks to my chief of staff, Luke Albee, who worked so hard with them.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I thank the chairman of the committee for his outstanding job, Chairman LUGAR, and the ranking member's equally outstanding job, Senator LEAHY. They have worked a long time. This is a bipartisan bill. There were 20 Democrats, 44 Republicans who voted ''aye'' on final passage.

I believe there is enough flexibility. The President would certainly be inclined to sign this bill. I hope he might announce that this weekend when he is in Iowa. I think it will be very well received there.

This has been a long process. There were a lot of frustrating moments for all of us. But, just as farming requires patience and perseverance, so does passing farm legislation. It is always very difficult. There are so many issues involved, so many different commodities and so many different regional interests and State interests, it is hard to put a package together that satisfies everyone.

But I believe this is really a historic change, some would say the biggest change we have had in agriculture since the 1930's when Henry Wallace was Secretary of Agriculture. It seems to me we have made that because we have had this bipartisan cooperation.

I thank the Democratic leader, too, Senator DASCHLE, for working out, last night, an agreement which permitted us to vote at precisely 4:45. That is when we promised our colleagues we would vote and that is when the vote started.

Farmers will finally plant for the market and not the Government. The Government is going to get out of the supply control business.

We can take pride this bill is also good for the environment. The Conservation Reserve Program is reauthorized. A new program, the Environmental Quality Incentive Program, is included to provide farmers and ranchers a cost-share program as they work to develop ways to manage their farming operations. No doubt about it, another big winner in this legislation is the American taxpayer.

There is some concern about the transition payments. That has been expressed time after time. I believe we need now to make certain this is going to work so we do not have these stories appearing that somebody had a big crop and got a big payment. I think that is a very sensitive matter. But I believe, by capping entitlements, it is a sensible spending program.

It is not an end but a beginning, because there is much more we need to do to ensure survival of rural America. One is estate tax relief. I think capital gains tax relief is one. We need to take a look at regulation, regulatory reform.

I would just conclude by sharing a quote I read last week on the floor, the words of George Washington, over two centuries ago. He said, ''I know of no pursuit in which more real and important services can be rendered to any country than by improving its agriculture.'' I think that is as true today as it was then. I thank all my colleagues for their patience and their support.

Again, I thank the chairman, Senator LUGAR, and Senator LEAHY.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I know there are many who want to speak so I will be brief. Let me congratulate the chairman of the Agriculture Committee for the typical manner with which he has addressed this bill and this responsibility. In true fashion he has been cooperative and accommodating. I again want to publicly thank him for his effort.

Let me also thank our ranking member, Senator LEAHY, for his efforts. I appreciate very much the work of our two managers in this regard.

Working with the majority leader, we were able to accomplish what all of us said we wanted to be able to do, finish a farm bill, by a time certain, that would allow some opportunity for farmers to better understand what may be in store, what they have to decide with regard to their own management. This bill, as flawed as I believe it is, will accommodate that.

I must say, in all my time in the Senate, there has never been a time when I felt more discouraged, and frankly more concerned about the future of agriculture, the future of farm policy, than I feel this afternoon. I think the Senate has made a very tragic mistake. I think it is a mistake that will come back to haunt us. I believe we will be here again in the not too distant future addressing many of the deficiencies that this legislation represents.

Obviously, many of us feel very strongly about this. This fight is not over. We will come back. We will revisit many of these issues. We will offer amendments. We will offer additional legislation. We firmly believe we must continue to make farm policy work better than it will work if this farm legislation becomes law.

Finally, let me thank especially Tom Buis, on my staff, for the remarkable job he has done. I do not know of anyone who has been more dedicated, or given his time and effort more generously, than has Tom over the last many days. So, I again thank him, and thank our colleagues for the work that we have done today in spite of the fact that I am so disappointed with the outcome.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I ask unanimous consent to proceed as in morning business.

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

THE SENATE SCHEDULE

Mr. GLENN. Mr. President, I just want to make a few remarks about the recess. In fact, we are going on a vacation period when we have not even come close to completing the work of the U.S. Senate. I do not know whether people realize it, but if they look at the calendar they will see that we are into the middle of February. I do not think they realize what a short time period we have left to do the business of the Senate for this year in 1996. This year there are political party nominating conventions, and we will adjourn before the November elections. We will not come back in after the elections because that is just a lame duck session.

In effect we are saddled with getting everything done between now and the convention time. If you consider our sine die adjournment which is scheduled for October 4, and take out the normal holiday periods of Easter, Memorial Day, Fourth of July, August recess, and Labor Day, we have about 85 legislative working days left. And if we go on our normal 4-day week schedule where we do not come in until Monday noon and go out by Friday noon, which makes about a 4-day workweek, it means we have a total of about 65 working days left in this legislative year.

I do not think people realize how tight we are on time. We have not even begun to complete the work of last year yet. We have five appropriations bills—VA–HUD appropriations, Commerce, State, Justice appropriations, Interior appropriations, Labor-HHS appropriations, and D.C. appropriations. In addition to that, we had hoped to have a balanced budget agreement. We had hoped to have welfare reform. We have an absolutely critical debt limit extension that has to be done so that the full faith and credit of the United States is honored around the world. That is not one that we can really put off at all.

The continuing resolution and the debt limit expire by March 15. We now are taking off 3 weeks—almost 3 weeks.

I find that unconscionable. Then we wonder why the American people have a lack of faith in their Congress to get things done for this country.