A one-year grace period for farmers to get into compliance.

An expedited procedure for producers to get variances to conservation plans because of problems deemed to be out of their control.

More authority for local officials to determine that conservation compliance plans included requirements that would cause "undue economic hardships."

"The conservation provisions of the 1996 farm bill simplify existing conservation programs and improve their flexibility and efficiency," said a U.S. Department of Agriculture summary of the legislation.

Craig Cox, executive director of the Soil and Water Conservation Society in Ankeny, says conservation advocates reached a different conclusion.

"The criticism has been that any one of these changes by itself was not a real cause for concern, but together they opened a number of loopholes for the enforcement of conservation provisions," Cox said.

Even critics like Cook, however, acknowledge that the concept of linking farm subsidies to conservation practices, which started in the mid-1980s, was in trouble well before 1996.

By the early 1990s, environmentalist were complaining that the concept wasn't being adequately enforced. USDA officials, in turn, complained they didn't have the staff or the time to monitor farm practices so closely.

And in small, tightly knit farming communities, many federal employees who ultimately were responsible for carrying out the new approach were not comfortable with policing their neighbors.

"Nobody wants to stick it to somebody who is demonstrating good faith," said Dan Towery, natural resources specialist with the Conservation Technology Information Center in West Lafayette, Ind.

Towery is a former farm official in Illinois who had to investigate compliance cases there. "Determining what is 'good faith' is very subjective," he said.

No definitive studies have been done to determine whether erosion has increased significantly since 1997. The Natural Resources Conservation Service looks at that issue every five years, and its next study is scheduled for 2002.

However, survey work by Steven Kraft, chairman of the Department of Agribusiness Economics at Southern Illinois University in Carbondale, suggests farmers don't feel as threatened by the concept of linking conservation practices to subsidy payments.

Kraft, working with other researchers, surveyed farmers' attitudes about conservation between 1992 and 1996. the study looked at farmers in 100 different counties throughout the Midwest.

Producers were asked, for example, how fair they thought federal officials would be in implementing rules linking conservation to subsidies. In the fall of 1992, almost 29 percent said "very fair." By the winter of 1996, the number had increased to nearly 38 percent.

HOW THE SYSTEM WORKS

Two branches of the U.S. Department of Agriculture play roles in enforcing conservation requirements:

NRCS: The Natural Resources Conservation Service helps farmers develop conservation plans for their farms. Then it polices their efforts to follow the plans.

FSA: If the conservation service finds that a farmer has violated a plan, it reports that to the USDA's Farm Service Agency, which can withhold a farmer's government subsidies.

Appeals: A farmer can appeal the penalty to Farm Service Agency county committees, which are composed of farmers elected by other farmers in the county. Adverse determinations by the county committee can be appealed to the state FSA committee and then to the national appeals division of the Farm Service Agency in Washington, D.C.

Mr. GRASSLEY. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MILLER). Will the Senator withhold his request?

Mr. GRASSLEY. Yes.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

ANDEAN TRADE PREFERENCE EXPANSION ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 3009, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes.

Pending:

Baucus/Grassley amendment No. 3401, in the nature of a substitute.

Gregg amendment No. 3427 (to amendment No. 3401), to strike the provisions relating to wage insurance.

AMENDMENT NO. 3427

The PRESIDING OFFICER. Under the previous order, there will now be 90 minutes of debate on Gregg amendment No. 3427.

Mr. GREGG. Mr. President, I yield 5 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, as we go through the details of this debate, I think it would be well for us to take a moment at the beginning to look at the overall situation we face and try to put this debate into some kind of context.

A fundamental principle that we need to remember in all of these conversations and discussions is this: All money comes from the economy. It does not come from the budget. It does not come from the actions of the Congress. It comes from the economy. If there were no underlying economy, there would be no money for the Federal Government to allocate. We have seen governments around the world that have tried to create money with no economy by passing budgets, and we have seen the disaster that occurs.

So the fundamental principle that we need to address, to begin with, is what are we doing that will help the economy grow? What are we doing with trade promotion that will make the American economy stronger? If we can always keep that in mind as we address these various amendments, we will not do harm to our Government or what it is we are trying to accomplish for our citizens.

The next principle that follows from that one is this: The most significant thing we can do to help the economy grow is to increase productivity—increase productivity of capital, of labor, of our money, that it is invested in the right places, so that we do not do things that will cause the economy to be less productive than it would be otherwise.

These are two very strong fundamentals. We must keep the economy strong and growing. The way to keep the economy strong and growing is to increase productivity. That brings us to the Gregg amendment.

The Gregg amendment would strike out a wage subsidy program that is currently in the bill that is clearly antiproductive. That is, the bill as it currently stands, would decrease American worker productivity in ways that we have already seen historically demonstrated in other countries. We can go, particularly, to the European countries and discover that they have problems with productivity, and they have problems with new job creation. One of the reasons they have problems is that they have structurally built into their economy a subsidy for nonproductive worker activity. It sounds very benign—indeed beneficial—to say to a worker: well, you have lost your job and therefore we will tide you over to another situation until you can get back on your feet. We have unemployment compensation for that. We have other safety net provisions.

But the Europeans, by and large, have adopted the notion that we not only tide you over, we make you whole and keep you in your present income circumstance regardless of our employment circumstance. I had this brought home very dramatically when the company that I ran came into difficulties and lost some clients and had to face laying off some people—ultimately including me. One of my employees, who was in our European subsidiary, said this with a complete straight face, not understanding how America works: How many months do we get from the Government in terms of maintaining our present salaries when this company fails?

I said: None.

He said: In the country where I am working, they get a year and a half to 2 years of continuation at present salary.

I said: Sorry, you are working for an American company—and he had come back here from Europe—and you are here in America. You have to find another job.

He did. He not only found another job, he found a better job than the one he had with me. I had to find another job as my company failed. I did.

If we had been under the circumstances of the language that is in this bill, we could have said to ourselves that we did not have any pressure to find another job; we could be subsidized where we were. We did not need to move forward. We could go just