HOUSE OF REPRESENTATIVES—*Wednesday, July 25, 1990*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. HOYER].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 24, 1990.

I hereby designate the Honorable STENY H. HOYER to act as Speaker pro tempore on Wednesday, July 25, 1990.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, for all those people who use the resources of the land to improve the lives of people. For those who nurture the soil and provide our food, for those who bring forth from the Earth the resources of plenty, and for all those whose stewardship cares for the land for the generations yet to come, we offer these words of thanksgiving and appreciation. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. PURSELL. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. PURSELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 288, nays 111, not voting 33, as follows:

[Roll No. 261]

YEAS—288

Ackerman
Anderson
Andrews
Annunzio
Anthony
Archer
Atkins
Barnard
Bateman
Bates
Beilenson
Bennett
Berman
Bevill
Bilbray
Boggs
Bonior
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Browder
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Carper
Carr
Clarke
Clement
Clinger
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Costello
Cox
Coyne
Darden
Davis
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dixon
Donnelly
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
Engel
English
Erdreich
Espy
Evans
Fazio
Fish
Flippo
Foglietta
Ford (MI)
Frank
Frost
Gaydos
Gejdenson
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Gradison
Grant
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hochbrueckner
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowey (NY)
Luken, Thomas
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McEwen
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morrison (CT)
Morrison (WA)
Mrazek
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Parris
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Petri
Pickett
Pickle
Porter
Poshard
Price
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Richardson
Rinaldo
Ritter
Robinson
Roe
Rose
Rostenkowski
Roth
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Sarpalius
Savage
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schulze
Schumer
Serrano
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (VT)
Snowe
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Vander Jagt
Vento
Visclosky
Walgren
Walsh
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Wylie
Yates
Yatron

NAYS—111

Armey
Baker
Ballenger
Barton
Bereuter
Bilirakis
Bliley
Boehlert
Brown (CO)
Buechner
Bunning
Burton
Callahan
Campbell (CA)
Chandler
Clay
Coble
Coleman (MO)
Condit
Courter
Craig
Crane
Dannemeyer
DeLay
DeWine
Dornan (CA)
Douglas
Dreier
Edwards (OK)
Fawell
Fields
Gallegly
Gallo
Gekas
Goodling
Goss
Grandy
Hancock
Hefley
Henry
Hiler
Holloway
Hopkins
Hunter
Inhofe
Ireland
Jacobs
James
Kolbe
Kyl
Lagomarsino
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McGrath
McMillan (NC)
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Murphy
Nielson
Pashayan
Paxon
Regula
Rhodes
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Schaefer
Schroeder
Schuette
Sensenbrenner
Shays
Sikorski
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stangeland
Stearns
Stump
Sundquist
Tauke
Thomas (CA)
Thomas (WY)
Upton
Volkmer
Walker
Weber
Whittaker
Wolf
Young (AK)
Young (FL)

NOT VOTING—33

Alexander
Applegate
Aspin
AuCoin
Bartlett
Bentley
Chapman
Coughlin
Crockett
Dickinson
Dingell
Fascell
Feighan
Flake
Ford (TN)
Frenzel
Gephardt
Gingrich
Gray
Hastert
Herger
Horton
Kaptur
McCrery
McDade
Meyers
Michel
Nelson
Sangmeister
Valentine
Vucanovich
Washington
Watkins

□ 1023

So the Journal was approved.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present I would have voted "aye" on rollcall No. 261.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. HOYER). The Chair recognizes the gentleman from Idaho [Mr. CRAIG] for the purpose of leading the House in the Pledge of Allegiance.

Mr. CRAIG led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1970. An act to establish constitutional procedures for the imposition of the sentence of death, and for other purposes, and

S. 2606. An act for the relief of Conwell F. Robinson and Gerald R. Robinson.

LET US OVERRIDE THE PRESIDENT'S VETO ON THE PARENTAL LEAVE BILL

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, we come to work today, we men and women of the Congress, with many complicated things on our minds. We are thinking about the deficit and how to reduce it without passing any unfair taxes. We think about the S&L debacle, how we are going to learn from past mistakes. We think about reducing the defense budget; how could we not have unemployment and dislocation.

These are complicated and important matters, Mr. Speaker. But now we have a chance to do something simple, something straightforward, and something that can help the men and women of our communities. That is to override the President's veto of the parental leave bill.

This bill merely says that a mother can stay home with a new baby, the most natural thing in the world, for a few weeks without losing her job.

This bill says that a father can take care of a parent who is dying, a chance to say "Thank you" without losing his job.

Mr. Speaker, the Congress knows that the American family has changed and has responded to these changes.

Mr. Speaker, let us do something for the American people and override this veto.

LET'S PUT SOME TIME LIMITS ON SPECIAL PROSECUTORS

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, it has been almost 4 years since we created the special prosecutor for the Iran-Contra affair. I am afraid that what started as prosecution has turned into persecution.

The American public does not know any more about Iran-Contra than it did 3 years ago; the defendants have been drained of their assets defending the charges; the only group to profit has been the lawyers.

The taxpayer has spent tens of millions of dollars on this probe, and gotten precious little for it. It is time to shut it down.

Today I am introducing a bill which will make sure that future special prosecutors are not able to conduct endless fishing expeditions. It will automatically put a 2-year sunset provision of the appointment of special prosecutors, unless an extension is approved.

My four Republican colleagues on the Iran-Contra panel HENRY HYDE, JIM COURTER, BILL MCCOLLUM, and MIKE DEWINE, have agreed to sign on as cosponsors of this bill. I urge other Members to join me in supporting this important legislation.

HEALTH AND ENVIRONMENTAL PROBLEMS ALONG THE UNITED STATES-MEXICO BORDER

(Mr. COLEMAN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Texas. Mr. Speaker, I rise today to introduce legislation to provide for the development and implementation of programs to address health and environmental problems along the United States-Mexico border region. I would also like to thank my colleague, Congressman ALBERT BUSTAMANTE, for sponsoring this legislation with me.

Those of us from districts along the border know all too well the characteristics and unique health and environmental problems experienced by border communities. The border region, though rich in many aspects, also presents us with many challenges that must be approached differently than in other parts of the country.

Last month an article in the Journal of the American Medical Association described the deplorable conditions in communities along the 2,000 mile-long border shared by the United States and Mexico. It also urged Congress to establish a permanent United States-Mexico Border Environmental Health Commission to develop programs to address the health and environmental problems along the border. My legislation, the United States-Mexico Border Health and the Environment Act, would establish a unit within the State Department and at least two regional offices which would develop and implement programs to alleviate the serious conditions present along the border. This unit would be headed by a coordinator appointed by the President and would be responsible for coordinating with Federal, State, and local entities to develop comprehensive environmental and health programs for the border region. My bill also calls for the Secretary of State to negotiate with Mexico to encourage the appointment of a coordinator of border health and the environment in Mexico to work with the United States counterpart to develop joint solutions to the various problems that exist along the border.

For the last three congressional sessions, Senator BENTSEN and I have urged the General Accounting Office and the Department of Health and Human Services to complete reports on health conditions along the border. The conclusions of these agencies were as expected: A high birth rate but a frightening infant mortality rate, low immunization rates, a lack of health insurance greater than in the general population, language barriers that make access to health care more difficult, a shortage in health professionals and a high incidence of diseases that have been eradicated in most regions of the United States.

Environmental problems along the border of the United States and Mexico are recognized as directly responsible for the higher rates of communicable diseases in those areas, particularly when compared with the rest of the country. The rate of gastrointestinal diseases and type A hepatitis are two to three times higher in the border area than in the rest of the Nation, and in El Paso County alone there are more hepatitis cases than in 24 States and more tuberculosis cases than in 19 States. The next step is to move forward with this information and do something about what has now been documented. I believe there have been enough studies reporting on the deplorable health and environmental conditions along the border and the time has come for us to take action.

All these problems will be magnified if the population continues to multiply at present rates. Currently, the Hispanic population is growing three times faster than the U.S. population generally, yet residents along the border earn the lowest income in the State. The population on the Mexican side of the border is increasing at an even greater rate than the United States population, in large part because of the employment opportunities created by foreign manufacturers establishing plants along the border. The tremendous growth seen in the twin plant industry has also had an

effect on the health and environment conditions along the border. Many see the growth of these industries as a mixed blessing. While they have served to employ approximately 1½ million Mexicans and have assisted in retaining some jobs in the United States instead of moving them to Pacific Rim countries, they have also created an overextension of Mexican infrastructure, such as hospitals, highways, sewage treatment plants, and serious pollution.

Rapid industrialization in border cities and the resulting waste have created a need for sophisticated waste management. In Nuevo Laredo, Mexico, for instance, an average of 24 million gallons of untreated wastewater are dumped into the Rio Grande, whose water is used by cities on both sides of the river as their water supply. Sewage dumped by Mexican cities in similar situations along the length of the river cause a number of ensuing problems. Portions of the Rio Grande are unfit for contact with human skin, much less human consumption. The high rate of communicable diseases, coupled with hazardous waste and air pollution, affect residents on both sides of the border—evidence that only by working together with Mexico can any progress really be made.

Air pollution is another serious problem being encountered by border communities. Several U.S. communities face the possibility of sanctions imposed by the Environmental Protection Agency for violation of Federal statutes. These violations, however, occur in part because of contributions to pollution by Mexican communities, a situation which has important public health implications. One community cannot tackle the problem alone without the cooperation of its neighbor to the South.

There are many examples of problems that cannot be resolved without the cooperation of the adjoining community because residents on both sides of the border contribute to the problem and are affected by resulting consequences. Diseases recognize no international border. I am heartened that communities on the United States side cooperate frequently with their Mexico counterparts. Local communities are very cognizant of the fact that they cannot wait for individuals in Washington, DC, and Mexico City to address their problems. I believe health professionals must often overlook the fact that we are two distinct nations and work together as one community on common problems. These informal networks and relationships, however, could be strengthened and improved by the establishment of a border health and environment unit which would coordinate Federal, State, and local efforts, as well as encourage international cooperation, to alleviate unhealthful conditions along the border.

I urge my colleagues to support this important piece of legislation.

REPUBLICANS WIN TROPHY: NINE TO SIX

(Mr. PURSELL asked and was given permission to address the House for 1 minute.)

Mr. PURSELL. Mr. Speaker, I have the great pleasure and great honor to present to the GOP House leadership the Republican Honor Roll Trophy that was won last night in a victory over the Democrats 9 to 6.

□ 1030

It was a great victory. During our great debates on important issues of the Nation we took a little time out last night on behalf of Children's Hospital. I would venture to say that we raised over $10,000 again this year for the kids of America.

On behalf of the GOP team and our fellow Democrats, it was a great game, a beautiful evening, and a great victory. Retirement is three times in a row for the GOP. Thanks very much, and we will win it again next year.

A BIRTHDAY PRESENT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, as we saw today by the paper, as there are no secrets, this is the month that I turn 50. So I feel perfectly free to come to this well and talk about what I want for my birthday. What do I want for my birthday? I want something that at my age I probably cannot use, but I want something for every American family, and that is family medical leave.

I certainly hope that 60 percent of Americans will be able to, at the end of this day, look forward to seeing the right to stay home with their children not being a privilege but become a right. It is a right in every industrial nation, every other industrial nation. Even South Africa has passed family medical leave.

So please help this 50-year-old woman get through her birthday, and let Members do something for the American people. I think they are tired of government by privilege and who a person knows, and benefits by privilege and who a person knows. Being with your family should be an American right. It is in every other country.

SUSTAIN THE VETO ON MANDATED LEAVE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, once again Congress has looked into its crystal ball and is saddling America's small businesses with another Federal mandate—family and medical leave.

Leave benefits make good business sense. A Federal mandate does not. Congress should be promoting policies to encourage employers to provide a flexible benefit package for their workers that meets the individual needs of each employee and business.

By mandating requirements, this bill discourages flexibility, requires uniform leave benefits, rides roughshod over freedom of individual choice, promotes job loss, and restricts business growth.

America's small businesses are opposed to mandated leave benefits. In a poll conducted by the National Federation of Independent Business [NFIB], over 84 percent of small business owners nationwide opposed mandated leave benefits.

Join me in opposing yet another mandate on the backbone of America's job market. Vote to sustain the President's veto of H.R. 770.

VETO OVERRIDE OF THE FAMILY MEDICAL LEAVE ACT

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute.)

Mr. RICHARDSON. Mr. Speaker, I am completely dismayed that today we must once again attempt a veto override on yet another piece of profamily legislation. I find this extremely disturbing. In the short amount of time that President Bush has been in office, he has used his veto power 13 times—that is more than President Reagan during the entire 8 years he was President. For someone that repeatedly stated throughout his campaign that "we need to assure that women don't have to worry about getting their jobs back after having a child or caring for a child during a serious illness", he certainly has a strange way of showing it.

The Family Medical Leave Act is a bill that is vitally important to thousands of American families across the country. In today's world, where both parents must work to make ends meet, they need the guarantee of the family medical leave act if they choose to start a family or if an accident, or long-term illness were to strike. In the world market, America is the only major industrial nation without such a leave policy for its employees.

The concerns expressed by the small business communities across the United States were addressed in the compromise package. Only 5 percent

of American employers would be required to provide family leave.

Mr. Speaker, I maintain that this legislation is desperately needed—too many Americans are being forced to choose between maintaining their economic livelihood and meeting their family responsibilities. The future of our families demands only one vote—a vote to override the President's veto.

INTRODUCTION OF VICTIMS' RIGHTS AND RESTITUTION ACT OF 1990

(Mr. OXLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OXLEY. Mr. Speaker, today I am introducing the Victims' Rights and Restitution Act of 1990.

So often, we focus on the criminal when we consider crime legislation. We increase prison capacity, provide law enforcement with sophisticated technology, and generally call for tougher measures to combat crime. While these efforts are important, we cannot overlook the fact that, in any violent crime, there is a victim that deserves our compassion, our support, and our care.

This legislation calls on Federal agencies to treat victims with respect and dignity, and to keep them informed of court proceedings against their attacker. Also, the bill would ensure that law enforcement agencies provide various services to victims, such as providing information on counseling, medical care, and police protection.

Finally, my legislation requires Federal courts to order a convicted criminal to pay restitution for the full amount of the victim's losses, and specifies that restitution orders cannot be discharged as a result of bankruptcy.

It is about time that we look at the other, and more tragic side of violent crimes. Let's put away the criminal offenders and offer our compassion and assistance to those who were their victims. I urge my colleagues to support this bill.

OVERRIDE PRESIDENTIAL VETO

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, when the Family and Medical Leave Act came to President Bush's desk, he had a choice: He could side with the business interests and veto the bill, or he could stand up for American families and sign it. True to the age-old image of the Republican Party, President Bush vetoed the Family Medical Leave Act, an action which brought smiles to the corporate board rooms of America, and sadness to the family rooms in American homes.

Instead of supporting those progressive businesses which have already instituted family and medical leave policies at least as liberal as this bill, the President vetoed the bill. President Bush's veto comes to the defense of the dregs of American business, those corporate managers more interested in book value than human values. President Bush's veto did not do any favors for American business, and it is certainly a slap in the face to working men and women stuggling to keep their families together. Members should override this mistake by President Bush.

FINANCIAL CRIMES PROSECUTION AND RECOVERY ACT AS REPORTED BY THE COMMITTEE ON THE JUDICIARY

(Mr. HILER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILER. Mr. Speaker, I rise today to encourage the leadership of this House to promptly take up the S&L crime package passed by the Judiciary Committee as a separate bill. Yesterday, I joined the distinguished ranking members CHALMERS WYLIE and HAMILTON FISH in introducing H.R. 5353, the Financial Crimes Prosecution and Recovery Act as reported by the Committee of the Judiciary of the House of Representatives. Three-quarters of this bill is derived from H.R. 5050 legislation that I joined a bipartisan coalition to introduce and that has been reported unanimously by a Banking Committee subcommittee. They say that imitation is the sincerest form of flattery and we Republicans on the Banking Committee are tremendously flattered by the Judiciary Committee's S&L amendment. We feel that every effort must be made to pass it into law by the recess date.

H.R. 5353 is tremendously important legislation. Government prosecutors and regulators need the tools contained in this bill and H.R. 5050 to enhance criminal prosecutions and increase recoveries at troubled and failing financial institutions. I am concerned that by the crime bill which only passed the Judiciary Committee by a 19 to 17 vote is legislation that is filled with controversy and may impede the prompt passage of S&L crimes legislation. I encourage the House leadership to take the opportunity to move the Judiciary Committee's amendment, which has considerable bipartisan support from the Banking Committee, and bring it to the floor for a clean vote next week. Lets not bog the clean up of the S&L problem in the divisive and controversial issues that fill the crime bill. I urge my colleagues to support the Wylie-Fish bill, H.R. 5353, and to work to bring it cleanly to the floor so that we may pass it into law by the August recess.

VOTE TO OVERRIDE VETO

(Mr. TORRICELLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Mr. Speaker, we need to assure that women do not have to worry about getting their jobs back after having a child or caring for a child during a serious illness. That was President Bush's promise during the last election.

Today we vote on a different reality, to override the veto of the President on the Family Leave Act.

The President tells Members it would not be efficient, that it would hurt business if we gave parents a chance to be with their children in illness. He does not explain how the Germans, the Japanese, our economic competitors, have more liberal leave policies and have prospered while many American families have been hurt, and parents have been taking from their ill children.

However, this is not only about efficiency, this is about a more decent Nation. It is about building strong families, about parents who can care for children, and about their own aged. Vote to override this veto because the ultimate efficiency is a working family, a family unit that can work and can care for their own. Vote to override.

□ 1050

SUBSIDIZED PORNOGRAPHY

(Mr. ROHRABACHER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. ROHRABACHER. Mr. Speaker, there is talk that a National Endowment for the Arts appropriation bill will come to the floor before Members have been given an opportunity to vote for and to amend an authorization bill, before there is an opportunity to set standards so that tax dollars do not subsidize anti religious or pornographic art. The American people are sickened to see their tax dollars subsidizing crucifixes being submerged in bottles of urine or photographs indistinguishable from triple X-rated pornography.

Those of us who are concerned about this travesty were assured of a vote on standards. Now, we hear that through parliamentary procedures and parliamentary manuevering we may be denied a vote on effective standards. If Members of this body are forced to vote for an NEA appropriation bill with no standards or sham

standards, this body should vote to zero out the National Endowment for the Arts, this rougue agency. Let the American people make their own decisions as to what art they will not subsidize.

Mr. Speaker, if there are effective standards against the subsidization of blasphemy and pornography, so be it, but if there are no standards within this authorization or appropriation, there should be no government arts program, no National Endowment for the Arts.

S&L CROOKS EXCUSED, BUT JIM BAKKER PAYS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute.)

Mr. TRAFICANT. Mr. Speaker, after the big savings and loan ripoff, the Justice Department has had it, they are upset, and they are going to play hardball. But because they cannot collect from these savings and loan crooks and the judges said they have suffered enough, they are going after Jimmy Bakker. Remember Jimmy, the television preacher known for a TV ministry full of sex and violence and at times even violent sex? He is doing 45 years of hard time in prison, and guess what? The Justice Department is going after every penny they can. They are going to garnish his prison wages—11 cents per hour, $2.64 per day, $18.48 per week, $967 per year.

Think about that. In only 500 million years they will collect every penny the savings and loan crooks ripped off from us.

I say, "Wow. Stay healthy, Jimmy. The entire supply side economic recovery now depends on you. I don't care what anybody said about you, you're OK with me. Go get 'em, Jimmy."

A PROPOSAL TO EXTEND GRAMM-RUDMAN AND BALANCE THE BUDGET

(Mr. GEKAS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, the budget deficit is now reported to be $170 billion. The Gramm-Rudman target is around $65 billion from the deficit. This is impossible. Everybody knows that we cannot do it. Yet Gramm-Rudman is the only way we can discipline ourselves.

So I have offered a solution—not the solution perhaps, but a solution—and that is to pass a bill and enact a law which would extend Gramm-Rudman to 1995. It would call for a $50 billion cap on the deficit reduction for 1991 and $30 billion a year thereafter until 1995, when we would in a new target area bring about the balanced budget. That is the only realistic way we can do it. This $50 billion we are talking about for this year coincides with the Federal Reserve Chairman's estimate as to what it would require for a healthy economy and for bring about reduced interest rates. A capital gains tax cut in the midst of that would help the economic recovery continue on its upward course.

Mr. Speaker, I offer this bill, and I ask for the cosponsorship of Members.

SALUTE TO NOLAN RYAN

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, I rise to salute one of the most extraordinary athletes of our time—Texas Ranger pitcher Nolan Ryan. This evening in Arlington Stadium, Nolan Ryan will attempt to win his 300th game. Baseball fans all over America will be rooting for him and, whether or not he wins tonight, there is no question that he eventually will win number 300.

Few athletes in any sport can match Nolan Ryan's record of achievement. At age 43, he is pitching some of the best baseball of his career. Last year he extended his all-time career strikeout lead past the 5,000 mark. This year, he pitched his 6th no-hitter—another major league record. He is ranked near the top of the American League in strikeouts all season, despite having missed a number of starts due to a back injury.

Nolan Ryan has demonstrated that it is possible to sustain a high level of excellence well past the time when most baseball players have retired. He is an inspiration to people of all walks of life and has given people in his home State of Texas something to cheer for in the face of difficult economic times. I salute him and wish him well as he takes the mound tonight.

PROPOSED CONSIDERATION OF S&L BILL BEFORE AUGUST ADJOURNMENT

(Mr. DOUGLAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOUGLAS. Mr. Speaker, we can finally do something about the savings and loan crooks before we go home in August. Last night the Wyley-Fish savings and loan bill was introduced. It is H.R. 5353.

There are those who will ask, What is in this bill? What are we going to do with another bill? Let me suggest to the Members that this is the same bill that came out of the Banking Committee and out of the Financial Institutions Subcommittee on a 42-to-0 vote. We marked it up in the Committee on the Judiciary on Tuesday. It is ready to come to the floor; it is ready for a vote. Republicans and Democrats know what is in it.

There should be no increase in the debt limit and there should be no adjournment—and I think the Republicans are going to hold everyone to that standard—no debt limit increase and no adjournment until H.R. 5353 is voted on and sent out of this body to the Senate.

Can it be done? Of course it can be done. Last week the balanced budget statute, the sham statute, came to this floor without any hearing and without any markup in any committee. If the Speaker wants to move legislation, all he has to do is put it on the list for next week and let us vote on it.

It needs one little amendment, Mr. Speaker. It does need my amendment which I hope to offer to open up the Jim Wright case and all the other closed files, as well as all the pending files, of savings and loan problems with Members of this body and former Members, and get those files over to that special counsel that is included in H.R. 5353.

A PLEA TO ACCEPT COMMITTEE RECOMMENDATIONS OF MATTERS OF ETHICS

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, much time of the House today or tomorrow will be wasted on motions to censure or expell BARNEY FRANK. The Ethics Committee, Republicans and Democrats, thoroughly investigated the case and recommended unanimously that he be reprimanded.

If Mr. FRANK accepts this judgment, we should also, just as the House accepted the Ethics Committee recommendation for no action on the book dealings of the Republican whip, Mr. GINGRICH. These were at least as creative as any book deal ever conceived by Jim Wright. To go beyond the committee's recommendations is to incite ugliness and bigotry in this House——

The SPEAKER pro tempore (Mr. GLICKMAN). The Chair would ask the gentleman to withhold.

The Chair would state to the gentleman that under the rules and procedures of the House he should not discuss a pending case before the Standards Committee before it comes to the floor, where it will then be fully discussed. The gentleman can proceed generally to talk about issues, but he cannot get into any specifics of any Member's conduct.

Mr. McCLOSKEY. Generally speaking, then, Mr. Speaker, to go beyond the committee's recommendation would be most unfortunate and would

incite bigotry and ugliness in a way that is most regrettable. This would not be befitting the dignity of our two great political parties.

A SPECIAL COUNSEL TO INVESTIGATE S&L FRAUD

(Mr. BUNNING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUNNING. Mr. Speaker, tired of all of the bull on the savings and loan crisis? Boy, the Democrats sure are.

Yesterday they were forced to show their true colors.

During consideration of the crime package in the Judiciary Committee, one Member wanted to show the world how tough he was on S&L fraud and offered an amendment to appoint a special counsel.

But, when an additional amendment was offered to have the House and Senate Ethics Committees turn over all of their information to the special counsel to see if any Members of Congress committed any crimes, the big, bad, get-tough Democrats took tail and ran.

Did I hear the ghosts of Jim Wright, Tony Coelho, and Freddie St Germain voting by proxy?

H.R. 5353 contains this important responsibility for the special counsel. If you really want to get tough on S&L crime, cosponsor H.R. 5353 and let the special counsel decide who the S&L crooks really are.

□ 1050

AMERICAN FARMERS FEELING EFFECTS OF PROTECTIONIST AGRICULTURAL POLICIES ABROAD

(Mr. BUSTAMANTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BUSTAMANTE. Mr. Speaker, I rise today in support of H.R. 3950, the 1990 farm bill. This bill contains numerous provisions very important to America's position in agriculture. It seeks to aid American farmers who feel the effect of protectionist agricultural policies abroad.

It will promote the sale of U.S. agricultural commodities in foreign markets.

It will continue to provide the American farmer with the reasonable level of support he needs to stay competitive in a very hostile trade environment.

European and Japanese farmers receive huge subsidies from their governments. American farmers cannot and will not be left out in the cold.

I urge my colleagues to support a strong farm program, and to support the ability of American farmers to compete in the world marketplace.

STOP THE PARTISAN MANEUVERS—PASS THE FINANCIAL CRIMES PROSECUTION AND RECOVERY ACT

(Mr. MACHTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MACHTLEY. Mr. Speaker, it is remarkable to me that some of the very same people from the other side of the aisle who have been criticizing the Republican administration for not adequately prosecuting the S&L crooks are now dragging their collective, purely political feet in enacting a separate S&L crime bill. The leadership, it appears, has tied up the S&L crime package within a controversial, and perhaps divisive, omnibus crime bill whose passage appears to be certainly not assured. We need to move the S&L crime bill through the House and have it on the President's desk before the August recess.

Yesterday, Mr. Speaker, the gentleman from Ohio [Mr. WYLIE] and the gentleman from New York [Mr. FISH], ranking members, introduced the Financial Crimes Prosecution and Recovery Act as reported by the Committee on the Judiciary. This legislation separates the Committee on the Judiciary's S&L crimes amendment as a clean bill. The legislation enjoys bipartisan support, the support of the administration, the support of the Department of Justice, and the support of the chairman of the FDIC.

Mr. Speaker, every day the leadership postpones the consideration of H.R. 5353, the cost of cleaning up this S&L mess is increasing. I do not need to remind anyone in this body that the American people are demanding action. They will not stand for another blanket covering this simmering mess.

My colleagues, let us finish with the partisan maneuvers and get on with the tasks at hand. Let us work toward enacting H.R. 5353, the Wylie-Fish bill, into law and put those S&L crooks into jail.

SUPPORT THE FARM BILL

(Mr. SARPALIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SARPALIUS. My colleagues, please notice behind the Speaker's podium there is an American flag, and above that flag is engraved "In God We Trust," and above that is a clock. On each side of that clock are the American eagles which symbolize this strong country which has a strong defense system which must be able to protect itself. But on each side of those eagles is a basket of food.

Mr. Speaker, today we will debate a farm bill, it is important that, to be a strong country, we must be able to produce enough food and fiber for our people at an affordable price.

Oh, what a bargain we give the taxpayers of this country. Today my colleagues will hear debate from Members who will want to cut the heart out of the agricultural program. We have less than 1 percent of our total budget going for farm support programs, and in that investment, for the American dollar only about 13 cents of our hard-earned dollars goes for food.

Mr. Speaker, my colleagues can go to any other country in the world, and the cost for their food is much, much higher. They can go into any supermarket in this country, and they will find a wider variety of food than anywhere else in the world.

We are blessed. We are fortunate. In Moscow there are people that get in line at 5 o'clock in the morning just to go get a McDonald's hamburger.

So, Mr. Speaker, I challenge my colleagues, as we debate the farm bill today, to look at that wise investment that we do give to the American people and to our farmers.

WE NEED IMMEDIATE ACTION ON THE FINANCIAL CRIMES PROSECUTION AND RECOVERY ACT

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, I would join in urging Members of this body to sign on with my friend and colleague, the gentleman from New York [Mr. FISH] and myself in encouraging the leadership in bringing to the floor and passing the Financial Crimes Prosecution and Recovery Act.

I appreciate very much the encouragement of those who have gone before and spoken on behalf of our effort.

H.R. 5353 would enhance the prosecution of S&L fraud and gives the regulators and prosecutors more power to seize stolen property. Much of this bill was originally incorporated in H.R. 5050 and has had bipartisan support since its inception. As of today, over 140 Members from both sides of the aisle have signed on as cosponsors. The bill, passed unanimously by the Financial Institutions Subcommittee, was modified and incorporated in the crime bill as title XIX.

Mr. Speaker, I commend the gentleman from New York [Mr. SCHUMER], the chairman of the Criminal Justice Subcommittee, for his hard work on the financial crimes title.

The problem is, Mr. Speaker, that the crime bill has been referred to four other committees. We can expect substantial delays because of the committee consideration, as well as the partisan nature of many of the issues in that bill. That is why the gentleman from New York [Mr. FISH] and I are asking that the bill be brought to the floor immediately so that the American taxpayer, who is outraged at the cost of the savings and loan crisis, can have a shot at better prosecution as far as the S&L crimes are concerned.

CATFISH SWIMMING PAST COD AND FLOUNDER

(Mr. ESPY asked and was given permission to address the House and to revise and extend his remarks.)

Mr. ESPY. Mr. Speaker, there is something fishy on Capitol Hill today, and I would like to admit that my office is responsible.

Tonight, Mr. Speaker, we will be serving up more than 700 pounds of catfish in the Longworth cafeteria. I hope that all of my colleagues and friends can come and join us and share in this southern delicacy.

Mr. Speaker, I know that this fish is not all that pretty. As a matter of fact, it is probably one of the ugliest of fishes. However my colleagues know the old saying, that it is not what is on the outside, but what is on the inside, that counts, and we know that in the case of catfish the inside is nothing but delicious.

Mr. Speaker, by the end of the decade, this little fish will probably be the most consumed fin fish in the United States, swimming past cod and flounder. Sales have increased from 5.7 million pounds from 1970 to more than 340 million pounds today. It provides about 6,000 jobs in my congressional district and is responsible for an economic impact to the State of Mississippi of about $300 million per year.

So today, Mr. Speaker, I am proud to give tribute to all of the catfish growers and producers all across our country, but most especially to the catfish growers and producers in Mississippi who have been most successful with this alternative crop which has given such a great boost to our rural economy.

MOVE QUICKLY ON THE WYLIE-FISH S&L CRIME BILL

(Mr. ROGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS. Mr. Speaker, the gentleman from Ohio [Mr. WYLIE] and the gentleman from New York [Mr. FISH] have introduced a bill that would speed up the prosecution of those in the savings and loan crisis, those criminals responsible for plundering the savings of the American people. We must move quickly, and in order to do so, we must not slow the process by waiting for the crime bill. Instead, we should consider the provisions dealing with S&L crimes in HR 5353, the Wylie-Fish bill separately, and, furthermore, move to pass the bill before the August recess.

As we are all too well aware, the estimated cost of the S&L bailout is growing by millions of dollars each day, and the amount of cases involving S&L fraud, solved and unsolved, known and unknown, is mounting at an alarming rate. We must not let these cases sit on the shelf. We in Congress are responsible for enacting legislation that will allow the criminals to be caught and the money to be returned to the American people. Our constituents are counting on us to get something done and to protect them from further thievery.

This bill is based on H.R. 5050 which has been endorsed by the Justice Department, is supported by FDIC Chairman Bill Seidman, and was reported by a vote of 42 to 0 by the Financial Institutions Subcommittee. The Wylie-Fish bill expands the tools available to the Federal Government and strengthens the sentencing guidelines that will bring the S&L criminals to a long awaited justice.

THE PRESIDENT'S VETO OF THE FAMILY AND MEDICAL LEAVE ACT

(Mr. OWENS of Utah asked and was given permission to address the House for 1 minute.)

Mr. OWENS of Utah. Mr. Speaker, I rise today in opposition to the President's veto of the Family and Medical Leave Act and urge by colleagues to support this override.

As my colleagues know, improvement of the human condition has not always been easy and has almost always been accompanied by compromise. Today, we debate basic safeguards for the families of working men and women of this country, safeguards, we must recognize which are already in place in most industrialized nations around the world. Isn't it ironic that the United States has taken so long to follow their lead on this? And isn't it doubly ironic, Mr. Speaker, that our chief executive, usually a strong supporter of strong families, is fighting this vital family need every step of the way?

Supporters of this legislation are not asking the business community for extravagant economic sacrifice. Rather, they seek only basic protection for their families and only from larger businesses which can afford to give it. Workers who make businesses grow and prosper, ought not be reduced to the difficult choice between careers and caring for a newborn or seriously ill loved one.

Opponents of the measure have argued in the strongest terms against Government intrusion in what they have called business matters. White House spokesmen have said these family and medical leave benefits should be provided voluntarily. Unfortunately real life does not always work that way. Social Security was not negotiated. Neither were minimum wage, unemployment insurance, or child labor laws. These were legislated for the sake of fairness and civility in the workplace.

But we care about the small businesses which must bear this burden, and for that reason we worked out a compromise—one which I, along with many of my colleagues, insisted on. Under this compromise, businesses with less than 50 employers would not be covered by the law. In my State of Utah, 95 percent of all businesses would be exempt. Only the largest and most financially able businesses would have to adhere to the Family and Medical Leave Act.

□ 1100

FAMILY AND MEDICAL LEAVE ACT

(Mrs. MORELLA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MORELLA. Mr. Speaker, I rise to urge my colleagues to vote to override the President's veto of the Family and Medical Leave Act.

When I spoke on this issue on the House floor last year, I mentioned that the United States and South Africa were the only industrialized nations in the world that did not offer a family leave policy to their citizens. Less than a year later, Mr. Speaker, conditions have changed. Following the adoption of a family leave policy in South Africa, the United States is now the only industrialized nation in the world lacking such a policy. We are, to say the least, Mr. Speaker, behind the times.

Some would argue that passage of the Family and Medical Leave Act would damage American competitiveness by encouraging worker absenteeism. But this argument is completely unsubstantiated by modern experience. Japan and West Germany, widely considered to be the most economically competitive nations in the world, both offer national family and medical leave policies much more comprehensive than what we are considering today. In fact, today's bill provides only minor benefits when compared to the family and medical leave policies of the world's other leading democracies.

The Family and Medical Leave Act strikes an important balance between the needs of American businesses and those of its working families. It allows workers to take 12 weeks off—without pay—for family or medical emergencies, yet it permits employers to replace workers who have not returned to work after those 12 weeks. In a nation which prides itself in its family values, surely we can permit our citizens to be with their loved ones during times of illness and with their children in the formative months after childbirth.

Critics of the Family and Medical Leave Act charge that it is the responsibility of management and its employees to work out their business policies and that the Federal Government should not be involved. But we have all heard this before—from those who fought against the establishment of a minimum wage to those who opposed creating our Nation's pension program, Social Security. In both these cases, Government had to step in to ensure that all American workers received a fair deal. Now the Family and Medical Leave Act again presents us with the chance to recognize that our citizens are people, as well as workers.

I urge my colleagues to vote to override the President's veto of this much-needed piece of legislation.

IN SUPPORT OF THE OVERRIDE OF THE PRESIDENT'S VETO OF H.R. 770, THE FAMILY AND MEDICAL LEAVE ACT OF 1989

(Mr. HAYES of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYES of Illinois. Mr. Speaker, I rise to encourage my colleagues' support in overriding the President's veto of H.R. 770, the Family and Medical Leave Act of 1989.

This country lags so far behind other countries when it comes to our social responsibilities. Sadly, statistics from divorce to child poverty to teen pregnancy tell us that our families need our attention.

Finally, when we in the Congress have reached an agreement on family and medical leave for our Nation's workers, the President, after months and months of campaigning in support of this very issue, denies our workers basic job protection.

I believe that the Family and Medical Leave Act represents sound social and much needed family policy. In addition, I consider this legislation to be a very modest step in the right direction. In my opinion, family and medical leave is a minimum labor standard akin to minimum wage and child-labor laws.

Once again I call upon my colleagues that profess to be so profamily to stop giving lip service to family values and begin to see the need for a more realistic policy approach for our Nation's families. Our futures and our families may depend on it. Please vote to override the President's veto.

THE URGENCY OF THE S&L CRISIS

(Mr. KASICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KASICH. Mr. Speaker, I stand before you today to once again stress the urgency of the S&L crisis, and with it the need to investigate, prosecute, and punish the S&L criminals as quickly and efficiently as possible. We must not get bogged down in legislation subject to partisan debate and based on matters extending beyond the issues at hand.

By waiting to pass the crime bill and the provisions dealing with the S&L crimes contained therein, we are only delaying the process of passing S&L crime legislation.

We must therefore consider separately the passage of H.R. 5353, sponsored by my colleague and good friend, the gentleman from Ohio [Mr. WYLIE].

The American taxpayers have been nothing but victims of fraud and abuse employed by S&L officers, Congress, and powerful lobby groups. The welfare of the hard-working American has not been protected. The same taxpayers are now on the hook for paying a bill for over $300 billion to bail out the industry and to return the money due to depositors.

The gentleman from Ohio [Mr. WYLIE] has been a leader in trying to work to effectively get our way through this problem. What I would like to say is that the gentleman from Ohio [Mr. WYLIE] ought to be given a fair shot by those on this side of the aisle who would like to incorporate the provisions of his bill in their bill. What I would suggest rather than fooling around, monkeying around with all that, let us just pass what the gentleman from Ohio [Mr. WYLIE] has proposed. It will make sense. It will get us well on the road to resolving this problem.

PENALIZING TAXPAYERS FOR S&L CRISIS

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. APPLEGATE. Mr. Speaker, once it was obvious how much the savings and loan mess was going to increase the budget deficit, President Bush decided that the taxpayers of this country should be penalized to pay for it.

Now, is that not ironic? The savings and loan thieves who stole their depositors blind, and now the same depositors are asked by President Bush to pay more taxes to bail themselves out. That does not make sense. Is this fair? No, it is not fair.

Justice was swift when the Congressmen involved in Abscam and Wedtech were sent to jail. Right away people said, "Let's take care of those thieves." Why not the savings and loan crooks? They are the biggest thieves in history. They make Jesse James look like Pat Boone.

I say to President Bush that if he is going to punish the taxpayers, then punish the crooks first.

INVESTIGATE JIM WRIGHT, TONY COELHO AND FERNAND ST GERMAIN

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, many of my colleagues on this side of the aisle have once again been berating the administration regarding the S&L crisis, saying that we ought to put the crooks in jail, and last week I sent a letter to the Justice Department with 32 signatures requesting that the Justice Department prosecute, if necessary, those people from the Congress who have been involved in this Congress. I specifically mentioned the Speaker of the House, Mr. Jim Wright, Mr. Tony Coelho, and Mr. St Germain. Not one Democrat would sign that letter requesting an investigation and possible prosecution.

Yesterday when H.R. 5353 was voted on in the committee, an amendment was proposed asking that the Ethics Committee release the information to the Justice Department so that these people could be investigated and prosecuted. I am talking about Jim Wright, Tony Coelho, and St Germain, and not one Democrat would vote for it.

Now, Mr. Speaker, you cannot have it both ways. If you want prosecution of crooks, then let us prosecute them. Let us get the information to the Justice Department to get the job done, and that means information from the Ethics Committee on Jim Wright, Tony Coelho, and St Germain.

IN SUPPORT OF OVERRIDING VETO OF FAMILY AND MEDICAL LEAVE ACT

(Mr. BRENNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRENNAN. Mr. Speaker, I rise today in strong support of overriding the President's veto of the Family and

Medical Leave Act. With both parents working by necessity in many families and single parents working to try to stay out of poverty, what happens when a family member becomes sick? Should workers be forced to face being fired or worry about being fired if they want to take care of a family member?

Workers in my own State of Maine are lucky because we have a law that works which provides for parental and medical leave. Maine workers are able to take leave to take care of a newly born or adopted child, a family member or to recuperate from a serious illness, without concern about losing their jobs.

The Family and Medical Leave Act is necessary. It is socially just. It is right. People simply should not be forced to choose between their jobs and their families.

Mr. Speaker, I strongly urge my colleagues to vote in favor of the override. Frankly, I urge my colleagues to vote in favor of families.

THE END OF BINARY CHEMICAL WEAPONS

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, Secretary of Defense Dick Cheney recently withdrew his $140 million fiscal year 1991 request for the Bigeye bomb and the 155 millimeter binary shell. The Secretary deserves unmitigated praise for his forsight in terminating this unwise and costly program.

The binary program was doomed from the start. The Bigeye bomb had a questionable mission and unworkable technology. The plan to store binary weapons on our soil for use in Europe was never feasible.

The United States-Soviet agreement to destroy all but a small fraction of their huge stockpiles puts President Bush in a leadership position to achieve a truly histroic multilateral chemical weapons nonproliferation treaty in Geneva.

Such an agreement would be the highlight to a very successful first term and would demonstrate the President's ability to further U.S. interests in this amazing era of change. Congratulations, Mr. President.

KEEP COMMITMENT TO FAMILIES OF AMERICA

(Mrs. UNSOELD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. UNSOELD. Mr. Speaker, "we need to assure that women don't have to worry about getting their jobs back after having a child or caring for a child during a serious illness."

That is what our President said. Not recently, though. He said that back on the campaign trail. Now, he has vetoed the bill that would help working women and men care for their families.

This veto is an attack on American values, an attack on American families.

Today many claim the American family is falling apart. They blame our social and economic ills on the demise of the family.

American families are facing new economic challenges: More women are working, more single-parents are raising families alone, and more families are caring for aging parents. This family and medical leave bill will help our families face these challenges.

Strong families make America strong.

Where are our values? Where are our priorities?

Let's keep our commitment to the families of America.

Let's override this veto.

DON'T VOTE FOR CHILD PORNOGRAPHY, BLASPHEMING OUR LORD AND SAVIOR JESUS CHRIST, OR DEFENDING THE HOLLYWOOD LEFT

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I had wanted to rise this morning during this steam valve 1-minute pressure relief period to again talk about, as I do periodically, our hostages in Beirut. Terry Anderson was taken prisoner 5½ years ago. The AP bureau chief, Tom Sutherland, was taken prisoner a few months later, on June 9, 1985. He had only been 20 minutes out of the airport. He has since been 5½ years in a dungeon, some cellar in Beirut. He spent only 20 minutes free on the Beirut Airport road.

I ask people to pray and send me suggestions. I have asked before but I do not get any. I want to know what we can do, what I can talk to President Bush about.

Mr. Speaker, I want to do a double pressure relief this morning. Here is the front page of last Wednesday's Washington Times. On the front is a pornographic picture. The distinguished journalist, the brilliant Arnauld de Borchgrave, had no choice. It is part of the NEA debate. The picture is of a ceramic, three-dimensional, hard core pornographic work by, it says, some feminist Judy Chicago. That is an assumed name. To say this woman is a feminist is insulting to feminists, if that's possible. She is not a feminist, she is a weirdo, wacko, three-dimensional ceramic pornographer.

Now, I understand that the leadership is going to bring NEA funding to this floor without an authorization bill, just an appropriations bill. We are not allowed to legislate on appropriations bills. So I guess the leadership wants an up or down vote on NEA funding.

Look, Mr. Speaker, this is not going to be the Christian right against the Hollywood left. It will be fought by all those who want to stop the slide into the sewer of American culture. And if you want an up or down vote on NEA, then a pro-NEA vote is going to be interpreted, and I'll make sure it is, on November 6 as a vote for child pornography, a vote for blaspheming our Lord and Savior Jesus Christ, and a vote for defending the Hollywood left.

Have it your own way, Mr. Speaker.

OVERRIDE PRESIDENTIAL VETO ON FAMILY AND MEDICAL LEAVE ACT

(Mrs. COLLINS asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. COLLINS. Mr. Speaker, I would urge Members to vote for the override today on the Family and Medical Leave Act veto. As a mother I know very well the anxiety that comes upon you when your child is sick. I also know what it is to have a parent who is desperately ill and who needs your help, who needs your assistance, who needs your moral support.

The economic status for many people is such that they cannot afford to take a chance on losing their job to be a good family member. I do not think that we as Americans ought to put them in that position. We as representatives of all the people in this Nation I believe have a responsibility to ease that kind of burden for our working people, our mothers, our fathers, our children, and anybody else in our family who happens to be extremely ill.

Mr. Speaker, we have received a large number of letters in my office and personal phone calls from people telling very distressing, real stories of what has happened in their families, of jobs that have been lost, of loved ones who have been left uncared for. Surely that is not what we want to do. Certainly we must in fact pass the override bill when it comes up today and give back the comfort and safety that working America needs and wants.

NO AID FOR FRAUDULENT SOVIET SYSTEM

(Mr. COX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COX. Mr. Speaker, the recent declaration of sovereignty in the Baltics, in the Ukraine, and even the Russian Republic itself, shows that the Soviet empire is crumbling. At the same time the evidence is also mounting that these changes are occurring in the Soviet Union not because of the current leaders of the Communist Party, but in spite of them.

We have heard a lot about glasnost and perestroika. The introduction of reforms some are saying is due entirely to the reformed leadership of the Communist Party and its head, Mikhail Gorbachev. But behind the scenes Mikhail Gorbachev continues to be a drag on reform, firing newspaper editors, expelling journalists from Lithuania, and gassing peaceful protestors in Soviet Georgia.

The principal tool of repression in the Soviet Union is the KGB. Recently a top KGB major general resigned his position and fingered the KGB as a tool of the Communist Party. He also filed as a candidate for the Soviet Parliament.

Yesterday, Mr. Speaker, the Gorbachev government arrested Oleg Kolugy. That is the reality of glasnost and perestroika in the Soviet Union. The system is a fraud and it ought to be a hot day in Siberia before we support it with American taxpayer dollars, as some in this Congress are proposing.

FAMILY AND MEDICAL LEAVE ACT, A PROTECTION AMERICANS NEED

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER of New York. Mr. Speaker, I am basically an optimistic person. I enjoy the daily give-and-take of making laws. It takes a lot to get me steaming mad on the floor of Congress. But as we debate once again the merits of the Family and Medical Leave Act, I am embarrassed and angry. Embarrassed that we are still debating a basic protection that workers in every other industrialized country now enjoy.

George Bush, in his campaign, said he would support unpaid leave for new parents or workers facing a family medical crisis. What he neglected to tell us is that he would veto legislation that would guarantee it. Once again the American family has been bushwacked. Once again on a critical issue, the current administration has sided against the interests of the average American worker. Opponents argue that that bill will prove too expensive and cumbersome for American businesses. If this is so, why are so many companies adopting medical leave policies voluntarily?

I know what we all expect today. The votes, I'm told, are not sufficient to override this veto. But I urge my colleagues thinking about supporting the President to reconsider. This is an important protection that American workers need and expect. Mr. Bush does not have to explain his position to the voters this fall. We do.

GATT NEGOTIATIONS MUST RESIST EFFORTS TO WEAKEN EXISTING LAW

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, strong and effective trade laws are critical to the health of U.S. industry. In the past decade more than 700 antidumping and countervailing duty cases were filed by thousands of companies across the United States, involving plants and communities in virtually every State of the Union.

The Uruguay round of GATT is entering the closing month of negotiations. The final consensus will be brought to Congress for approval of the legislative fast-track. This agreement will be the basis of our future trade laws. That is why it is urgent that we act now to ensure our negotiators resist any efforts to weaken existing law.

Task forces have been formed by our parties, as well as the creation of a coalition of congressional caucuses, to monitor and examine what these proposed changes will mean to American companies. Our trading partners should be put on notice that next year's congressional consideration of the GATT agreement will depend on the results of GATT negotiations in creating a strong and enforceable discipline that does not weaken our existing trade laws. Anything less will be met with strong and unified opposition.

CONGRESS MUST ACT ON H.R. 5353 NOW

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, for several weeks we have heard Members of this House telling us that we must take tough action on the savings and loan mess. That time has come. H.R. 5353 has been introduced and it is available for immediate action. It is a bill which is a consensus of bipartisan vote already recorded in both the Committee on the Judiciary and the Committee on Banking, Finance and Urban Affairs. We can act responsibly now.

Mr. Speaker, it is the intention of many Members that we do act now. Therefore, this House can expect that there will be opposition to adjournment motions this week and the week thereafter until H.R. 5353 has been considered, hopefully as a free-standing bill. We ought not be waiting for the savings and loan issue to be tied to other legislation like the crime bill, which may take more weeks to resolve. We can and we should act now.

□ 1120

CONGRESS SHOULD OVERRIDE VETO ON FAMILY AND MEDICAL LEAVE ACT OF 1990

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, I stand here as an unabashed supporter of President Bush. I think he is a very effective leader. Moreover, I think he is a fine and decent human being.

But I must confess I think his veto of the Family and Medical Leave Act was ill-advised. Today I was heartened to read an article in the Washington Post by one of America's most respected business leaders, Lawrence Perlman, who is the president and chief executive officer of Control Data.

Among other things, Mr. Perlman said of the Family and Medical Leave Act: "It is an important piece of legislation because it recognizes that each employee is a whole person with a life that extends beyond the workplace. Employer support of the employee and her or his family is as important as safety and a minimum wage. The House would do well to override this veto in its scheduled vote today."

To that I can only add, amen.

FAMILY AND MEDICAL LEAVE ACT OF 1990—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-209)

The SPEAKER pro tempore (Mr. McDERMOTT). The unfinished business is the further consideration of the veto message of the President of the United States on the bill (H.R. 770) to entitle employees to family leave in certain cases involving a birth, an adoption, or a serious health condition and to temporary medical leave in certain cases involving a serious health condition, with adequate protection of the employees' employment and benefit rights, and to establish a commission to study ways of providing salary replacement for employees who take any such leave.

The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The gentleman from Missouri [Mr. CLAY] is recognized for 1 hour.

Mr. CLAY. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Iowa [Mr. GRANDY] and 15 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA], pending which I yield myself such time as I may consume.

Mr. Speaker, Congress has been debating family and medical leave for 5 years. If we fail to override the President's veto today the debate will continue until the bill is law because the vast majority of American people want and need it.

In the recent Wall Street Journal Poll, 71 percent of the public favored enactment. We in Congress should listen to the people who sent us here, and vote to override the veto.

The President's veto message echoes the arguments that some in the business community have made in opposition to the bill. He talks of preserving "flexibility," allowing employers and employees to work out such issues at the workplace and a trade off with other benefits. At the heart of the message is the concept that protecting the basic rights of workers is bad for business.

The same arguments were used to oppose the minimum wage law, the Social Security Act, the Occupational Safety and Health Act, child labor laws and a host of other labor standards. Protecting worker health and safety does not stifle flexibility; ensuring a Social Security pension will not undermine other employee benefits, exploiting the labor of children should not be left to the discretion of employers.

In the past, Congress has rejected these arguments and stood on principle for fair and just minimal labor standards. Workers, business and the country have prospered as a result. Establishing minimal workplace standards pays long-term dividends.

Today we're fighting to preserve our families; to ease the intolerable choice that thousands of people face every day of having to choose between family and job. Congress has again turned to labor standards because they have worked in the past. We need a standard which provides that a parent doesn't have to give up a job to be with a new born or seriously ill child. A worker should not have to choose between a dying mother and a job.

A leave standard that assures job security at times of great family need is based on well established, time tested principles of labor law. It is fashioned to accommodate the dramatic growth of women in the work force. It encourages and supports family life. I am sorry the President did not sign this bill. I hope Congress votes for our families and overrides the veto.

Mr. GRANDY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, since last we considered the Family and Medical Leave Act the House has seen fit to one, pass the Clean Air Act imposing more restrictions on America's business and employers, and two, the Act for Americans With Disabilities, and in both cases we had the support of a large bipartisan coalition in this House because we felt that these mandates were justified.

In the last year we have created a new minimum wage. In the week ahead we will address a civil rights bill which most probably will pass this House, and in the next Congress I would be surprised if this body did not consider a new approach to health care delivery in this country which will invariably involve the employers of this country.

With that in mind, I would argue at the outset that not passing this version of benefits in the workplace is not a betrayal of trust by the American President to the American people. It is an idea to derail a good idea which was transformed into bad policy. We have done this before. In an attempt to correct an imbalance of health care in the workplace we created, passed and then repealed section 89. In an attempt to address the catastrophic health care concerns of elder Americans, we created the Catastrophic Health Care Act which we then repealed.

We are debating today a piece of legislation, not a concept, and in this particular piece of legislation, the compromise notwithstanding, the substitute notwithstanding, we still have items of profound disagreement which I hope Members will address today when they consider whether to sustain or override. Let me just address four of them right now.

This bill, unlike any other legislation in any State or any country in the world, has a provision to allow part-time employees who work only 20 hours a week or a thousand hours a year to collect full benefits under this 12 unpaid weeks of leave. This bill addresses public entities, nonprofits. We are talking here about such diverse entities as rural hospitals, already strapped with an imbalance of Medicare reimbursement which is driving a lot of our rural facilities into bankruptcy. They too would have to comply with 12 weeks of unpaid leave for specific, usually specialized health care providers. And I would add nursing homes here too. Mr. Speaker, nursing homes that are soon to be wrestling with new regulations which are driving up their costs and closing their doors. They too would have to comply with the Family and Medical Leave Act.

There is an unprecedented change in labor law. If an employer is found in violation of this act they are subject to four times the damages and backpay. There is not another labor law in statute that requires that.

Finally, on the whole question of notification, it is true that the employee does have to notify reasonably and practically to take leave. He does not have to provide any notification as to whether he or she is going to come back. However, the employer has to continue to provide health care benefits while that person is on leave. The employee, on the other hand, has no such specification.

That is just four of many reasons, Mr. Speaker, why this legislation, this approach to benefit policy is not something that the President could sign and not something that this House should support.

In my remaining time let me just address on concern that has been addressed through a litany of 1 minute speeches today, and that is the notion that this country, and of course its kindred spirit, South Africa, is the only part of the civilized world that does not have a leave policy. Let me talk a little bit about some of those leave policies in other industrialized countries.

Australia, Austria, Canada, Chile, France, East Germany, West Germany and Japan, yes, they all have leave policies, and in every single one the employee pays into that plan. Not in H.R. 770, and not in this legislation.

□ 1130

There is not a leave policy that we have been able to uncover in the world where the employer has to bear 100 percent of the burden.

Please bear that in mind when we discuss this policy today.

The President vetoed this bill because he is supportive of the concept; he is not supportive of H.R. 770. And as we will find when we take the vote, this House will sustain that veto.

Mr. Speaker, I reserve the balance of my time.

Mrs. ROUKEMA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is beyond my understanding why President Bush vetoed this humane, bedrock, family values bill. It is particularly difficult for me to understand from a President who is a compassionate, sensitive family man, himself.

What compelling national interest prompted this veto? Or was there an egregious flaw in the drafting of the legislation that forced his hand? I doubt it, because in his veto message all he mentioned were mandates, his opposition to mandates, and that he is in favor of voluntary programs. So obviously he does not have other reasons.

Well, now, if mandates are the real reason, then the President should be

consistent. His convictions on mandates should have led him to take the offensive on a whole range of mandates ranging from the Americans With Disabilities Act to the Clean Air Act.

Did he? No, he did not. So mandates cannot really be the issue.

We know how he compromised on the minimum wage mandate, we know that. So I do not see his reasoning. But I guess there is no further purpose served in trying to speculate about what convictions of the man in the White House are on this issue, because the vote today, my colleagues, is your vote to cast and yours alone, in the name of your constituents.

In that regard, I want to remind you, if you have not already read it, the Wall Street Journal/NBC poll of last week said that 71 percent of the American people support the Family and Medical Leave Act. Of that number, 52 percent who designated themselves as social conservatives favor the Family and Medical Leave Act. That is the endorsement from the American people.

Now it is our turn as Members of this House to stand up for principle. We cannot straddle on this issue and we cannot waffle.

Let me remind you that this is a vote for American families. Two-thirds of the women in the work force are there out of economic necessity. It is not just a nice alternative life style for them. This is a question of a roof over their heads and food on the table. Families need two paychecks just to keep up in this day and age.

You know, it is not as though this bill has not been carefully constructed to address the legitimate concerns of the business community. I have a strong support for business and I have been strongly supported by business, and I have worked with the chairman of the subcommittee for over 3 years to work out the needed flexibility to be there to serve the legitimate concerns of the business community. And they are in there, and nobody can deny that.

Now let me make another very important point: During our years of discussion of this bill, not one State, not one business who already has far more generous leave policies than is contemplated here has come to me or to us and said that they would abandon their policy or that their leave policies have interfered with their operations or their productivity.

Interestingly enough to that point, in today's Washington Post there is an article by the chief executive officer of Control Data, entitled "Family Leave, It Is Good Business." You should all read it before you cast this vote.

In conclusion, I want to say to my colleagues again in the strictest terms, this is your vote, you have to answer to your constituents on this, not to the White House. This vote to sustain the veto is literally saying, if you vote for it, literally saying to a pregnant woman or the mother of a terminally ill child or someone who is caring for an elderly parent who needs hospice home care, you are saying to that person, "Go find another job." That is literally what you are saying. I am saying to you you must vote for the bill, against the veto, vote for the 71 percent of the American people who support it and vote against the paid business lobbyists in Washington, DC, who oppose this bill.

If we fail here today, we will be back here again, whether this year or next year, but we will have a family medical leave bill.

The article follows:

FAMILY LEAVE—IT'S GOOD BUSINESS

(By Lawrence Perlman)

President Bush was ill-advised to veto the Family and Medical Leave Act, which was passed with bipartisan support in Congress. The act is a moderate and appropriate response to dramatic changes in the American work force as women and single parents, particularly at lower income levels, make up an even larger proportion of the employee base in many companies and as men take on different roles in the family.

Moreover, it is an important piece of legislation because it recognizes that each employee is a whole person with a life that extends beyond the work place. Employer support of the employee and her or his family is as important as safety and a minimum wage. The House would do well to override this veto in its scheduled vote today.

Essentially, the act would require firms with 50 or more employees to grant up to 12 unpaid weeks of leave in connection with the birth or adoption of a child or to care for a sick child, spouse or parent. During the leave, the employee's health insurance coverage would continue (along with the leave taker's obligation, if any, to pay a share of the premium). At the end of the leave, the employee would be entitled to the job she or he left or a comparable one.

And that's it. The exemption for firms with fewer than 50 employees would mean that 95 percent of employers—and 44 percent of employees—would not be covered at all.

So we are really for the most part only talking about large businesses, most of which have far more generous parental leave programs than the one called for by the vetoed measure.

For example, at Control Data, a maternity leave can mean at least five months' leave at 65 percent of regular pay, and in some circumstances to even longer periods at 60 percent of pay.

A Minnesota statute in effect since August of 1987 mandates—for firms with 21 or more employees—a minimum six weeks of unpaid parental leave for the birth or adoption of a child, with ensured return to the same or a similar job. I know of no problems that this state law, which is very much like the proposed federal law, has caused Minnesota businesses.

The president vetoed the bill on the ground that the federal government should not mandate how employers treat their employees. This argument was pressed on him by most of the lobbying groups purporting to speak for the business community.

In the absence of generally accepted business standards of conduct toward employees, congressional mandates not only ensure fair treatment of workers but also nullify the advantage companies that do not treat their employees fairly would have over those who do. While most firms treat employees fairly, many do not. So over the years Congress has mandated a safe work place, a minimum wage and overtime pay, a pension and disability plan we call Social Security, pregnancy leave at least equal to leave benefits extended for any other physical condition rendering an employee unable to work, a vesting schedule for company pension plans and so forth.

Another argument advanced by the bill's opponents was that its cost—estimated by the General Accounting Office at about $4.50 annually per employee—would make it harder to compete in world trade. Not only is the cost trivial but nobody should argue that we require lower wages in the United States to match lower wages in the Pacific Basin or less effective pollution controls because foreign firms are spared such costs.

Moreover, our chief trade competitors, Germany and Japan—indeed, apparently all industrial nations except South Africa—have mandated family leave programs far more expensive per employee than the vetoed bill.

The real issue for American businesses and the federal government is what steps need to be taken to make the United States more competitive in world markets. Energy devoted to challenging an overdue and moderate piece of legislation is swinging at the wrong ball. Business opposition to this piece of legislation perpetuates the public perception that corporate managers believe that well-managed businesses are inconsistent with the enhancement of human values and the empowerment of employees.

In fact, enlightened and successful businesses have led the way on family leave and a number of other similar issues. With regard to the family leave issue, the president needs to hear a different business voice from the one to which he apparently listened.

Mr. GRANDY. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Texas [Mr. BARTLETT] a member of the Committee on Education and Labor.

Mr. BARTLETT. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise to answer the question that was posed as to what prompted George Bush to cast this courageous veto against this bill and what prompted 187 House Members to vote against what is, on the surface, a politically popular proposal; I will answer it in one word, and the word is: compassion. Compassion for 110 million workers of America who are each attempting to secure their individual benefits, their individual workplace, their individual careers, their individual jobs, and whose benefits will be denied them by the cruelty of this cruel hoax which would mandate a one-benefit-fits-all, one-size-fits-all, to those 110 million workers that they would have to take this benefit because the U.S. Congress is trying to look good and look politically popular.

The fact of the matter is those 187 of us that voted against this mandate in the first place, and indeed George Bush, are for parental leave as a benefit. We are also for vacation pay, for pension plans, for profit sharing, for van pooling, for dental care, for medical assistance, for sabbaticals, for onsite child care; we are for a whole array of employee-requested benefits.

If we were to take the cruelty of singling out this one particular benefit and say we are excluding all others, the Federal Government is going to mandate this benefit, then we would deny someone else their benefit that they would choose to have.

The fact is that his mandate is particularly cruel to those low-income workers because to make it worse we would mandate in this bill a yuppie benefit, a benefit that only goes and can be used by upper income parents in this country, upper income workers and thus deny the $4-per-hour cafeteria worker or the $6-per-hour factory worker benefits that those workers would rather have.

The mandate before us is cruel because it denies other people other benefits that are not on the political agenda of those who would sponsor this Federal mandate.

The fact is those of us who voted against this bill and will vote against it again are for parental leave as a benefit, but we are for choices by American workers, not choices made for them by politicians.

Further, this parental leave benefit mandates one type of parental leave, not just one benefit, but one standardized, homogenized, one-size-fits-all for every State in the Nation, for every town and city, for every employer and for every employee, and we would say 12 weeks unpaid leave in addition to your vacation pay and other leave is all you get.

□ 1140

We cannot get 16 weeks at half pay, we cannot get 10 weeks at full pay, we cannot get 6 weeks at full pay or 4 weeks at half pay. So by mandating just one particular type of parental leave we would deny workers all other types of choices.

Mr. CLAY. Mr. Speaker, I would like to clarify one thing. Who vetoed this bill? It was not Mother Teresa. It was the President of the United States who vetoed the bill.

Mr. Speaker, I yield 2 minutes and 15 seconds to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I thank the chairman for his wonderful work, and I want to thank the gentlewoman from New Jersey for being so courageous. It must be difficult to see the President of the United States veto the bill.

I think we should be intellectually honest about this bill and tell the truth and not use language in an ironic form. I think when we talk about the word "compassion," we ought to tell the truth about what this bill is. The family unit is the root of the American growth in this country, and the reason why people want this bill which is a very, very sensitive bill is because it invests in the American people.

Americans are asking why we do not care about their quality of life. Now, I heard the gentleman from Iowa compare our country somehow with South Africa. It is true that we are the only country of the industrialized society that does not have a medical leave policy, nor do we have a health care policy in this country. We are the only industrialized country besides South Africa.

Therefore, let Members tell the truth about the bill and not lie to the American people.

Basically, what we are talking about is one leave for 12 weeks per year with no pay. We exempt those businesses with less than 50 employees. Now, if we want to compare the United States to other countries, and I heard the gentleman from Iowa somehow convolute the issue of pay, let Members talk about other countries. We have no leave policy. Chile offers 18 weeks at 100 percent pay. Poland, 16 to 26 weeks at 100 percent pay. Ireland offers 14 weeks at 80 percent pay. Austria offers 20 weeks at 100 percent pay. Canada offers 15 weeks at 60 percent paid leave. France offers 16 weeks and 90 percent paid leave. Finland, 35 weeks at 100 percent paid leave. West Germany, Italy, Japan, Sweden, and others. I ask our people here in this country to join with Members in insisting that we invest in our people and endorse the Medical Leave Act and vote down the President's veto.

Mrs. ROUKEMA. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. GREEN].

Mr. GREEN of New York. Mr. Speaker, today we decide a very simple question. Is the American family of as much importance to Members, as a country, as are the jury system and our armed services? That is the question.

What we are proposing here by way of mandatory leave is no novelty. We already provide it. We provide it under the Jury Systems Improvement Act of 1978 which provides job protection for employees who report for Federal jury service, and most States have similar provisions. Under the Federal Veterans Reemployment Statute, draftees, Reserve and members of the National Guard are provided with employment protections while they are away on duty, and Americans inducted to or enlisted in the armed services are considered as having been on furlough or leaves of absence during their military training and services. All this bill does is to give similar protections to family members, either at times of birth or at times when they need leave because of illness in the family.

I think the family is as important as the armed services and the jury system.

Mr. GRANDY. Mr. Speaker, let me just respond to the gentlewoman from Ohio in terms of some of the countries that she cited.

Yes, Chile does have a leave policy, but the employer pays none for either the public or private system. Employees pay 6.7 to 7.5 percent. The Government partially subsidizes the public, and pays none of the private. France, there is a split between employer and employee. Ireland, a 50-50 split, but they exempt part-time employees and public employees. There is enormous difference between all of those statutes and what we are proposing today.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. GRANDY. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Speaker, what the gentleman is talking about is the same kind of social security that we have. For example, in Canada, it is part of their social security act that they get medical leave in family leave paid for 14 weeks, 60 percent of it. That is part of the same employer and employee essence of their social security act. So, it is not any additional cost.

Let Members be intellectually honest when we are talking about this bill.

Mr. GRANDY. Mr. Speaker, I want to be numerically honest, too. It is true under this legislation the employer bears 100 percent of the cost.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. FAWELL], a member of the Committee on Education and Labor.

Mr. FAWELL. Mr. Speaker, the real issue here is not whether this bill is pro-family or pro-worker or pro-anything. I can think of a dozen employee benefit programs, all of them good, all of them can be described as pro-family, et cetera, et cetera, and I suppose we could support mandating of every one of those voluntary programs, as we are suggesting that we would do here.

Let me suggest just one area because time is short. A real issue, I believe, is whether Congress should mandate a detailed and inflexible "one way for all" employee leave program for all of America's employers. This is not just one of the Federal employee programs, it is for all of diverse America. This includes the private for profit businesses, charity, not for profit entities, public employers, including hospitals, schools, colleges, police and fire departments, cities and villages, ad infinitum. Together these public and private employers have hundreds of

thousands of job descriptions, and each one has to dovetail with specific job missions dictated by the State and local laws and customs, and they in turn need to dovetail to the leave programs which specifically must relate to these job missions.

The sponsors of H.R. 770 appear to assume that job responsibilities and employee leave programs of a fire or police department in Albuquerque and a hospital trauma team in San Francisco where it is vital that they control the employees as to when they come and when they go, are the same as a dress manufacturer in Boston or a university in Florida; as if the unique and dangerous challenges of operating a nuclear power plant in Chicago or a drug or a homicide team in New York and their respective employees' leave policies.

These assumptions, I think are as audacious as they are false. Local governments, for instance, have vital public health, safety, educational and social responsibilities to fullfill. They know a lot more than the U.S. Congress about crafting employee leave policies to fit their particular public missions. What makes Congress believe it can draw an employee leave plan which can direct all hospitals in America as to when and under what circumstances badly needed physical therapists and nurses and ambulance drivers and paramedics or emergency room personnel may take off and come back, and yes, expect to have their jobs waiting for them?

All of this, of course, without loss of life and jeopardy to the hospitals' public health and safety missions.

H.R. 770 is a labor unions' delight. It is a collective bargaining clause, and we are calling it a law, but it does not, it cannot possibly fit all of the diverse cultures of this little United Nations we call America.

Mr. CLAY. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. FORD].

□ 1150

Mr. FORD of Michigan. Mr. Speaker, frankly I am puzzled by the nature of the opposition to this bill. I have heard it said that some people who are opposing it are moved by its terrible impact on small business. The fact is that when we adopted, at the urging of the gentlewoman from New Jersey [Mrs. ROUKEMA], a limitation of applying this to employers of 50 or more employees, we did so acknowledging that that exempted about 95 percent of the employers in the country.

Then we come to the floor and we hear Members talking about the cataclysmic effect this legislation would have on our economy. That would lead us to believe that if those employers who do have more than 50 employees and do not now have a policy that permits a person to take leave to have a baby or care for a critically ill child were compelled to do so, it would threaten the underpinnings of our society. I suggest that people who are talking that way are not sharing the last part of the 20th century with reality.

If we look at the work force today, we will discover that if we count full and part-time employees, a majority of the people in the work force today are female, and if we look at that female population, we will find that a majority of that population are in their child-bearing years.

I meet with people from business who are interested in talking to us about our educational needs for the future and what the work force of the future is going to look like and who recognize that in the next 10 years 80 percent of all the new entries that come into the work force are going to be women and minorities. That causes them to come in to us and ask, "What are we going to do that is different to provide for a quality work force? How are we going to be competitive?" They are already beginning to figure it out for themselves, and the answer they are coming up with are: Child care, family medical leave, and issues of this kind that will make it possible for females in particular to, with some sense of security, pursue full-time and long-term employment without forgoing care or having a family.

That is the pattern of the future of this country. We try to go back to the great time when mama stayed home with the children and only one person worked. We are not living in that America any more. The change continues to take place every day, and anybody who looks down the road to see what our needs are going to be, as our committee does, has to recognize that if we are going to have a truly competitive work force, it is going to have to depend on humane policies such as this that will facilitate people doing what the President said he wanted them to do. The President, as I recall it, agreed with us when he said in October 1988 that no person, particularly a woman, should have to choose between their job and their child.

Mr. Speaker, I urge all my colleagues to join me in voting to override President Bush's veto of the Family and Medical Leave Act.

The President's veto of this bill makes no sense. As a Presidential candidate, George Bush not only recognized the importance of family leave, he said he wanted to do something about it. He told the women of Illinois that it was wrong that women could be forced to choose between losing their jobs or taking care of their children. He said that in the kinder and gentler America he envisioned, we would put an end to that kind of impossible choice.

We took the President at his word. The bill we passed does just what the President said he wanted. It gives parents the right to take an unpaid leave to care for their newborn or seriously ill children. It makes it a violation of Federal law for an employer to fire a mother or father who takes a leave to care for a newborn baby or a sick or dying child.

My constituents support this bill, just as most Americans across the country do. Eighty-one percent of those who answered my annual survey support the Family and Medical Leave Act, and 80 percent of all Americans support the bill. Yet the President has vetoed it.

It is true that the bill goes a little beyond the President's campaign pledge. It says an employer can't fire a worker who takes a reasonable leave to care for a dying parent or a seriously ill spouse. But the American people support that notion, and those provisions are not why Mr. Bush vetoed this bill.

What were his reasons? First and foremost, he has made a U-turn on the entire issue. He now believes it is simply wrong for the Federal Government to mandate leave policies for America's employers and work force, no matter what those leave policies are.

The President argues that employers need flexibility and options and that a rigid leave policy interferes with flexibility. I disagree. The only flexibility at issue here, the only option that would be blocked is the option to fire employees who have to take care of their families during times of crisis.

President Bush says American business needs the option and flexibility in order to be competitive in the global economy. That's nonsense, and the President knows it. Our toughest international competitors, West Germany and Japan, have mandated leave policies very much like this bill, but in most respects they go far beyond the Family and Medical Leave Act—both Japan and West Germany provide paid leave to mothers of newborn infants and to disabled workers. Our international competitors protect the options of their workers, of their families. And their businesses do just fine, as the people in my part of the country know all too well.

The President's veto message never mentions the steps we took to minimize the impact of this bill on business. Ninety-five percent of all businesses are totally exempted from the act's coverage. No business with less than 50 employees is covered. No one in Congress wants to hurt small businesses or impose undue burdens on them, and so we exempted them, leaving them all of the flexibility in the world.

No, the President's veto makes no sense. It tells American businesses that family responsibilities are no concern of the Federal Government. It tells workers that their Government won't help them, it won't protect them against even the worst, most senseless actions of their employers. His veto makes the "kinder and gentler America" Mr. Bush promised nothing more than a hollow campaign pledge.

For the sake of America's families and the working parents who support them, I urge you to join me and vote to override the President's veto.

Mr. GRANDY. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Mr. Speaker, I say to the Members, let us all join together in sustaining the President's veto.

Mr. Speaker, I rise in support of the President's veto of the mandated leave bill.

Mandated benefits will have a devastating impact on the business community and the economy of this country.

As a small businessman, I cannot imagine the practicality of mandating a benefit that would be desirable for every worker. To be cost effective, particular benefits should be tailored to meet individual needs. It's called a cafeteria of benefits.

As a small businessman with a company in North Carolina, I offer a benefit mix that helps the business and meets the desires of the workers. We provide a number of employee benefits, including health insurance, life insurance, a retirement plan, weight loss classes, blood screening, cancer screening, flexible work schedules, physicals, and maternity and family leave.

The benefit pie available to workers is only so big. As an employer, I have to ask myself, what benefits will be cut or reduced to pay the Federal mandate. Do we lose weight loss classes, give up cancer screening or make do with less dental care? Obviously, such a mandate would hurt older workers. Single workers may prefer enhanced dental care or longer vacation leave in lieu of parental leave.

My company was able to meet the needs of my workers without a mandate from Washington bureaucrats. The bottom line is that as an employer, I will look out for my workers. If I do not, my best employees will go to the competition.

A report by Opinion Research Corp. indicates that what employees want is greater choice not more benefits. Employers are moving toward flexibility. Mandated benefits can only hamper a company's ability to provide appropriate benefits for their employees.

Let us not mandate away flexibility. Join me in voting to sustain the President's veto.

Mr. GRANDY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Speaker, over the years this Government has found it necessary on occasion to step into the workplace and set minimum standards for wages, health, and safety requirements, pensions, and other job-related matters. This Family and Medical Leave Act is an entirely different kind of intervention. It mandates a cumbersome set of permissive practices and establishes a Federal priority—and I think that is very important—among potential worker benefit options that is as intrusive as it is expensive and unwarranted. It intervenes in an area that is historically within the purview of negotiations and/or collective bargaining between the employer and the employee.

This act seems to me to ignore the reality that its potential benefit is not shared equally among all workers. In fact, I think it could be argued that it probably discriminates against some and will probably be used by those who have the least economic claim upon it.

Benefits cost money. The money comes from the pockets of the employers or the pockets of the employees. The cost of worker benefits has continued to rise over the past several years, and when we mandate one benefit, we reduce the option or flexibility for those employers or employees to select from among those options. It is the employees and the employees who should decide where benefit costs are going, not the Federal Government.

Many of us on this side do not question the fact that there are those individual horror stories out there where uncaring and insensitive employers have been insensitive to family needs to workers in the work place, but the imposition of a national mandated leave policy throughout every work place, regardless of whether or not they are offending employers, whether or not they have leave policies, whether or not they give options to their employees within the workplace, the imposition of that national mandated policy in every workplace in this country of 50 employees or more is certainly not the answer.

Mrs. ROUKEMA. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Speaker, what are we talking about here? We are talking about 12 weeks of unpaid leave for an employee for the birth or adoption of a child or to care for a seriously ill child, spouse, or parent. That is nothing revolutionary.

What are the arguments against it? We are told it is too burdensome on small business. That is not so. We exempt small businesses with 50 or fewer employees. That is 95 percent of all jobs in America.

We are told it is too costly. That is not so. This is unpaid leave.

We are told it is anticompetitive in the international marketplace. That is not so. We know that Japan gives 12 weeks at 60 percent of pay, that West Germany gives 14 to 19 weeks at 100 percent, and that Canada and the United Kingdom have similarly generous leave policies.

But the one that really gets me is that we are told it is disruptive and people will take advantage of it. A woman has a child, and when all is well at home, is she just going to take advantage of it and have an extended vacation? Do we know why women work? For the same reason men work. They like to eat, they want to have a roof over their heads, and they want to educate their children.

Mr. Speaker, we talk a lot in this town about family values, it is time we practice what we preached.

Mr. GRANDY. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Speaker, I rise in support of the President's veto of H.R. 770, the Family and Medical Leave Act, and urge my colleagues to sustain the President's veto.

In fact, I am puzzled as to why we are bothering to vote on this override when we already know that this measure did not pass with enough bipartisan support to override the presidential veto.

In my judgment, a vote to sustain is a vote to craft a family leave policy that can gather bipartisan support in the Congress. The President's objections, which many on both sides of the aisle agree with, are based on his view that H.R. 770 mandates requirements on employers that are better left to labor-management negotiations. This legislation requires employers to provide employees up to 12 weeks of leave per year for a wide range of family and medical purposes. The enforcement provision, which the bill leaves o the Department of Labor, is an EEOC-style enforcement, with multiple appeals and the prospect for substantial litigation.

We all agree that every American deserves job security during a time of family need. But let us begin down the path of legislating in this area by moving toward a policy that can gain bipartisan support.

Last, year, I offered legislation, The Maternity Leave Act of 1989, that provides for 10 weeks of leave every 24 months for the birth or adoption of a child. This approach, which enjoys bipartisan support, reflects the current practice of many small employers and is a reasonble beginning point for Federal policy in this area of labor law.

I had planned to offer this legislation as an amendment to H.R. 770 during House consideration. While the Rule allowed time on my amendment, I did not offer my proposal at that time because I felt, as many Members continue to feel, that a serious debate on the merits was not taking place, that the business and labor communities were not willing to discuss any middle ground. With this veto it is time to look at new proposals. So, today I am introducing a new bill, The Family Leave Act of 1990, that allows all employees 10 weeks of job-protected leave for the birth or adoption of a child. Unlike the Maternity Leave Act, this bill would grant men and women, mother and father, job protection, gives Federal and congressional employees an equivalent leave, and has special rules that govern leaves for classroom teachers.

Let us sustain the veto and then sit down together and work on a compromise to fulfill the need for job protections for American families.

□ 1200

Mr. CLAY. Mr. Speaker, I yield 1½ minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, the President's veto of the Family and Medical Leave Act was a cruel and callous act against American families. It was an act taken by the President of the United States that shows the complete lack of understanding of the needs of America's families, the need to be in the workplace, the need to make compatible the need to work and the goal of raising a healthy family. What the President has said is, "We will continue to punish those families that show the kind of paternal-maternal instincts that we want in our own families."

Mr. Speaker, the mother who rushes home to a sick child, the father that takes care of a sick parent, the family that joins together to take care of their own, they can be fired today. They can lose their job. They will have to suffer that kind of hardship.

The President of the United States has kicked the American family right in the teeth. In a time when we see generations coming closer together, as the elderly are living longer and need their children more, as the baby boomers are trying to educate their children, as families are starting to have children at an older age, when we need this kind of act to help those families, the President says, "Make it voluntary."

It is voluntary, and it is not working. People continue to get fired. Has the President failed to read the case studies, to read the histories of families that have lost their jobs, lost their economic underpinnings, because they wanted to take care of a child, because they wanted to take care of a parent, because they tried to avoid going to a nursing home, they tried to avoid sending them to charity?

Mr. Speaker, families that are working on the best instincts of American families are now being told by the President, "Go it alone. Don't look to us for help."

It makes a mockery, it makes an absolute mockery, out of this President suggesting that he is profamily, cares about families or understands families.

Mrs. ROUKEMA. Mr. Speaker, I yield 1 minute to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. Mr. Speaker, in the President's message accompanying his veto of this bill, he wrote that H.R. 770 "ignores the realities of today's workplace and the diverse needs of workers."

Unfortunately, that describes his veto rather than the family leave bill. I suppose that if America had a substantial labor surplus, a declining and healthier elderly population, and an overwhelming majority of one-worker households, then the President's veto might make sense.

But that is not the America of today—and even less the America of tomorrow. So we are faced with this question: Is family leave legislation in our national interest?

The answer is yes if you believe that we need a more productive and efficient work force in order to be competitive.

Yes, if you think that strong and cohesive families are vital to our country's future—and if you think that families, and not society, are the first and best providers of care.

And yes, if you think that the absence of family leave policies already exact a significant societal cost—without any benefit in return.

Mr. Speaker, with this legislation, we have a chance of addressing a workplace issue before it becomes a full-blown crisis—the chance for Congress to do the unusual and anticipate a problem, rather than clean up the mess later.

We should act in the national interest today, Mr. Speaker, and override the President's veto of family leave legislation.

Mr. GRANDY. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Speaker, while I believe the legislation before us today has some merit, I rise in support of the Presidential veto primarily due to the inadequacy and inflexibility of the bill. During floor consideration of the bill, I was one of several Republicans who supported the substitute version but also supported the motion to recommit because I believed in many ways, this legislation did not go far enough.

One aspect of the bill which I found particularly troubling was the absence of tax credits—I believe that the House should have reexamined the feasibility of offering tax credits to those businesses willing to offer parental and medical leave benefits to their employees. In this way, companies would have the option of providing benefits to employees but they would not be required by Federal law to offer them. In this way, all companies would have incentives to offer leave to their employees on a voluntary, not mandatory basis—and, given enough of a carrot, probably would not hesitate to offer the benefit.

Another major criticism I have of the bill is that in its current form, it only assists a certain type of worker. I question how beneficial this bill would be for low-income or older workers. There are many low-income workers who perhaps would prefer other types of benefits because they cannot afford to take several weeks of unpaid leave. These persons, who many times have small children, may benefit more from a cafeteria-type plan that would provide them with a choice of employee benefits such as extended health care coverage child care, or educational benefits.

In my congressional district, I represent a high number of older Americans who have made the decision to continue to work. I am not certain that the family and medical leave may be the best that we can offer to our senior—older persons are more interested in long-term health care insurance. Last year, I talked to thousands of older persons and the message was the same—the benefit they wanted the most was long-term health care coverage. I personally believe that allowing employers to provide benefits suited to their employees is in the best interest of their workers.

And, I might add—if medical and family leave benefits is a good idea—then why should the employee of a 49 or loss employee firm not be covered? A pregnant woman is just as pregnant no matter what the size of her firm.

For these reasons, I voted to recommit the legislation when we were debating the legislation in the House. While I felt that the bill was improved, I also strongly believe that government should not be mandating a specific form of benefit—that the employer/employee relationship should have a choice and that the benefit should not be limited to employees of just the larger firms. In my judgment, the bill is flawed and therefore, I will vote to veto the legislation.

Mr. GRANDY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, I rise to urge my colleagues to sustain the veto of H.R. 770, the Mandated Family and Medical Leave Act.

H.R. 770 is another symptom of a virus that has been going around inside the Capital Beltway in recent years, the M.O.S.F.A.—the mandated, one-size-fits-all attitude.

This bill was well-intentioned. I think we all agree that every employer who can ought to provide the kinds of benefits outlined in this bill. But not every good idea makes a good law, for the whole Nation, regardless of the circumstances, needs, or preferences of individual workers and employers.

H.R. 770 would guarantee an employee taking leave unconditional and immediate reinstatement whenever he or she chooses to return from leave, regardless of the economic consequences to the employer, and even if the leave is taken for an indeterminate period of time or the employer has to fill the leave-created vacancy with a new, permanent worker. Thus, H.R. 770 does not give the employer the discretion necessary for reasonable work force planning.

At the beginning of the leave period, the employer—and, in all good faith,

the employee—may have no idea whether the employee will be coming back to work in 1 week, 12 weeks, or ever. The employer—especially smaller businesses—are faced with the uncertainty of not knowing whether to let the position go vacant or go forward with, in many cases, expensive hiring and training procedures that may require hiring a new, permanent employee.

Conversely, H.R. 770 requires the employee, as well as the employer, to agree to reinstatement at the end of 12 weeks, or else lose the benefits conferred by the bill. All the experts agree that bonding with a newborn hardly begins in 12 weeks. A serious health condition could last longer.

A preferred rehire approach would have corrected these problems, by guaranteeing that an employee returning from leave would be entitled to reinstatement or to placement in an equivalent position—for which the employee is qualified—if such position is available when the employee returns from leave. If the same or equivalent position is not immediately available, the employee taking leave would be guaranteed to be rehired for the next identical or equivalent position that opens up.

This approach would have addressed the inequities of having to fire a new employee, who may be facing greater family or economic stresses than the leave-taking employee. It also prevents the alternate inequity that arises if an employer is forced, under H.R. 770, both to return the leave-taking employee to the payroll and to keep on a permanent replacement hired during the leave.

I sought to offer such a preferred rehire amendment when H.R. 770 was originally considered, but a straight, up or down vote on the amendment was not made in order. Floor debate already was becoming confused and almost all amendments were ultimately withdrawn.

Employment policy should be conditional on some economic and realistic circumstances. This bill does not recognize the reality of the actual working world and, therefore, this veto should be upheld.

□ 1210

Mr. CLAY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Speaker, I rise in strong support of overriding the President's veto of the Family and Medical Leave Act.

As a mother, I know well the feeling of anxiety that comes upon you when your child is ill. For many parents, their economic status already provides an obstacle when seeking professional medical care for a child, relative, or themselves. The added burden of possible unemployment may cause an internal conflict that renders a decision life-threatening. The notion of a mother or father not providing the best care for his or her child may seem foreign, but for many it is a distressing reality.

I know by the number of letters that I have received that the Family and Medical Leave Act is supported by a cross section of organizations. I also know by the outpouring of calls and personal messages that this matter is important to constituents in the diverse city of Chicago and to those all across the Nation. This matter concerns us all. As Representatives of the people of this country, we must show responsibility and leadership on this issue because the family and the American work force are two institutions that cannot afford to be left unprotected and vulnerable.

We need to do something to assure job security for the employees of this Nation when a crisis besets them, and we need to do it now. We must override the veto and enact legislation that reflects the internal conflicts a working individual faces when a family member needs him or her. In all of our lives there will come times of crisis and no matter how much one might wish to be in two places at one time we all know this is simply not possible.

Let me remind you, too, that in today's world there are more women working than ever before. In fact, the Bureau of the Census has projected that this decade will be the first to begin with the majority of mothers in the United States in the work force. This represents an increase of over 80 percent since the year 1970. It also means more children are practicing self-care, sometimes even when they are ill, because there moms are working in order to put a roof over their heads and food in their stomachs.

The Family and Medical Leave Act, guarantees that an employee, such as a working mother, will not lose her job because of the need to respond to a family or personal crisis. Plain and simple, it is wrong—almost un-American—to make the working individuals of this Nation, who are a viable component in our global economy, choose between employment and caring for a sick child, a terminally ill parent, a seriously sick spouse, or for themselves.

Furthermore, let us remember that it is not only the mothers in America that need job-protected leave, it is also the fathers, the daughters, the sons, the husbands, and the wives with family responsibilities who need measures such as are contained in this bipartisan compromise bill.

Family and Medical Leave makes sense. When an employee is seriously ill his or her output is severely curtailed. Simple economics demands that we maintain productivity at its highest level. It costs the American public $4 billion per year to pay unemployment compensation for workers fired as a result of unprotected leave. In contrast, the Family Medical Leave Act would cost a business an average of $5.30 per year.

It is also significant to note that as the population ages, there will be growing need for care of the elderly. Not all of them will be able to live alone; some may require confinement to a nursing home; others may live with their children and their families. The medical needs of these older Americans may sometimes demand the full attention of the care givers. This is a difficult time for all involved; and I know from personal experience that the daughters and sons acting as care givers deserve the peace of mind of knowing that their jobs will be waiting for them when the medical crisis is over.

It is the working poor and minorities who are already at the highest risk for unemployment and it is poor and black women who are hurt the most by lack of job-protected leave. Without the job security that the Family and Medical Leave Act provides these and others might well add to the 6.8 million Americans already unemployed, hungry, and homeless.

When we contemplate this legislation let's think of the crucial period of bonding needed between newborns and parents, between adopted children and their new parents. Let's think of the foster children who need the full attention of their new parent in order to make the transition into a new home. Foster children are also more likely to have medical complications that demand time from a parents work schedule. The recruitment of foster parents is already an arduous task that must be overcome for the sake of over 30,000 of this Nation's children. How can we ask someone to commit to this difficult task with the risk of unemployment hanging over their heads?

This legislation also helps those who are already employed but suffer from such disabling conditions as epilepsy, cancer, or multiple sclerosis for example. For those with epilepsy, a change of medicine can necessitate some time off from work because of the onset of seizures during chemical readjustment. Chemotherapy treatments may mean 2 days per month of missed work for a cancer patient. If the effects of multiple sclerosis worsen and someone with this surmountable disability must recuperate before returning to work, under this legislation their position will be held for up to 12 weeks so they can continue to be independent, active members of society.

This bill allays some of the fears that employers may have. All businesses of 50 employees or less would be permanently exempted from the act. The compromise of 12 weeks increases the level of certainty for employers. Doctor certification for leave allows an employer to be sure that the crisis is indeed real.

This compromise is supported by a cross section of organizations. The outcome of passage of H.R. 770 with the compromise amendment is long overdue for the working sector of this country and those who depend on them. The peace of mind afforded recovering, and employees tending to other family members, will hasten their return to the work force. Additionally, it will make adoption and foster care for children with medical complications a less difficult situation and it allows those with potentially handicapping disabilities to remain self-supporting, self-reliant individuals.

I urge my colleagues to listen to the American people, listen to Mrs. Bush, and let's put family first and join me in overriding the veto of H.R. 770.

Mr. CLAY. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. MCDERMOTT].

Mr. McDERMOTT. Mr. Speaker, patient recovery from serious illness benefits enormously from the participation of the family, who provide the love and support a patient most needs. The family is also an important link in the treatment process. For the physician, families are an important resource for information, decisions on appropriateness of care, monitoring of progress and continuity of care, and often provision of basic care. The more serious the illness, the more critical the family's presence is.

I have no doubt that if anyone in this room had a child or parent suffering a devastating illness, he or she would not hesitate to miss a few votes to care for them. But other workers are not so fortunate. And that is unfair.

The Family and Medical Leave Act seeks to help families in crisis, so they will not be punished for their love, their anguish, or their misfortune. It tries to help workers do right by their families—by allowing them to nourish new life or comfort those at the end of life.

The people of this country deserve better than the glib cliches we've heard from the President about the free market and the needs of business. Some people have exceptional burdens to bear. They deserve a chance to confront and bear those burdens with faith, dignity and our full support.

I urge my colleagues to override this veto.

Mrs. ROUKEMA. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Speaker, normally I subscribe to the view: "that government is best which governs least."

But I also feel that our Nation's future depends on the strength of the family.

In the case of family leave legislation, Congress should make an exception to the general rule that Government not interfere in the workings of the free enterprise system.

It is not so much that there are millions of women who need to work and also want to have children, though it is probably true.

It is not so much that parental leave will save money over time because we will have healthier or more emotionally stable children, though such a result is likely.

It is simply a case of my wanting to put the interests of children first.

To me, the early weeks that a parent spends at home with a new baby are so vital, the need to nurture the parent-child relationship so important, that I am willing to give children priority.

I cannot think of a more worthy goal than strengthening the family in America.

Mr. GRANDY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. LAFALCE], the distinguished chairman of the Small Business Committee.

Mr. LAFALCE. Mr. Speaker, unlike Presidents Bush and Reagan, I think it appropriate to mandate that employers provide certain benefits to their workers.

In 1986 I cosponsored Representative SCHROEDER's bill which called for leave to care for newborn or newly adopted children, seriously ill children, and for the employee's own serious illness. I featured that bill in my newsletter to constituents and I wrote op ed articles extolling such programs.

Notwithstanding, I voted against H.R. 770, and I intend to vote to sustain the President's veto, and urge you to do the same.

Why?

Because, in my view, H.R. 770 goes much too far, much too fast. It goes very substantially beyond the original program outlined above.

While the rhetoric associated with both has been basically the same, H.R. 770 includes two new categories of leave which were not in the initial version of the bill and which my staff's research indicates are not provided in leave programs in any other nation—spousal care and elder care.

Some of the arguments used to promote the bill have been very misleading. One argument is that all of the world's industrialized nations have a leave program except two: The United States and South Africa. Proponents would have us believe that other nation's programs are as extensive as the one contained in H.R. 770, and they use guilt by association by saying that the United States is as "bad" in this area as South Africa and no other.

What are the facts?

First, almost all industrialized countries have one form or another of pregnancy disability leave. U.S. law requires that an employer provide pregnancy disability leave if the employer provides other types of disability leave. Among them is South Africa, providing 18 weeks of pre-natal leave and 8 weeks post-natal—Switzerland provides a total of 10 weeks; Belgium 14. Several of these programs would more reasonably be described as a maternity leave program.

Second, of 23 countries which we surveyed, 21 provide extended sick leave for employees—only Israel and South Korea did not. The length of leave provided ranges from 15 days—Canada to unlimited—New Zealand and South Africa..

Third, seven countries—Denmark, Finland, Iceland, Italy, Norway, Sweden, and West Germany—have programs calling expressly for maternity and paternity leave.

Fourth, leave to care for sick children is available in only three countries: Sweden, 60 days; Norway, 10 days per parent; 20 for a single parent; and West Germany, up to 5 days per parent per child per year.

Fifth, finally, our survey indicated that leave to care for spouses and elder care are not mandated in any of the industrialized nations surveyed.

This information was not able to be derived from the committee report on H.R. 770. In order to compile it, my staff contacted and received data from the Congressional Research Service, the Employee Benefit Research Institute, the Women's Research and Education Institute, the International Labor Organization, the General Accounting Office, the Department of Labor, and the Womens' Legal Defense Fund.

In enacting a Federal law, there are a great number of alternatives which could be considered, and Federal legislation in this area should have started out carefully and selectively. Instead, H.R. 770 provided everything, all at once, in one fell swoop. Not simply maternity and paternity leave; not simply sick leave for oneself or one's children; not simply for Federal employees or for public employees. But rather, every kind of leave imaginable, including spousal care and elder care, and for the private sector as well as the public sector. No phasing, no study of various State experiments, no concern for how this would impact on us internationally. We could and should have studied what other developed nations provide. If we had, we would have learned that the typical program is one that provides maternity benefits and extended sick leave for employees; that a minority of countries provide paternity leave and that no country provides leave to care for spouses or parents. And we could have tailored a program for the United States which was closer to the consensus of the other industrialized nations of the world.

We could have looked to the 50 States to observe and study their laws. But we didn't. If we had, we would have discovered that over 60 percent of the States do not mandate any leave policies for the private sector—21 have no mandated policies at all, 10 have programs applying only to public employees; that 11 States mandate pregnancy disability; that only 4 States have maternity and paternity programs—only 1 of which also provides for leave to care for sick children; and that only 5 States have programs, recently enacted, experimenting with more comprehensive programs bearing some similarity to the one in H.R. 770—although frequently with less leave time mandated. Finally, we would have learned that in almost all cases when States have mandated leave, they have put the responsibility to pay for continued health insurance coverage on the employee, not the employer as provided in H.R. 770.

I frankly do not think that H.R. 770 received the kind of serious thought and consideration it should have, particularly when one looks at the process in the other body. Not a single amendment to the House bill was offered in the Senate; indeed, the Senate did not even have a recorded vote on this controversial bill. One can easily suspect that a veto was so confidently expected, and that an override was thought to be so improbable, that a political "free lunch" was taken.

Unfortunately, because there were no Senate amendments, there was also no conference, and the chance for a conference committee to correct the many defects in a bill progressing through either body—something which is, of course, a frequent occurrence—was not available with regard to this bill.

Let's sustain this veto, and then let's work to put together a more responsible leave program for American workers.

Attached is an outline of a bill providing American workers with reasonable leave to deal with their children and with their own illnesses. I intend to introduce this bill next week if the President's veto is sustained. It, like H.R. 770, is probably a bill that the President would veto, but it is also one where a successful effort to override the veto would be quite likely:

THE EMPLOYEE LEAVE ACT OF 1990 SUMMARY OF PROVISIONS

Employees and employers covered as provided in H.R. 770:

Up to 8 weeks of maternity/paternity leave for both newborn and newly adopted children (available to either mother or father, but not both at the same time);

Up to 8 weeks every 2 years to care for seriously ill children;

Eight weeks every two years for an employee's own illness;

Health insurance benefits would be continued, but at the employee's expense;

Employees would have to utilize available disability or sick leave, paid or unpaid, before using this leave; time taken with such available other leave would count toward the time limits;

Initial enforcement through administrative law judges at the Department of Labor; and

Double back pay for violations (rather than quadruple, as in H.R. 770).

Mr. CLAY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Mr. Speaker, I rise in strong support of overriding the President's veto of the Family and Medical Leave Act.

The President often speaks of his commitment to American families. But a commitment to our families must be expressed in more than words. When push came to shove, the President demonstrated where his commitment really lies: He vetoed the most important pro-family measure of the 101st Congress.

He vetoed the bill because he felt it involves a trade-off between the interests of the family and the interests of American business. But that trade-off does not exist. Small business is exempt from this legislation. And the final bill sent to the President made many accommodations for the business community. The result is a bill that helps our families without harming business.

The Family and Medical Leave Act is win-win legislation.

It will help Americans fulfill their family responsibilities without losing their jobs.

Because it preserves employment, it will save all Americans money in reduced spending on unemployment compensation and other social programs.

It will help make America more competitive by promoting a well-trained, experienced, high-morale workplace.

It will help ensure that our young people—the next generation of leaders in this Nation—receive the care they deserve early in life.

And it will help ensure that the elderly and infirm receive the loving care they deserve.

Today we have an opportunity to do more than talk about helping American families. We have an opportunity to take action. We have an opportunity to stand up for the values we believe in. We have an opportunity to do what every other industrial nation has already done—provide family and medical leave.

I urge my colleagues to stand up for the American family by voting to override the President's veto.

Mr. CLAY. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Speaker, I rise in strong support of the Family and Medical Leave Act and urge my colleagues to join me in voting to override the President's veto. American families should not have to wait one more day for this legislation.

When George Bush was a Presidential candidate, he summoned this Nation to provide parental leave and many Americans voted for him, thinking he was a new kind of Republican. But then when he got to be President, George Bush proceded to veto parental leave. If you are confused, Mr. Bush wants you to know that he always meant parental leave to be voluntary for employers. Imagine that. When FDR summoned the Nation to a high purpose, it was always in the cause of people, guaranteed by law. The same held true of other great Presidents, like Truman and Kennedy. But when George Bush summons this Nation, what he means is: "Do this if you'd like to and, if you can't, well, never mind." What a concept of leadership.

We've heard this kind of veto message argument before—that mandated benefits are somehow unfair to businesses, that it will make businesses less competitive with foreign business interests. That we should wait for businesses to decide when it's convenient for them.

Well, the majority of this House and the Senate and the American families have spoken. We've waited long enough.

This country will be more competitive only if its work force isn't torn between family and work. It's been proven time and time again in Japan, in West Germany, and in every other industrialized nation except South Africa.

The Family and Medical Leave Act provides workers a modest amount of unpaid, job-protected leave for childbirth, adoption or serious illness.

I will not join in sending the misguided message of the veto to working parents and their children—that caring for a sick parent or new baby is just not a priority in this country. None of us should have to choose between keeping a job or caring for our families.

I urge my colleagues to vote to override the President's veto and to vote for the American family.

Mrs. ROUKEMA. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina [Mr. RAVENEL].

Mr. RAVENEL. Mr. Speaker, you got to have heart. Where is our country's heart? You all know that 95 percent of the businesses in this country are exempted from the effects of this law, 95 percent, and of the 5 percent that are left, 2½ percent have either paid or voluntary leave in their labor contracts, so you are only dealing with a very, very small part of American industry.

And what kind of employee would take off after having exhausted their annual leave and their medical leave, and get down, you know, all included in the 60 days, just 60 days, 12 weeks sounds like an awful lot of time, but it is just 60 days, you see, to be with a newborn baby, or more importantly, to be home for a desperate family medical emergency situation, at no pay, most of these people live paycheck to paycheck, if it was not just terribly desperate.

And what employer would be so heartless and mean as to not give them their jobs back or to want to refuse to continue their medical insurance payments while they are gone?

□ 1220

All of us, I really believe, ought to support our President and sustain his vetoes when we think he is right, but we ought to override him when we think he is wrong. In this particular instance, in my opinion, I think he is wrong, so I am going to vote to override him, and I certainly urge my colleagues to do likewise.

Mrs. ROUKEMA. Mr. Speaker, I yield 2½ minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Mr. Speaker, I rise in support of the override of the President's veto.

This bill has been portrayed as biglabor, special-interest, and antibusi-

ness. Well, many of us on both sides of the aisle who support this legislation continue to enjoy the strong support of every major business group in this country, but on this issue they are wrong. This is the right issue for working men and women in this country today.

Many of us who support this legislation did not support H.R. 770 and, contrary to what we have heard on the floor today, there was a significant compromise made that tightened up five specific areas of this legislation that I think is palatable to any business establishment in this country. Mr. Speaker, as a matter of fact, the gentleman from Tennessee [Mr. GORDON] and I offered to amend the bill even further to try to make it an even better bill, but yet the leadership on our side did not want to make the bill in their opinion any better because it would have brought additional votes from our side of the aisle in support of this legislation. We were serious about our efforts to make this the best possible compromise, and in discussions with the White House, we said the same thing. We want to improve and find a bill that is in fact the best interests of everyone, and that was not allowed to occur.

We have heard the issue of cost raised. Mr. Speaker, let us look at cost, because somebody has to pay for the costs of our health care premiums. Let us take one specific example, the hundreds of thousands of American people who are terminally ill. Now, they have two choices. The one choice is they can be confined to a hospital or a skilled-care nursing facility, and all of us can pay for the support of them at a cost of $300 to $500 per day, or we can offer the alternative of hospice care for a terminally ill person with less than 6 months to live. They can go to their home to be with their family and loved ones for a cost of approximately $70 per day.

There is one hangup there, Mr. Speaker. There has to be a family care provider at home, and if that family care provider cannot be there, that person must be confined to a skilled medical facility, and we all pay for the cost of that.

Mr. Speaker, the American family has had to adjust over the last 40 or 50 years. Many of our families have husbands and wives both working today. We talk a good game about supporting American families. Mr. Speaker, this bill supports American families.

We need this bill, because it is good for mothers and fathers. It is good for caring sons and daughters. It is good for our families, and it is good for America.

I would hope that my colleagues would join me in voting to override the veto.

Mrs. ROUKEMA. Mr. Speaker, I yield myself the remainder of my time, 30 seconds.

Mr. Speaker, I want to thank the gentleman from Pennsylvania [Mr. WELDON], and I want to underscore what he has just said.

People who vote to sustain this veto are saying women and children last, all other mandates first.

Mr. GRANDY. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. MICHEL], our distinguished Republican leader.

Mr. MICHEL. Mr. Speaker, I rise in support of sustaining the President's veto.

There is a consensus among us on a major point:

Parental and medical leave policies can be highly valued benefits for workers.

But those who support the President's veto believe such policies should be designed to meet the special needs of individual employers and their employees.

This can be best accomplished through the normal collective bargaining procedures between labor and management, rather than through Federal mandates.

The issue is not Federal mandating as such. After all, if a law does not mandate something or other, it isn't a law—it's a suggestion. Some mandates are good, others are not.

But all to often when we pass a law that mandates one good thing we neglect to examine its unintended sideeffects on other goods things. This is such a case.

We are mandating a specific good thing in H.R. 770—leave policy.

But we are also, unintentionally perhaps, lessening the possibility for workers and employers to choose other good things.

H.R. 770 is modeled after classic workplace legislation of 40 years ago when the patterns of labor-management relations were much simpler.

But such simplistic, although well-intentioned legislation, doesn't meet the needs of the 1990's. The nature and the needs of the work force have changed. Women have become a larger part of the work force. Family needs must be taken into account. Employee needs are varied.

Some employees may find it more desirable to have a shorter paid leave rather than the longer unpaid leave mandated in this legislation.

Innovative benefits plans or "cafeteria benefits" such as child-care assistance, pregnancy and parental leave, tuition assistance, and flexible scheduling should be encouraged to allow employers to attract and keep skilled workers.

Mandated benefits such as those contained in H.R. 770 could stifle such innovative benefit plans.

As the work force changes, workers' needs change. As workers needs change, employers must have the flexibility to meet these needs.

Mr. Speaker, diversity, choice, flexibility, and innovation are virtues the American economy must seek to enhance, not hinder, if we are to continue to create jobs, and to be competitive in a global economy.

The Government mandates contained in H.R. 770 inhibit the flexibility to accommodate the needs of both the employees and employers of this Nation.

Therefore, I urge my colleagues to vote to sustain the President's veto of H.R. 770.

Mr. CLAY. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. WEISS].

Mr. WEISS. Mr. Speaker, I strongly urge an override of the President's veto on the Family and Medical Leave Act.

Mr. Speaker, while the President has managed to direct the Nation's attention to his troubled lips, his ailing ears escape with impunity. President Bush has a problem; he can only hear certain voices. Unfortunately, they are the voices of big business.

Last June, for instance, he vetoed the minimum wage increase. He could not hear the voices of struggling workers who would have greatly benefited from the legislation that Congress approved. He only heard the voices of big business, telling him the modest increase was excessive.

Unfortunately, the President's hearing problem has not improved since then. President Bush recently vetoed the Family and Medical Leave Act, a moderate and appropriate response to dramatic changes in the American work force.

The President did not hear the majority of Congress and four-fifths of the American public who support family and medical leave legislation. Unfortunately, he missed the cries of low-wage workers who need the policy most because they can least afford to lose their jobs when faced with a family crisis. They desperately need assurance that they will have their jobs when they return.

President Bush also could not hear voices reminding him that it is Congress's job to address the need for minimum standards to protect citizens and society. Congress has done just this in many instances, and has provided minimum wage legislation, overtime restrictions, child labor laws, OSHA regulations, Social Security, and the American with Disabilities Act.

Mr. Bush could not hear the voices of economists explaining to him that the cost of unpaid leave is so minimal that it is extremely unlikely that employers will eliminate other employee benefits if required to offer leave as envisioned in the Family and Medical Leave Act. In fact, no employer with an existing leave policy has ever eliminated or curtailed other benefits of employees. And, a recent study shows that a majority of employers in the four States which now have family leave laws report no change in costs due to the law.

All the president heard, however, were the voices of some big businesses telling him that the essential, long-overdue, Family and Medical Leave Act, mandated by Congress and the American people, is not a good idea.

Congress has recognized that the President's lips can be hardly readable. We must also recognize that his ears can be overly selective. Even though he has not, we must listen to the voices of American people—and to the voices of reason.

Mr. CLAY. Mr. Speaker, I yield myself 10 seconds.

Mr. Speaker, I am appalled to hear the previous speaker say that we should leave this to the collective-bargaining process when 85 percent of the American workers are not covered by collective bargaining. That is a meaningless argument.

Mr. Speaker, I yield the balance of my time, 4 minutes, to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I rise in strong support of overriding the President's veto on this important bill.

Every day in American newspapers we read more and more about the American family and the stress it is under. The American family in the 1980's is very similar to a hamster I used to have as a pet. It ran and ran and ran on the wheel, and it never got anywhere.

We have seen how the tax burden has been shifted onto the American family. We have seen how we must have dual-earner families to remain middle-class. People are no longer in the work force because they are bored. They are in the work force because they want to remain middle-class.

There is a cataclysmic effect on the working family today, because this country is so far behind in providing this right to American families.

□ 1230

I think many of the Members in opposition to this, mix up two things, benefits versus rights.

Let us talk about what a benefit is. A benefit is something like paid vacation. What is a right? Well, we have rights to serve on juries. We have rights to serve in the National Guard. Do we not have any right to be with a child when it is born or adopted? Every other country says yes, you have that right.

Mr. Speaker, that is not a benefit. This is unpaid leave. There is a big difference. The reason American families are in the workplace, as many Members have eloquently said, is they need the money. So that is the biggest, biggest hindrance to using this. They are only going to use it when their family needs are crying out with this cataclysmic cry for their help or their need. I find it outrageous that we are not going to grant people that right.

Mr. Speaker, we hear people saying oh, the cost; oh, the cost. Well, GAO says the cost is $5.50 per year per employee. Boy, that is going to break America.

Let me tell Members, not only that, every country that is knocking our socks off in trade does this, and does more, does it with paid leave. I think the time has come where we have got to stop throwing rhetoric at families out of this Capitol and throw them some rights.

People are also saying oh, this is not flexible. This is like putting a straitjacket on. Everybody has got to take this.

Baloney. It suddenly gives them something to negotiate with. They can go to their employer and say, "I will not take my 12 weeks unpaid leave if I can have part-time work during the period where I am readjusting with the family." It does not give them anything except rights to negotiate, for the first time to try to be able to find how they can juggle both work and families.

Mr. Speaker, if we were not number one in divorce in the world, if we were not number one in family violence and drug and alcohol abuse, if we were not No. 1 in all those stress-related things, then I think we could keep thumbing our nose at this family type of legislation. But we are No. 1, and we ought to be asking what is driving this stress, what is driving the economic push that is forcing families into the workplace and the workplace not recognizing any family needs.

Mr. Speaker, I cannot believe that we are going to sustain the President's veto. It is 1990, it is not 1930. We really need to catch up.

Mr. Speaker, this society is based upon the solidity of our family units. Our family units are moving and quaking because they are so stressed out and they are pulled in so many directions. I think it is time we try and help people who are trying to get into the middle class. They know how to work this. That is why even in the Wall Street Journal poll 71 percent are for this. You give them this benefit and I assure you, they are going to know how to figure this out. They are going to be very sophisticated in utilizing this, to be able to help them with their family need.

Mr. Speaker, I really plead with Members to face up to what we are doing today and realize only 1 out of 10 families look like "Leave It to Beaver" anymore. One of the problems we have as elected officials is only 1 out of 10 of our families do not look "Leave It to Beaver." So we have to stretch to imagine what they are going through. But stretch. Imagine the stress in your own districts, and please, please, vote to override the President's veto.

Mr. CARDIN. Mr. Speaker, the American work force has changed dramatically over the last few decades. Between 1970 and 1988, the proportion of working mothers increased 52 percent. Working women contribute an average of 41 percent of their family's total earnings. Women play a larger and larger role in contributing to the financial success of their families and they make up a larger and larger percentage of the work force. Unfortunately, public policy has been very slow to catch up to these new social realities. We need to get unstuck from the realities of the 1950's; the heyday of the tupperware and bomb shelter parties are long gone.

The Family and Medical Leave Act, by addressing the social needs of the 1990's, will enable working men and women to care for their children and/or their parents while guaranteeing them the right to be a productive member of the American work force. The Family and Medical Leave Act's time has come. Every American has a right to be a productive member of the work force. Working Americans should never be forced to choose between their work and a child or their livelihood and tending to a sick parent.

We, as a nation, lose when workers must forgo their jobs for family needs. The loss to taxpayers in the form of unemployment insurance and other benefits caused by the lack of medical leave totals $4.3 billion. Not only does family and medical leave make good sense, it makes good business sense. It costs far less to retain an experienced, trained employee than it does to replace one lost to childbirth or medical emergency. Productivity and company commitment can only be enhanced by the protection of these employee rights.

Mr. Speaker, I care about families and workers. The Family and Medical Leave Act ensures that the American people can be good caretakers of children, the disabled, and the elderly, at the same time that they are good workers. No American should be penalized for being good at both jobs. I urge my colleagues to support this veto override.

Mr. ANNUNZIO. Mr. Speaker, it appears that when it comes to legislation that would really make a difference in the lives of America's working families, President Bush can only respond with a four-letter word.

For America's working class, it is disappointing to read the President's lips as he spells out that four-letter word he uses over and over again when it comes to giving them a modest helping hand—v-e-t-o. Let's take a look at President Bush's track record on labor issues:

H.R. 2, the Fair Labor Standards Amendments of 1989 to restore the minimum wage to a fair and equitable rate, passed the House on March 23, 1989, by a vote of 248 to 171. Vetoed on June 13, 1989.

H.R. 20, the Hatch Reform Act of 1990, to restore to Federal employees their rights to participate voluntarily, as private citizens, in the political processes of the Nation, passed the House on April 17, 1990, by a vote of 297 to 90. Vetoed on June 15, 1990.

H.R. 1231, to establish an emergency board to investigate the dispute between Eastern Airlines and its collective bargaining units, passed the House on March 15, 1989, by a vote of 252 to 167. Vetoed on November 21, 1989.

H.R. 770, the Family and Medical Leave Act, passed the House on May 10, 1990 by a vote of 237 to 187. Vetoed on June 29, 1990.

Mr. Speaker, this list doesn't even include the Textile, Apparel, and Footwear Act—of which I am proud to be a cosponsor—which passed the House and Senate during the 100th Congress but was vetoed by President Reagan and which President Bush vows to veto if given the opportunity as well.

The 101st Congress has worked very hard, Mr. Speaker, to pass a series of bills to respond to the needs of America's working families. I believe we have put together a number of excellent bills which would lighten the burden on our working men and women, to provide a level of fairness at the job site for all Americans, not just a select few.

But time and time again, President Bush has used that four-leter word "veto" to dash our hopes and those of American workers. Thus, with the exception of the Americans With Disabilities Act and two bills of which I was an original cosponsor—the Steel Import Stabilization Act, H.R. 904, and Steel Fair Trade Review Act, H.R. 3093, which were signed jointly into law on December 12, 1989 as the Steel Trade Liberalization Program Implementation Act—Congress has little to show for its efforts. Thanks to George Bush, this has been the most frustrating legislative session in terms of labor legislation in recent memory.

Mr. Speaker, I have my own one word response to the President's four-letter word on labor legislation, and that word is enough. I encourage my colleagues to join me in taking two, distinct steps to deliver this message to the Oval Office.

First, today, July 25, 1990, the House of Representatives has an opportunity to tell the President what we think about his little four-letter word when we vote to override his veto of the Family and Medical Leave Act. This important legislation would provide 12 work weeks of unpaid leave a year to workers if needed because of the birth of their child or the serious illness of a child, spouse, or parent.

Voting to override this veto should not be a difficult task, because we would just be doing nothing more than what George Bush the candidate—not George Bush the President—promised the American people on the campaign trail.

In vetoing this vital legislation—of which I am proud to be a cosponsor—President Bush reneged on his campaign pledge to provide job-protected leave for family illness, child birth or adoption. When he was asking the American people for their votes in 1988, he thought this legislation was a pretty good idea. However, in his veto message, President Bush qualified his support by saying such policies should be voluntary, not mandated by the Government—a distinction he conveniently failled to make on the campaign trail.

I think the President should be ashamed of himself, not only for going back on a campaign promise, but for vetoing the most important profamily legislation Congress voted on this year. Unlike the President, I do not believe a working mother should be asked to choose between the child she loves and the job she needs. Thus, I implore my colleagues to join me in saying "enough" to the President by overriding his veto of the Family and Medical Leave Act today.

Mr. Speaker, the second action I ask my colleagues to take is to join me and almost 150 of our colleagues in the U.S. House of Representatives as a cosponsor of H.R. 3936, which would prevent employers from hiring permanent replacements during a labor dispute. This bill would also prohibit employers from discriminating against striking workers coming back to the workplace after the dispute has ended.

The right to strike is eroding in America today as a result of a series of judicial decisions and the union-busting initiatives of the Reagan-Bush administrations. This essential freedom, which is now being emulated in emerging democracies around the globe, has brought numerous basic protections to American workers such as union representation, collective bargaining rights, improved wages and fringe benefits, and safer workplaces. But if Congress fails to act, this progress might not only just come to a halt, but might be reversed.

When striking becomes the equivalent of giving away your job, the balance of power is unfairly and dramatically shifted against American workers. That is why it is so important that Congress act upon H.R. 3936, and act upon it quickly. There are few days left in the 101st Congress to enact such major legislation as this, but there are few more important issues to American workers than this.

It's high time that Congress tells President Bush "enough is enough" on issues crucial to American working families. Vote to override the veto on the Family and Medical Leave Act, and enact into law H.R. 3936 this year.

Mr. MATSUI. Mr. Speaker, today the House has the opportunity to once again voice its belief in American families. It is unfortunate that this opportunity appears before us as the result of President Bush's veto of the Family and Medical Leave Act, but his veto of this important legislation should not diminish our commitment.

Throughout the 1988 Presidential campaign we repeatedly heard the President proclaim his commitment to American families and family values. The President had a tremendous opportunity to live up to this commitment by signing the Family and Medical Leave Act into law. Instead, he chose to veto this legislation, and we all learned that his statements on the campaign trail were nothing more than words.

American families need the protections contained in the Family and Medical Leave Act. This modest legislation makes a clear acknowledgment of the sometimes contrasting family and work obligations that American workers now face.

The Family and Medical Leave Act is a very modest attempt to provide families with minimum protection in times of stress and uncertainty. It will allow parents to fulfill both their work and family obligations. The reality of the 1990's is that in most families both parents work outside the home, and most of these parents work for employers who do not provide leave for family or medical emergencies. The version of the bill approved by Congress truly represents a compromise that takes into account the needs of American families, and the concerns of American businesses.

Actions speak louder than words. The President's veto sends a clear message to working families about how this administration truly views their contribution to society. America's families are too important to the strength of this Nation merely to be treated as a campaign slogan or a 30-second commercial.

I urge my colleagues to vote to override the President's veto of the Family and Medical Leave Act. American families deserve better than this.

Mr. FAZIO. Mr. Speaker, I regret that we are here today to again vote on H.R. 770, the Family and Medical Leave Act. Although this important bipartisan bill was overwhelmingly approved by both Houses of Congress and supported by 71 percent of the American people, we revisit this issue today because H.R. 770 was vetoed by President Bush.

H.R. 770 addresses the changing face of the American family, with more single-headed households or families where both spouses work. It recognizes that America's working families have responsibilities to both their jobs and their families and acknowledges that they should not be forced to choose between them when faced with a family or medical crisis. And while H.R. 770 addresses these competing responsibilities, it does not place undue strain on the Nation's businesses.

Despite the support and need for H.R. 770, President Bush apparently believes that working Americans should be forced to make that difficult choice between their family and job. And while the President contends that individual employers will provide this benefit without a mandate from the Federal Government, he fails to acknowledge that when left to make their own decision about this important benefit, most employers thus far have failed to provide unpaid family or medical leave.

We must ensure that America's workers have job security when they are faced with a need for family or medical leave. Everyone should have the right to work and have a family, without jeopardizing either one. Let us reaffirm our support for working families and vote to override the President's veto.

Mr. WELDON. Mr. Speaker, I rise today to support the override of President Bush's veto of H.R. 770, the Family amd Medical Leave Act of 1990.

This legislation will provide a critical protection to America's families. It will ensure that employees are not forced to choose between their jobs or families.

Our society has changed dramatically over the past 20 years and the Federal Government has a responsibility to meet the needs created by these demographic shifts. Today, less than 10 percent of Americans live in a traditional family, in which the father is the breadwinner and the mother stays home with children. Women comprise 45 percent of the work force and this number is rising. And an incredible two-thirds of mothers with children under the age of three work outside the home. These changes have put a strain on the American family. Employees must have the opportunity to care for their families in time of crisis.

Critics would like to depict this as a partisan issue. If Republicans vote the party line, and not with the needs of the working families of their districts, that view will be confirmed. A strong show of support for unpaid family and medical leave by Members on the Republican side of the aisle will send a clear signal to the American people that it is not only the Democrats that are concerned about the future of American families. As a Republican, I was not an initial supporter of this bill, as I am reluctant to impose mandates on business. The compromise embodied in H.R. 770, however, represents a fair balance between the needs of the family and the concerns of the business community.

The President has argued that such a bill would hurt our competitiveness in the global marketplace and stifle job creation. I strongly disagree with this assessment. The 50 employee minimum in this bill exempts 95 percent of companies in America. And the leave is unpaid. The General Accounting Office estimated the cost to be only $5.30 per covered employee per year. Workers will not voluntarily give up 12 weeks of salary except in the most serious of cases. The bill also provides a key employee exemption. This allows an employer to designate their workers earning the top 10 percent in salary to be exempt from the job protection coverage.

Globally, other countries do much more than is embodied in H.R. 770. We have failed to protect families as well as the rest of the industrialized countries. Family and medical leave is a labor protection consistent with such statutes, as minimum wage and a 2-month notice before plant closings. It is merely a necessary courtesy for working people in today's society.

Critics of H.R. 770 argue that industry is establishing their own leave programs and it is unnecessary for the Government to enact a family and medical leave act. I only wish that this was the case. According to the Bureau of Labor Statistics, only 37 percent of employers with more than 100 employees provide maternity leave. The General Accounting Office estimated that more than 60 percent of American workers are not covered by a short-term disability plan.

Mr. Speaker, we live in a day when it is necessary and commonplace for both spouses to be in the work force. At the same time, we are watching the deterioration of many traditional family values. The FMLA will help working men and women make it through the times of crisis which threaten to tear families apart.

I urge my colleagues on both sides of the aisle to recognize the overwhelming need for this bill and vote to override the President's veto of the Family Medical Leave Act.

Mr. GRANDY. Mr. Speaker, I suppose we could start this debate with a long discussion of the role of government mandates concerning benefits in this society and the risk they present to the rational, efficient allocation of benefits for employees in any given workplace, but perhaps it would be mroe profitable simply to ask a simple question, Is there a real need for this legislation?

I realize that both sides of this debate can hurl statistics back and forth as to what employers are doing voluntarily, along with antidotal evidence as to both employer programs and instances where employees, regrettably, have lost their jobs because some employers were inflexible with regard to the family needs of these employees. Further, we can talk at length about what the States are doing. But let me just ask my colleagues whether they have heard from any appreciable number of their constituents on this issue. If not, why not? Could it be that, in fact, situations were employers refuse to accommodate the needs of their employees are, in fact, relatively rare? If so, should we be here today passing national legislation mandating one approach to circumstances which invariably widely differ from workplace to employee and employee to workplace.

Interestingly enough, if this issue is burning in the hearts and minds of Americans, if they are clamoring for this, much the same way they clamored for section 89 or catastrophic health care, then why have many public opinion surveys put this issue at a very low priority. Instead, clean air, crime, and child care rank much higher. I have received about three to four letters a month on the issue. The majority of these letters have been in opposition to mandated family and medical leave.

Of course, Mr. Chairman, the substitute and H.R. 770 mandate one inflexible approach to a multifacted problem—a set number of weeks for a set number of conditions. The effect, as numerous witnesses at hearings testified and which will be discussed further later today, will be redistribution and reallocation of benefits directed to those employees who fall within the legislated, favored set criteria, while benefits available to other employees will diminish. I know this may be a shock to some of the proponents of this bill, but employers only have so much money to spend: The benefit "pot" is not bottomless.

Employee needs differ from one business to another. We believe that mandating this particular benefit limits the ability of employers to offer benefits that appeal to their workers. Ultimately, a benefit decreed becomes a benefit denied because of the fixed profit pool available to employees.

What about the family with older children, not a newborn, that desires child care benefits? They are more concerned with what happens the first 10 years instead of the first 12 weeks.

What about the family that wants strong dental benefits, or the family with a child who has a congenital birth defect—say kidney disease which later creates a need for kidney dialysis and a kidney transplant? This family would undoubtedly rather have strong medical benefits—a Blue Cross/Blue Shield policy—than 12 weeks of unpaid medical leave.

What about employees who would rather bargain for greater paid sick leave, adoption assistance, employee discounts, vision care, or a profit-sharing plan?

Is it the role of the Federal Government to collectively bargain for these employees? I say no. Flexible benefit packages must be allowed to meet the flexible needs of each individual's work force, whether this work force is in Mason City, IA, in Los Angeles, CA, or in a medium-size city like Waco, TX.

Of course, if the leave mandated by this bill cost little or nothing, these concerns may not be real ones, and proponents will again cite GAO's study on H.R. 770. Again, later speakers will touch on this subject, but for now I want to emphasize that for many reasons the GAO's study missed the mark. Perhaps, most tellingly, the GAO only looked at the cost of health insurance coverage and, incredibly, assumed there would be no loss of productivity associated with a lost worker, concluding that his or her work could be simply spread around and that no costs would be associated with hiring temporary workers. Mr. Speaker, perhaps in a typical Washington, DC, office, work can be simply spead out among workers, but surely most American workplaces do not normally operate at such an inefficient rate that a worker here or there won't be missed. On this note, I simply want to emphasize that a study by the Society for Human Resource Professionals put the cost of replacing workers at $56 million and that a study by Robert Nathan Associates put the cost of continued health insurance at $277 million to $692 million, depending on certain factors.

Finally, I just want to quickly touch on the States. Numerous States have enacted legislation in this area, and legislation is pending in others. Is this legislation identical to H.R. 770 or the substitute? No, and that's the point. A one-size-fits-all solution is absurd, particularly when the States are developing their own solutions to whatever problems are being brought to the attention of the State legislatures. Why should the Federal Government step in and play "Big Brother" now?

I would now like to turn to the structural problems of both H.R. 770 and the substitute.

ADMINISTRATIVE DIFFICULTIES

The structural framework established by H.R. 770 and retained by the substitute, without any significant change, for the administration of the required benefits would be unworkable, as a practical matter, would fail to allow for legitimate needs of employers in orderly managing their work forces to produce a quality product, and would likely lead to extensive litigation as employers and employees disagree over the proper interpretations of the many vague provisions in the bill. While it is here impossible to discuss all of these problems in detail, the most significant can be summarized under the following areas:

DEFINITIONS

The definition of "serious health condition" is critical to H.R. 770 and the substitute, as the employee may take time off if he or she has a serious health condition and to care for a child, parent, and—under the substitute—spouse who has a serious health condition. Well, as with much legislation in Congress, the label used is misleading, although appealing, and the types of conditions covered by the definition of a serious health condition could be many and not, in fact, all that serious. Both H.R. 770 and the substitute identically broadly define the term as "an illness, injury, impairment, or physical or mental conditions which involves (A) inpatient care in a hospital, hospice, or residential health care facility, or (B) continuing treatment or continuing supervision by a health care provider."

The committee report, p. 29, notes that the definition is "broad and intended to cover various types of physical and mental conditions." What does continuing treatment or continuing

supervision mean? The GAO, upon which the proponents frequently rely, noted the problem with the definition and made up their own definition in order to try to estimate the cost of the bill, stating:

There is another matter related to the cost of this legislation that warrants attention, namely the need to clarify the definition of serious health condition under the provisions of the bill permitting leave to care for seriously ill children and temporary medical disability. Currently, there is substantial room for varying interpretations. For example, the cost of the bill would increase by nearly $120 million if serious illness is assumed to be 21 days or more of bed rest rather than 31 days, as in our estimate.

In sum, GAO was stating, and we agree, that the relevant definitions provided by the bill are unworkable and so elastic as to be meaningless. This key problem alone is fatal to H.R. 770 and the substitute.

BROAD ELIGIBILITY FOR LEAVE/BENEFITS

Virtually all employees of a covered employer, regardless of the nature of their work or impact of their absence, will be eligible for leave under H.R. 770 and the substitute. Any employee who has worked 1 year for the same employer and has worked at least 1,000 hours—about 20 hours a week—qualifies. Thus, after 1 year of part-time work, an employee would be eligible for up to 12 weeks of leave over the next year. Unfortunately, the broad criteria established by the bill governing availability of leave make the likelihood of actual use of most or all of such leave quite probable. Further, there is apparently no requirement that leave actually be needed, in the sense that exigent circumstances exist, before it is taken. The birth, adoption, placement in foster care, or serious health condition of a son or daughter, or the serious health condition of a spouse or parent, alone trigger eligibility for the leave. Thus, an employee could apparently take 12 weeks off in order to care for a parent even though, as would likely often be the case, the aid of the employee is not actually necessary—such as when another relative or professional attendant at a hospital is tending to the needs of the ill parent. Similarly, an employee could take 12 weeks off in order to care for a child living with a divorced spouse, without regard to whether the employee actually has custody of the minor. And, of course, an employee could take 12 weeks off because of a child's birth, adoption, or placement in foster care even though an able-bodied, unemployed spouse is at home to care for the child. In sum, many factual situations will qualify employees for the full 12 weeks of leave provided by this bill; emergency, pressing, or unusual circumstances need not exist.

KEY EMPLOYEES

Certain key employees are exempt from reinstatement rights under the bill but remain eligible for continued health benefits coverage. This exemption—the only one in the bill—is extremely limited, as employees falling within the exemption must be among the highest paid in the work force and those whose reinstatement would cause substantial and grievous economic harm to the employer. It would seem that the exemption tied to the nature of an employee's work, availability of replacements, and impact of the employee's absence would have been more realistic. Notably, New Jersey's law looks to the effect of the leave being taken, not the effect of reinstatement. The substitute made a slight change in the exemption, but with no real effect.

COVERED EMPLOYEES

Finally, it is worth emphasizing that, as the bill contains few employee exemptions, it contains fewer employer exemptions. All types of employers above the 50-employee threshold, including State and local governments, regardless of the nature of their operations, are covered. Hospitals, police departments, firefighters, specialized private sector services—large or small—must be prepared, possibly at a moment's notice, to fill a position, however critical, with a temporary employee or do without the work of that employee. The majority did add, at committee markup, specially tailored provisions to address the needs of local public schools, and, I note, that the substitute now covers private schools. Presumably, many other types of organizations could now also step forward expecting special consideration of their own unique problems.

EMPLOYER CONTROL OF LEAVE

Stated simply, H.R. 770 and the substitute allows employees virtually unrestrained discretion as to when to take leave and when to return from leave, rendering employer work force planning extremely difficult. Serious health condition leave can be taken in intermittent segments of time so long as medically necessary. Proponents of the bill will argue that certain provisions require an employee to give reasonable and practicable notice of foreseeable leave for birth or adoption and, similarly, to provide reasonable and practicable notice of foreseeable leave for planned medical treatment or supervision and to make a reasonable effort to schedule such leave without disrupting unduly the employer's operations, subject to the approval of the employee's health care provider. However, the bill is silent as to what these fluid concepts mean and, more importantly, as to any sanctions, such as denial of leave, an employer could impose upon an employee for failing to meet these vague obligations. The obligations will be, therefore, essentially meaningless except in the most outrageous cases of noncompliance by an employee. Would any employer risk quadruple backpay liability in second guessing how a court or an administrative law judge would interpret these terms?

REINSTATEMENT AND HEALTH BENEFITS RIGHTS

Under H.R. 770 and the substitute, the employer must restore an employee to the same position or an equivalent—in all terms and conditions of employment—position, whenever, quite literally, the employee decides to return from leave, subject only to a right to request medical certification, by the employee's health care provider, of the employee's ability to resume work. The employer clearly has no discretion to delay reinstatement for a short period of time or for any time at all, much less until an equivalent position becomes available. Nor does an employer even have the right to require that an employee periodically report in—by telephone or in writing—as to the basis for continued leave or as to when he or she expects to return to work, if at all. The difficulties this poses for an employer attempting to decide whether a vacated position should be filled on a temporary or permanent basis or held open pending the uncertain return of an employee are not hard to imagine.

Of course, during leave, health benefits coverage must also be continued under H.R. 770 as if the employee remained on the job. However, while the implicit quid pro quo to this continued coverage is the employee's return to work, there is no mechanism by which an employer could recover benefit costs from an employee who chooses, even voluntarily, not to return to the position at the end of the leave period. The employer cannot ask an employee to guarantee his or her return—or even to provide written notice of his other intention to return; indeed, the employee has every incentive not to state his or her intentions in order to secure the longest possible coverage. The inequity of this arrangement, together with the requirement that the employee be reinstated immediately upon return, is best exemplified by a related case study of an employer, as cited by the National Federation of Independent Business in its February 7, 1989, testimony before the subcommittee:

We recently had a young woman who requested 3 months' maternity leave which we granted. In order to hold her job, we employed a temporary employment service to fill this job as secretary/receptionist. During the leave, we paid all benefits. At the end of the leave, the individual informed us of her decision not to return to the labor force. In other words, we went through a period of inefficiency and delay in being able to seek and train a replacement—as well as a monetary outlay to cover fringe benefits—for an employee who did not return.

Other problems are also evident. For example, it is the apparent intention of H.R. 770's sponsors and the substitute's sponsors that the 18- to 36-month continuation of health care coverage requirements under title X of the Consolidated Omnibus Budget Reconciliation Act [COBRA] would not begin until after it is clear that the employee would not be returning to work, rather than to allow computation of the continued coverage period from the time when leave began. Further, it is unclear how an employer who maintains a health plan to which an employee contributes through payroll deductions, a common arrangement, would collect payments from an employee on unpaid leave. Could an employer require cash payments before or during leave and terminate coverage when such payments were not forthcoming, or must the employer make the employee's payments and await the uncertain return of the employee to be reimbursed? These are real problems which are not properly addressed by H.R. 770 or the substitute.

ENFORCEMENT/DAMAGES

H.R. 770 establishes an entirely new, overly complex enforcement scheme. Indeed, the enforcement provisions alone comprise close to half of the entire text of title I—the non-Federal sector requirements—of the bill. Under this novel scheme, an employee may file a charge with the Department of Labor, or file a private cause of action in Federal or State court with a jury trial. A charge must be processed by the Department through several

levels, including administrative law judge hearings, along a very precise, expedited timetable. A failure by the Department to comply with any obligation in a timely manner would then entitle an employee to file in court, subject to certain conditions. Judicial review could follow in any case. The employer shall be liable for damages for No. 1, lost wages and benefits plus No. 2, an amount equal to the greater of first, lost wages and benefits or second, consequential damages—including pain and suffering—capped at three times lost wages and benefits for potential recovery of 4 times lost backpay and benefits. A successful good faith defense would allow the court to reduce damages to lost wages and benefits. These provisions for enforcement and, particularly, damages are virtually unparalleled under other major labor laws. These typically provide for no private cause of action when an administrative review and enforcement mechanism has been established or, in those cases where such mechanism exists, at least, importantly, require a filing with the relevant agency first to allow that agency an opportunity to act on the charge and to engage in conciliation. Moreover, where a private cause of action is allowed, the applicable procedure typically does not provide for an extensive, quasi-judicial hearing review process within the agency. Similarly, no known labor statute gives a complainant the vague right to bring a civil action after a charge has been filed on the basis that the agency has failed to meet any obligation under the statute in a timely manner. Most importantly, no major labor statute provides for recovery for compensatory damages such as pain and suffering or for potential quadruple backpay liability. Typically, such statutes provide for backpay and benefits or, under some circumstances, double backpay and benefits.

Of course, unique rights may demand unique remedies, despite the resultant uncertainties and litigation costs, but it is difficult to believe that the rights afforded by this bill deserve greater protection than those provided under title VII of the 1964 Civil Rights Act, the Age Discrimination in Employment Act, the National Labor Relations Act, the Fair Labor Standards Act, the Equal Pay Act, the Davis-Bacon Act, the Service Contract Act, or the Rehabilitation Act of 1973.

Finally, it is worth noting that the Department of Labor, under two different Secretaries serving in two different administrations, has twice expressed problems with these procedures. On September 9, 1988, then-Secretary of Labor Ann McLaughlin wrote to Senator WILLIAM ARMSTRONG addressing the enforcement procedures in S. 2488, which were similar to those now in H.R. 770 and the substitute, noting that the Department was concerned with the bill's rigid enforcement procedures and time frames, lack of prosecutorial discretion, and potential workload impact on other enforcement programs. On March 7, 1989, Secretary of Labor Elizabeth Dole, in informing various members of the Committee on Education and Labor that she would recommend a veto of the bill, noted that it would create a new and costly Federal bureaucracy to administer its requirements.

Mr. Speaker, all of the problems I have just discussed existed with H.R. 770, and they continue to exist with this substitute. It's the same old stuff in a new bottle. These administrative problems alone require the House to sustain the President's veto of this Family and Medical Leave Act.

Mrs. SAIKI. Mr. Speaker, I rise today to urge my colleagues to join me in voting to override the President's veto of the Family and Medical Leave Act of 1990.

For years workers have tried to balance family and business obligations on their own.

Because of changes in the work force, that approach is no longer working.

This legislation is for the mother who isn't able to stay at home and care for her newborn or tend to her sick child because she is afraid that she'll lose her job and she can't take that risk because she is the only wage earner supporting that child.

It's for the families that have both parents working outside the home not because they want the frills, but because they need two incomes to pay for the basics of life.

This bill sets a minimum unpaid leave policy and gives these families the help they may desperately need.

And let me remind my colleagues that business has survived intervention from the Congress in the past to prohibit child labor and provide for fair employment practices and health and safety standards in the workplace.

These laws came into being because the determination was made that the public good was not being served under the business practices of that time.

Today, business is sensitive and working to achieve the goals of this measure but these efforts are not moving fast enough.

Please join me and vote yes on the override to give the mothers and fathers in today's work force the security and support that they need.

Mr. STOKES. Mr. Speaker, I rise today to express my profound displeasure with President Bush's veto of H.R. 770, and to urge all my colleagues to vote to override this veto.

In May of this year, the U.S. Congress passed landmark legislation, H.R. 770, the Family and Medical Leave Act [FMLA], to provide employees with up to 12 weeks per year of unpaid family leave to care for a newborn child, for a seriously ill family member, or for an employee's own serious illness. Employees would be entitled to the same or an equivalent position upon return from leave, and health insurance would continue during the leave period. The measure is designed to provide a minimum level of benefits, while protecting the jobs of employees while on leave. On June 29, President Bush vetoed the Family and Medical Leave Act.

President Bush has once again demonstrated his disregard for campaign promises by his veto of this important legislation. We should remember that this is the same President who said during his 1988 election campaign, "We need to assure that women don't have to worry about getting their jobs back after having a child or caring for a child during serious illness." That was true then, and it is true now.

Mr. Speaker, the Family and Medical Leave Act would only apply to businesses with 50 or more employees. This permanent exemption for small businesses would mean that 95 percent of all employers, and 44 percent of employees, would not be covered by the act at all. In addition, the General Accounting Office has estimated that complying with the act would cost employers about $4.50 annually per employee, hardly a cost that would cripple U.S. competitiveness in the world economy. It is hard to imagine a more modest, moderate, and appropriate response to dramatic changes in the American work force.

American families are finding it more and more difficult to meet both their work and family responsibilities. Today, most families need two incomes simply to make ends meet. According to statistics, two-thirds of all married women, 72 percent of married women with school-aged children, and 57 percent of women with preschool children work outside the home. Unfortunately, American business has been slow to respond to the new reality in the workplace. The Family and Medical Leave Act would enable workers to take short leaves for family and medical reasons with the security of knowing they can return to their jobs.

Mr. Speaker, I find it appalling that the President would veto family and medical leave legislation. Passage of the Family and Medical Leave Act would bring the United States into the modern world of employee leave policy. Every major industrial nation in the world, except the United States, requires some form of parental leave. In fact, most industrialized countries provide more weeks of leave, and many require employers or the Government to pay workers for at least a portion of the leave. President Bush failed to uphold his campaign promise, and he has failed the millions of working Americans with families. Let us step forward today and restore the confidence of the American people in their Government. I urge my colleagues to vote to override President Bush's veto of the Family and Medical Leave Act.

Mr. SYNAR. Mr. Speaker, the President has broken his promise to the American family. He once stated that no woman should have to choose between her job and the needs of a sick child, and yet he has vetoed a bill that would improve family life across the Nation, the Family and Medical Leave Act.

I am voting to override the President's veto for the same reason that I originally supported the Family and Medical Leave Act: This bill strikes the proper balance between family and work responsibilities. It provides employees with 12 weeks a year in unpaid family and/or medical leave and exempts businesses with under 50 employees.

I have heard from many Oklahomans on this issue. Small businesses were concerned that this would be their downfall, but 97 percent of the businesses in my district would be exempt from this policy. I also heard from working women and men who value their families and need their jobs. I took these concerns into consideration when deciding to support this legislation. The Family and Medical Leave Act is profamily and probusiness.

Years ago, when fathers worked and mothers stayed home, there was no question about how to care for a sick relative or a newly born child. Today, 57 percent of married mothers with children under 6 work. Suddenly, providing care for a sick husband, child, or parent

can mean choosing between your family and your job. Working Americans should not have to make that choice.

This is a bill which the vast majority of Americans want and need. According to a recent Gallup poll, 80 percent of all Americans believe parents should be with their children during the first weeks of life and should care for family members during illness without risk of losing their jobs.

Unfortunately, many working Americans have lost their jobs when they tried to juggle work and care for a sick family member. When working Americans lose their jobs because of a family medical crisis, we all lose. The rest of us pay the bill in lost tax revenues and higher payments for social programs, such as unemployment compensation, Medicaid, and food stamps. The Family and Medical Leave Act won't cost one penny in new Federal spending.

The bill includes exemptions for those small businesses who would have difficulty implementing a family and medical leave policy. While 95 percent of all businesses nationwide will be exempted, the remaining 5 percent of businesses that are covered employ 49 percent of all Americans. In Oklahoma, 39 percent of all employees will be covered by the Family and Medical Leave Act.

The Family and Medical Leave Act would help make American companies more competitive internationally by increasing employee productivity and decreasing turnover. America's two toughest competitors—West Germany and Japan—guarantee at least 3 months of paid family leave. With this act, businessmen invest in an experienced, well-trained, happy work force and America invests in a more competitive work force.

Mr. HAWKINS. Mr. Speaker, I rise in support of H.R. 770, the Family and Medical Leave Act of 1990, and to urge my colleagues to vote to override the President's veto of this most important piece of legislation.

Mr. Speaker, passage of this measure is long overdue. It has languished while American families have cried out for help. The stress of dealing with the demands of both child rearing and work are enormous. Managing the day-to-day routine of family and work is difficult enough but when these demands are compounded by the potential loss of employment when one needs time to care for a seriously ill child or parent, or to care for a new born or adopted child, the emotional stress felt by the working family can reach the breaking point.

We seem unwilling to reach out and help our families. Mr. Speaker, this bill is an acknowledgment that the two parent working family is the current and future work force of this country and that our most precious resource—our families—need to be more fairly reconciled with workplace demands.

There is not a Member of Congress who has not proclaimed in glowing terms support and reverence for the family, but when the family has called for help we have turned our backs looking desperately for "Ozzie and Harriet" and "Father Knows Best" pretending all is well. All is not well, and any one who believes that the answers lie in the past or believes society will return to that television view of life is suffering more than a deaf ear. If we do not respond as a nation to these pleas for help and fair treatment our society will lose more than its economic base, it will lose its families. It is time to face today's workplace realities of which the two employee family is crucial, and recognize their value both as parents and employees.

The measure before us begins the process of balancing these most demanding time requirements—work and family. Please vote to override the President's veto.

Mr. ALEXANDER. Mr. Speaker, I rise today in support of the American family.

We all know the perception is widespread that so much of what is being done in Washington is antifamily.

We have an opportunity today to help reverse that perception by voting to override President Bush's veto of this legislation.

If our goal is to strengthen the family, we certainly should not make working people choose between job security and caring for their loved ones.

I don't know of one of us who would want to face that unpleasant choice. Is the legislation an undue burden on business? I believe that issue was addressed by permanently exempting all firms with less than 50 employees. The Family Medical Leave Act recognizes that the small business community faces a special set of constraints.

So, the legislation allows for the protection of trasitional family values—of helping loved ones in time of great need—and for small business.

For many families, the economic reality is that both parents must hold jobs in order to make ends meet.

That reality means that they now face a wrenching choice between family responsibilities and the responsibilities of the workplace.

The reality is that fear of the permanent loss of a paycheck prevents many people from fulfilling their family responsibility.

I submit that our choice is clear: we must not force Americans to choose between their jobs and their loved ones.

Mr. MINETA. Mr. Speaker, I rise in support of the motion to override the President's veto of H.R. 770, the Family and Medical Leave Act.

By vetoing this crucial, profamily legislation, President Bush has, once and for all, showed us that he does not understand the needs of the American family.

Our world and its challenges may be changing, but our values are simple:

No American should have to choose between having a family and having a job. Parents must be afforded the time to care for their children.

Mr. Speaker, the President is handling the American family like a political football. He's punted—we cannot.

Mr. MILLER of California. Mr. Speaker, I rise in support of the override of President Bush's veto of H.R. 770, the Family and Medical Leave Act.

President Bush vetoed this legislation because he objected "to the Federal Government mandating leave policies for America's employers and work force." He says he supports voluntarily efforts by businesses to provide family leave, but his actions certainly reflect leadership on this issue.

He says that H.R. 770 "ignores the realities of today's workplace and the diverse needs of workers," but in fact, it is George Bush who is ignoring the realities and needs of America's families, who constitute that work force day in and day out.

He charges that "mandated benefits raise the risk of stifling the development of—innovative benefit plans," but in reality H.R. 770 offers a minimum benefit that can act as a floor for any innovative plan an employer wants to adopt.

He says that his "administration is strongly committed to policies that recognize that the relationship between work and family must be complementary," but he refuses to support a basic leave policy for America's families.

Mr. President, actions speak louder than words, and your actions tell us that you don't support America's families. Your actions tell us that America's families must go it alone. Your actions tell us that the richest nation in the world is unwilling to provide a basic benefit that most other nations in the world—rich and poor alike—provide without question, and without worrying that such benefits jeopardize their ability to compete in world markets.

Mr. President, while you are bemoaning the threat of the family and Medical Leave Act to our Nation's competitiveness, our major economic competitors—Japan and West Germany—already provide more family leave protections than those contained in H.R. 770.

The strength of America lies in its working families and our strength as a nation depends on the productivity of our workers. We would not have productive workers and we would not have a strong America if we do not provide our workers with basic job benefits and a minimal job guarantee when there is a personal crisis in their lives.

Mr. President, this legislation is not a threat to our Nation's competitiveness. But our failure to provide a minimum job guarantee to families to care for a newborn child or to tend to a sick or dying family member is a threat to the well-being of millions of Americans who live in fear that they may lose their jobs should a medical catastrophe hit.

Their fears are not unfounded. Less than two weeks ago, the Washington Post interviewed a woman who was fired from her job when she told her employer that she was pregnant. Shortly thereafter, her husband, who worked for the same company, was also fired. They lost their income—and their health insurance—just when they needed it most—to care for a new baby.

There are some American families, it is true, who may not need the job protection that the Family and Medical Leave Act provides following the birth or adoption of a child or to attend to the serious illness of a parent or child. The richest 1 percent of families in America, who earn more than the poorest 40 percent of families, can afford to pay someone to take care of their ill family members or to hire a nanny to care for their newborn children. But for most American families, without the protections provided by the Family and Medical Leave Act, attending to a sick parent or child will be a luxury.

The Family and Medical Leave Act is not an extravagant piece of legislation. But it pro-

vides a safety net for millions of families by guaranteeing a job-protected leave when they most need it. At the same time, it exempts small employers—who continue to be concerned about its cost—from coverage.

The Family and Medical Leave Act will be cost effective. American taxpayers lose more than $600 million every year in unemployment compensation and other benefits that are paid to workers who lose their jobs because they do not have guaranteed parental or medical leave.

The cost of implementing the Family and Medical Leave Act is only about $5 per year per covered worker. It seems a small price to pay for the increased well-being of American families.

We can pretend that we do not need this legislation and that employers will take voluntary action to provide parental leave. But that hasn't been the case so far. How long will America's families have to wait for employers to volunteer? We can't expect that every worker whose employer fails to provide family and medical leave can look for a different job where these benefits are provided every time they have a family medical emergency or a new baby to nurture.

If we do not override the President's veto of the Family and Medical Leave Act, the message that we send America's families is that our Government is unwilling to guarantee basic protections enjoyed by families the world over.

My colleagues, let our actions match our rhetoric. Let's not just say we care about America's families. Let's show them we care. Vote to override the President's veto of the Family and Medical Leave Act.

Mr. CLINGER. Mr. Speaker, there is no question that the structure of the American family is changing, as is the composition of the work force. And it is true that these two institutions have sometimes collided. We have heard several heartbreaking stories about workers forced to choose between their jobs, sometimes their sole source of income, and their families. I believe that Congress can and should take steps to alleviate this situation.

However, the approach we are debating today, the one-size-fits-all mandate, ignores the very cause of this problem. We are in a state of flux, of rapid change. Rigid, unthinking mandates, are better suited for simple, stable, and unchanging situations.

Last year we passed a mandated minimum wage bill which covers our employees for the first time. This year we are considering repealing the section of the act that applies to Congress because it is too restrictive, because it doesn't take into account the unique nature of the congressional office, and because it is an administrative nightmare. And yet we seem determined to force other employers, everyone but us, to comply with these mandates.

Mr. Speaker, I urge my colleagues to vote to sustain the President's veto so we can begin a constructive debate to a highly complex problem.

Ms. PELOSI. Mr. Speaker, I rise today in support of the override of the President's veto of the Family and Medical Leave Act.

On May 10, 1990, this House voted to provide job security for our working families who must take leave due to the birth of a child or the illness of a sick spouse or parent.

On June 29, 1990, this important legislation was vetoed by the President. This action was yet another broken promise by the President to American families—he is denying parents their right to care for their families.

As the United States enters a new millennium, more people must work outside the home to support their family. That is a reality. Too often, the necessity of two incomes conflicts with the need to provide family care. We must ensure that this conflict does not threaten the continued viability of the family. The Family and Medical Leave Act provides some degree of economic security to people who must attend to family needs.

I note with interest that today's Washington Post had a small article stating that the Federal Reserve Board Governor, Martha Seger, may step down from her position in order to care for an elderly parent. Our distinguished colleague, Congresswoman BOGGS, is leaving our ranks to care for a sick child. Taking care of parents and children is a reality of life in our times. We must take steps to ensure that all Americans have the freedom to take care of their family obligations. The President's veto of the Family and Medical Leave Act is antifamily—we must act in support of American families and override his veto. In the President's veto message, he stated his objection to mandated benefits and indicated that benefits of this nature should be negotiated between employees and their employers. How much longer must American families wait for a negotiation? After they have lost a job due to a family emergency? American families cannot and must not wait any longer. The Family and Medical Leave Act is in the same order of previous Federal minimum labor laws, such as the Fair Labor Standards Act, the Age Discrimination in Employment Act, and the Occupational Safety and Health Act. It is nothing extraordinary. It is ordinary protection that should be allowed for America's workers and families.

I urge my colleagues to support the override and cast a vote for our families.

Mr. CONYERS. Mr. Speaker, I rise to support the override of the President's veto of H.R. 770, the Family and Medical Leave Act. I have been a cosponsor of family leave legislation since it was first introduced in 1985. Today, the majority of American families are made up of two-earner couples, while one in four children live in single parent families. Over half of all mothers with children under the age of one work outside the home. The work force has changed, and the workplace must change with it.

Family and medical leave is not a privilege, it is a right which has been assured the citizens of every industrialized country except the United States and South Africa. Working Americans should not be forced to choose between keeping their jobs and caring for a baby, sick child, or a parent in failing health. This bill will not make our industry less competitive: After all, Japan and Western Europe already provide paid leaves—often several months duration—to their employees.

While there is considerable flexibility within the workplace to extend basic job protection, those workers at the bottom of the ladder are not afforded even minimal options in times of family crisis and are most in need of Federal standards. Right now, workers have no job protection under Federal law when they have a family or medical emergency. We have heard testimony from workers who were fired after caring for sick children, or elderly parents. This is not a yuppie issue: Women without employer provided leave have average annual earnings of $5,000 less than women with job-protected leave. It is low-income women who must return to work soon after the birth of a child and who suffer the most from the unemployment that can result.

This veto is a callous slap in the face to American families. During his campaign, President Bush said that "we need to assure that women do not have to worry about getting their jobs back after having a child or caring for a child during a serious illness * * * we've got to do something about it." Just what is it that he is planning to do? And when? He has offered no solutions.

This bill is a compromise, a small step, a modest provision. In fact, many workers who need this protection will be unable to take this leave because they cannot afford to be without pay. But I support H.R. 770 because I believe job security for dedicated employees is a critical and necessary first step toward the protection of America's families.

The SPEAKER. All time has expired.

The question is, will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device and there were—yeas 232, nays 195, not voting 5, as follows:

[Roll No. 262]

YEAS—232

Ackerman	Conyers	Gaydos
Alexander	Costello	Gejdenson
Anderson	Coughlin	Gephardt
Andrews	Coyne	Gibbons
Annunzio	Crockett	Gillmor
Anthony	Davis	Gilman
Applegate	de la Garza	Gonzalez
Atkins	DeFazio	Gordon
AuCoin	Dellums	Gray
Bates	DeWine	Green
Beilenson	Dicks	Guarini
Bennett	Dingell	Hall (OH)
Berman	Dixon	Hawkins
Bilbray	Dorgan (ND)	Hayes (IL)
Boehlert	Downey	Hertel
Boggs	Durbin	Hochbrueckner
Bonior	Dwyer	Horton
Borski	Dymally	Hoyer
Bosco	Dyson	Hyde
Boucher	Early	Jacobs
Boxer	Eckart	Jenkins
Brennan	Edwards (CA)	Johnson (CT)
Brooks	Engel	Johnson (SD)
Brown (CA)	English	Johnston
Bruce	Erdreich	Jontz
Bryant	Espy	Kanjorski
Bustamante	Evans	Kastenmeier
Campbell (CA)	Fascell	Kennedy
Cardin	Fazio	Kennelly
Carper	Feighan	Kildee
Chapman	Fish	Kleczka
Clay	Flippo	Kolter
Clement	Foglietta	Kostmayer
Coleman (TX)	Ford (MI)	Lantos
Collins	Ford (TN)	Lehman (CA)
Condit	Frank	Lehman (FL)
Conte	Frost	Levin (MI)

Levine (CA)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Luken, Thomas
Machtley
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Natcher
Neal (MA)
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Payne (NJ)
Pease
Pelosi
Perkins
Poshard
Price
Rahall
Rangel
Ravenel
Regula
Richardson
Rinaldo
Roe
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland (CT)
Roybal
Russo
Sabo
Saiki
Sangmeister
Savage
Sawyer
Scheuer
Schneider
Schroeder
Schumer
Serrano
Sharp
Shays
Sikorski
Skaggs
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Smith (VT)
Snowe
Solarz
Solomon
Staggers
Stark
Stokes
Studds
Swift
Synar
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Vento
Visclosky
Volkmer
Walgren
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (AK)

NAYS—195

Archer
Armey
Aspin
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilirakis
Bliley
Broomfield
Browder
Brown (CO)
Buechner
Bunning
Burton
Byron
Callahan
Campbell (CO)
Carr
Chandler
Clarke
Clinger
Coble
Coleman (MO)
Combest
Cooper
Courter
Cox
Craig
Crane
Dannemeyer
Darden
DeLay
Derrick
Dickinson
Donnelly
Dornan (CA)
Douglas
Dreier
Duncan
Edwards (OK)
Emerson
Fawell
Fields
Frenzel
Gallegly
Gallo
Gekas
Geren
Gingrich
Glickman
Goodling
Goss
Gradison
Grandy
Grant
Gunderson
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hiler
Hoagland
Holloway
Hopkins
Houghton
Hubbard
Huckaby
Hunter
Hutto
Inhofe
Ireland
James
Jones (GA)
Jones (NC)
Kasich
Kolbe
Kyl
LaFalce
Lagomarsino
Lancaster
Laughlin
Leach (IA)
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lowery (CA)
Lukens, Donald
Madigan
Marlenee
McCandless
McCollum
McCrery
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Montgomery
Moorhead
Myers
Nagle
Neal (NC)
Nielson
Olin
Oxley
Packard
Parker
Parris
Pashayan
Patterson
Paxon
Payne (VA)
Penny
Petri
Pickett
Pickle
Porter
Pursell
Quillen
Ray
Rhodes
Ridge
Ritter
Roberts
Robinson
Rogers
Rohrabacher
Roth
Rowland (GA)
Sarpalius
Saxton
Schaefer
Schiff
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Sisisky
Skeen
Skelton
Slattery
Slaughter (VA)
Smith (NE)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Spence
Spratt
Stallings
Stangeland
Stearns
Stenholm
Stump
Sundquist
Tallon
Tanner
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Thomas (WY)
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Walsh
Watkins
Weber
Whittaker
Wolf
Wylie
Young (FL)

NOT VOTING—5

Flake
Hughes
Kaptur
Nelson
Washington

□ 1252

So, two-thirds not having voted in favor thereof, the veto of the President was sustained, and the bill was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The message and the bill, together with the accompanying papers, are referred to the Committee on Education and Labor and the Committee on Post Office and Civil Service.

The Clerk will notify the Senate of the action of the House.

GENERAL LEAVE

Mr. CLAY. I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the veto of H.R. 770.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER DURING CONSIDERATION OF H.R. 5313, MILITARY CONSTRUCTION APPROPRIATIONS ACT, FISCAL YEAR 1991

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-629) on the resolution (H. Res. 441) waiving certain points of order during consideration of the bill (H.R. 5313) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION TO ACCOMPANY HOUSE JOINT RESOLUTION 7, REPEALING OBSOLETE JOINT RULE OF CONGRESS RELATING TO SINE DIE ADJOURNMENT OF CONGRESS

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-630) on the joint resolution (H.J. Res. 7) to repeal an obsolete joint rule of Congress (sections 132 of the Legislative Reorganization Act of 1946, as amended) relating to sine die adjournment of Congress, which was referred to the House Calendar and ordered to be printed.

FOOD AND AGRICULTURAL RESOURCES ACT OF 1990

The SPEAKER. Pursuant to House Resolution 439 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3950.

□ 1256

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 950) entitled the "Food and Agricultural Resources Act of 1990," with Mr. BONIOR in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, July 24, 1990, the amendment offered by the gentleman from Wisconsin [Mr. OBEY] had been disposed of and title IV was open for amendment at any point.

Are there any further amendments to title IV?

AMENDMENT OFFERED BY MR. WALSH

Mr. WALSH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALSH: In section 201(3)(4)(C)(i) of the Agricultural Act of 1949, as amended by section 402 of the bill (page 119, lines 17-18), strike "7 billion" and insert "6 billion".

Mr. WALSH. Mr. Chairman, my amendment is actually quite simple. Within the dairy title there is a trigger of 7 billion pounds, at which time the Secretary of Agriculture is given the discretion to implement a standby supply management program.

□ 1300

This amendment would reduce that figure of 7 billion pounds of milk equivalent, based on solids, not fat, to 6 billion pounds.

Lowering the trigger would show a budget savings which we all are working to achieve. The current 7 billion trigger sends a signal to the market to overproduce. We are already seeing signs of a surplus milk situation. It would furthermore help avoid a repeat of the 1980's surplus situation followed by lower income for farmers. A lower trigger would control the surplus situation more quickly and provide a more stable market for the consumer.

Secretary Yeutter supports this trigger reduction as it allows him to involve himself more quickly in a sur-

plus situation and get a better handle on the market situation.

In closing, I believe this is a reasonable compromise between the various industry parties seeking a stable market and payment equity. By avoiding large fluctuations in the marketplace, both the farmer and the consumer benefit.

Mr. Chairman, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I rise in support of the 6 billion trigger amendment offered by the gentleman from New York [Mr. WALSH].

Mr. Chairman, in the 1985 farm bill a trigger to reduce the support price of milk by 50 cents per hundredweight was established. This trigger was set at 5 billion pounds and was estimated from purchases of butterfat. The 1990 farm bill, however, allows for a trigger based on a much more accurate method—one based on total milk solids and is set at 7 billion pounds.

I would like to point out to my colleagues that though H.R. 3950 is basing the dairy trigger on milk solids, a 7 billion pound trigger does not make sense as this figure would equate into a $840 million budget cost for dairy.

Mr. Chairman, today, we have the opportunity to support an amendment which will cut the trigger level from 7 to 6 billion pounds. This will establish a $725 million budget cost for the dairy price support program, resulting in a savings of $115 million at a time of rising budget costs.

For this reason, I strongly support this amendment as it not only saves the Government $115 million and keeps CCC purchases down and within the budget baseline but more significantly allows for a tight dairy market—one beneficial to our Nation's dairy farmers.

Accordingly, I urge my colleagues to support this amendment not only for its fiscal enlightenments but for our Nation's dairy farmer, all of whom will benefit from a 6 billion trigger.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. WALSH. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I will certainly support the Walsh amendment. The gentleman from New York has explained the budget significance of this. It is something we will have to take into consideration sooner or later.

I think it also helps Members with the credibility of the budget regarding the passage of the bill before Members today. I commend the gentleman for his amendment.

Mr. WALSH. Mr. Chairman, I thank the distinguished gentleman from Texas [Mr. STENHOLM], and would like to add that this would allow the Secretary to intervene sooner than later in the event of an increase or substantial surplus.

The 7 billion trigger sends a signal to the market to overproduce. We have already begun to see an increase in production. That would allow the Secretary to intervene at the 6 billion pound level, and the savings projected for just the first year are approximately $115 million. Those are precious dollars given the budget deficit situation that we are all facing.

I think it is an effort on the part of the Committee on Agriculture and the subcommittee to do our best to add to the effort to balance the budget. This would also send a signal to the marketplace, provide for a more stable market, provide for a better pay price to the producer over a longer period of time, so there are benefits to all concerned.

Mr. OLIN. Mr. Chairman, I rise in opposition to the amendment. I hope Members will give some attention to this situation. This amendment that has been offered seems like a simple amendment. It may seem that it is not important, but do not be fooled by that. As simple as though it may seem, this amendment would lower the trigger, which would kick in whatever inventory management scheme we finally end up with. It would have the effect of triggering that scheme sooner, and the problem with the amendment is that it is not appropriate. It is unnecessary at this time.

Yesterday we defeated the Volkmer amendment, which would have authorized a production control plan to kick in at even a lower level, and we decided in that vote by a vote of 353 to 70 to stay with the committee's position which was to study that issue with the USDA before going ahead and implementing a rather major change in the dairy policy.

Now, this issue is the issue of the trigger that will go along with that program, and the two tie together. Since we do not have a plan, it seems like it is a little ridiculous to start fooling with the trigger that was set up by the committee as a trial trigger for a plan that has not been agreed to. The argument that this is going to cost a lot of money is phony because the intent of this inventory control plan is for it to be a fallback in the event we go out of control. Under the provisions of the bill that the committee is proposing, it is working with, it is not expected that that trigger will be reached during the full 5-year plan. It just does not make sense to have a trigger which relates to a procedure that lost by a factor of 5 to 1, to be fooled with at this time. It does not make any sense at all to fool around with that trigger. The only reason for this amendment is that it represents some kind of a move to please this dairy organization, or several, that will provide some brownie points to the Members that have made this move. It is a false move. I hope we can recognize that it is a bad signal to put out to the dairy industry.

If this amendment passes, what we are doing is sending a signal that we want to kick in a production control scheme at a relatively low level of surplus, even before we find out what that scheme should be. That is a bad signal. I say this because we are nowhere near having a surplus of any magnitude.

Right now it looks like we have a milk shortage, supply and demand are in relative balance. The forecasts are with the committee bill keeping the support level at 10-10, the surplus should not kick in for this whole 5-year period. The only point that is extremely important is that this is a signal to dairy farmers that we are looking forward to a production control scheme, a production-based scheme, and I can see the farmers getting that signal and gradually working to build up herds, and build themselves up into a position where they are able to have a larger base when that happens.

Actually, in the beginning of this process, I favored a higher trigger, 10 billion of 12 billion pounds, so it would not kick in except under emergency situations. So we do not get into a mandatory severe program unless it is absolutely necessary. The committee got down to 7 billion as a trigger, and they compromised and tried to work out an amendment in putting the committee together, and it was a compromise far beyond what I should have done. Certainly, to cut to 6 billion is a bad cut.

Yesterday's amendment that we defeated would have called for a 3.5 billion trigger, and was soundly defeated. I ask Members to leave this trigger alone. Do not go against the committee.

The other side of the aisle, I am sure, will recognize that the administration is opposed to this amendment, that it opposed this amendment as it did oppose the Volkmer amendment. There will be plenty of opportunity to establish an appropriate trigger when we get the USDA study done, and we analyze the whole situation as well as the budget considerations. That will be the time to make any adjustment of the trigger that is needed. I urge a no vote on this amendment, just as I did on the Volkmer amendment. Those who voted against Volkmer should vote against Walsh.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment of the gentleman from New York. I think it is important that everyone understand exactly what we are doing here, and we are

trying to bring a trigger line with some sense of budget reality.

The purpose in that is it does no good to have a trigger that is way up there when we know that the budget is going to drive this up each and every year. Six billion trigger probably costs around $725 million on an annual basis. If Members look at the CBO projections, the only year that that is a possibility of getting over that is 1994. I guarantee we will do a lot between now and 1994 that will affect dairy. No Member would live or die on that 1994 projection.

□ 1310

Mr. Chairman, I think it brings the trigger into balance, and that is what we are trying to do budgetwise. So for that reason I support the amendment.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. GUNDERSON. I am happy to yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I rise in support of the trigger amendment, and commend my colleague, Mr. WALSH, for offering this amendment. We, in the Northeast agricultural caucus, appreciate having the opportunity to work with one of our Members in keeping the dairy market tight and at the same time assisting the committee in meeting the budget baseline for the dairy title as provided by the Budget Committee.

We know that the greatest concern of our farmers is income security. In view of our budgetary constraints, our farmers are faced with continual attacks being made on the various commodity support payments. What farmers don't understand is why these attacks are taking place. They want tight markets just like everyone else. They don't want handouts. They want to sell their product in the private sector and not to the Commodity Credit Corporation. What they want is fairness and a level playing field.

Dairy farmers in the Northeast are the most efficient in the country. We don't have a surplus production problem. We have a balanced milk supply and demand market and we want to keep it that way. Our farmers get upset with each repetitive cut in the milk price support level as a result of the 1985 farm bill trigger of 5 billion pounds of estimated purchases of butterfat by the CCC. They are not the cause of the overproduction problem, but because dairy policy is a national policy, they are penalized. That is unfair, but at the same time I realize dairy policy must be made on a national scale.

With the 1990 farm bill, the trigger is figured on a total milk solids basis, something I have been pushing for a long time, and the trigger is used as a means of implementing a milk supply management system. That is good. The only problem is that the trigger in the committee bill is too high.

A 7-billion-pound trigger equates to a $840 million budget cost for dairy. With a 7-billion-pound trigger, it is likely that in a surplus situation, the M-W milk price would decline to the same level as the $10.10 milk support price before the supply-management requirement would kick in. A 6-billion-pound trigger would meet the baseline that the Budget Committee has given the House Agriculture Committee for the dairy title, $725 million. We need a trigger, no greater than 6 billion pounds, in the House Agriculture Committee bill in order to kick in a supply management program as soon as an overproduction problem rears its ugly head. A 6-billion-pound trigger will keep the dairy product market tight so that our farmers will continue to receive $3 to $4 over the support price for each hundredweight of milk.

Let us help the House Agriculture Committee reach its budget baseline. Let us help our dairy farmers by keeping a rein on dairy production. Let us help the taxpayers by ensuring that the Department of Agriculture is forced to implement a supply management program before CCC purchases of dairy products get out of hand. Support the Walsh amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WALSH].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. OLIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 256 noes 164, not voting 12, as follows:

[Roll No. 263]

AYES—256

Ackerman
Alexander
Andrews
Annunzio
Anthony
Applegate
Aspin
AuCoin
Barton
Bennett
Bereuter
Bevill
Bilbray
Boehlert
Bonior
Borski
Bosco
Brennan
Brooks
Browder
Brown (CA)
Bruce
Bryant
Burton
Bustamante
Byron
Callahan
Campbell (CO)
Carr
Chandler
Chapman
Clay
Clinger
Coleman (MO)
Coleman (TX)
Conyers
Costello
Coughlin
Coyne
Crockett
Davis
de la Garza
DeFazio
DeWine
Dickinson
Dicks
Dingell
Donnelly
Dorgan (ND)
Douglas
Downey
Durbin
Dwyer
Dymally
Dyson
Eckart
Emerson
Engel
English
Erdreich
Evans
Fawell
Feighan
Fish
Flippo
Foglietta
Ford (MI)
Ford (TN)
Frost
Gallo
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Gray
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Harris
Hayes (LA)
Hefner
Henry
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kasich
Kastenmeier
Kildee
Kolter
LaFalce
Lancaster
Laughlin
Leach (IA)
Leath (TX)
Levin (MI)
Lightfoot
Lipinski
Lloyd
Long
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Mavroules
McCloskey
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Miller (OH)
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nowak
Oakar
Oberstar
Obey
Ortiz
Owens (NY)
Oxley
Pallone
Paxon
Payne (NJ)
Pease
Penny
Perkins
Petri
Pickle
Poshard
Pursell
Ravenel
Regula
Richardson
Ridge
Rinaldo
Robinson
Roe
Rogers
Rostenkowski
Roth
Rowland (CT)
Russo
Sabo
Saiki
Sangmeister
Sarpalius
Sawyer
Saxton
Scheuer
Schiff
Schneider
Schroeder
Schuette
Schumer
Sensenbrenner
Serrano
Sharp
Shays
Shuster
Sikorski
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (IA)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Robert (NH)
Snowe
Solarz
Solomon
Stallings
Stangeland
Stenholm
Stokes
Sundquist
Swift
Synar
Tanner
Tauke
Tauzin
Torricelli
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Vander Jagt
Visclosky
Volkmer
Walgren
Walsh
Watkins
Weber
Weldon
Wheat
Williams
Wilson
Wise
Wolpe
Wylie
Yatron

NOES—164

Anderson
Archer
Armey
Atkins
Baker
Ballenger
Barnard
Bartlett
Bateman
Bates
Beilenson
Bentley
Berman
Bliley
Boggs
Boucher
Boxer
Broomfield
Brown (CO)
Buechner
Bunning
Campbell (CA)
Carper
Clarke
Clement
Coble
Collins
Combest
Condit
Conte
Cooper
Courter
Cox
Craig
Crane
Dannemeyer
Darden
DeLay
Dellums
Derrick
Dixon
Dornan (CA)
Dreier
Duncan
Early
Edwards (CA)
Edwards (OK)
Espy
Fascell
Fazio
Fields
Frank
Frenzel
Gallegly
Gaydos
Gingrich
Goss
Grant
Hansen
Hastert
Hatcher
Hawkins
Hayes (IL)
Hefley
Herger
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Jones (GA)
Kennedy
Kennelly
Kolbe
Kostmayer
Lagomarsino
Lantos
Lehman (CA)
Lehman (FL)
Lent
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Livingston
Lowery (CA)
Matsui
Mazzoli
McCandless
McCollum
McMillan (NC)
Michel
Miller (CA)
Miller (WA)
Mineta
Moorhead
Neal (MA)
Neal (NC)
Nielson
Olin
Owens (UT)
Packard
Panetta
Parker
Parris
Pashayan
Patterson
Payne (VA)
Pickett
Price
Quillen
Rahall
Rangel
Ray
Rhodes
Ritter
Roberts
Rohrabacher
Ros-Lehtinen
Rose
Roukema
Rowland (GA)
Roybal
Savage
Schaefer
Schulze
Shaw
Shumway
Sisisky
Skeen
Slaughter (VA)
Smith (FL)
Smith (NE)
Smith, Denny (OR)
Smith, Robert (OR)
Spence
Spratt
Staggers
Stark
Stearns
Studds
Stump
Tallon
Taylor
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Valentine
Vucanovich
Walker
Waxman
Weiss
Whittaker
Whitten
Wolf
Wyden
Yates
Young (AK)
Young (FL)

NOT VOTING—12

Bilirakis	Kaptur	Pelosi
Cardin	Kleczka	Porter
Flake	Kyl	Vento
Green	Nelson	Washington

□ 1332

Mrs. ROUKEMA and Messrs. DERRICK, INHOFE, DIXON, PATTERSON, WHITTEN, TORRES, NEAL of Massachusetts, TAYLOR, FAZIO, and HUTTO changed their vote from "aye" to "no."

Messrs. PENNY, SKAGGS, STALLINGS, PALLONE, SMITH of New Hampshire, and AUCOIN changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. HATCHER. Mr. Chairman, I was unavoidably detained on rollcall 263, the vote on the Walsh amendment. Had I been present I would have voted "aye" on rollcall 263.

Mr. ANDERSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to engage in a colloquy with the distinguished chairman of the Committee on Agriculture to address provisions of H.R. 3950 regarding wetlands and water quality.

Pursuant to the rules of the House and attendant precedents and referrals, the Committee on Public Works and Transportation has jurisdiction over pollution of navigable waters.

Because of its jurisdictional interest in wetlands and water quality, the Public Works Committee has followed with great interest the debate over various provisions in the 1990 farm bill. We did not request a sequential referral of H.R. 3950 because of our understanding with the Agriculture Committee that their bill is not intended to directly or indirectly affect wetlands and water quality programs within our jurisdiction. At this point, I would appreciate the distinguished chairman of the Agriculture Committee reaffirming these assurances and clarifying some additional matters.

First, is it the understanding of the gentleman from Texas that nothing in H.R. 3950 modifies or is intended to modify the Army Corps of Engineers' and Environmental Protection Agency's wetlands regulatory programs under section 404 of the Clean Water Act?

Mr. DE LA GARZA. Mr. Chairman, if the gentleman will yield, I would state that the gentleman is correct that H.R. 3950 does not in any way amend or affect the corps' and EPA's responsibilities under the Clean Water Act. All of the bill's wetlands provisions relate solely to programs and activities of the Secretary of Agriculture and not those of the corps or EPA.

Mr. ANDERSON. Is it the gentleman's further understanding that key terms and requirements in H.R. 3950, such as those involving the definition of wetlands, delineation determinations and appeals, exempted activities, and mitigation, do not extend beyond the context of swampbuster and into corps and EPA regulatory activities?

Mr. DE LA GARZA. Mr. Chairman, if the gentleman will yield further, I would state to the gentleman that that is correct. For example, provisions in H.R. 3950 addressing wetlands delineations and procedures and mitigation requirements are not intended to affect duties or requirements of EPA and the corps in their review or implementation of the 1989 Federal Manual for Identifying and Delineating Jurisdictional Wetlands and the 1990 Mitigation Memorandum of Agreement. Provisions on swampbuster, the conservation reserve program and the new wetlands easement program are separate from and not in lieu of other agency activities.

Mr. ANDERSON. A second matter involves H.R. 3950's surface and ground water quality provisions. Is it the gentleman's understanding that nothing in the bill affects, diminishes, or otherwise impairs the water quality programs and authorities of EPA or State and local governments pursuant to the Clean Water Act?

Mr. DE LA GARZA. Yes. The gentleman is correct that nothing in H.R. 3950 is meant to modify or impair Federal, State, or local water pollution control activities under the Clean Water Act. For example, sections 319, 320 and 208 of the Clean Water Act remain unchanged. However, the Secretary of Agriculture, in carrying out responsibilities in this bill, is encouraged to continue to coordinate with EPA in solving point source and nonpoint source water quality problems.

Mr. ANDERSON. A related area involves water quality activities of the Tennessee Valley Authority and the Soil Conservation Service. One provision, in particular, amends Public Law 566's small watershed programs. What is the Agriculture Committee's intent with regard to this provision?

Mr. DE LA GARZA. The committee's intent is to improve water quality through activities of TVA's National Fertilizer and Environmental Research Center and the Soil Conservation Service. The Committee on Agriculture does not intend to affect the jurisdiction of the Public Works and Transportation Committee in any way.

Mr. ANDERSON. I thank the gentleman from Texas, the distinguished chairman of the Agriculture Committee. The Public Works and Transportation Committee is also considering legislative changes to improve wetlands and water quality protection programs, and we appreciate the opportunity to obtain clarifications and assurances regarding the 1990 farm bill, and its effect on our jurisdiction.

□ 1340

The CHAIRMAN. Are there any other amendments to title IV?

Mr. DE LA GARZA. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to state to the Members that as we have done through the whole process of the farm legislation, we tried to incorporate and accommodate concerns of Members and groups, and we are in the process now of having further discussions to see if accommodation cannot be reached with parties relating to the next two titles, title V and title VI, which would be the wool and mohair title and the honey title. I appreciate the effort being done by all of the Members from the diverging viewpoints to see if we can arrive at some agreement within the norms of protecting the interests of the House, the interests of the committee, and the interests of individual Members.

I would hope that we can arrive at some degree of compromise to present to the Members for their final approval or disapproval thereof.

Mr. Chairman, at this time in order to further facilitate those discussions, I ask unanimous consent that title VII be printed in the RECORD and open to amendment at any point, and that it be in order to return to titles V and VI after the disposition of this title.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will designate title VII.

The text of title VII is as follows:

TITLE VII—OILSEEDS

SEC. 701. OILSEED PRICE SUPPORT.

Effective only for the 1991 through 1995 crops of oilseeds, including soybeans, sunflower, canola, rapeseed, safflower, flaxseed, and mustard seed, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by—

(1) inserting after "tung nuts," in the first sentence "oilseeds (including soybeans, sunflower, canola, rapeseed, safflower, flaxseed, and mustard seed)," and

(2) amending subsection (g) to read as follows:

"(g)(1)(A) The Secretary shall support the price of soybeans, sunflowers, canola, rapeseed, safflower, flaxseed, mustard seed, and any other oilseeds the Secretary may designate, through loans and purchases in each of the 1991 through 1995 marketing years as provided in this subsection.

"(B) Except as provided in paragraph (2), the level of price support —

"(i) in the case of the 1991 and 1992 crops of soybeans shall not be less than $5.25 per bushel; and

"(ii) in the case of the 1991 through 1995 crops of sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate, shall be set for each such oilseed at such level as the Secretary determines is fair and reasonable in relation to the level of price support available for soybeans, including any adjustment made pursuant to paragraph (2),

but, except in the case of cottonseed, in no event less than the level established for soybeans on a per-pound basis for the same crop year.

"(2) In the case of each of the 1993 through 1995 crops of soybeans and other oilseeds for which a price support program is in effect under this subsection, if the Secretary estimates for the marketing year for such crop that the ratio of ending stocks of soybeans or such other oilseeds to total use for the marketing year will be—

"(A) more than 25 percent, the Secretary may reduce the level of price support determined under paragraph (1)(B) for soybeans or such other oilseeds for the marketing year by an amount not to exceed 5 percent in any year.

"(B) more than 20 percent but not more than 25 percent, the Secretary may not reduce the level of price support determined under paragraph (1)(B) for soybeans or such other oilseeds for the marketing year.

"(C) equal to or less than 20 percent, the Secretary shall increase the level of price support determined under paragraph (1)(B) for soybeans or such other oilseed for the marketing year by 5 percent in any year. In no case may the level of price support for the 1993 crop of soybeans be more than $5.40 per bushel.

Any change in the level of price support for soybeans or such other oilseed under this paragraph shall not be considered in determining such level of price support for subsequent years.

"(3)(A) If the Secretary adjusts the level of price support for soybeans or other oilseeds under paragraph (2), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(i) certifying such adjustment as necessary to prevent the build-up of stocks or to encourage production; and

"(ii) containing a description of the need for such adjustment.

"(B) Such adjustment shall become effective no earlier than 60 calendar days after the date of submission of such report to such committees.

"(4)(A) The Secretary shall permit a producer to repay a loan made under this subsection for any crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds that the Secretary may designate, at a level that is the lesser of—

"(i) the loan level determined for such crop; or

"(ii) the prevailing world market price for such crop, as determined by the Secretary.

"(B) The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for such crops; and

"(ii) a mechanism by which the Secretary shall periodically announce the prevailing world market price for such crops.

"(5)(A) The Secretary shall, for each of the 1991 through 1995 crops of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate, make payments available to producers who, although eligible to obtain a loan under paragraph (1), agree to forgo obtaining such loan in return for such payments.

"(B) A payment under this paragraph shall be computed by multiplying—

"(i) the loan payment rate; by

"(ii) the quantity of such crop that the producer is eligible to place under loan.

"(C) For purposes of this paragraph, the quantity of such crops eligible to be placed under loan may not exceed the product obtained by multiplying—

"(i) the individual farm acreage for such crops actually harvested; by

"(ii) the actual yield per harvested acre established for the farm.

"(D) For purposes of this paragraph, the loan payment rate shall be the amount by which—

"(i) the loan level determined for such crop under paragraph (1) exceeds

"(ii) the level at which a loan may be repaid under paragraph (4).

"(E)(i) The Secretary may make payments under this subsection available in the form of certificates redeemable for any agricultural commodity owned by the Commodity Credit Corporation.

"(ii) The Secretary shall make certificates available under clause (i) in such a manner so as to minimize the accumulation of oilseeds stocks.

"(6) For purposes of this subsection, the marketing year for—

"(A) soybeans, sunflower, or safflower is the 12-month period beginning on September 1 of the calendar year in which the crop of the commodity is harvested;

"(B) canola and rapeseed is the 12-month period beginning on May 1 of the calendar year in which the crop of the commodity is harvested; and

"(C) flaxseed, mustard seed, and any other oilseeds the Secretary may designate is such period as prescribed by the Secretary by regulation.

"(7)(A) The Secretary shall make a preliminary announcement of the support price for each crop—

"(i) of soybeans, sunflower, and safflower not later than November 1 preceding the beginning of the marketing year for the crop,

"(ii) of canola and rapeseed not later than July 1 preceding the beginning of the marketing year for the crop, and

"(iii) of flaxseed, mustard seed, and other oilseeds the Secretary may designate not later than 10 months preceding the beginning of the marketing year for such crop.

"(B) The Secretary shall make a final announcement of the level of price support for each crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate not later than 30 days after the beginning of the marketing year for such crop. The final support price may not be less than the support price provided for in the preliminary announcement.

"(8) Loans for each crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate shall be made available not earlier than the beginning of the marketing year for the crop and shall mature nine months from the date of the loan.

"(9) Notwithstanding any other provision of law the Secretary may not require participation in any production adjustment program for any commodity as a condition of eligibility for price support under this subsection.".

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, there were no amendments noticed to the oilseed section. That is what we are on now. But I just thought, and I will have a complete statement put in the RECORD, but I wanted to point out to my colleagues that this is basically the soybean, sunflower, canola section of this bill, and this section of the bill provides for the first time a marketing loan for oilseeds at levels which are not scored as having any budget impact whatsoever.

Oilseeds, and particularly soybeans, but the other oilseeds, are grown in almost every State in this country. Soybeans are often referred to as the miracle crop of this country, but so are things like sunflowers and canola, rapeseed, and the other oilseeds. These are seeds which produce oil which has very low cholesterol and items which have many uses beyond the agricultural field.

We put this provision in there because we were concerned about the rapid reduction in production of soybeans in this country, the vast increase in production in other parts of the world, the competitive threats to the United States and the ability of the United States to be able to respond with respect to this most unusual crop, soybeans, and other oilseeds. At the same time, we wanted to provide equity and fairness for other oilseeds like sunflowers and canola so that there would be an incentive for farmers to grow these crops as well and not just stick to the monoculture agriculture which exists in many parts of this country where you can only grow one crop and there is no economic incentive to shift to other crops.

This section, together with the flexibility provisions in the farm bill, provide a great opportunity for farmers to have additional options and to plant for the marketplace, to plant for the kinds of crops that farmers want.

I particularly compliment our chairman and our ranking member, the gentleman from Texas [Mr. DE LA GARZA] and the gentleman from Illinois [Mr. MADIGAN], and my ranking member on the Wheat, Soybeans, and Feed Grains Subcommittee, the gentleman from Montana [Mr. MARLENEE], for his efforts in structuring this program.

By the way, before I yield, I also want to pay special reference to other members of the committee, the gentleman from Missouri [Mr. EMERSON], the gentleman from Iowa [Mr. GRANDY], the gentleman from Iowa [Mr. NAGLE], the gentleman from Indiana [Mr. JONTZ], and the gentleman from South Dakota [Mr. JOHNSON]. This was, during the committee debate, a very contentious part of the bill, that is a soybean marketing loan. This provision is the most major structural change program wise in this farm bill, and I would note for the record that it has managed to get through here without any amendments. No, I do not believe there are any amendments to this bill.

Again, since soybeans can be grown everywhere in this great country of

ours, this provision should have a profound effect on agriculture.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Chairman, I thank my colleague, the gentleman from Kansas, the chairman of the Subcommittee on Wheat, Soybeans and Feed Grains, and as the ranking member, I would like to say that this particular section was ultimately arrived at with a great consensus between the industry, the ranking member, the Democrat side, and the Republican side. We sweat blood and shed many tears over this particular section. However, we have come up with a very workable program that will give the United States the benefit of meeting oilseed competition worldwide. We will keep our production, and keep our competitors in other parts of the world from expanding production. We will be able to foster and keep this important industry as a viable part of American agriculture with the provisions that are in the bill if they are kept as they are, and I anticipate that they will be.

I heartily endorse this section and hope that we can move forward from this section to other parts of the bill.

Mr. GLICKMAN. Mr. Chairman, reclaiming my time, if I may just add one additional point, in this country a lot of farmers who plant corn could plant soybeans and vice versa, but there has been a disparity in the way the Government supports the relative crops. Some believe that the support level for corn has been so high that farmers have not been given the incentive to shift into soybeans, and to move flexibly between crops, and this provision of law will add to that flexibility so farmers can make their decisions based on the market and not just based on the particular program that has been in existence.

Mr. MARLENEE. If the gentleman will yield further, we were able to arrive at this consensus without an impact on the budget. CBO has scored it as little or not any cost, and I think it is a good section and provides the protection with very little cost.

Mr. GLICKMAN. Mr. Chairman, title VII of H.R. 3950 establishes a new program for oilseeds crops, our second most valuable field crop and one of American agriculture's most important export crops.

I want to point out that while this title establishes a new program, it does so within the limits of the budget. This title makes structural changes in the present oilseeds programs to ensure that U.S. farm programs protect and benefit only American farmers and that American farmers retain their competitive position in world markets. Indeed, this title's primary aim is to ensure that the U.S. retains its dominant position in the world oilseeds markets, one of the world's most dramatically growing agriculture markets.

Before elaborating on oilseeds and the new program this bill establishes, I want to emphasize again that, according to estimates from the Congressional Budget Office, this program will not increase budget outlays over the existing soybean program. It is budget neutral.

The administration was well aware of our intent, yet it has released a letter to Congress opposing it anyway saying that it might, emphasize might, result in costs. Well, I would point out to my colleagues that it might rain tomorrow, but we will cross that bridge when we come to it.

Quite honestly, I found the administration's letter hard to believe especially since Secretary Yeutter said, in response to my question, at one of the committee's hearings last February 20 that we had no philosophical objections to kind of program we have established so long as it did not cost. The committee's proposals do not cost.

For 5 years oilseed production has fallen precipitously. Since the record harvest of 1979 of 2.2 billion bushels, U.S. output has dropped by 14 percent and output of soybean meal and oil have fallen even more. If we do not take action now by enacting this title, I am concerned that this vital industry will be handed over to our competitors who have stolen a large chunk of our oilseed export markets.

For example, while the United States is still the dominant producer and exporter of soybeans, South Americans and Europeans are fast approaching. The South Americans have already taken away our position as the leading exporter of soybean oil and meal. It is estimated that every 1-percent loss in market share means a $2 billion loss in revenue for our farmers, rural areas, and the country as a whole.

With regard to the other growing oilseed industries covered in this title, they too have been hurt by the 1985 act. Canola, sunflower, and safflower production have all declined during a time when the demand for these oilseeds has been increasing at rapid rates. The demand is increasing because these oilseeds, when crushed, produce oils which are low in saturated fat content and are essential components of processed foods, cooking oils, salad oils, and snack foods.

The meal that these oilseeds produce, including soybeans, is an important ingredient in livestock rations because of their high protein levels. Increasing demand for poultry and beef have led to bigger demands on oilseed meals.

Last summer, I visited the Soviet Union and talked with agricultural officials who told me about a major program in progress to upgrade the availability of meat to consumers. They indicated that this program would undoubtedly involve importing more soybeans in the years to come to feed its livestock sector. Also, the oil from the soybeans will help their food processing sector develop. In addition, through the 1990's, the potential import demand for soybeans from Eastern European countries is estimated to triple the growth rate sustained in the 1980's.

It is my hope that the United States will be able to help meet these needs in the coming years and I believe that this new title will help us achieve this goal.

To reverse these production trends, the committee, under the strict constraints of the budget, has put together this title that will help correct the problems the soybean and oilseed industry have had to deal with over the past 5 years. To a large extent certain features of the present farm bill had the unintended effect of contributing to these problems.

The 1985 act discouraged farmers from planting oilseeds, because these crops were competing with acreage planted to crops providing relatively more income support. The 1985 act did establish a price support, but in relation to other commodities it was so low that it could not compete with the income supports of other commodities, such as corn. Since most land that can produce soybeans can produce corn as well, farmers would often choose corn over soybeans because of the better income support that it offered.

Even when soybean market prices were high as they were in 1988 and 1989, as a result of the drought, farmers did not switch to corn also because of the planting constraints associated with the 1985 act. For instance, farmers in the other commodity programs have established a crop base acreage for each program crop they grow which are covered by Government payments. Once a farmer starts planting other crops, such as soybeans, on that established crop base, his ability to earn program benefits in the future is diluted.

These two rather interrelated and complicated reasons that have led to a drastic reduction in soybean plantings over the last 5 or 10 years have been corrected, as best as possible, in this title and title XI.

The oilseed program established in this title ensures that farmers who elect to respond to market demands for oilseeds are afforded reasonable levels of income protection. Current law is amended to encourage the marketing of soybeans, not the accumulation of market depressing surpluses which have caused lower prices and contributed to the decline in oilseeds production. For example, over the previous 5 years, soybean market prices have been at their lowest during those years when surpluses exceeded 20 percent of usage, causing further disincentives to soybean producers to expand production.

Under this new program, soybean farmers will be able to repay loans made to them at the lower of the loan rate or the world price for soybeans. This ability for farmers to repay loans at levels beneath the rate for which the loans were made will remove the price setting feature of the soybean program as it has operated under previous legislation. That feature has influenced not just the U.S. market, but the world market by supporting prices farmers in other countries receive for their crops. In effect, the present program has benefited foreign farmers every bit as much as it has helped U.S. farmers, which is why it is imperative to change the program.

This program is patterned after the cotton and rice programs in the 1985 act and which are continued in their respective titles. Similar legislation was considered for soybeans in the 1985 act; however, this feature was made discretionary with the Secretary, who has never elected to make the option available to producers. Also, in the 1988 Omnibus Trade and

Competitiveness Act, Congress reaffirmed its belief in the ability of this type of soybean program to restore the competitiveness of U.S. soybeans in the world market by requiring the Secretary to implement such a program to restore the competitivenss of U.S. soybeans in the world market by requiring the Secretary to implement such a program absent significant progress toward a multilateral agreement on agricultural trade reforms.

To begin with, the price support loan level for the 1991 and 1992 crops of soybeans is fixed at $5.25 per bushel.

For the 1993 through 1995 crops, the level of the loan is based on the projected level of soybean stocks to soybean use. The loan rate is increased by 5 percent when stocks equal 20 percent of use or less indicating a demand for more production, except for the 1993 crop when the level may not exceed $5.40 per bushel. When stocks are in excess of 25 percent of use, indicating ample supplies of soybeans, the level of the loan rate is reduced by 5 percent. When the stock-to-use ratio is between 25 percent and 20 percent, the loan rate is maintained at $5.25 per bushel.

In addition to this market sensitive system of setting and adjusting soybean price-support loan levels, the committee's legislation contains other provisions designed to promote the orderly marketing of soybeans. Soybean growers may elect to receive payments equal to the difference between the soybean loan rate and the redemption rate in order to move their crop directly into marketing channels without being forced to cycle it through the CCC. To ward off large surpluses, the Secretary is instructed to make these payments in certificates redeemable for commodities owned by the CCC in a manner that he believes will minimize the buildup of excess soybean supplies.

The soybean market and the market for other oilseeds are closely interrelated. Not only are various oilseeds and oilseed products highly interchangeable, the price of various oilseeds are based on each other, as well. While the U.S. oilseeds industry and the opportunities for markets in the future are mostly dominated by soybeans, other oilseeds also have a significant role to play.

Therefore, the committee's legislation provides for the same program for sunflower, safflower, canola, rapeseed, flaxseed, mustard seed, and such other oilseeds the Secretary designates. In determining the level of price support for these oilseeds, the title requires the Secretary to set the loan rate for each oilseed based on its historic market price relationship to the market price of soybeans on a per pound basis. The committee's legislation contains these provisions to ensure that price movements in the soybean market do not adversely affect producers of other oilseeds.

This legislation provides a foundation of predictable income supports for the oilseed industry while also ensuring that market conditions are factored into program decisions. It is a much-needed program which I believe will put our oilseed producers on the same footing as foreign producers without spending billions of dollars doing so. I strongly encourage my colleagues to support this title.

Mr. ARMEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not have an amendment with respect to this section and have not filed an amendment with respect to this section.

I understand the explanation given by the two gentlemen that spoke so glowingly on behalf of the inclusion of this section in the bill, and I think the gentleman from Kansas made a very good argument when he pointed out that we do need to have this section because of the declining numbers of American agricultural acreage that have been devoted to soybean production.

Soy is an American agricultural innovation and yet over the years decreasingly have Americans been devoting their resources and their resourcefulness to the production of soybeans, and increasingly has the crop been cultivated abroad. Consequently, of course, Americans have not captured as great a share of the world markets as they might otherwise have captured, and it is true that one of the reasons the American producers had a disincentive to put their agricultural resources into the production of soybeans is the fact that we have had such a generous corn program.

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In fact, there are many observers of agricultural practice in America who would argue that it is the generosity of the corn program that has caused the virtual monocropping of several States, and subsequent to that monocropping, the increasingly more heavy reliance of chemical fertilizers for replenishment of the soil, as opposed to the normal more prudent agrarian practice of crop rotation.

The solution of the committee, rather than to see the perverse effect on this crop soybean of the excessively generous program for corn, is to create a soybean program, where there has not been a program before.

Mr. Chairman, I think we should understand, this is a new program. It has not been in existence before. It is an extension even further of the arm of American Government agricultural policy over the affairs of agricultural practice in the farmland. I would suggest that a better alternative for the program would have been to diminish perhaps target prices, perhaps loan rates, perhaps set-aside requirements in corn and other crops, and thereby remove the profit differential between putting resources into these crops and soybeans and restoring the incentive of the American farmer to add soybeans to their crop rotation.

That is not the course of action the committee has taken. I think it takes us further in the direction of more Government control of agricultural practices, reduced freedom of choice, and freedom of agricultural practice for the American farmer.

Mr. Chairman, I find it regrettable, but I did feel compelled to speak, lest the people who study our behavior here today innocently conclude that this was a responsible practice as opposed to a compounding of the irresponsible practice of extending Government control into the very productive agricultural sector of our economy.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I do not agree with the conclusions of the gentleman from Texas [Mr. ARMEY], but I do agree that the relationship in support prices from one crop to another must make sense. There is no question that the relationship between the corn target price and the world price for soybeans has proved to be a disadvantage for people to plant soybeans. To that extent I agree with the gentleman. I just do not take the next leap to faith, as the gentleman would.

Mr. ARMEY. Mr. Chairman, reclaiming my time, I appreciate that. If I might respond to the gentleman from Kansas [Mr. GLICKMAN] very quickly, if in fact there is a difference between 4 and 6, you can reach parity by either raising from 4 to 6, or lowering from 6 to 4. I am just suggesting we went the wrong way.

Mr. COMBEST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to respond just briefly to my friend, the gentleman from Texas [Mr. ARMEY], on the implication that was made, and had been made earlier, that the reduction of soybean acreage in this country and the subsequent increase in soybean acreage in other foreign countries has led us to a situation where we are not producing all the U.S. needs, and in fact some indications are that we are importing large amounts.

Mr. Chairman, that is not true. The U.S. soybean supply for 1989-90 is over 2 billion bushels. There is a targeted carryover of between 200 and 300 million bushels of soybeans produced in the United States. The only importation of soybeans is a miniscule amount of soybeans, which come primarily off the Canadian border. It is primarily because it is an open border. Many

American families live closer to milling operations or crushing mills in Canada than the United States, and because they can move back and forth, they can very easily do that. It is much easier than to stay in the United States.

Additionally, and I think this is important to point out, because I think it sums up a philosophy that the gentleman from Texas [Mr. ARMEY] has relative to farm programs, he said because the corn program is such a generous program, what we should do is make it less generous, rather than trying to assist in some of the other commodities. Being someone that represents a very high agrarian part of the country, I would say what I want to do is not make it worse on them, but make it better on them.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, the gentleman from Texas [Mr. COMBEST] made a good statement that this shows the fallacy of thinking we can have stable prices and stable supplies with a crop that has not been under a program with reserves like soybeans. Soybeans were $10 a bushel only 2 years ago. That is what got them into trouble. When you do not have reserves like we have for feed grains and some of the other programs, we do not have stable prices. That happened with soybeans. The price went up and then it goes back down. That is what the problem is with soybeans and after going so high, consumption went down and production did not follow.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I want to thank the gentleman from Texas [Mr. COMBEST] for his remarks. I particularly appreciated his points, although I must say if he had listened carefully to my comments, my comments were that we had not captured the share of the world's demand for American soybean production that we might otherwise have had.

Mr. COMBEST. Mr. Chairman, reclaiming my time, the gentleman from Texas [Mr. ARMEY] makes a good point. I think it further emphasizes the fact that we are doing terrible destruction to the American producer if we pull the rug out from under him or her at a time when other countries are increasing their subsidization, making it much more viable for them to get into production, rather than forcing them out, as they are in this country.

Mr. EMERSON. Mr. Chairman, I stand today in full support of the oilseed title to the Food and Agriculture Resources Act of 1990. The oilseed title of this legislation represents a landmark effort in Federal farm policy. The establishment of a marketing loan for domestic oilseed producers will provide a tremendous opportunity to regain lost foreign market opportunities.

American soybean producers have suffered for too long. U.S. soybean acreage has fallen over 11 million acres during the last decade and foreign soybean production is up over 15 million acres in that same period. Couple that with world markets that are growing at an annual rate of nearly 5 percent and there is little mystery why American soybean farmers are losing both soybean volume and income.

The thrust of this oilseed legislation has encompassed several main objectives. First, soybean producers have needed the flexibility of planting soybeans without fear of losing their base acreage to already established program crops. Second, soybean producers desperately need to regain world market shares that have shifted to many of our foreign competitors. South America has taken a great deal of the world soybean market away from American producers and this legislation is a positive approach to getting soybean growers back on the competitive track.

This measure offers the opportunity for change—to reverse current trends, to restore balance between crops, to expand demand, to increase prices, to provide planting freedom, to support farmers when prices are low. I commend the Agriculture Committee for addressing this need and ask for the support of this body in forwarding these goals.

EN BLOC AMENDMENTS OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer en bloc amendments.

The Clerk read as follows:

En bloc amendments offered by Mr. DE LA GARZA: On page 152, after line 13, add the following: Subtitle B, Soybeans.

SEC. 711. SHORT TITLE AND TABLE OF CONTENTS.

(a) This subtitle may be cited as the "Soybean Promotion, Research, and Consumer Information Act".

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

Sec. 711. Short title and table of contents.
Sec. 712. Findings and declaration of policy.
Sec. 713. Definitions.
Sec. 714. Issuance and amendments of orders.
Sec. 715. Required terms in orders.
Sec. 716. Referenda.
Sec. 717. Petition and review.
Sec. 718. Enforcement.
Sec. 719. Investigations; power to subpoena; aid of courts.
Sec. 720. Administrative provisions.
Sec. 721. Regulations.
Sec. 722. Authorization.

SEC. 712. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) soybeans are an important source of nutritious foods that are a valuable part of the human diet and are an important feedstuff for the livestock industry;

(2) the production of soybeans plays a significant role in the economy of the United States in that soybeans are produced by thousands of soybean producers, processed by numerous processing entities, and soybeans and soybean products produced in the United States are consumed by people and livestock throughout the United States and foreign countries.

(3) soybeans and soybean products should be readily available and marketed efficiently to ensure that consumers have an adequate supply of soybean products at a reasonable price;

(4) the maintenance and expansion of existing markets and development of new markets for soybeans and soybean products are vital to the welfare of soybean producers and processors and those concerned with marketing soybeans and soybean products, as well as to the general economy of the United States, and are necessary to ensure the ready availability and efficient marketing of soybeans and soybean products;

(5) there exist established State and national organizations conducting soybean promotion, research, and consumer education programs that are valuable to the efforts of promoting the consumption of soybeans and soybean products;

(6) the cooperative development, financing, and implementation of a coordinated national program of soybean promotion, research, consumer information, and industry information are necessary to maintain and expand existing markets and develop new markets for soybeans and soybean products; and

(7) soybeans and soybean products move in interstate and foreign commerce, and soybeans and soybean products that do not move in such channels of commerce directly burden or affect interstate commerce in soybeans and soybean products.

(b) POLICY.—Congress declares that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this title, of an orderly procedure for developing, financing through assessments on domestically-produced soybeans, and implementing a program of promotion, research, consumer information, and industry information designed to strengthen the soybean industry's position in the marketplace, to maintain and expand existing domestic and foreign markets and uses for soybeans and soybean products, and to develop new markets and uses for soybeans and soybean products.

(c) CONSTRUCTION.—Nothing in this title may be construed to provide for the control of production or otherwise limit the right of individual producers to produce soybeans.

SEC. 713. DEFINITIONS.

As used in this title:

(1) The term "Board" means the United Soybean Board established under section 1905(b) of this title.

(2) The term "commerce" includes interstate, foreign, and intrastate commerce.

(3) The term "consumer information" means information that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of soybeans or soybean products.

(4) The term "Department" means the Department of Agriculture.

(5) The term "first purchaser" means—

(A) except as provided in subparagraph (B), any person buying or otherwise acquiring from a producer soybeans produced by such producer, or

(B) the Commodity Credit Corporation, in any case in which soybeans are pledged as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation.

(6) The term "industry information" means information and programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the soybean industry, and activities to enhance the image of the soybean industry.

(7) The term "marketing" means the sale or other disposition of soybeans or soybean products in any channel of commerce.

(8) The term "net market price" means—

(A) except as provided in subparagraph (B), the sales price or other value received by a producer for soybeans after adjustments for any premium or discount based on grading or quality factors, as determined by the Secretary or

(B) for soybeans pledged as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation, the principal amount of the loan.

(9) The term "order" means an order issued under section 1904.

(10) The term "person" means any individual group of individuals, partnership, corporation, association, cooperative, or ony other legal entity.

(11) The term "producer" means any person engaged in the growing of soybeans in the United States who owns, or who shares the ownership and risk of loss of, such soybeans.

(12) The term "promotion" means any action, including paid advertising, technical assistance, and trade servicing activities, to enhance the image or desirability of soybeans or soybean products in domestic and foreign markets, and any activity designed to communicate to consumers, importers, processors, wholesalers, retailers, government officials, or others information relating to the positive attributes of soybeans or soybean products or the benefits of importation, use, or distribution of soybeans and soybean products.

(13) The germ "qualified State soybean board" means a State soybean promotion entity that is authorized by State law. If no such entity exists in a State, the term "qualified State soybean board" means a soybean producer-governed entity—

(A) that is organized and operating within a State,

(B) that receives voluntary contributions and conducts soybean promotion, research, consumer information, or industry information programs, and

(C) that meets criteria established by the Board relating to the qualifications of such entity to perform duties under the order, as determined by the Board, and is recognized by the Board as the soybean promotion and research entity within the State.

(14) The term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or functional or nutritional value of soybeans or soybean products, including any research activity designed to identify and analyze barriers to export sales of soybeans and soybean products.

(15) The term "Secretary" means the Secretary of Agriculture.

(16) The term "soybean products" means products produced in whole or in part from soybeans or soybean by-products.

(17) The term "soybeans" means all varieties of Glycine max or Glycine soya.

(18) The terms "State" and "United States" consist of the fifty States of the United States of America, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 714. ISSUANCE AND AMENDMENT OF ORDERS.

(a) IN GENERAL.—To effectuate the declared policy of section 1902(b) of this title, the Secretary, subject to the procedures provided in subsection (b), shall issue orders under this title applicable to producers and first purchasers of soybeans. Any such order shall be national in scope, and not more than one order shall be in effect under this title at any one time.

(b) PROCEDURE.—(1) The Secretary may propose the issuance of an order under this title, or an association of soybean producers or any other person that would be affected by an order issued pursuant to this title may request the issuance of, and submit a proposal for, such an order.

(2) Not later than 30 days after the receipt of a request and proposal for an order pursuant to paragraph (1), or whenever the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) After notice and opportunity for public comment are given as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements under this title. Such order shall be issued and become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend any order issued under this section. Except as otherwise provided in sections 1905(b)(2)(F) and 1905(d)(1), no amendment to an order shall be effective until approved by a referendum of soybean producers and the provisions of this title applicable to orders shall be applicable to amendments to orders.

SEC. 715. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL—Any order issued under this title shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF THE UNITED SOYBEAN BOARD.—(1) The order shall provide for the establishment of, and appointment of members to, a United Soybean Board to administer the order. Members of the Board shall be soybean producers appointed by the Secretary, on a geographic basis, from State or combined units, as provided in this subsection. The cumulative number of seats on the Board shall be the total number of seats to which all the units are entitled.

(2) The Secretary shall establish State units and combined units and seats on the Board for such units, as follows:

(A) Except as provided in subparagraph (B), each State shall be considered as a unit.

(B) A State in which average annual soybean production is less than 3 million bushels shall be grouped with other States into a combined unit. To the extent practicable, each State with average annual soybean production of less than 3 million bushels shall be grouped with other States with average annual soybean production of less than 3 million bushels into a combined unit, in a manner prescribed in the order, and each combined unit shall consist of geographically contiguous States. Each combined unit shall have an average annual production of soybeans of at least 3 million bushels.

(C) Subject to subparagraph (F), each unit, as established under subparagraph (A) or (B)—

(i) if its average annual soybean production is less than 15 million bushels, shall be entitled to one seat on the Board;

(ii) if its average annual soybean production is 15 million bushels or more but less than 70 million bushels, shall be entitled to 2 seats on the Board;

(iii) if its average annual soybean production is 70 million bushels or more but less than 200 million bushels, shall be entitled to 3 seats on the Board; and

(iv) if its average annual soybean production is 200 million bushels or more, shall be entitled to 4 seats on the Board.

(D) At the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Secretary, if necessary, shall adjust any unit to conform with subparagraphs (A) and (B) and any modifications pursuant to paragraph (F). If the Secretary makes such an adjustment, the Secretary shall re-establish the seats on the board to conform with subparagraph (C) and any modifications pursuant to paragraph (F).

(E) For purposes of subparagraph (A), (B), (C), and (D), the Secretary shall determine average annual soybean production applicable to a crop year by using the average of the 5 previous crops of soybeans, excluding the crop in which production was the highest and the crop in which production was the lowest.

(F) At the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Board may recommend to the Secretary, to the extent it determines appropriate, changes in the levels of production used in subparagraphs (A), (B), and (C) to determine per-unit representation on the Board. The Secretary may amend the order to make such changes in levels of production used to determine per-unit representation. Any such amendment to the order shall not be subject to a referendum of producers. A unit may not, as a result of any modification under this subparagraph, lose Board seats to which it is entitled at the time the order is initially issued unless its average annual production, as determined under subparagraph (E), declines below the levels required for representation, as specified in subparagraphs (A), (B), and (C).

(3)(A) The Secretary shall appoint soybean producers to seats established under paragraph (2) from nominations submitted by each unit. Each unit shall submit to the Secretary at least 2 nominations for each appointment to the Board to which such unit is entitled.

(B)(i) The Secretary shall solicit nominations for each seat on the initially-established Board to which a State unit is entitled from the State soybean board in the State that submits satisfactory evidence to the Secretary that such board meets the criteria of section 1903(13), other than section 1903(13)(C), of this title. If no such organization exists in the unit, the Secretary shall solicit nominations for appointments in such manner as the Secretary determines appropriate.

(ii) The Secretary shall solicit nominations for each seat on the initially-established Board to which a combined unit is entitled in such manner as the Secretary determines appropriate, taking into consideration the recommendations of any State soybean board operating in the unit that submits satisfactory evidence to the Secretary that such board meets the criteria of section 1903(13), other than section 1903(13)(C), of this title.

(C)(i) The Secretary shall solicit nominations for each subsequent appointment to a seat on the Board to which a State unit is entitled from the qualified State soybean board in the unit. If no such organization exists in the unit, the Secretary shall solicit nominations for such appointment in such manner as the Secretary determines appropriate.

(ii) The Secretary shall solicit nominations for each subsequent appointment to a seat on the Board to which a combined unit is entitled in such manner as the Secretary determines appropriate, taking into consideration the recommendations of any qualified State soybean board operating in the unit.

(4) The Secretary may reject any nomination submitted by a unit. If there are insufficient nominations from which to appoint members to the Board as a result of the Secretary rejecting the nominations submitted by a unit, the unit shall submit additional nominations, as provided in paragraph (3).

(5) The Secretary shall ensure, to the extent practicable, that at least 5 of the members appointed to the Board are members in good standing, and were members for at least 3 years prior to appointment to the Board, of a national general farm organization. Each of the 5 members shall be a member of a different national general farm organization.

(6) Each appointment to the Board shall be for a term of 3 years, except that appointments to the initially-established Board shall be proportionately for 1 year, 2 year, and 3 year terms. No person may serve more than 3 three-year terms. Board members shall serve without compensation, but shall be reimbursed by the Board for their reasonable expenses incurred in performing their duties as members of the Board.

(7)(A) Notwithstanding the foregoing provisions of this subsection, the Secretary, under procedures established by the Secretary, may appoint to the initially-established Board up to 3 temporary members to serve in addition to the members appointed as otherwise provided in this subsection, as the Secretary determines appropriate for transition purposes under the criteria set out in subparagraph (B). Each such temporary member shall be appointed for a single term not to exceed 3 years.

(B) The Secretary, in making any temporary appointments to the initially-established Board, shall ensure, to the extent practicable, that each State with a State soybean board that, prior to the enactment of this title, was contributing State soybean promotion and research assessment funds to national soybean promotion and research efforts has representation on the initially-established Board that reflects the relative contributions of such State to the national soybean promotion and research effort.

(8) The order shall provide for at least one meeting of the Board annually and specify the circumstances in which additional special meetings of the Board may be held.

(c) Powers and Duties of the Board.—The order shall define the powers and duties of the Board and shall include the following powers or duties:

(1) to administer the order in accordance with its terms and provisions;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) to elect members of the Board to serve on committees;

(4) to submit budgets to the Secretary for the Secretary's approval or disapproval;

(5) to contract with appropriate persons to implement plans or projects;

(6) to contract with qualified State soybean boards to implement programs in their States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order;

(8) to provide the Secretary with prior notice of meetings of the Board to allow the Secretary, or a designated representative, to attend such meetings;

(9) to recommend to the Secretary amendments to the order;

(10) to provide at least annually a report to producers accounting for funds and describing programs implemented and make such report available to the public upon request; and

(11) to ensure, in carrying out the order, that the development of the budget and activities conducted under the order do not cause a duplication of efforts of, or ineffective use of resources under, any other soybean promotion, research, consumer information, or industry information program on the State or national level.

(d) Board Voting Procedures.—(1) The order shall establish procedures for the conduct of voting by the Board, as specified in this subsection. At the end of the 3 year period beginning on the effective date of the order, the Board may recommend to the Secretary changes in such procedures for the conduct of voting by the Board, and the Secretary may amend the order to make such recommended changes in voting procedures. Such amendment to the order shall not be subject to a referendum of producers.

(2) Each member of the Board shall be entitled, in any vote conducted by the Board, to cast the number of votes determined under the following rules:

(A) Each member shall be entitled to cast one vote unless a roll call vote is conducted. On a roll call vote, each member shall be entitled to cast such additional votes as are assigned to the member under subparagraph (B).

(B) The additional votes that each member is assigned for roll call votes shall be computed as follows:

(i) Except as provided in clause (ii), each unit shall be allotted one vote for each percent, or portion of a percent, of the total amount of assessments remitted to the Board that was remitted from the unit, net of any refunds made under subsection (j)(2), on the average, during each of the 3 previous fiscal years of the Board.

(ii)(I) During the first fiscal year of the Board, each unit shall be allotted one vote for each percent, or portion of a percent, of the total production of soybeans in the United States that was produced in the unit, on the average, during each of the 3 immediately preceding crop years.

(II) The order shall provide appropriate adjustments of the procedure for the allotment of votes under clause (i) to apply to allotments of votes during the second and third fiscal years of the Board.

(iii) A unit's total votes under clause (i) or (ii) shall be divided equally among all the members representing that unit. The procedures established by the order shall provide for the equitable disposition of fractional votes assigned to a member under such division of a unit's votes.

(3)(A) Except as provided in subparagraph (B), a motion shall carry if approved by a simple majority of members of the Board casting votes.

(B) Any member of the Board may call for a roll call vote on any motion. Except as otherwise provided in the bylaws adopted by the Board, whenever a roll call vote is conducted, the motion shall carry only if approved by a simple majority of all votes cast and a simple majority of all units voting, with the vote of each unit determined by a simple majority of all votes cast by members in that unit.

(4) In any vote conducted by a committee of the Board, each member of the committee shall have one vote.

(5) A member may not cast votes by proxy.

(e) Budgets.—The order shall provide that the Board shall develop budgets on a fiscal year basis of anticipated expenses and disbursements under the order, including probable costs of administration and promotion, research, consumer information, and industry information projects. The Board shall submit such budgets or any substantial modification thereof to the Secretary for the Secretary's approval. In approving or disapproving such budget or modification, the Secretary shall, among other considerations, ensure that the activities conducted under the order do not cause a duplication of efforts of, or ineffective use of resources under, any other soybean promotion, research, consumer information, or industry information program on the State or national level. Each such budget or modification shall be approved or disapproved by the Secretary within 45 days after the Secretary receives the budget or modification. No expenditure of funds may be made by the Board unless such expenditure is authorized under a budget or modification approved by the Secretary.

(f) Plans and Projects.—The order shall provide that the Board shall review or, on its own initiative, develop plans or projects of promotion, research, consumer information, and industry information, to be paid for with funds received by the Board.

(g) Administration.—(1) The order shall provide that the Board shall be responsible for all expenses of the Board.

(2)(A) The order shall provide that the Board may establish an administrative staff or facilities of its own or contract for the use of the staff and facilities of national, nonprofit, producer-governed organizations that represent producers of soybeans.

(B) If the Board establishes an administrative staff of its own, the Board is authorized to expend for administrative staff salaries and benefits an amount not to exceed one percent of the projected level of assessments to be collected by the Board, net of any refunds to be made under subsection (j)(2), for that fiscal year.

(C) If the staff of national, nonprofit, producer-governed organizations that represent producers of soybeans are used by the Board, the staff of such organizations shall not receive compensation directly from the Board, but such organizations shall be reimbursed for the reasonable expenses of their staffs, including salaries, incurred in performing staff duties on behalf of, and authorized by, the Board.

(3) The order shall provide that costs incurred by the Board in administering the order (including the cost of staff but not including administrative costs incurred by the Secretary) during any fiscal year shall not exceed 5 percent of the projected level of assessments to be collected by the Board, net of any refunds to be made under subsection (j)(2), for that fiscal year.

(h) Contracts and Agreements.—(1) To ensure coordination and efficient use of funds, the order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of the activities authorized by this title with national, nonprofit, producer-governed organizations that represent producers of soybeans, and for the payment thereof with funds received by the Board under the order.

(2) To enhance coordination, the Board, when entering into contracts or agreements for the implementation and carrying out of activities authorized by this title, shall ensure that all plans or projects implemented for consumer information, industry information, promotion, or research are implemented by a single entity. There shall not be in force, at any one time, more than one contract or agreement for implementation of plans or projects for consumer information, for industry information, for promotion, or for research, except that, upon approval of the Secretary, the Board may contract with qualified State soybean boards to implement plans or projects within their respective States.

(3) Any such contract or agreement shall provide that—

(A) the contracting party shall develop and submit to the Board a plan or project together with a budget or budgets that shall show estimated costs to be incurred for such plan or project;

(B) the plan or project shall not become effective unless it has been approved by the Secretary, and

(C) the contracting party shall keep accurate records of all of its transactions, account for funds received and expended, including staff time, salaries, and expenses expended on behalf of Board activities, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(i) BOOKS AND RECORDS OF THE BOARD.—The order shall require the Board to—

(1) maintain such books and records, which shall be available to the Secretary for inspection and audit, as the Secretary may prescribe,

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe, and

(3) account for the receipt and disbursement of all funds entrusted to the Board.

The Board shall cause its books and records to be audited by an independent auditor at the end of each fiscal year and a report of such audit to be submitted to the Secretary. The Secretary shall make such report available to the public upon request.

(j) ASSESSMENTS.—(1)(A)(i) The order shall provide that each first purchaser of soybeans from a producer shall collect, in the manner prescribed by the order, an assessment from the producer and remit the assessment to the Board. If a qualified State soybean board is operating in the State, the Board shall permit such State board to collect such assessments on behalf of the Board from first purchasers in the State in which such board is operating.

(ii) The rate of assessment prescribed by the order shall be one-half of 1 percent of the net market price of soybeans bought or otherwise acquired by the first purchaser from the producer.

(iii) No more than one assessment shall be made with respect to any particular soybeans.

(iv) The order shall provide that no person may engage in any scheme or device regarding the net market price of soybeans for purposes of affecting the assessment under the order.

(B) The order shall provide that any person processing soybeans of that person's own production and marketing such soybeans or soybean products made from such soybeans shall remit to the Board or the qualified State soybean board, in the manner prescribed by the order, an assessment established at a rate equivalent to the rate provided for in subparagraph (A)(ii).

(2)(A) The order shall provide that, during the period prior to the approval of the continuation of the order in the referendum provided for in section 1906(a), as determined by the Secretary, each producer shall have the right to demand and receive from the Board a refund of any assessment collected from such producer if—

(i) such producer is responsible for paying the assessment; and

(ii) such producer does not support the programs, projects, or activities implemented under the order.

(B) Subject to the provisions of subparagraph (C)(i), any demand by a producer for a refund of an assessment under this paragraph shall be made in accordance with regulations, on a form, and within the time period, not to exceed 90 days from the date of collection, prescribed by the Board.

(C)(i) In each State in which a qualified State soybean board collects assessments, as provided in paragraph (1)(A)(i), producers shall submit demands for refunds of assessments to the qualified State soybean board. Such board shall process such submissions under procedures established under State statute applicable to refunds of assessments on soybeans, except that if no refunds are allowed under State statute, such submissions shall be processed under procedures established under this paragraph.

(ii) In each State not specified in clause (i), producers shall submit demands for refunds of assessments directly to the Board.

(D) Subject to the provisions of subparagraph (C)(i), each refund to a producer of an assessment under this paragraph shall be made as soon as practicable, but in no case more than 60 days, after submission of proof satisfactory to the qualified State soybean board or the Board that the producer paid the assessment for which refund is demanded.

(3) The assessments shall be used for payment of the expenses incurred in implementation and administration of the order, the establishment of a reasonable reserve, and reimbursement to the Secretary of administrative costs incurred by the Secretary after the order has been proposed.

(4) A producer who can establish that such producer is contributing to a qualified State soybean board shall receive credit, in determining the assessment due to the Board from such producer, for contributions to the qualified State soybean board of up to one-quarter of 1 percent of the net market price of soybeans or the equivalent thereof. A producer may receive a credit under this paragraph only if the contribution is to the qualified State soybean board in the State in which the soybeans are produced, except that the Board, with the approval of the Secretary, may authorize exceptions to such State-of-origin rule as appropriate to ensure effective coordination of collection procedures among States.

(5) The procedures in the order for the collection of assessments shall ensure, to the extent practicable, that such soybeans are subject to a single process of assessment under the order.

(k) CREDIT FOR CERTAIN COSTS TO STATES.—The order shall provide that the Board may provide a credit against the amount of collected assessments due from each qualified State soybean board of an amount not to exceed one-half of any fees paid to State governmental agencies or first purchasers for collection of the assessments if the payment of such fees by the qualified State soybean board is required by State statute enacted prior to the date of enactment of this title. Any credit provided to any qualified State soybean board under this subsection may not exceed 2.5 percent of the amount of assessments collected and remitted to the Board under subsection (j).

(l) MINIMUM LEVEL OF ASSESSMENTS TO STATES.—(1) The order shall contain provisions to ensure that, during the period prior to conduct of the referendum provided for in section 1906(a), each qualified State soybean board retains annually an amount of money equal to the average amount that the State board collected from assessments during each of the State board's fiscal years 1984 through 1988, excluding the year in which such collections were the highest and the year in which such collections were the lowest, as determined by the Secretary and subject to paragraph (3).

(2) The order shall provide, effective after the conduct of the referendum provided for in section 1906(a), subject to paragraph (3), that the Board annually shall provide a credit to each qualified State soybean board of an amount by which—

(A) The amount equal to one cent times the average number of bushels of soybeans produced in the State during each of the preceding 5 years, excluding the year in which the production is the highest and the year in which the production is the lowest, exceeds

(B) the total amount collected by the qualified State soybean board from assessments on producers under this title and State law minus the amount of assessments remitted to the Board during such year under subsection (j).

(3) The total amount of assessment funds retained by a qualified State soybean board under paragraph (1) or (2) and subsection (j)(4) for a year may not exceed the total amount of assessments collected in the State under subsection (j), net of any refunds made under subsection (j)(2), for that year.

(m) INVESTMENT OF FUNDS.—The order shall provide that the Board, with the approval of the Secretary, may invest funds received by the Board under the order, pending their disbursement, only in obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States. Income from any such investment may be used only for such purposes as the invested funds may be used.

(n) PROHIBITION.—(1) Except as otherwise provided in paragraph (2), the order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing any action or policy of the United States Government, any foreign, State, or United States territory or possession government, or any political subdivision thereof.

(2) The prohibition in paragraph (1) shall not apply to—

(A) the development and recommendation of amendments to the order;

(B) the communication to appropriate government officials of information relating to the conduct, implementation, or results of promotion, research, consumer information, and industry information under the order; or

(C) any action designed to market soybeans or sobyean products directly to a for-

eign government or political subdivision thereof.

(o) BOOKS AND RECORDS OF FIRST PURCHASES AND CERTAIN PRODUCERS.—(1) The order shall require that each first purchaser of soybeans and any person processing soybeans of that person's own production maintain and make available for inspection by the Board or the Secretary such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order. The order shall exempt small producers processing soybeans of their own production from such recordkeeping and reporting requirements if they are not required to pay assessments under the order.

(2)(A) Information maintained under paragraph (1) shall be made available to the Secretary as is appropriate for the administration or enforcement of this title, or any order or regulation issued under this title.

(B) The Secretary shall authorize the use under this title of information regarding first purchasers that is accumulated under a law or regulation other than this title or regulations under this title.

(3)(A) Commercial or financial information obtained under paragraphs (1) and (2) and that is privileged or confidential shall be kept confidential by all officers and employees of the Department, the Board, and agents of the Board, subject to the provisions of subparagraph (B).

(B) Information obtained under the authority of this title shall be made available to any agency or officer of the Federal Government for—

(i) the implementation of this title;

(ii) any investigatory or enforcement action necessary for the implementation of this title; or.

(iii) any civil or criminal law enforcement activity if the acitivity is authorized by law.

(4) Any person who intentionally or knowingly violates the provisions of this subsection, upon conviction, shall be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or both, and if an agent of the Board or an officer or employee of the Department, shall be removed from office.

(p) INCIDENTAL TERMS AND CONDITIONS.—The order shall provide terms and conditions, not inconsistent with the provisions of this title, as necessary to effectuate the provisions of the order, including provisions for the assessment of a penalty for each late payment of assessments under subsection (j).

SEC. 716 REFERENDA.

(a) INITIAL REFERENDUM.—Not earlier than 18 months nor later than 36 months following the issuance of an order under section 1904 of this title, the Secretary shall conduct a referendum for the purpose of ascertaining whether the order then in effect shall be continued. Such referendum shall be conducted among producers who, during a representative period as determined by the Secretary, have been engaged in the production of soybeans. Such order shall be continued only if the Secretary determines that the order has been approved by not less than a majority of the producers voting in the referendum. If continuation of the order is not approved by a majority of those voting in the referendum, the Secretary shall terminate the collection of of assessments under the order within 6 months after the referendum and shall terminate the order in an orderly manner as soon as practicable.

(b) ADDITIONAL REFERENDA.—(1)(A) after the initial referendum on an order, the Secretary shall conduct additional referenda, as described in subparagraph (C), if requested by a representative group of producers, as described in subparagraph (B).

(B) An additional referendum on an order shall be conducted if requested by 10 percent or more of the producers who during a representative period have been engaged in the production of soybeans, of which group of requesting producers not in excess of one-fifth are producers in any one State, as determined by the Secretary.

(C) Each additional referendum shall be conducted among all producers who, during a representative period, as determined by the Secretary, have been engaged in the production of soybeans to determine whether such producers favor the termination of the order.

(2) If the Secretary determines, in any referendum conducted under paragraph (1), that termination of the order is favored by a majority of the producers voting in the referendum, the Secretary shall terminate, as appropriate, collection of assessments under the order within 6 months after such determination and shall terminate the order, as appropriate, in an orderly manner as soon as practicable after such determination.

(3)(A) To facilitate the periodic determination as to whether producers favor the conduct of an additional referendum under this subsection, the Secretary, 5 years after the conduct of a referendum under this section and every 5 years thereafter for as long as an order is in effect, shall provide soybean producers an opportunity to request an additional referendum, as provided in this paragraph.

(B)(i) To implement the requirements of subparagraph (A), the Secretary shall establish a procedure under which producers may request a reconfirmation referendum in person at county extension offices during a period established by the Secretary, or as provided in clause (ii).

(ii) In lieu of making such requests in person, producers may make requests by mail. Mail-in requests must be postmarked no later than the end of the period established under clause (i) for in-person requests. To facilitate such submission of requests by mail, the Secretary may make mail-in request forms available to producers.

(C) The Secretary shall publish a notice in the Federal Register, and the Board shall provide written notification to producers, not later than 60 days prior to the end of the period established under subparagraph (B)(i) for in-person requests, of the producers' opportunity to request the additional referendum. Such notification shall explain the producers' rights to, and the procedures specified in this subsection for, the conduct of an additional referendum, the purpose of the referendum, and the date and method by which producers can act to request the additional referendum under this paragraph. The Secretary shall take such other actions as the Secretary determines necessary to ensure the producers are made aware of the opportunity to request an additional referendum on the order.

(D) As soon as practicable following the submission of requests for a reconsideration referendum, the Secretary shall determine whether a sufficient number of producers have requested an additional referendum, and take other steps to conduct an additional referendum, as required under paragraph (1).

(E) Any additional referendum requested under the procedures provided in this paragraph shall be conducted not later than one year after the Secretary determines that a representative group of producers, as described in paragraph (1)(B), have requested the conduct of such referendum.

(c) PROCEDURES.—(1) The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any activity required under this section, except for the salaries of Government employees.

(2) Each referendum shall be conducted for a reasonable period (not to exceed 3 days) established by the Secretary, under a procedure whereby producers intending to vote in the referendum shall certify that they were engaged in the production of soybeans during the representative period and, at the same time, shall be provided an opportunity to vote in the referendum.

(3) Referenda shall be conducted at county extension offices and provision shall be made for absentee mail ballots to be provided upon request.

SEC 717. PETITION AND REVIEW.

(a) PETITION.—Any person subject to an order issued under this title may file with the Secretary a petition stating that such order, any provision of such order, or any obligation imposed in connection with the order is not in accordance with law and requesting a modification of the order or an exemption from the order. The petitioner shall be given an opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary. After such hearing, the Secretary shall make a ruling on the petition.

(b) REVIEW.—The district courts of the United States in any district in which a person who is a petitioner under subsection (a) resides or carries on business are hereby vested with jurisdiction to review the ruling on such person's petition, if a complaint for that purpose is filed within twenty days after the date of the entry of a ruling by the Secretary under subsection (a). Service of process in such proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure. If the court determines that such ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with law, or (2) to take such further action as, in the opinion of the court, the law requires.

SEC. 718. ENFORCEMENT.

(a) IN GENERAL.—(1) Each district court of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain a person from violating, an order or regulation issued by the Secretary under this title.

(2) A civil action authorized to be brought under this subsection shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation if the Secretary believes that the administration and enforcement of this title would be adequately served by providing a suitable written notice or warning to the person who committed such violation notice or warning to the person who committed such violation or by administrative action under subsection (b).

(b) ADMINISTRATIVE REMEDIES.—(1)(A) A person who willfully violates an order or regulation issued by the Secretary under this title may be assessed by the Secretary—

(i) a civil penalty of not more than $1,000 for each such violation; and

(ii) in the case of a willful failure to pay, collect, or remit an assessment as required by the order, an additional penalty equal to the amount of such assessment.

(B) Each such violation shall be a separate offense.

(C) In addition to or in lieu of such civil penalty, the Secretary may issue an order requiring such person to cease and desist from violating such order or regulation.

(D) No order assessing a penalty or cease and desist order may be issued by the Secretary under this paragraph unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record with respect to such violation.

(E) An order assessing a penalty or cease and desist order issued under this paragraph by the Secretary shall be final and conclusive unless the person against whom the order is issued files an appeal from such order with the appropriate district court of the United States, as provided in paragraph (2), not later than 30 days after the date of such order.

(2)(A) A person against whom an order is issued under paragraph (1) may obtain review of such order in the district court of the United States for the district in which such person resides or does business, or in the United States district court for the District of Columbia, by—

(i) filing a notice of appeal in such court not later than 30 days after the date of such order; and

(ii) simultaneously sending a copy of such notice by certified mail to the Secretary.

(B) The Secretary shall file promptly in such court a certified copy of the record on which the Secretary found that the person had committed a violation.

(C) A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(3)(A) A person who fails to obey a valid cease and desist order issued under paragraph (1) by the Secretary, after an opportunity for a hearing, shall be subject to a civil penalty assessed by the Secretary of not more than $500 for each offense.

(B) Each day during which such failure continues shall be considered a separate violation of such order.

(4)(A) If a person fails to pay a valid civil penalty imposed under this subsection by the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business.

(B) In such action, the validity and appropriateness of the order imposing such civil penalty shall not be subject to review.

(c) OTHER REMEDIES UNAFFECTED.—The remedies provided in subsections (a) and (b) shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 719. INVESTIGATIONS; POWER TO SUBPOENA; AID OF COURTS.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary deems necessary—

(1) for the effective administration of this title, or

(2) to determine whether any person subject to the provisions of this title has engaged or is about to engage in any act that constitutes or will constitute a violation of any provision of this title, or of any order or regulation issued under this title.

(b) POWER TO SUBPOENA.—For the purpose of any such investigation, the Secretary may require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the production of records. The court may issue an order requiring such person to appear before the Secretary to produce records. Any failure to obey such order of the court may be punished by such court as a contempt thereof. Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

SEC. 720. ADMINISTRATIVE PROVISIONS.

(a) CONSTRUCTION.—Except as provided in subsection (b), nothing in this title may be construed to—

(1) preempt or supersede any other program relating to soybean promotion, research, consumer information, or industry information organized and operated under the laws of the United States or any State; or

(2) authorize the withholding of any information from Congress.

(b) STATE LAWS.—(1) In order to ensure the proper administration of this title, any provision of State law automatically requiring a State referendum relating to the continuation or termination of a qualified State soybean board shall, to the extent it automatically requires such a referendum, be suspended for the period beginning on the date an order is issued under section 1904 and ending 18 months after the referendum on such order is conducted under section 1906(a). Such suspension shall not be construed to apply to any State referendum regarding a State soybean promotion program that is originated by soybean producers.

(2) In order to ensure adequate funding of the operations of qualified State soybean boards under this title, whenever an order is in effect under this title, no State law or regulation that limits the rate of assessment that the qualified State soybean board in the State may collect from producers on soybeans produced in such State, or that has the effect of limiting such rate, may be applied to prohibit such State board from collecting, and expending for authorized purposes, assessments from producers of up to the full amount of the credit authorized under section 1905(j)(4).

SEC. 721. REGULATIONS.

The Secretary may make such regulations as may be necessary to carry out the provisions of the title.

SEC. 722. AUTHORIZATION.

There are hereby authorized to be appropriated annually such funds as are necessary to carry out the provisions of this title. The funds so appropriated shall not be available for payment of the expenses or expenditures of the Board in administering any provision of any order issued under this title.

On Page 146, after line 18 insert: Subtitle A, Oilseed Price Support.

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the en bloc amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, this is an en bloc amendment. This amendment was addressed to title XIX, but should technically fit under this title. All we are doing now is offering it here, rather than title XIX.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Texas [Mr. DE LA GARZA].

The en bloc amendments were agreed to.

The CHAIRMAN. Are there further amendments to title VII?

If not, the Clerk will designate title V.

Mr. DE LA GARZA. Mr. Chairman, with regard to the unanimous consent that the House so graciously extended to us to delay consideration on titles V and VI, the Members negotiating and discussing the matter are still in the process of hopefully arriving at some satisfactory conclusion. Therefore, I would continue my unanimous consent request that titles V and VI be delayed, and that we continue with the next title.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will designate title VIII.

The text of title VIII is as follows:

TITLE VIII—PEANUTS

SEC. 801. SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.

The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1991 through 1995 crops of peanuts:

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

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

(3) Subsections (a), (b), (d), and (e) of section 359 (7 U.S.C. 1359 (a), (b), (d), (e)).

(4) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(5) Section 371 (7 U.S.C. 1371).

SEC. 802. NATIONAL POUNDAGE QUOTA AND FARM POUNDAGE QUOTA.

Effective only for the 1991 through 1995 crops of peanuts, subsections (k) through (p) of section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358(k) through (p)) are amended to read as follows:

"(k)(1) The national poundage quota for peanuts for each of the 1991 through 1995 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible, seed, and related uses, except that the national poundage quota for any such marketing year shall not be less than 1,350,000 tons.

"(2) The national poundage quota for a marketing year shall be announced by the Secretary not later than December 15 preceding such marketing year.

"(l) The national poundage quota established under subsection (k) shall be appor-

tioned among the States based upon the percentage of the national poundage quota allocated to farms in each such State for 1990.

"(m)(1)(A) A farm poundage quota for each of the 1991 through 1995 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1990 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (l) for any such marketing year is larger than such quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) for institutions specified in section 358b, as approved and determined by the Secretary pursuant to that section.

"(B) The farm poundage quota for each of the 1991 through 1995 marketing years for each farm described in subparagraph (A)(i) of the preceding sentence shall be the same as the farm poundage quota for such farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including—

"(i) any increases for undermarketings from previous years; or

"(ii) any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (9).

The farm poundage quota, if any, for each of the 1991 through 1995 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the poundage quota allocated to such farm for such year under paragraph (2)(A).

"(C) For purposes of this paragraph, if the farm poundage quota, or any part thereof, is permanently transferred in accordance with section 358a, the receiving farm shall be considered as possessing the farm poundage quotas (or portion thereof) of the transferring farm for all subsequent marketing years.

"(2)(A) Except as provided in paragraph (3), if the poundage quota apportioned to a State under subsection (l) for any of the 1991 through 1995 marketing years is increased over the poundage quota apportioned to the State for the immediately preceding marketing year, such increase shall be allocated proportionately, based on farm production history for the 3 immediately preceding years, among—

"(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) If the poundage quota apportioned to a State under subsection (l) for any of the 1991 through 1995 marketing years is decreased from the poundage quota apportioned to the State under such subsection for the immediately preceding marketing year, such decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for such immediately preceding marketing year.

"(3)(A) Notwithstanding the foregoing provisions of this subsection, in the case of the State of Texas only and subject to terms and conditions prescribed by the Secretary, beginning with the 1991 marketing year 33 percent of the increased poundage quota referred to in paragraph (2)(A) for any year (hereafter in this section referred to as the 'reserve share') shall be allocated according to this paragraph.

"(B) The Secretary shall distribute the reserve share to counties in which the production of additional peanuts exceeded the total poundage quota allocated to farms in such counties for the 1989 marketing year (hereafter in this paragraph referred to as 'eligible counties'). The amount of such reserve share distributed to each eligible county shall be proportional to—

"(i)(I) the total additional peanuts produced in such eligible county for the 1988 crop; divided by

"(II) the total amount of additional peanuts produced in all such eligible counties for the 1988 crop; multiplied by

"(ii) the reserve share.

"(C) In the case of eligible counties where more than 10,000 tons of poundage quota was allocated to all farms in the county for the 1989 marketing year, the total poundage quota distributed to any such county under this paragraph and paragraph (8) shall not increase the total poundage quota allocated to all farms in such county to a level of more than 100 percent of the total poundage quota allocated to farms in such county for the 1989 marketing year. In the event the amount of total poundage quota allocated to all farms in any such county is increased to 100 percent of the total poundage quota allocated to all farms in such county for the 1989 marketing year, the remainder of the reserve share distributed to such county shall be redistributed to other eligible counties in accordance with subparagraph (B).

"(D) The portion of reserve share distributed to each eligible county under this paragraph shall be allocated in accordance with subparagraph (E) within such county only to farms (hereafter in this paragraph referred to as 'eligible farms')—

"(i) having a poundage quota for the 1990 marketing year; and

"(ii) from which additional peanuts were delivered under contract with handlers for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(E) The portion of reserve share distributed to each eligible county shall be allocated among eligible farms in each such county on the following basis:

"(i) A factor shall be established for each eligible farm by dividing the amount of additional peanuts contracted and delivered to handlers from the farm by the total amount of remaining peanuts produced on such farm for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(ii) Each eligible farm shall be entitled to that proportion of the reserve share as its factor bears to the total of such factors for all eligible farms in such county.

"(F) The remaining 67 percent of such increased poundage quota referred to in paragraph (2)(A) shall be allocated to farms pursuant to paragraph (2)(A).

"(4)(A) Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1991 through 1995 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

"(B) For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include—

"(i) any increases for undermarketing of quota peanuts from previous years; or

"(ii) any increase resulting from the allocation of quotas voluntarily released for one year under paragraph (9).

"(5) For purposes of this subsection, the farm poundage quota shall be considered produced on a farm for a particular marketing year if—

"(A) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

"(B) the farm poundage quota for the farm was released voluntarily under paragraph (9) for only 1 of the 3 immediately preceding marketing years; or

"(C) the farm poundage quota or any portion thereof was leased to another owner or operator of a farm within the same county for transfer to such farm for only 1 of the 3 immediately preceeding years.

"(6)(A) The farm poundage quota established for a farm under this subsection, or any part of such quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner.

"(B) The poundage quota for the farm for which such quota is released shall be adjusted downward to reflect the quota that is so released.

"(7)(A) Except as provided in subparagraph (B) and paragraph (8), the total amount of the farm poundage quotas reduced or permanently released from farms in a State for any marketing year under paragraphs (4) and (6) shall be allocated proportionately, based on farm production history for the 3 immediately preceding years, to other farms in the State on which peanuts were produced in at least 2 of such years.

"(B)(i) Subject to clause (ii) the Secretary shall allocate to each farm for which no poundage quota was established for the immediately preceding year's crop an amount of quota from the total amount of farm poundage quota reduced or permanently released in the State equal to such farm's average production for the 3 immediately preceeding years during which peanuts were produced on such farm.

"(ii) The Secretary shall allocate under clause (i) a maximum of 25 percent of the total amount of farm poundage quota reduced or permanently released in the State to such farms and if the sum of such average production for such farms exceeds this maximum the Secretary shall allocate such maximum to such farms in proportion to such average production for the 3 immediately preceeding years during which peanuts were produced on such farm.

"(8)(A) In the case of the State of Texas only and subject to terms and conditions prescribed by the Secretary, beginning with the 1991 marketing year, the farm poundage quota reduced from farms in the State of Texas as provided in paragraph (4), except the percent allocated to new farms as provided in paragraph (7), (hereafter in this section referred to as the 'release share'), shall be allocated according to this paragraph to other farms that had a peanut quota for the 1990 marketing year.

"(B) The Secretary shall distribute the release share to counties in which the production of additional peanuts exceeded the total poundage quota allocated to farms in such counties for the 1989 marketing year (hereafter in this paragraph referred to as 'eligible counties'). The amount of such release

share distributed to each eligible county shall be proportional to—

"(i)(I) the total additional peanuts produced in such eligible county for the 1988 crop; divided by

"(II) the total amount of additional peanuts produced in all such eligible counties for the 1988 crop; multiplied by

"(ii) the release share.

"(C) In the case of eligible counties where more than 10,000 tons of poundage quota was allocated to all farms in the county for the 1989 marketing year, the total poundage quota distributed to any such county under this paragraph and paragraph (3) shall not increase the total poundage quota allocated to all farms in such county to a level of more than 100 percent of the total poundage quota allocated to farms in such county for the 1989 marketing year. In the event the amount of total poundage quota allocated to all farms in any such county is increased to 100 percent of the total poundage quota allocated to all farms in such county for the 1989 marketing year, the remainder of the release share distributed to such county shall be redistributed to other eligible counties in accordance with subparagraph (B).

"(D) The portion of release share distributed to each eligible county under this paragraph shall be allocated in accordance with subparagraph (E) within such county only to farms (hereafter in this paragraph referred to as 'eligible farms')—

"(i) having a poundage quota for the 1990 marketing year; and

"(ii) from which additional peanuts were delivered under contract with handlers for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(E) The portion of release share distributed to each eligible county shall be allocated among eligible farms in each such county on the following basis:

"(i) A factor shall be established for each eligible farm by dividing the amount of additional peanuts contracted and delivered to handlers from the farm by the total amount of remaining peanuts produced on such farm for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(ii) Each eligible farm shall be entitled to that proportion of the release share as its factor bears to the total of such factors for all eligible farms in such county.

"(9)(A) The farm poundage quota, or any portion thereof, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that such quota, or any part thereof, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

"(B) Any adjustment in the poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which it is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which such quota was released for any subsequent marketing year.

"(10)(A) Except as provided in subparagraph (B), the poundage quota for a farm for any marketing year shall be increased by the number of pounds by which the total marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1989 crop) were less than the total amount of applicable farm poundage quotas (disregarding adjustments for undermarketings from previous marketing years) for such marketing years.

"(B) For purposes of subparagraph (A), no increase for undermarketings in previous marketing years shall be made to the poundage quota for any farm to the extent that the poundage quota for such farm for the marketing year was reduced under paragraph (4) for failure to produce.

"(C) Any increases in farm poundage quotas under this paragraph shall not be counted against the national poundage quota for the marketing year involved.

"(D) Any increase in the farm poundage quota for a farm for a marketing year under this paragraph may be used during the marketing year by the transfer of additional peanuts produced on the farm to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation prescribe.

"(11) Notwithstanding the foregoing provisions of this subsection, if the total of all increases in individual farm poundage quotas under paragraph (10) exceeds 10 percent of the national poundage quota for the marketing year in which such increases shall be applicable, the Secretary shall adjust such increases so that the total of all such increases does not exceed 10 percent of the national poundage quota.

"(n)(1) For each farm for which a farm poundage quota is established under subsection (m), and when necessary for purposes of this Act, an average farm yield of peanuts shall be determined for each such farm.

"(2) Such yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm out of the 5 crop years 1973 through 1977.

"(3) If peanuts were not produced on the farm in at least 3 years during such 5-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(o)(1) Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether such producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the five calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second, third, fourth, and fifth years of the period.

"(2) The Secretary shall proclaim the result of the referendum within 30 days after the date on which it is held.

"(3) If more than one-third of the producers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(p) For the purposes of this part and title I of the Agricultural Act of 1949:

"(1) The term 'additional peanuts' means, for any marketing year—

"(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from such farm for such year; and

"(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (m).

"(2) The term 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

"(3) The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than those described in paragraph (2)), seed, and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available.

"(4) The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined in subsection (m), that—

"(A) are eligible for domestic edible use as determined by the Secretary;

"(B) are marketed or considered marketed from a farm; and

"(C) do not exceed the farm poundage quota of such farm for such year.".

SEC. 803. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.

Effective only for the 1991 through 1995 crops of peanuts, subsections (i) and (j) of section 358a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358a) are amended to read as follows:

"(i)(1) Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or the operator with permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of such poundage quota to any other owner or operator of a farm within the same county for transfer to such farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season only—

"(A) if not less than 90 percent of the farm quota exclusive of undermarketings and temporary quota transfers, plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

"(B) under such terms and conditions as the Secretary may by regulation prescribe.

In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization. A fall transfer or transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

"(2) The owner or operator of a farm may transfer all or any part of the farm poundage quota for such farm to any other farm owned or controlled by such owner or operator that is in the same county or in a county contiguous to such county in the same State and that had a farm poundage quota for the preceding year's crop. Any farm poundage

quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if such transferred quota is produced or considered produced on the receiving farm.

"(3) Notwithstanding paragraphs (1) and (2), in the case of any State for which the poundage quota opportioned to the State was less than 10,000 tons for the preceding year's crop, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in one county to a farm in another county in the same State.

"(j) Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

"(1) No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

"(2) No transfer of the farm poundage quota shall be permitted if the local county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (hereafter in this section referred to as the 'county committee') determines that the receiving farm does not have adequate tillable cropland to produce the transferred farm poundage quota.

"(3) No transfer of the farm poundage quota shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and such committee determines that the transfer complies with this section.

"(4) Such other terms and conditions that the Secretary may by regulation prescribe.".

SEC. 804. MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.

Effective only for the 1991 through 1995 crops of peanuts, subsections (f) through (l) of section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359) are amended to read as follows:

"(f)(1)(A) The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which such peanuts are produced shall be subject to penalty at a rate equal to 140 percent of the support price for quota peanuts on the quantity of such excess amount of peanuts for the marketing year in which such marketing occurs.

"(B) For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

"(C) The marketing of any additional peanuts from a farm shall be subject to the same penalty unless such peanuts, in accordance with regulations established by the Secretary, are—

"(i) placed under loan at the additional loan rate in effect for such peanuts under section 108B of the Agricultural Act of 1949 and not redeemed by the producers;

"(ii) marketed through an area marketing association designated pursuant to section 108A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445 c-1(c)(1)); or

"(iii) marketed under contracts between handlers and producers pursuant to subsection (j).

"(2) Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent. Such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

"(3) If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty.

"(4) Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins.

"(5) If any producer falsely identifies or fails to certify planted acres or fails to account for the disposition of any peanuts produced on such planted acres, an amount of peanuts equal to the farm's average yield, as determined under section 358(n), times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

"(6) The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

"(7) Errors in weight that do not exceed one-tenth of 1 percent in the case of any one marketing document shall not be considered to be marketing violations except in cases of fraud or conspiracy.

"(g)(1) Only quota peanuts may be retained for use as seed or for other uses on a farm. When so retained, quota peanuts shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under subsection (c), are unique strains, and are not commercially available.

"(2) Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (k).

"(3) Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(h) On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(i)(1) Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445c-1(c)(1)).

"(2)(A) Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of such peanuts, to comply with regulations that the Secretary shall issue.

"(B) The regulations issued by the Secretary under subparagraph (A) shall include, but need not be limited to, the following provisions:

"(i) Handlers of shelled or milled peanuts may export or crush peanuts classified by type in all of the following quantities:

"(I) Sound split kernel peanuts purchased by the handler as additional peanuts to which a mandated deduction with respect to the price paid to the producer of such peanuts is applied due to the percentage of such sound splits.

"(II) Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of such peanuts purchased by the handler as additional peanuts less the total poundage of sound split kernel peanuts described in subclause (I).

"(III) The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

"(ii) Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

"(iii) If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of such loss allocated to contracted additional peanuts shall not be greater than the portion of the handler's total peanut purchases for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during such year.

"(iv)(I) The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that such allowance shall not be less than 4 percent, except as provided in sub-clause (II).

"(II) The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

"(3) A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, to ensure the handler's compliance with the obligation to export or crush peanuts.

"(4) Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(5)(A) Except as provided in subparagraph (B), the failure of a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in such failure to comply.

"(B) A handler shall not be subject to a penalty for failure to export or crush additional peanuts if such peanuts were not delivered to the handler.

"(6) If any additional peanuts exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer thereof shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

"(j)(1) Handlers may, under such regulations as the Secretary may issue, contract with producers for the purchase of additional peanuts for crushing, export, or both.

"(2)(A) Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval before August 1 of the year in which the crop is produced.

"(B) Such contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of such additional peanuts, including the identity of the contracting parties, the poundage and category of the peanuts, the disclosure of any liens on such peanuts, and the intended disposition of the peanuts.

"(C) Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (i) by such date as prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

"(3) Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of such peanuts for domestic edible or seed use.

"(4) Notwithstanding any other provision of this Act, if the President issues a proclamation under section 22 of the Agricultural Adjustment Act temporarily suspending restrictions on, or increasing any quota for, the importation of peanuts, the Secretary shall permit a handler, subject to such terms and conditions as the Secretary may prescribe, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer such peanuts for sale for domestic edible, seed or related uses.

"(k)(1) Subject to section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427), any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

"(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

"(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

"(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(2)(A) Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which such additional peanuts were harvested, the area marketing association designated pursuant to section 108A(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445c-1(c)(1)) shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts.

"(B) The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

"(l)(1) The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date such penalty became due.

"(2) This section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm.

"(3) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4)(A) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulation may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

"(B) Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether such determination was made in conformity with the applicable law and regulations.

"(C) All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5)(A) Notwithstanding any other provision of law and except as provided in subparagraph (B), the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, reducing the penalty to zero, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

"(B) The amount of any penalty imposed on a handler under this section that resulted from the failure to export contracted additional peanuts may not be reduced by the Secretary.".

SEC. 805. PRICE SUPPORT PROGRAM.

Effective only for the 1991 through 1995 crops of peanuts, section 108A of the Agricultural Act of 1949 (7 U.S.C. 1445c-1) is amended to read as follows:

"PRICE SUPPORT FOR 1991 THROUGH 1995 CROPS OF PEANUTS

"SEC. 108A. (a)(1) The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1991 through 1995 crops.

"(2) The national average quota support rate for each of the 1991 through 1995 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land, except that in no event shall the national average quota support rate for any such crop exceed by more than 6 percent the national average quota support rate for the preceding crop.

"(3) The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

"(4) The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 403.

"(5) The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(b)(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1991 through 1995 crops at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts.

"(2) The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(c)(1)(A) In carrying out subsection (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.60 of title 7 of the Code of Federal Regulations (January 1, 1985)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

"(B) Such area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

"(C) Loans made under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

"(2)(A) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota

peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing such pools.

"(B) Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

"(i) For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

"(ii) For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i).

"(d) Notwithstanding any other provision of this section:

"(1) Any distribution of net gains on additional peanuts (other than net gains on additional peanuts in separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan.

"(2)(A) The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool under section 358(m)(10) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358 (m)(10)).

"(B) Losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358(m)(10) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358 (m)(10)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

"(e) Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358(o) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358(o).".

SEC. 806. REPORTS AND RECORDS.

Effective only for the 1991 through 1995 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,".

SEC. 807. SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.

Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1991 through 1995 crops of peanuts.

SEC. 808. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

Effective only for the 1991 through 1995 crops of peanuts, the Agricultural Adjustment Act of 1938 is amended by inserting after section 358a the following:

"QUOTA FOR RESEARCH

"SEC. 358b. Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from such State's quota reserve to land-grant institutions identified in the Act of May 8, 1914 (7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321-326 and 328), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes in an amount equal to that amount of quota held by each such institution during 1985 up to one tenth of one percent of such State's basic quota. The responsibility for complying with the duties of the farm operator with respect to the production of such quota peanuts shall be vested in the director of the Agricultural Experiment Station for the State.".

SEC. 809. CONFORMING CHANGES.

Section 8b of the Agricultural Adjustment Act (7 U.S.C. 608b), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended in subsection (b)(2) by striking "section 108B of".

AMENDMENT OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ARMEY: Strike out title VIII (page 153, line 1 through page 189, line 22), and insert in lieu thereof the following:

TITLE VIII—PEANUTS

SEC. 801. REPEAL OF MARKETING QUOTA PROGRAM FOR PEANUTS.

(a) MARKETING QUOTAS.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1933 (7 U.S.C. 1357-1359), relating to peanuts, is repealed.

(b) PRICE SUPPORT LEVELS.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

(1) in section 101(b) (7 U.S.C. 1441(b)), by striking "and peanuts";

(2) in section 408(c) (7 U.S.C. 1428(c)), by striking "peanuts,"; and

(3) by repealing sections 108, 108A, and 108B (7 U.S.C. 1445c, 1445c-1, and 1445c-2).

(c) CONFORMING AMENDMENTS.—(1) Sections 361, 371(a), 371(b), 373(a), 373(b), and 375(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361, 1371, 1373, and 1375) are amended by striking "peanuts" each place it appears.

(2) Section 373(a) of such Act (7 U.S.C. 1373(a)) is further amended—

(A) by inserting "and" in the first sentence after "from producers,"; and

(B) by striking ", all producers engaged in the production" and all that follows through "peanut-threshing machines".

(3) Section 8(b)(2) of the Agriculture Adjustment Act (7 U.S.C. 608b(b)(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking ", as determined under section 108B of the Agricultural Act of 1948 (7 U.S.C. 1445c-2),".

SEC. 802. PRICE SUPPORT PROGRAM.

The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by inserting after section 107F (7 U.S.C. 1445b-5) the following new section:

"SEC. 108. PRICE SUPPORT PROGRAM FOR PEANUTS.

"(a) IN GENERAL.—Except as provided in subsection (c), the prices of the 1991 and subsequent crops of peanuts shall be supported at such level as the Secretary determines to be appropriate.

"(b) FACTORS.—In making the determination, the Secretary shall take into consideration—

"(1) the factors specified in paragraphs (1) through (8) of section 401(b);

"(2) the cost of production;

"(3) any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the crop year for which the level of support is being determined;

"(4) the demand for peanuts for domestic edible use, peanut oil, and meal;

"(5) expected prices of other vegetable oils and protein meals; and

"(6) the demand for peanuts in foreign markets.

"(c) LIMITATION.—The level of price support determined by the Secretary for a crop of peanuts shall not result in a net loss to the Federal Government in excess of the average net loss to the Federal Government from supporting the 1987, 1988, and 1989 crops of peanuts.".

SEC. 803. EFFECTIVE DATE.

The amendments made by this title shall take effect beginning with the 1991 crop of peanuts.

POINT OF ORDER

Mr. HATCHER. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HATCHER. Mr. Chairman, the Armey amendment violates section 303 of the Budget Act because it provides new budget authority in 1991 with no budget resolution in place.

According to the Congressional Budget Office, commerical users of peanuts would suspend their 1990 purchasing in anticipation of lower 1991 prices. CBO estimates that 1990 carryover stocks would fall by 50 percent, about 335 million pounds. Producers would fail to redeem a similiar volume of peanut price support loans in the absence of commercial use, resulting in a reduction of loan repayments of $110 million in fiscal year 1991. CBO projects that CCC would be able to sell the acquired stocks of peanuts at about half the acquisition price, netting $55 million of receipts in fiscal year 1992 and no net cost in fiscal year 1993 through fiscal year 1995.

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Mr. CHAIRMAN. Does the gentleman from Texas [Mr. ARMEY] wish to be heard on the point of order?

Mr. ARMEY. I would like to be heard on the point of order, Mr. Chairman.

Mr. Chairman, if one reads the amendment on page 3, line 13, it begins "limitation," and the limitation is very, very much to the point. If I can just take a moment I will read the limitation. It says:

The level of price support determined by the Secretary for a crop of peanuts shall not result in a net loss to the Federal Govern-

ment in excess of the average net loss to the Federal Government for supporting the 1987, 1988 and 1989 crops of peanuts.

Mr. Chairman, on the basis of the inclusion of that limitation in the amendment I would suggest that it does not violate, it does not have the violation that the gentleman has raised as a point of order against the amendment.

The CHAIRMAN. Does the gentleman from Georgia [Mr. HATCHER] wish to be further heard on the point of order?

Mr. HATCHER. Yes, Mr. Chairman. Clearly it does violate it, Mr. Chairman.

In addition to taking the cap off on the peanuts that are to be produced, and thereby having peanuts sold at a lower price, his amendment would strike the cross-compliance portion of the current peanut program which results in Georgia and other States in the Southeast taking up losses that occur in Texas and Oklahoma and other parts of the country. So clearly it is in violation.

The CHAIRMAN. Does the gentleman from Texas wish to be heard further on the point of order?

Mr. ARMEY. Mr. Chairman, I would continue to contend that given the limitation expressed on line 13 of page 3, I am not in violation.

The CHAIRMAN (Mr. BONIOR). The Chair is prepared to rule.

The gentleman from Georgia [Mr. HATCHER] makes a point of order under section 303(a) of the Budget Act that the amendment offered by the gentleman from Texas [Mr. ARMEY] provides new budget authority for fiscal year 1991 before the concurrent resolution on the budget for fiscal year 1991 has been agreed to.

The essence of section 303(a) of the Budget Act is timing. It reflects a judgment that legislative decisions on revenues and expenditures for the coming fiscal year should await the adoption of the concurrent resolution on the budget for that year. Once the budget resolution is in place, sections 302 and 311 of the Budget Act govern such decisions under the terms of the resolution.

Under section 302, where levels of spending and revenues are pertinent, the Chair must rely on estimates—this is important, the Chair has to rely on estimates—provided by the Committee on the Budget pursuant to subsection 302(g). Under section 303, however, the Chair is guided by arguments as to whether an amendment provides new budget authority for the ensuing fiscal year.

In the instant case, having been informed by the gentleman from Georgia that the Congressional Budget Office has scored the language of the amendment as providing new budget authority of $110 million for fiscal 1991 based upon economic assumptions and estimates that are unique to the peanut program, the Chair is inclined to give weight to those estimates in order to maintain consistency in determinations under title III of the Budget Act.

The Chair sustains the gentleman's point of order.

Mr. HATCHER. I thank the Chair.

Mr. JONES of North Carolina. Mr. Chairman, I rise in adamant opposition to the amendment being offered by the gentleman from Texas regarding the peanut title of H.R. 3950 and urge my colleagues on both sides of the aisle to do likewise.

The 1985 farm bill set a straight course for our Nation's farmers toward stability in the overall farm economy. Farmers throughout the Nation were suffering economically before enactment of the 1985 legislation. Over the last 5 years, farmers throughout the Nation and my home State of North Carolina have seen conditions change for the better and we now have a more stable and dependable farm economy. I believe H.R. 3950 will continue this trend toward stability and help ensure that this Nation keeps as many small farmers as possible on their farms and assist those farmers to operate to the fullest capacity.

The Agriculture Committee of this body has spent the last year researching and preparing H.R. 3950. The committee has made changes where needed while trying to ensure that the impact of the 1985 legislation continues into the 1990's. I commend the fine work done by the Agriculture Committee, especially the distinguished chairman. However, some of our colleagues here in Congress wish to derail the efforts of the Agriculture Committee. The gentleman from Texas is one such example. As I understand it, the Armey amendment would erase the peanut program as we know it and would give the Secretary of Agriculture the discretionary power to set the peanut price support level, if deemed necessary. I fail to understand why my friend from Texas wishes to do away with a farm commodity program that is recognized as one of the most efficient and successful. Let's look at a few facts.

Since the 1985 legislation was enacted the program costs related to edible quality peanuts have all but disappeared. National cross compliance requires peanut farmers to subsidize any losses resulting from peanuts grown for domestic consumption through a process of removing profits from peanut sales pools. In short, the farmers themselves are subsidizing losses incurred by the program, not the Federal Government. I might add that the peanut farmer is the only farmer of any kind in this country that helps eliminate losses incurred by a price support program.

Some of my colleagues argue that the peanut program has participation restrictions and that farmers must inherit the right to grow peanuts under the program. Nothing could be further from the truth. The peanut program is a voluntary program. Any farmer with a 2-year history of growing peanuts becomes eligible to participate in the program. If the program is so restrictive in the number of participants, then why have roughly 5,120 new quota farms been established since enactment of the 1985 legislation.

Despite the obvious facts, Mr. Chairman, many of my colleagues still attack this efficient and cost effective program which is ensuring the American consumer the best supply of high quality peanuts at low prices. American consumers pay less for peanut butter than most foreign consumers. The average price for an 18-ounce jar of peanut butter in the United States is $2.03. The same jar of peanut butter would costs $3.60 in West Germany, $4.68 in Japan, and $2.88 in Canada. Also, the Consumer Price Index for food items has risen 74 percent since 1978. However, the Consumer Price Index for peanuts for the same period shows only a 47 percent increase. The program has proven its benefits to the American consumer over the years.

Quite frankly, I see no reason for attacking the peanut program. It has proven cost effective, open to participation to farmers, a benefit to the American consumer, and an important mechanism for ensuring farm economy stability. Without the present peanut program peanut farmers throughout the Nation would be subject to a boom and bust economy and we would lose countless farmers.

The family farmer has proven to be the backbone of this Nation throughout its history. Let's ensure that the stability of the farm economy mandated in the 1985 legislation continues and our farmers continue to provide this Nation with the best high quality and inexpensive food source possible. I urge my colleagues to defeat the Armey amendment and support the Agriculture Committee in its efforts. Let's show our support for the American peanut farmer by supporting H.R. 3950 as reported by the Agriculture Committee.

The CHAIRMAN. Are there any amendments to title VIII?

If not, the Clerk will designate title IX.

The text of title IX is as follows:

TITLE IX—WHEAT

SEC. 901. LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, ACREAGE LIMITATION PROGRAM, AND LAND DIVERSION FOR THE 1991 THROUGH 1995 CROPS OF WHEAT.

Effective only for the 1991 through 1995 crops of wheat, section 107A of the Agricultural Act of 1949 (7 U.S.C. 1445b) is amended to read as follows:

"SEC. 107A. ANNUAL PROGRAM FOR 1991 THROUGH 1995 CROPS OF WHEAT.

"(a) LOANS AND PURCHASES.—(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4), the Secretary shall make available to producers loans and purchases for each of the 1991 through 1995 crops of wheat at such level as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.

"(2) MINIMUM LOAN AND PURCHASE LEVEL.—(A) 1991 CROP TRANSITION RULE.—From June 1, 1991 to September 30, 1991, the loan and purchase level for the 1991 crop of wheat shall be not less than $1.93 per bushel. Beginning October 1, 1991, the Secretary shall make available to producers who pledged 1991 crop wheat as collateral for a price support loan, or whose 1991 crop wheat was purchased by the Secretary, at the $1.93 level an increase in the loan or purchase amount such that the loan and purchase level is

equal to the level described in subparagraph (B).

"(B) 1991 THROUGH 1995 CROPS.—Except as provided in subparagraph A and paragraphs (3) and (4), the loan and purchase level determined under paragraph (1) shall not be less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this paragraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ADJUSTMENTS TO SUPPORT LEVEL.—(A) STOCKS TO USE RATIO.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

"(i) equal to or greater than 30 percent, the Secretary may reduce the loan and purchase level for wheat for the corresponding crop by an amount not to exceed 10 percent.

"(ii) or less than 30 percent but not less than 15 percent, the Secretary may reduce the loan and purchase level for wheat for the corresponding crop by an amount not to exceed 5 percent.

"(iii) less than 15 percent, the Secretary may not reduce the loan and purchase level for wheat for the corresponding.

"(B) REPORT TO CONGRESS.—(i) If the Secretary adjusts the level of loans and purchases for wheat under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(I) certifying such adjustment as necessary to prevent the build-up of stocks and to retain market share; and

"(II) containing a description of the need for such adjustment.

"(ii) Such adjustment shall become effective no earlier than 60 calendar days after the date of submission of such report to such committees.

"(C) COMPETITIVE POSITION.—Notwithstanding the provisions of subparagraph (A), if the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the effective loan rate established for such crop will not maintain a competitive market position for wheat, the Secretary may reduce the loan and purchase level for wheat for the marketing year by an amount, in addition to any reduction under subparagraph (A), not to exceed 5 percent in any year.

"(D) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan and purchase level for wheat under this paragraph shall not be considered in determining the loan and purchase level for wheat for subsequent years.

"(4) MARKETING LOAN.—(A) IN GENERAL.—The Secretary may permit a producer to repay a loan made under paragraph (1) for a crop at a level that is the lesser of—

"(i) the loan level determined for such crop; or

"(ii) the higher of—

"(I) 70 percent of such level;

"(II) if the loan level for a crop was reduced under paragraph (3), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (3); or

"(III) the prevailing world market price for wheat, as determined by the Secretary.

"(B) WORLD PRICE FORMULA.—If the Secretary permits a producer to repay a loan in accordance with subparagraph (A), the Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for wheat; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wheat.

"(5) SIMPLE AVERAGE PRICE.—For purposes of this section, the Secretary in determining the simple average price received by producers for the immediately preceding marketing year shall use the latest information available to the Secretary at the time of the determination.

"(b) PAYMENTS FOR FORGOING LOAN OR PURCHASE.—(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of wheat, make payments available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining such loan or agreement in return for such payments.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of wheat the producer is eligible to place under loan.

"(3) QUANTITY ELIGIBLE.—For purposes of this subsection, the quantity of wheat eligible to be placed under loan may not exceed the product obtained by multiplying—

"(A) the individual farm program acreage for the crop; by

"(B) the farm program payment yield established for the farm.

"(4) PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for such crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) DEFICIENCY PAYMENTS.—(1) IN GENERAL.—(A) COMPUTATION.—The Secretary shall make available to producers payments to be known as 'deficiency payments' for each of the 1991 through 1995 crops of wheat in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the individual farm program acreage for the crop; by

"(iii) the farm program payment yield for the crop for the farm.

"(B) 0/92 PROGRAM.—(i) If an acreage limitation program under subsection (f)(2) is in effect for a crop of wheat and the producers on a farm devote a portion of the permitted wheat acreage of the farm (as determined in accordance with subsection (f)(2)(A)) equal to more than 8 percent of the permitted wheat acreage of the farm for the crop to conservation uses (except as provided in subparagraph (G))—

"(I) such portion of the permitted wheat acreage of the farm in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (G)) shall be considered to be planted to wheat for the purpose of determining the individual farm program acreage in accordance with subsection (f)(2)(F) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (f)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph on such acreage.

"(ii) Notwithstanding any other provision of this section, any producer who elects to devote all or a portion of the permitted wheat acreage of the farm to conservation uses (or other uses as provided in subparagraph (G)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to wheat and eligible for payments under this subparagraph for such crop at a per-bushel rate established by the Secretary, except that such rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which wheat producers may agree to participate in the program for such crop.

"(iii) The Secretary shall implement this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary may restrict the total amount of wheat acreage that may be taken out of production under this subparagraph, taking into consideration the total amount of wheat acreage that has or will be removed from production under other price support, production adjustment, or conservation program activities. No restrictions on the amount of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during such crop year.

"(iv) The wheat crop acreage base and wheat farm program payment yield of the farm shall not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses (except as provided in subparagraph (G)).

"(v) Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

"(vi) Any acreage considered to be planted to wheat in accordance with clause (i) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation, set-aside, or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(C) PAYMENT RATE.—The payment rate for wheat shall be the amount by which the established price for the crop of wheat exceeds the higher of—

"(i) the national weighted average market price received by producers during the first 6 months of the marketing year for such crop, as determined by the Secretary; or

"(ii) the loan level determined for such crop, prior to any adjustment made under subsection (a)(3) for the marketing year for such crop of wheat.

"(D) COMPENSATION FOR SUPPORT LEVEL ADJUSTMENT.—(i) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for wheat under subsection (a)(3), the Secretary shall provide emergency compensation by increasing the payments for wheat by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made.

"(ii) In determining the payment rate, per bushel, for payments for a crop of wheat under this subparagraph, the Secretary shall use the national weighted average market price, per bushel of wheat, received by pro-

ducers during the marketing year for such crop, as determined by the Secretary.

"(iii) Notwithstanding any other provision of this Act the Secretary shall—

"(I) by December 1 of the marketing year for the crop estimate the national weighted average market price, per bushel of wheat, received by producers during such marketing year;

"(II) by December 15 of such marketing year use the estimate to make available to producers who have elected the payment option authorized by this clause not less than 75 percent of the increase in payments estimated to be payable with respect to such crop under this subparagraph; and

"(III) adjust the amount of each final payment for wheat to reflect any difference between the amount of any estimated payment made under this clause and the amount of actual payment due under this subparagraph.

"(iv) Producers shall elect the payment option authorized by clause (iii) at the time of entering into a contract to participate in the program established by this section for the crop.

"(E)(i) MINIMUM ESTABLISHED PRICE.—The established price for wheat shall not be less than $4 per bushel.

(ii) ESTABLISHED PRICE INCREASE.—If in any crop year the Secretary announces an acreage limitation program under subsection (H)(2) or a set-aside program under subsection (F)(3) for farms under which the percentage reduction or set-aside is in excess of 7.5 percent (10 percent in the case of the 1994 and 1995 crops), then the established price for such crop shall be increased by an amount not less than 2.55 percent of the established price for such crop for each 2.5 percent incremental increase of such percentage reduction or set aside in excess of 7.5 percent (10 percent in the case of the 1994 and 1995 crops).

"(F) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of wheat on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(G) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (B) to be devoted to sweet sorghum or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf), subject to the following sentence. The Secretary may permit such acreage to be devoted to such production only if the Secretary determines that—

"(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of such raw material and could lead to increased industrial use of such raw material to the long-term benefit of United States industry.

"(H)(i) TARGET OPTION PROGRAM.—Subject to clauses (ii) and (iii), if an acreage limitation program under subsection (f)(2) is in effect for a crop of wheat and the producers on a farm devote a portion of the permitted wheat acreage of the farm (as determined in accordance with subsection (f)(2)(A)) to conservation uses, the producers shall be eligible for an increase of up to one percent in the established price of wheat, on the acreage on the farm actually planted to wheat, for each one percent of the permitted wheat acreage of the farm devoted to conservation uses.

"(ii) The portion of permitted wheat acreage of the farm devoted to conservation uses under clause (i) shall not exceed 10 percent of the crop acreage base of the farm.

"(iii) Such increase in the established price shall not result in a producer receiving more in payments than the maximum amount such producers would be eligible to receive under section 107A(c)(1)(B).

"(iv) The wheat crop acreage base and the wheat farm program payment yield for the farm may not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses.

"(2) DISASTER ASSISTANCE.—(A) PREVENTED PLANTING PAYMENTS.—(i) Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(I) the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage that the producers were prevented from planting to wheat or other nonconserving crops in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(II) 75 percent of the farm program payment yield established by the Secretary; by

"(III) a payment rate equal to 33⅓ percent of the average of the established prices for the crop.

"(ii) Payments made by the Secretary under this subparagraph may be made in the form of cash or from stocks of wheat held by the Commodity Credit Corporation.

"(B) REDUCED YIELD PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the established price for the crop for the deficiency in production below 60 percent for the crop.

"(C) LIMITATION DUE TO CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the wheat acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the wheat acreage of the producers.

"(D) EXCEPTION FROM LIMITATION.—(i) Notwithstanding subparagraph (C), the Secretary may make a disaster payment to producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crops or from reduced yields;

"(II) such losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

"(ii) The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) NATIONAL PROGRAM ACREAGE.—(1) IN GENERAL.—(A) PROCLAMATION.—Except for a crop with respect to which there is an acreage limitation program in effect under subsection (f), the Secretary shall proclaim a national program acreage. The proclamation shall be made not later than June 1 of each calendar year for the crop harvested in the next succeeding calendar year.

"(B) REVISION.—The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) if the Secretary determines it necessary based on the latest information. The Secretary shall proclaim such revised national program acreage as soon as such revision is made.

"(C) AMOUNT OF ACREAGE.—The national program acreage for wheat shall be the number of harvested acres that the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop.

"(D) ADJUSTMENT FOR CARRYOVER.—If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the quantity the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) PROGRAM ALLOCATION FACTOR.—The Secretary shall determine a program allocation factor for each crop of wheat, if the Secretary proclaims a national program acreage for such crop. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except

that in no event shall the allocation factor for any crop of wheat be more than 100 percent nor less than 80 percent.

"(3) FARM PROGRAM ACREAGE.—(A) DETERMINATION.—Except as provided in subsection (f)(2), the individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined.

"(B) LIMITATION ON REDUCTION.—The individual farm program acreage shall not be further reduced by application of the allocation factor if the producers on a farm reduce the acreage of wheat planted for harvest on the farm from the crop acreage base established for the farm under title V by at least the percentage recommended by the Secretary in the proclamation of the national program acreage.

"(C) FAIR AND EQUITABLE TREATMENT.—The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than the crop acreage base established for the farm under title V, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor.

"(D) ADJUSTMENT FOR EXEMPTIONS.—In establishing the allocation factor for wheat, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(e) FARM PROGRAM PAYMENT YIELDS.—The farm program payment yields for farms for each crop of wheat shall be determined under title V.

"(f) PROGRAMS TO REDUCE ACREAGE.—(1) IN GENERAL.—(A) EXCESSIVE SUPPLY.—(i) Notwithstanding any other provision of this Act, except as provided in subparagraphs (B) and (C), if the Secretary determines that the total supply of wheat, in the absence of an acreage limitation or set-aside program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of wheat either an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3).

"(ii) In making a determination under clause (i), the Secretary shall take into consideration the number of acres placed in the conservation acreage reserve established under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831).

"(iii) If the Secretary elects to put either of such programs into effect for any crop year, the Secretary shall announce any such program not later than June 1 prior to the calendar year in which the crop is harvested.

"(iv) Not later than July 31 of the year previous to the year in which the crop is harvested, the Secretary may make adjustments in the program announced under clause (iii) if the Secretary determines that there has been a significant change in the total supply of wheat since the program was first announced.

"(B) AMOUNT OF ACREAGE LIMITATION.—In the case of each of the 1991 through 1995 crops of wheat, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of wheat to total use of wheat for the marketing year will be—

"(i) more than 40 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not less than 20 percent nor more than 30 percent; or

"(ii) equal to or less than 40 percent, the Secretary may provide for such an acreage limitation program under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not more than 20 percent.

"(C) CONDITION FOR ELIGIBILITY.—As a condition of eligibility for loans, purchases, and payments for any such crop of wheat, except as provided in subsection (g), the producers on a farm must comply with the terms and conditions of the acreage limitation program and, if applicable, any land diversion program, as provided in paragraph (5).

"(2) ACREAGE LIMITATION PROGRAM.—(A) UNIFORM PERCENTAGE.—If a wheat acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction to the wheat crop acreage base for the crop for each wheat-producing farm.

"(B) ENFORCEMENT.—Except as provided in subsection (g), producers who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm.

"(C) WHEAT CROP ACREAGE BASE.—Wheat crop acreage bases for each crop of wheat shall be determined under title V.

"(D) DETERMINATION OF CONSERVATION USE ACREAGE.—(i) A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary.

"(ii) The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'.

"(E) INAPPLICABILITY OF NATIONAL PROGRAM ACREAGE.—If an acreage limitation program is announced under paragraph (1) for a crop of wheat, subsection (d) shall not be applicable to such crop, including any prior announcement that may have been made under such subsection with respect to such crop.

"(F) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsections (c)(1)(B) and (c)(1)(H), the individual farm program acreage shall be the acreage planted on the farm to wheat for harvest within the permitted wheat acreage for the farm as established under this paragraph.

"(3) SET-ASIDE PROGRAM.—(A) IN GENERAL.—If a set-aside program is announced under paragraph (1), as a condition of eligibility for loans, purchases, and payments for wheat authorized by this Act (except as provided in subsection (g)), the producers on a farm shall—

"(i) set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of wheat planted for harvest for the crop for which the set-aside is in effect; and

"(ii) otherwise comply with the terms of such program.

"(B) CONSERVATION USE REQUIRED.—The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(C) UNIFORM ACREAGE LIMITATION.—If a set-aside program is established, the Secretary may limit the acreage planted to wheat. Such limitation shall be applied on a uniform basis to all wheat-producing farms.

"(D) ADJUSTMENTS TO SET-ASIDE.—The Secretary may make such adjustments in individual set-aside acreages under this paragraph as the Secretary determines necessary—

"(i) to correct for abnormal factors affecting production; and

"(ii) to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary determines necessary.

"(4) USE OF CONSERVATION ACREAGE.—(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraphs (2) and (3) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

"(B) PERMITTED PLANTINGS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—(i) Except as provided in clause (ii), haying and grazing of acreage designated as conservation use acreage for the purpose of meeting any requirements established under an acreage limitation program (including a program conducted under subsection (c)(1)(B) or subsection (c)(1)(H)), set-aside program, or land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. Such 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

"(D) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation or set-aside program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) LAND DIVERSION PROGRAM.—(A) PAYMENTS.—The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation or set-aside program for wheat is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

"(B) BIDS FOR CONTRACTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county so as not to affect adversely the economy of the county.

"(6) WILDLIFE USES FOR REDUCED AND DIVERTED ACREAGE.—(A) IN GENERAL.—Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(B) WILDLIFE USE COST SHARING.—The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

"(C) CONSERVATION COST SHARING.—The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage, set-aside acreage, or additional diverted acreage.

"(D) ENCOURAGEMENT OF PUBLIC ACCESS.—The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) PARTICIPATION AGREEMENTS.—(A) IN GENERAL.—An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(8) BUSHEL PRODUCTION TARGETS.—Notwithstanding the foregoing provisions of this subsection, in carrying out the program conducted under this subsection, the Secretary may prescribe production targets for participating farms expressed in bushels of production so that all participating farms achieve the same pro rata reduction in production as prescribed by the national production targets.

"(9) SPECIAL OATS PLANTINGS.—(A) IN GENERAL.—In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats the Secretary, notwithstanding the foregoing provisions of this subsection—

"(i) shall, subject to subparagraph (B), provide that any reduced acreage and set-aside acreage may be planted to oats for harvest;

"(ii) may make program benefits (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under section 105A available to producers with respect to acreage planted to oats under this paragraph; and

"(iii) shall not make program benefits other than the benefits specified in clause (ii) available to producers with respect to acreage planted to oats under this paragraph.

"(B) LIMITATION.—(i) If the Secretary estimates that oats planted to such acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary shall limit the amount of such acreage that producers may plant to oats for harvest under subparagraph (A) to an amount that will result in projected domestic production fulfilling projected domestic demand.

"(ii) Such limitation may be achieved by applying a uniform percentage reduction to such acreage for each farm.

"(g) EXCEPTIONS TO PROGRAMS TO REDUCE ACREAGE.—(1) ONE-HALF ACREAGE REDUCTION PROGRAM.—(A) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of wheat, make payments available to producers who meet the requirements of this paragraph.

"(B) FORM OF PAYMENT.—Such payments shall be—

"(i) made in the form of wheat owned by the Commodity Credit Corporation; and

"(ii) subject to the availability of such wheat.

"(C) DETERMINATION OF PAYMENT.—(i) Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(ii) The quantity of wheat to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

"(D) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(i) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(ii) agrees to forgo receiving payments under subsection (c);

"(iii) does not plant wheat for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

"(iv) otherwise complies with this section.

"(2) ACRE-FOR-ACRE REDUCTION—(A) IN GENERAL.—The Secretary may permit producers on a farm to plant wheat on a portion of the acreage otherwise required to be devoted to conservation uses under subsection (f) if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments under subsection (c)(1)(A)(ii).

"(B) LIMITATION.—If the Secretary exercises the authority provided under subparagraph (A), then the Secretary shall implement this paragraph in such a manner that no greater outlays by the Commodity Credit Corporation result from its implementation.

"(C) BASES AND YIELDS UNAFFECTED.—The wheat crop acreage base and the wheat farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the conserving use acres for the farm was planted to wheat as authorized under this subparagraph.

"(h) EQUITABLE RELIEF.—(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(i) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(l) EQUITABLE SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(n) PROHIBITIONS.—(1) CROSS COMPLIANCE.—(A) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(B) BASE INCREASES.—If a producer on a farm is participating in the wheat program under this section, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

"(i) the terms and conditions of the applicable commodity program for such commodity; or

"(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

"(2) OFFSETTING COMPLIANCE.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for such farm, to comply with the terms and conditions of the wheat program with respect to any other farm operated by such producers."

SEC. 902. NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.

Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) (relating to marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1991, through May 31, 1996.

SEC. 903. SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.

Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331-1336, 1338, 1339, 1379b, and 1379c) shall not be applicable to the 1991 through 1995 crops of wheat.

SEC. 904. 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 1991 through 1995.

SEC. 905. NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1991 THROUGH 1995 CROPS OF WHEAT.

Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1991 through 1995 crops of wheat.

The CHAIRMAN. Are there any amendments to title IX?

Mr. DE LA GARZA. Mr. Chairman, I respectfully renew and continue my unanimous-consent request that titles V and VI be deferred until further consideration of the succeeding titles.

The CHAIRMAN. Without objection, consideration of titles V and VI will be suspended until a further time.

There was no objection.

The CHAIRMAN. Are there any amendments to title IX?

AMENDMENTS OFFERED BY MR. MADIGAN

Mr. MADIGAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN: Section 107A of the Agricultural Act of 1949, as amended by section 901 of the bill, is amended by:

In subsection (a)(3)(C) (page 193, lines 4 and 5) striking "not to exceed 5 percent" and inserting "not to exceed 10 percent"; and

In subsection (c)(1)(E)(ii) (page 200, at lines 11 and 12 and at lines 16 and 17) striking "7.5 percent (10 percent in the case of the 1994 and 1995 crops)" and inserting at those two points "22.5 percent"

Mr. MADIGAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MADIGAN. Mr. Chairman, I further ask unanimous consent that my amendment to title IX, the wheat title, and title X, feed grains, printed on page H5223 of the CONGRESSIONAL RECORD for July 20, 1990, may be considered together inasmuch as they are identical and have the same substantive effect on the wheat and feed grain programs.

I have copies of a letter from Secretary Yeutter available to the desk and the chairman's desk expressing the administration's support for my amendment to make the grain price and income support programs more market-oriented and less costly.

The CHAIRMAN. The Clerk will report the amendment to title X.

The Clerk read as follows:

Amendment offered by Mr. MADIGAN: Section 105A of the Agricultural Act of 1949, as amended by section 1001 of the bill, is amended by:

In subsection (a)(3)(C) (page 226, lines 16 and 17) striking "not to exceed 5 percent" and inserting "not to exceed 10 percent"; and

In subsection (c)(1)(E)(ii) (page 233, lines 17 and 18, and line 22) striking "15 percent and inserting at those two points "17.5 percent".

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. VOLKMER. Mr. Speaker, reserving the right to object, just so I understand the amendment—and I will not object because I think we will just fight it out on the floor—as I understand it, this amendment affects the loan rate. Now, is it only on wheat, or on wheat and corn? I want to clarify that first.

Mr. MADIGAN. If the gentleman will yield, it is on wheat and corn.

Mr. VOLKMER. So together we are on wheat and corn. I appreciate that because we have one fight.

The second thing, this amendment affects the ability of the Secretary to change the loan rate down and also affects the amount of set-aside; is that not correct?

Mr. MADIGAN. That is correct.

Mr. VOLKMER. So it gives more discretion to the Secretary so that we would end up on wheat and corn both, if the gentleman's amendment is adopted, with a lower loan rate, and possibly a higher set-aside?

Mr. MADIGAN. If the gentleman will yield further under his reservation, the purpose of the two amendments en bloc is to split the difference between current law and the committee bill. The committee bill severely restricts the Secretary's ability to use the Findley loan.

Mr. VOLKMER. That is correct.

Mr. MADIGAN. And it also puts conditions on his ability to increase the set-aside.

Mr. VOLKMER. That is correct, as regards causing an effect on the target price, and we understand that.

Mr. MADIGAN. If the gentleman will yield further under his reservation, the purpose of my amendments en bloc is to restore some of the Secretary's current ability to use the Findley, but not all of it, and to condition his ability with regard to increasing the set-aside less severely than is contained in the committee bill, but more severely than in current law. In each case I am splitting the difference between the bill and the current law.

Mr. VOLKMER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois that the amendments be considered en bloc?

There was no objection.

Mr. MADIGAN. Mr. Chairman, I am offering these two amendments en bloc on behalf of the gentleman from Iowa [Mr. GRANDY], the gentleman from Illinois [Mr. BRUCE], the gentleman from Minnesota [Mr. FRENZEL], the gentleman from Illinois [Mr. DURBIN], and myself. There are two provisions in the committee bill that I seek to amend. The first is the provision in the committee bill with regard to the Secretary's discretion to lower loan rates in order to meet the world market price.

□ 1410

The committee bill restricts the ability of the Secretary that the Secretary has under current law. This is in the bill because some believe that the Secretary used his authority too frequently in the past.

My amendment is half as restrictive as the bill. It splits the difference between current law and the committee bill, and the adoption of my amendment would save some $200 million from the provision contained in the committee bill.

The second part of my amendment goes to a provision in the bill which is unlike anything in current law. The new provision contained in the committee bill would require the Secretary to raise the target price on wheat and corn any time the Secretary increases the acreage reduction program.

This feature that I have just described has a $2 billion price tag. It is proposed to be justified because of a desire to ensure that a flow of money from the Treasury will go on to areas with high participation in the conservation reserve program.

Those areas already have received funds from the conservation reserve program, in some areas in the range of $45 per acre. But I am not standing here this afternoon, Mr. Chairman, attempting to be a scrooge with regard to these provisions. What I am proposing to do is to split the difference between the committee bill and current law so that my amendment would result in an expenditure of $1 billion extra above current law but $1 billion less than is proposed to be spent under the committee bill.

Again, I split the difference between current law and this new idea so that this new idea will only cost $1 billion additional rather than $2 billion additional.

The two parts of my amendment taken together save $1.2 billion from the committee bill's spending levels. These two amendments are offered to address objections to the committee bill that have been raised by the

Office of Management and Budget and the U.S. Department of Agriculture.

Those objections are that these two provisions in the bill which I am discussing are provisions that move American agriculture away from the thrust of the 1985 bill, away from the direction of the 1985 bill that moved us to a more market-oriented agriculture policy.

In fact, the administration is saying, and I agree, along with the cosponsors of my amendment, that if these two provisions in the committee bill were left as they stand, we would be back in the business of storing grain rather than selling grain.

So as I said at the outset, I have not attempted to be a scrooge here with regard to the committee action. I have proposed to split the difference and to spend only $1 billion in new money instead of slightly over $2 billion in new money.

Mr. GLICKMAN. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendments.

First of all, let me say I have the highest respect for the gentleman from Illinois [Mr. MADIGAN]. He is genuinely a thinking Member with whom I usually agree. On this one, I think he is wrong.

I think, in my judgment, he is carrying the water of the Secretary of Agriculture on an issue that philosophically we just have some differences with the Department of Agriculture on.

Essentially, these amendments that he is offering do two things: First, they lower the loan rates or the basic support levels that farmers are entitled to under the law, both in wheat and corn, by an additional 5 percent.

Technically, they give the Secretary the authority to lower the loan rate 5 percent further. But the net effect, the way the world works, is to lower the loan rates 5 percent, which effectively means to lower the market price in this country 5 percent.

So if you want to lower basic farm prices, prices that farmers get for their products, vote for the Madigan amendment because that is what, in effect, he is doing. He is going to lower the loan rate for wheat 5 percent, the loan rate for corn 5 percent; that means the farmers will get 5 percent less out of the market.

In my judgment, it may cost the Government more money because it may increase the payment Uncle Sam gives to those farmers although that is not a clearly given situation right now. But it will lower the market price that farmers get.

This is a question of philosophy: Do you want to have low market prices as low as possible to make us competitive in the world markets even though that is going to put a lot of folks out of business, which I think is the net effect of the Madigan amendment, or do you want reasonable support of market prices to make sure the farmers can at least get a break out of the marketplace?

To be perfectly honest with you, I think the Madigan amendment makes it impossible for farmers to make their living out of the marketplace.

We dealt with this issue in committee. I thought it was resolved. Now the administration comes back with their philosophical move to lower market prices further through reducing the loan rates.

So I just would hope that my colleagues would recognize that an aye vote on this amendment would not only essentially break the deal that we made beforehand, but would also lower market prices for wheat and corn that farmers receive. That is a bad idea. It is a slap to the American farmer.

Now, the second part of the amendment basically rejects or changes the Marlenee amendment that was done in the full committee which has to do with increases in wheat target prices that would take effect if the acreage reduction programs would exceed certain levels.

In our judgment, if the Department wants to implement a very high acreage reduction program, which provides budget savings, the Department should give the budget savings back to the farmer by increasing target prices at least to some extent. Otherwise the Department of Agriculture has unlimited tools to reduce income to farmers any time it wants to raise acreage reduction programs.

These are complicated, arcane issues. I am not going to tell my colleagues about all the intricacies of farm programs. But the simple fact of the matter is if you adopt these amendments, you will reduce farm income and you will lower farm prices.

We thought we had kind of a middle-of-the-road compromise in the committee. I know the Department does not like it. They want absolute discretion to do everything.

But I would hope my colleagues would reject these amendments.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Illinois [Mr. MADIGAN].

Mr. MADIGAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, is it not true under my amendment the Secretary would have less discretion than he has under current law?

Mr. GLICKMAN. That is true, but less than what the committee bill provides.

Mr. MADIGAN. That is what I said at the outset. The gentleman is saying I want to do all these new things that have never been done before. My amendment gives the Secretary less authority than he has under current law to do the things that the gentleman describes.

Mr. GLICKMAN. That is correct. However, we made changes in that current law in this bill. The changes we made were deliberate policy changes to restrict much more greatly the ability of the Secretary to lower farm prices.

Mr. MADIGAN. And those changes, if I may say this to the gentleman, cost $2 billion, and the purpose of my amendment, as I said at the outset, is to split the difference with you and let you spend $1 billion more but let us save $1 billion from the $2 billion that you propose to spend.

Mr. GLICKMAN. Not according to the CBO estimates that we got in commiittee. I do not know what numbers the Department of Agriculture is getting for you, but in my judgment those numbers are not accurate.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. I thank the gentleman for yielding.

Mr. Chairman, I simply would like to make that very point: We need to underscore the fact that the Office of Management and Budget and the Congressional Budget Office differ on a number of these figures. What this body uses are the Congressional Budget Office figures. There is no question that this legislation is well within the boundaries.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. GLICKMAN] has expired.

(On request of Mr. ENGLISH and by unanimous consent, Mr. GLICKMAN was allowed to proceed for 3 additional minutes.)

Mr. GLICKMAN. I continue to yield to the gentleman from Oklahoma.

Mr. ENGLISH. I thank the gentleman for yielding further.

Mr. Chairman, I too want to underscore the fact that this particular legislation takes away discretion the Secretary of Agriculture has had up to date.

The committee, the subcommittee, and the committee, did this deliberately for the simple reason that we felt that this had gone far enough, that the Secretary had used this as a means of reducing the price long enough. It is a basic difference as far as the philosophy is concerned and the direction that we need to go, with regard to agriculture.

Quite frankly, our farmers have suffered enough. We think at this point it is time that the line be drawn and the committee drew the line, and the Secretary disagrees with that.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Illinois.

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Mr. MADIGAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I ask the gentleman to correct me if I am wrong, but my understanding is that the wheat set-aside right now is 5 percent. The committee bill says that if the Secretary were to increase the wheat set-aside to 7½ percent, just 2½ percent from where it is right now, that he would also have to increase the target price.

□ 1420

That is, the amount by which the Government Treasury is exposed to payments of farmers.

Now, I do not see how in the world any Member can say that that provision is not going to cost money. I have a letter here under date of July 20, 1990, from the U.S. Department of Agriculture, Office of the Secretary, that says that that provision at 7½ percent, if it is triggered, costs $2 billion a year.

Mr. GLICKMAN. Mr. Chairman, reclaiming my time, set-asides ought to be based on the fundamental policy of the farm bill, whether it is inventory management, acreage reduction, and all of that kind of thing. If we are going to give the total power to the Secretary to set a set-aside based on budget issues, then we are really making mincemeat about farmers' ability to stay alive.

Mr. ENGLISH. If the gentleman will continue to yield, to follow up on that, I think the basic facts of the gentleman from Montana [Mr. MARLENEE], and the reason that he offered this particular amendment was to try to make sure that our farmers are treated fairly.

Without question, any time we increase set-aside, that means the farmer will have that much land on which he can derive any kind of productive revenue. I think that that budget issue again, I would hope that we would stick to one budget body, and in this particular case it has to be Congressional Budget Office. We have seen in the past the Office of Management and Budget, and those items that they do not philosophically agree with are not very generous.

I say in this case they will not be generous.

Mr. GLICKMAN. Reclaiming my time, there are two basic amendments in this amendment en bloc. One amendment is to cut the support price for farmers by 5 percent, just basically cut the market price farmers get. That is the 5-percent loan production. If a person is a corn farmer or a wheat farmer, the price will drop on their product 5 percent, if this is passed. What happens to the natural price in the last few months will make it tough.

The second part of the amendment having to do with the acreage reduction program, I thought we agreed in committee it is the Marlenee amendment. I am willing to support it. I think it is fair to farmers. When we combine the two things together, what the Madigan amendment does is cut farm income, particularly in the marketplace. That troubles me very much.

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words, and I rise to correct the gentleman from Illinois [Mr. MADIGAN], my ranking member in the full committee. When he stated that if the wheat set-aside raises above 5 percent, the Treasury would be exposed to greater costs according to our bill. Obviously this is not the case. In our bill we worked out the difference between 5 and 7½ percent, and we did that so there would be no budget exposure unless the set-aside exceeds 7½ percent.

The Congressional Budget Office said, "Hey, there will be no exposure if you raise the trigger to 7½ percent." The Department of Agriculture concurred that there would be no exposure if we raised the trigger to 7½ percent.

If I may correct the statement of the gentleman from Illinois, we have allowed the Secretary of Agriculture to have the discretion to raise the set-aside to 7½ percent with no increase in target price, and that is in the legislation that we are proposing today. What this amendment of my good friend from Illinois, the ranking member of the committee does, is drive down the farmers' market price. We drive down the market price by creating a downward spiral in the loan rate. First, we must understand that loan rates set market prices. I think the Members of the House of Representatives need to understand that. It is generally accepted that loan rates set market price.

Second, there are a lot of people out there saying, "We want to receive our income from the market." What this amendment actually does is to drive down the loan rate, so what we are saying is, "Let us drive down the loan rate and you will get less from the market and more in the way of deficiency payments."

Third, by lowering the market price, we have widened that gap between the target and the loan, and the exposure to the Treasury is actually more. As I said, this amendment is a blueprint for disaster. It creates a downward spiral in prices. We have a lower market price that is melded into the loan formula, and we take 75 percent of that figure, and we again have a lower loan rate. Then we take 75 percent of the next year's market price that is established by that loan rate, and so it keeps going down and down and down.

I would say that at the end of the 5-year bill we could actually see a market price and loan rate far below $2 a bushel.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to speak in support of the amendment of the gentleman from Illinois.

As has been described here, it is a two-part amendment. Its intention is to maintain rational farm policy and to save a little bit of money. Both are laudable goals.

I think we need to take a look at this bill's cost as it came to the floor of this House. I have not been able to follow all the amendments, but I gather it has not been reduced a great deal. When it came here, it was $6.9 billion over the spending baseline for the 5-year evaluation period; $6.9 billion is a lot of money.

Now, in addition to this bill being over the baseline, our farm program is unlikely to be sustained at the baseline. So while this bill may be an important statement by friends of agriculture, and may be indeed passed, it is not going to be the final action on ag programs. They will be reduced.

If the Members of this body choose to reject what looks to me like good amendments that bring this bill more into balance, I think they are going to have reductions in the farm program imposed by others. Those reductions will occur through sequester, through summitry, or in some other way.

Now, the gentleman from Illinois has not tried to restore the Secretary of Agriculture's power that he enjoyed under the 1985 Farm Act. Far from it. He gives the Secretary only half as much. Moreover, there has been no demonstration that people have suffered under the exercise of that authority under the past 4 or 5 years.

No Secretary of Agriculture would exercise that power wantonly. To say that it mandates a decrease in farm income, I think, is evidence of misunderstanding of the amendment. The amendment mandates nothing. It simply gives the Secretary of Agriculture some authorities which he can exercise at his discretion, if conditions are correct.

Mr. Chairman, it is also important that we sell a major part of what we grow overseas. If we make the market price higher than world prices by reason of keeping inflated loan and target prices, we are going to find ourselves less able to compete with the growing number of competitive countries who are willing to provide food at market prices.

It seems to me on all accounts, that is from a standpoint of fiscal soundness, from a standpoint of minimum risk to agricultural producers, from a standpoint of trying to avert a worse kind of savings applied externally in the future, and from the standpoint of American competitiveness, the amend-

ment of the gentleman from Illinois is constructive and should be supported.

□ 1430

Mr. PENNY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Madigan amendment. We worked on this provision in committee at some length, and we came back to revisit this question on a couple of occasions in both the subcommittee and the full committee. I believe we worked out a good compromise.

I will not speak so much to the effect that the Madigan amendment would have on the Marlenee provision which would increase the target in those instances in which the Secretary drastically increases the set-aside. But I would speak most strongly against that part of the Madigan amendment which affects the underlying loan rate philosophy of this 1990 farm bill. We made a conscious decision in the committee that we were going to repeal the Findley provision, which allowed the Secretary of Agriculture to lower at his own discretion and for his own reasons the loan rate significantly from one year to the next.

It was our judgment that to have a market-oriented loan policy does not necessarily mean that we have to have the lowest loans that the law will allow. As long as those loan rates float below the average market price, we have in a sense a market-clearing policy. If we have a market-clearing policy at which loans can be redeemed at less than the market price, then we are not costing the Treasury one dime.

We did not see any justification for lowering rates well below the market price. We do not subscribe to the theory that somehow these lower rates enhance the farmer's position when in fact all they do is increase the amount of money that the Government has to pay that farmer, because it could widen the gap between their actual price and the amount that we guarantee them under the statutory loan. So the payments increase to these farmers if we allow the Secretary virtually unlimited authority to lower these loan rates.

Again we say in the bill that 85 percent of the average market price ought to be the loan rate on a year-in, year-out basis. We give the Secretary some additional authority to go below that amount if we have a surplus building in these various crops. We think that as long as we have a loan rate below the market price, there is no justification to take that loan rate even lower. It does not save us any money.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. PENNY. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I do not want to take a lot of the time of the House. I just want to commend the gentleman from Minnesota and others who have spoken against that amendment. I think the provision in the committee print should be supported. I associate myself with the gentleman's position in opposition to the amendment, and I rise in opposition to the amendment.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. PENNY. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I say to my colleagues that we are freezing target prices in this bill. They are not going up at all.

What the gentleman from Montana is saying is if the Department determines to cut back the amount of acreage the farmer can produce, the Secretary should not be given unlimited discretion to do that; he should not be able to do it willy-nilly just as a way to reduce the deficit. That is, there ought to be some control so there is a little bit of disincentive for the Secretary just to do that to save money.

After all, the farmers will come out dramatically behind if it is not done without that disincentive. If we want to give Secretary Yeutter all the discretion in the world, then we should vote for the Madigan amendment, and if we want to lower the loan rates and, therefore, the market prices 5 percent, we should vote for the Madigan amendment.

Mr. PENNY. Mr. Chairman, if I might reclaim my time, fundamentally the issue at stake here is whether the loan rate ought to have something to do with the market price. Most of us on the committee agree that it should have some relationship to the market price. We established the loan rate at 85 percent of the average market price, therefore assuring that it would be a market-clearing loan rate.

Second, we made a conscious decision in our committee that the loan rate ought to have some relationship to the carryover stocks. In those cases where the carryover is growing, we do, on a year-to-year basis, allow the Secretary authority to take the loan rate below the statutory level. So we do account for that in the committee bill, and that is the underlying philosophy that we feel will make more sense for agriculture and provide more stability for our farmers.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to point out that when we freeze target prices and lower the loan rate, that increases the potential deficiency payment. What the Department wants to do is to use that incentive of a higher deficiency payment to pay for diverting acres.

Deficiency payments were never intended to be used for paying for diverting acres. Al Quie and I were the inventors of deficiency payments. We did not intend for them to be used that way at all. They are supposed to use acreage reduction payments to pay for set aside acres, but the Department invented this idea of using the potential of getting more money from deficiency payments as a tool to require producers to idle acres without a payment to offset those casts. That is what is really going on here.

The bottom line is that when we freeze target prices and reduce the loan rate, we have increased the possibility of someone earning a higher deficiency payment. Then what they want to do is to use that to say, "Now you've got to reduce your acres without payment in order to qualify for that deficiency in price.

This is going to hurt the program next year. Next year we are going to have a hard time getting sufficient sign-ups because the market price in its cycle has worked up. The possibility of a higher deficiency payment next year is just not there, and we are going to have trouble getting people to sign up for a low-deficiency payment because they are going to say, "In order to get the possibility of this deficiency payment, you have to idle these acres," and they cannot afford to do it to protect against a reduced risk.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield to me?

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I think we ought to discuss the second half of my amendment. I do not believe the gentleman was on the floor when we did that initially. I know the gentleman is personally engaged in agriculture, is a former member of the Agriculture Committee, and is now on the Agriculture Subcommittee on the Appropriations Committee, so I know the gentleman from Iowa is very knowledgeable about these things.

The second half of my amendment goes to a provision in the bill that says that if the Secretary increases the ARP, he must also increase the target price. Now, the bill was brought to the floor with the illusion that that will not cost any money if he increases the target price. The Secretary is not going to increase it if he has to increase the target price. I am splitting the difference with the committee.

In other words, I am giving the Secretary less authority than he has under current law but more authority than he has under the committee bill.

Mr. SMITH of Iowa. That is all true, and under current law, if it is not changed, the Secretary is going to have so much authority next year to lower the loan rate compared to target prices, with the market price being

higher than the loan rate, so near to the target price, that people will not sign up. That is the problem we are going to have if we do something in this bill to correct it.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield further.

Mr. SMITH of Iowa. I yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I would like to make the point to the gentleman that under current law the Secretary can lower the loan rate more than is proposed for him to be able to lower the loan rate under my amendment.

Mr. SMITH of Iowa. That is true, and there is a fear out there that he will lower it so much he will not get a sign-up next year.

Mr. MADIGAN. What this bill does is it literally takes away his ability to use the Findley amendment. As the gentleman from Iowa knows, if he uses the Findley amendment, the farmer gets paid. What I am doing in the first part of my amendment is splitting the difference between current law and the committee bill with regard to the Secretary's ability to use Findley. I am also splitting the difference between current law and the bill with regard to increasing the ARP.

What we are doing in this committee bill is taking away from the Secretary all ability to manage the farm program. I am only trying to give him back half the ability he has under current law.

My very good friend, the gentleman from Montana, says that we have to put in a provision that says if he increases the ARP, he has to increase the target price or we are not going to have any money flow into Montana, because there are so many acres in Montana in the Conservation Reserve Program. In that gentleman's district the Conservation Reserve Program is spending $9 million dollars a year. It is like that is not money. Because we put the land in the Conservation Reserve Program, we have to have a higher target price if you increase the ARP, because we are not going to have enough land in production.

What about the money you got from the Conservation Reserve Program? It was an average of $45 an acre in the gentleman's district. Is that not money? I think that is money.

□ 1440

Mr. SMITH of Iowa. Mr. Chairman, I do not know about the district of the gentleman from Illinois [Mr. MADIGAN], but in large measure CRP payments pay the taxes and the upkeep on the land. They are replacements for cost of holding the land. They are not really subsidies.

Mr. MADIGAN. Mr. Chairman, if the gentleman from Iowa [Mr. SMITH] will continue to yield, in my area in Illinois the land taxes are much higher, I suspect, than they are in Montana, or Dakota, or someplace like that, because the land is much more fertile. The taxes average $12 an acre in my district.

Mr. Chairman, that is a whole lot less than $45 an acre payment from the conservation reserve.

Mr. SMITH of Iowa. However, Mr. Chairman, it costs money to hold the land for several other costs.

Mr. BRUCE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to speak in favor of the amendments.

I rise in support of the en bloc amendments of the gentleman from Illinois [Mr. MADIGAN]. I believe they deserve support. Each amendment merely restores to the Secretary of Agriculture some of the authority he presently has, and I think we have got to emphasize that. Mr. Chairman, this bugaboo we have about the Findley amendment and lowering the loan rate is an authority he currently has. As to the amendment, it also allows the Secretary to adjust setaside acreage, an authority that he presently has under the 1985 farm bill.

Mr. Chairman, I believe these amendments deserve support. Why are we really messing with success? The 1985 farm bill reduced farm debt, increased farm income and increased overseas export.

I was a member of the Agriculture Committee when we drafted the 1985 farm bill, and we had a goal in that farm bill: stabilize falling farm income, increase exports and start a very good and meaningful conservation program.

Mr. Chairman, we did that in the 1985 farm bill, and it has been successful. Part of that success was the flexibility we gave to the Secretary of Agriculture and his role in getting us into international markets. Eliminating these provisions from this bill could bring the economy from the farm part of the United States back into the depression of the early 1980's when we were losing farm families at a tremendous rate. The flexibility, the flexibility of the 1985 act, allowed the Secretary to establish a policy which expanded markets for every farmer in the United States.

Mr. Chairman, without flexibility we knew what happened in 1985. As soon as the Secretary of Agriculture established the loan rate, then every other country in the world pegged their price 1 or 2 cents below our loan rate, and we were stuck with it. So, in 1985 we said, "Can't we be smarter than that? Can't we be smarter than just telling our competitors our lowest dollar?"

So, Mr. Chairman, the Findley amendment was implemented, and we allowed the Secretary to get us back market, and since the inclusion of the flexibility in the 1985 farm bill, other countries have been very reluctant to get involved in price wars with the United States and our farmers because they do not know how far we may go, and we protect our farmer, as the gentleman from Illinois [Mr. MADIGAN] has very aptly pointed out, by making payments. As we lower the loan rate under Findley, we make Findley payments to every farmer in the United States.

Expanding world trade is the best tool for making farmers in my part of the United States, and I think all over the United States, profitable over the long run. If we put the family farmer in my area in competition with corporate farmers, the problem is going to be that the production costs for larger farmers are lower than the production costs for the small farmers, and they will lose out. But, if we allow our farmers to compete against the world market, our costs are very competitive, and we can continue to expand. The House bill, as currently drafted, could increase loan rates and make it easy for foreign competitors to take back markets that we have taken in recent years, and we cannot afford to lose markets that we have gained.

Mr. Chairman, no one here has said that the 1985 farm bill has not worked. It has worked. We are expanding our markets, and, when these policies reflected in the amendment are really being proven out, why are they not adopted, as the gentleman from Illinois [Mr. MADIGAN] has suggested? Why are we changing the policy that has allowed us to compete? These amendments only partially restore the discretion of the Secretary of Agriculture.

The amendments of the gentleman from Illinois [Mr. MADIGAN] are a middle ground position that I think makes the bill more competitive, less costly and allows small farmers to continue to stabilize, and increase farm income and get into the export markets. I speak in favor of the amendments.

Mr. GRANDY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to speak in favor of the amendments of the gentleman from Illinois [Mr. MADIGAN].

Mr. Chairman, I am a cosponsor of these amendments, and I am sorry we have to offer them, but times have changed since the members of the committee agreed to the provision of H.R. 3950. We thought, when we delivered that bill, and I still believe it is a responsible piece of legislation, and we will support it wholeheartedly, that we were in keeping with our budget figures. We have learned subsequent to that that via the midsection review we could be as much as a billion or so over just in the production subsidy programs alone. That is why the gen-

tleman from Illinois [Mr. MADIGAN], the gentleman from Illinois [Mr. BRUCE], the gentleman from Illinois [Mr. DURBIN], and myself have offered this reluctant compromise, because we believe in maintaining the inventory management figures that made the 1985 farm bill work, and we do not believe in striking those provisions to save dollars in order to save some money by referring to the farm bill as an entitlement program and attempting to means test income, but that is the choice that this body will face. We can either make some structural cuts by regaining discretion for the Secretary of Agriculture, which he may or may not use; we assume he probably will, and allow those cuts to come in gradually over the 5-year course of the bill, or we can violate the promise and provisions of the 1985 farm bill and say to certain farmers who gain more income that they are no longer qualified to be in the program.

Mr. Chairman, if we do that, it is my belief that those farmers, supposedly the wealthy cream of the crop, will leave the program, land that is retired under acreage reduction programs will be farmed fence to fence, market price will drop, farm income will go down, and this committee and this Congress will come right back into this body and write a more generous farm program in years to come.

So, Mr. Chairman, I will not support the Armey provision that will attempt to do that, nor will I attempt to support provisions that will target bushels and allow farmers to reorganize their farms around those targets.

There is a cut we can make, and I do not want to speak in the vernacular of the Committee on Agriculture because most Members in this body do not serve on that committee and do not know what in heaven's name we are talking about half the time, but this will save taxpayer dollars without imperiling the Farm Program as it was conceived, devised, and implemented in 1985.

Mr. Chairman, all it does is give the Secretary half of what he had in the 1985 farm bill. It is true that we have gone out on point and supposedly offered an amendment that is not in concert with the committee print. But that has happened already. The gentleman from Missouri [Mr. VOLKMER] has offered an amendment to raise the milk price. There will be other amendments to raise the target price. There will be amendments to lower the target price.

We are attempting, Mr. Chairman, with this amendment to use the language that we have created in a bill that I think every member of the committee is proud of in an attempt to meet some budget targets which we know we have to meet.

The gentleman from Minnesota [Mr. FRENZEL] said that we are probably going to have to look at a budget summit that is going to take even more money out of the farm bill. I do not look forward to that prospect, but I assume it is something that is going to be inevitable. If that is true, I want the farm bill to remain the document that it was in 1985 and in 1990.

Mr. Chairman, the only way to make some cuts and maintain the integrity of the programs is to support the amendments of the gentleman from Illinois [Mr. MADIGAN] which will hopefully over time take as much as 1.2 billion out. It is not a popular amendment. It is not one I give my wholehearted support to. However, Mr. Chairman, I think we have to look at the real politics of this program, and the fact is that we can, without, I think, imperiling farm income, and I would disagree with those Members that say this will decimate farm income. I do not think this is decimating farm income any more than the 1985 bill decimated farm income.

I would point out that in my State, yes, we have seen loan rates drop, and we have seen feed costs go down, and we have seen livestock return to the State of Iowa, hogs and cattle both.

I would only argue that we do not have an abundance of choices here. The one choice the committee can make to cut this program without violating the provisions that we have worked on now for over 6 years to maintain are contained in these amendments, and I would urge Members to support these amendments and reject the amendments of the gentleman from Texas [Mr. ARMEY] that will try to cut the farm program another way. I hope the committee will give this amendment their full-fledged support.

Mr. FRANK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support the amendments. The gentleman who preceded me, the gentleman from Iowa [Mr. GRANDY], said that he did so with partial enthusiasm. He exceeds me in expertise, but I will make up for that in enthusiasm for the amendment.

Mr. Chairman, I think what the gentleman from Illinois [Mr. MADIGAN] has done, given the set of painful choices that we face on this bill, as on others, is a reasonable approach to it.

□ 1450

The denial of discretion to the Secretary seems to me in this situation to cause a great deal of difficulty. I said this was not an area of my primary expertise, although I have tried very hard to follow it. I have gotten through working on a housing bill and we are going to be bringing a housing bill to the floor soon, I hope, where we made a lot of very painful choices. No one is singling out agriculture for a reduction.

What we are saying is that at this time of cutbacks that are happening across the board, that it is a mistake to try to immunize any sector. I realize the committee bill does not do that by the standards of the committee in the past; but by the denial of discretion to the Secretary I think we run into a situation, first, we have been told this again and again, we cannot predict with great accuracy what is going to happen with the weather and with crops and with other countries in the world and their growing practices.

In the nine years I have been here, we have had problems where agricultural bills have had results after being passed very different from those that were anticipated. If you deny this discretion to the Secretary, you lock in a situation where for a number of factors over which nobody here has any control turn out differently than anticipated, we do not have the capacity to respond.

I think it is a perfectly reasonable approach the gentleman has taken.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Well, Mr. Chairman, perhaps, first of all, the gentleman does not understand what happens. If a 5-percent discretion is granted, that means Uncle Sam comes up with those payments, I would say to my friend, the gentleman from Massachusetts. You increase payments by doing this. I do not think that is what the gentleman wants to do.

The second thing I would point out to the gentleman, this amendment came right from the office of Richard Darman, the head of the Office of Management and Budget. This is an OMB amendment to try to reduce farm income, in my judgment, and I just think the gentleman is playing right into their hands.

Mr. FRANK. Well, I would say two things to the gentleman from Kansas. First, the gentleman caught himself in the middle of a sentence, and I understand why. He first said this was one that was going to greatly increase Federal spending, but then said that it came from Mr. Darman to decrease, I believe, Federal spending. I think it is his understanding that it ultimately will.

Second, unlike the gentleman from Iowa, I am going to be for some of the later amendments. This is not the only amendment that I am going to be supporting. The gentleman from Iowa said he would not be supporting later amendments dealing with income. I will be dealing with those as well, so from the standpoint of spending, this is not the only approach it seems to me that we ought to be taking. I am going to be voting for them.

I do think we have a problem here. We talk about entitlements, and I think we have in the agricultural area built up a situation where we have anti- means tests for entitlements.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I come from an area, I do not have these large 4,000, 2,000, 3,000, or 1,000 acre farms. I have a few maybe 1,000 acre farms, but I am basically from a rural family farm area. That is my kind of agriculture, and agriculture is the basic economics of my district, but what this is proposing is, sure, it will increase Government payments, as the gentleman from Kansas said.

Now, the only alternative under our budget that we are going to have when those payments are increased is to reduce the target price, and when you reduce the target price you reduce income to all farmers, not just the big farms, but all farms, dairy farmers and all.

Mr. FRANK. Let me say to the gentleman, when we reduce the target price, who pays for that? Who pays but the Government.

Mr. VOLKMER. The Government, right.

Mr. FRANK. The Government pays. I thank the gentleman.

Mr. VOLKMER. Wait 1 minute. If the loan rate market price is up, but if you reduce the loan rate you can still pay as much and reduce farm income.

Mr. FRANK. Well, the gentleman I think is making the point, however, that in fact the initial cut is not going to be increasing Government spending for agriculture. If that were the case, the Members who are opposing it so vigorously would not be opposing it. A particular piece does one thing, it triggers other things, and the overall effect I believe would be to reduce spending at a reasonable rate over a period of years. I believe that is why the gentleman is opposing it; so the notion that this is somehow going to increase Government spending I think is an inaccurate one.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Missouri.

Mr. VOLKMER. I just would like to point out to the gentleman, he started out by saying that he does not know very much about the program and how it works. That is very obvious to me that the gentleman does not. I have always taken the position that a little bit of knowledge can be very harmful.

Mr. FRANK. Well, I would say to the gentleman from Missouri, that has been the historic bind we have gotten ourselves into. We have a situation where only those who represent a particular form of economic activity have taken the lead in adopting legislation dealing with it, and that gives a bias to our policy which I think has caused some of the problems we are in now.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(At the request of Mr. PENNY, and by unanimous consent, Mr. FRANK was allowed to proceed for 2 additional minutes.)

Mr. PENNY. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Minnesota.

Mr. PENNY. Mr. Chairman, I thank the gentleman for yielding to me.

I just want to highlight a few points. Right now there is a $50,000 payment limit on deficiency payments. That is the difference between the market price for the loan rate and the target price.

We also have payments that go to producers between the statutory loan rate and the lower loan rate, the lower loan rate that we would allow the Secretary the discretion to establish if this amendment is adopted.

There is a much higher payment limit on that differential.

I know that the gentleman in the well is going to support amendments later in the day to put a limit on those Findley payments, but if those amendments do not prevail, the gentleman's support for this amendments now will simply obligate the Government to much higher payments under the Findley provision and those payments will not be kept at $50,000, which by and large takes care of small- and mid-size farmers.

Mr. FRANK. Mr. Chairman, I have yielded most of my time to the gentleman. I will take it back simply to say this. As I understand the amendment, perhaps the author can correct me, we are talking about discretion. Nothing is going to force the Secretary to do something that costs more money.

The fact is that we are talking about giving the Secretary discretion. What my friends have said to me is, "Oh, don't you understand that OMB is for an amendment that is going to cost the Government a lot more money and the Secretary if we give him discretion is going to act in ways substantially to increase the payments."

I do not think anyone believes that. We are talking about giving the Secretary discretion.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Illinois.

Mr. MADIGAN. It is interesting, Mr. Chairman, to listen to this debate. The deficiency payment being the difference between the loan rate and the target price, the gentlemen on the other side of the aisle are telling us that if you lower the loan rate, you increase that difference and increase the budget exposure.

Then they tell us that if you increase the target price, you do not do the same thing. Even though you increase the spread between the two, they will tell you that by lowering one, you increase expenditures, but by raising the other you do not. That is fantastic.

I think it is wonderful that the gentleman does not understand this program. We would all be better if none of us understood that kind of a program.

Mr. FRANK. Well, I would be willing to understand it more and pay for it less. That is what I am working for.

Mr. GRANDY. Mr. Chairman, will the gentleman yield.

Mr. FRANK. I yield to the gentleman from Iowa.

Mr. GRANDY. Mr. Chairman, I thank the gentleman for yielding to me.

I would just say that we have already visited what happens when we have higher loan rates. That was the 1981 farm bill. What this Government wound up doing was storing grain.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

(At the request of Mr. GRANDY, and by unanimous consent, Mr. FRANK was allowed to proceed for 1 additional minute.)

Mr. GRANDY. Mr. Chairman, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Iowa.

Mr. GRANDY. Mr. Chairman, I thank the gentleman for yielding to me again.

I would only say that higher loan rates have traditionally resulted in reduced export capability and agriculture has run a surplus with our exports for 5 years, and it does result in higher storage costs on grain that we smell instead of sell.

It also reduced our ability to feed livestock, which is one part of our agriculture which we do not subsidize.

So the gentleman, although it has been alleged that he does not understand the program, is very articulate in his ignorance, I must say, because he is articulating an advantage for agriculture that we have tried to maintain in our agriculture program.

Mr. FRANK. Mr. Chairman, I thank the gentleman. It is the things I know that I screw up.

Mr. SARPALIUS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a part of this amendment that they are attempting to take out of the bill is a proposal that we offered in the Agriculture Committee. We found that in the past 5 years when the wisdom of the Agriculture Committee put together a farm bill

that surely was a step in the right direction of dealing with some of the problems that we were facing in agriculture, but it is interesting that in the past 5 years we have seen the target prices go down every year. We have seen the amount of money going into the farmer's pocket begin to decrease.

When we began debating the farm bill, the farmers that I heard from in my district were saying if we could just increase the target prices that would help us; but the concern we had in the committee was how do you pay for it?

We gave a clear option to them. We gave the option of by increasing the ARP's they can then choose to increase the target prices.

It does not cost the Government any money. It is clearly a decision up to that individual producer if he wants to take advantage, he or she, if they want to take advantage of a higher target price.

□ 1500

When that proposal was offered before the Agriculture Committee, there was not a single vote against it. Everybody supported it. There were not any arguments or any testimony against that proposal. So I encourage my colleagues, as they look at this amendment, I encourage them to vote against it, because of that provision that is in there. It is a clear option to each individual producer, and it does not cost the Government any money.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. SARPALIUS. I yield to the gentleman from Montana.

Mr. MARLENEE. I would like to say, in conclusion, that I support the remarks of the gentleman from Texas, but most importantly, if Members vote for the Madigan amendment, they are voting for driving down market price. That is the bottom line. The producers want their price out of the market, their payments out of the market, and you are driving down market price by voting for the Madigan amendment and increasing Government cost.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. SARPALIUS. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, there was one point the gentleman from Iowa made that I think was in error. I think it should be corrected. He made the point that with higher target prices that this in some way affected our export capability. It was always my understanding market price affected capability, and the administration's position has always been that if they they could simply get the market price low enough this country would sell more.

The point that I think that we have all reached is that we have seen lower and lower market prices, and we have seen less and less export. If I recall correctly, we are exporting less today than we did 10 years ago when we had a higher target price.

So I would simply make the point the two simply do not hook up. The one thing that we understand and understand very well, however, is given today's budget climate that any time exposure of the Federal Government is increased we are going to see lower income for our farmers. That does not have to be.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. SARPALIUS. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Chairman, this, it seems to me, is a clear distinction between how a number of us think about farm policy in this Congress.

There are many who talk about lower prices and being more competitive. Lower prices, we have heard that talk for a decade. If we can just get prices lower, we will be more competitive and sell more. The question I ask is: Of what value is it to produce and sell something when you get a price below your cost of production? How much more competitive do you want to be? How much more quickly can you go broke?

I mean, the fact is this does not work. We do not need weaker prices. We need stronger prices.

The future of family farming is not to further erode the price-support structure. The future of family farming is in some stable prices that approach something around the cost of production which gives people who plant crops an opportunity to think they can make a profit, and we are discussing here, once again, an amendment that philosophically says our future is to try and soften prices, weaken prices, drive down prices. That is not a future that farmers I represent believe makes any sense at all for them. That is a future of bankruptcy and despair and giving up.

We need to move in exactly the opposite direction. Nothing could be clearer than this kind of suggestion on the floor about the difference that divides us, and it is not all partisan difference. I mean, there are lots of people on both sides who believe the future of family farming is in stronger prices, not weaker prices.

Mr. SARPALIUS. I thank the gentleman.

Mr. Chairman, I might say in closing in my remarks that the clear key to this amendment that was on the bill that is in there now that this amendment here will take away is that the option is up to the individual producer, and anytime our farmers can make a little money it has a ripple effect throughout this whole country. Small businesses benefit from it. Larger cities benefit from it. We all benefit from it.

It is clear that in the past 5 years and in the wisdom of the Agricultural Committee that they put together a good bill, and with this amendment, if it comes into effect, it will hurt in that direction.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was not going to say anything, but, you know, some days it just does not pay to, I guess, get up in the morning and come down here on the floor.

Some of my friends are for this en bloc amendment and some of my friends are opposed to the en bloc amendment. I am with my friends.

We had this debate in the committee, and I want to clear one thing up right away, if the whole debate on what we do in farm policy is based on if we are trying to save small family farmers, you are going to get this Member's immediate attention, because the small family farmer in my district has about 1,000 acres, a father, and two sons. That is what we have to do to become efficient. So let me get that off my chest right away.

We farm the ground. All the rest of you people just put the seed in the ground and let it rain and watch it grow, and we produce more wheat in my district than any State. So let us take this small family farmer, that is, 5 feet 2 from Missouri, and let him do his job, and let my 6 foot 2 farmer do his job under farm policy that fits both.

Mr. Chairman, the gentleman from Montana [Mr. MARLENEE] has what in essence is the old flexible parity bill. It is a pretty good concept. I supported it during consideration of the 1985 act. What it says is the farmer sets aside more ground. In exchange for that, in keeping with the current farm policy, he will get a higher target price.

What the gentleman from Montana [Mr. MARLENEE] is worried about is that in Montana, in Kansas, and in other areas where you have a great deal of land that has gone into the Conservation Reserve Program, so adequately debated on both sides, and you summer fallow, that is, you let the ground lie in fallow, there is not much left, and so you keep nicking and nicking away at the tillable acres that the farmer can farm. And he ought to get a higher target price. Quite frankly, I support that.

Now, on the loan rate, that is the other en bloc amendment. The loan rate now is 85 percent of the market price. It is a 5-year average. You toss out the high and you toss out the low, and according to this amendment, well, according to the existing bill, it is $2.44. The adjusted loan rate at Dodge City, KS, and at the elevators, about

$1.90, and I do not think it is going to come into play.

What are we talking about? We are talking about 5 percent, 5 percent, that is it.

The gentleman from Kansas [Mr. GLICKMAN], my colleague, my friend, we have a 10-percent option in there that if the surplus builds up we go back in the grain business, we can lower the loan and move the grain. Then we give 5 percent to the Secretary. No Democrat alive, and some Republicans on the Ag Committee, want to give the Secretary discretionary authority unless it is policy they do not like or we have to cut. Then we give him everything.

So this whole argument is over 5 percent.

The real question is: What do we do in conference, and what do we do to measure up to the sequester or the budget summit that we have to live with? OMB, yes, OMB, and I am not a very happy supporter of those folks, and the USDA say the Marlenee amendment will cost $1 billion. CBO says zero.

The Department is going to announce a set-aside the end of this week in double figures, and so you are going to have to pay a higher target price, folks, and it is going to cost some money.

On the loan rate, OMB and the Department say it costs about $200 million, and CBO, once again, says it does not cost anything. It just depends on which yardstick that you want to use.

I suggest to the Members that if they vote for this, when we go to conference and we have to cut, where are we going to find those cuts? There is about $1,200,000,000 that is going to have to come out. We talked about this at great length on the Ag Committee. It is a shame we had to debate it here on the floor and take all this time.

From a policy standpoint, I support the gentleman from Kansas; I support the gentleman from Montana.

From a real hard decision standpoint on what we are going to have to make down the road, the gentleman from Illinois [Mr. MADIGAN] is making an excellent point.

PARLIAMENTARY INQUIRY

Mr. GLICKMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GLICKMAN. Mr. Chairman, the gentleman from Illinois [Mr. MADIGAN] has offered two amendments en bloc. I am just curious as to whether there can be a division of the question under the rule that we have.

The CHAIRMAN. The amendments are divisible if so requested.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Illinois, because I think the gentleman from Illinois seems to think the rule provides that the question cannot be divided. I am just trying to get a definitive answer on this.

Mr. MADIGAN. Mr. Chairman, in responding to the gentleman's request, I would say that the rule makes in order any amendments that were printed in the RECORD by last Friday night. My amendments were printed in the RECORD by last Friday night. The rule says on page 3 at line 16,

> Any amendments en bloc made in order by this resolution shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole.

The CHAIRMAN. Those nondivisible amendments, the Chair might state to the gentleman from Illinois, were the chairman's en bloc amendments at the end of each title as stated in the rule. The provision in the rule does not pertain necessarily to amendments considered en bloc by other Members by unanimous consent, which was given to the gentleman from Illinois earlier. Under the precedents, such en bloc amendments remain divisible.

Mr. GLICKMAN. Mr. Chairman, I do not intend to ask for a division of the question.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Illinois [Mr. MADIGAN]. The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MADIGAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 210, not voting 3, as follows:

[Roll No. 264]

AYES—219

Annunzio
Applegate
Archer
Armey
Atkins
Baker
Ballenger
Bartlett
Barton
Bateman
Bates
Bennett
Bentley
Bilirakis
Bliley
Boehlert
Boucher
Brennan
Broomfield
Brown (CO)
Bruce
Buechner
Bunning
Burton
Callahan
Campbell (CA)
Carper
Carr
Chandler
Clarke
Clinger
Coble
Conte
Costello
Courter
Cox
Coyne
Crane
Dannemeyer
Davis
DeLay
DeWine
Dickinson
Donnelly
Dornan (CA)
Douglas
Downey
Dreier
Duncan
Durbin
Dwyer
Fawell
Fields
Fish
Foglietta
Ford (TN)
Frank
Frenzel
Gallegly
Gallo
Gaydos
Gekas
Gibbons
Gillmor
Gilman
Gingrich
Goodling
Goss
Gradison
Grandy
Grant
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hancock
Hansen
Hastert
Hefley
Henry
Herger
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hubbard
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (CT)
Kanjorski
Kasich
Kennelly
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lagomarsino
Lehman (FL)
Lent
Lewis (CA)
Lewis (FL)
Lipinski
Livingston
Lloyd
Lowery (CA)
Lukens, Donald
Machtley
Madigan
Martin (IL)
Martin (NY)
Mavroules
Mazzoli
McCandless
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Nielson
Nowak
Owens (UT)
Oxley
Packard
Parris
Paxon
Petri
Porter
Poshard
Pursell
Quillen
Rahall
Ravenel
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roe
Rogers
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland (CT)
Russo
Saiki
Sangmeister
Saxton
Schaefer
Schiff
Schneider
Schuette
Schulze
Schumer
Sensenbrenner
Shaw
Shays
Shumway
Shuster
Skeen
Slaughter (NY)
Smith (NJ)
Smith (VT)
Smith, Robert (NH)
Snowe
Solomon
Spence
Stark
Stearns
Studds
Stump
Sundquist
Thomas (CA)
Thomas (WY)
Torricelli
Udall
Upton
Vander Jagt
Visclosky
Vucanovich
Walgren
Walker
Walsh
Weiss
Weldon
Whittaker
Wolf
Wylie
Yates
Yatron
Young (FL)

NOES—210

Ackerman
Alexander
Anderson
Andrews
Anthony
Aspin
AuCoin
Barnard
Beilenson
Bereuter
Berman
Bevill
Bilbray
Boggs
Bonior
Borski
Bosco
Boxer
Brooks
Browder
Brown (CA)
Bryant
Bustamante
Byron
Campbell (CO)
Cardin
Chapman
Clay
Clement
Coleman (MO)
Coleman (TX)
Collins
Combest
Condit
Conyers
Cooper
Coughlin
Craig
Crockett
Darden
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Dorgan (ND)
Dymally
Dyson
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Flippo
Ford (MI)
Frost
Gejdenson
Gephardt
Geren
Glickman
Gonzalez
Gordon
Gray
Hall (TX)
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hoagland
Hoyer
Huckaby
Johnson (SD)
Johnston
Jones (GA)
Jones (NC)
Jontz
Kaptur
Kastenmeier
Kennedy
Kildee
Lancaster
Lantos
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Levin (MI)
Levine (CA)
Lewis (GA)
Lightfoot
Long
Lowey (NY)
Luken, Thomas
Manton
Markey
Marlenee
Martinez
Matsui
McCloskey
McCurdy
McDermott
McHugh
Mfume
Mineta
Moakley
Mollohan
Montgomery
Moody
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Pallone
Panetta
Parker
Pashayan
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Pickett
Pickle
Price
Rangel
Ray
Richardson
Roberts
Robinson
Rose
Rowland (GA)
Roybal
Sabo

Sarpalius	Smith, Robert (OR)	Traficant
Savage	Solarz	Traxler
Sawyer	Spratt	Unsoeld
Scheuer	Staggers	Valentine
Schroeder	Stallings	Vento
Serrano	Stangeland	Volkmer
Sharp	Stenholm	Washington
Sikorski	Stokes	Watkins
Sisisky	Swift	Waxman
Skaggs	Synar	Weber
Skelton	Tallon	Wheat
Slattery	Tanner	Whitten
Slaughter (VA)	Tauke	Williams
Smith (FL)	Tauzin	Wilson
Smith (IA)	Taylor	Wise
Smith (NE)	Thomas (GA)	Wolpe
Smith (TX)	Torres	Wyden
Smith, Denny (OR)	Towns	Young (AK)

NOT VOTING—3

Early	Flake	Nelson

□ 1533

Messrs. SERRANO, OWENS of New York, HEFNER, TORRES, JOHNSTON of Florida, COUGHLIN, DELLUMS, and EDWARDS of Oklahoma changed their vote from "aye" to "no."

Messrs. DAVIS, BATEMAN, HUNTER, WHITTAKER, HUBBARD, CLARKE, CALLAHAN, and Mrs. LLOYD changed their vote from "no" to "aye."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

EN BLOC AMENDMENTS OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer en bloc amendments.

The Clerk read as follows:

En bloc amendments offered by Mr. DE LA GARZA: on page 193, after line 9 insert the following new subparagraph:

"(E) MINIMUM LOAN RATE.—Notwithstanding the provisions of subparagraph (A), the loan rate for wheat shall not be less than $2.44 per bushel, unless such rate would exceed 80 percent of the five year average market price determination.".

On page 201, strike lines 4 through 6 insert "sorghum or the production of guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, commodities for which no substantial".

On page 214, line 15, insert after the period the following: "The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.".

TITLE IX—WHEAT

Section 901 is amended—

(1) by inserting on page 203, line 1 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

(2) by inserting on page 203, line 22 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

(3) by inserting on page 204, line 23 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the en bloc amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, these en bloc amendments have the Sarpalius amendment and the Thomas amendment on the Indian waters and an agreed amendment on the minimum loan rate.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Texas [Mr. DE LA GARZA].

The en bloc amendments were agreed to.

The CHAIRMAN. Are there further amendments to title IX?

Mr. DE LA GARZA. Mr. Chairman, I renew my unanimous-consent request that titles V and VI be deferred and that we may continue with the next title.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GLICKMAN, Mr. Chairman, title IX, the wheat title, of H.R. 3950 will continue the legacy established in 1933 of providing a bountiful supply of wheat, the fundamental component to most food, at a low cost to the consumer. As the chairman of the Wheat, Soybeans, and Feed Grains Subcommittee, I feel confident that this title will help farmers deal on a daily basis with the unpredictability and volatility of wheat markets. After talking with many wheat producers over the past year, I feel that H.R. 3950 deals responsibly with their concerns, which I enumerate.

Wheat is the principal food grain produced and consumed in the United States and worldwide. Americans consume annually an average of 128 pounds of wheat products, mainly in the form of flour, a 10-percent increase over the last decade.

Approximately 446,000 farms, in virtually every State, produce wheat. U.S. farmers are capable of growing and exporting all five major classes of wheat: One, hard red winter, the largest, used primarily for bread and all-purpose flours; two, soft red winter, used for cakes, pastries, and crackers; three, hard red spring, also used for breads; four, white, used for noodles and some pastries; and five, durum, from which pasta is made.

The 1990 wheat harvest will contribute over $8 billion to the Nation's economy, placing wheat fourth behind corn, hay, and soybeans, in value of all field crops produced in the United States. U.S. farmers supply an average of 40 percent of the wheat traded in international commerce. Wheat exports over the past 5 years have ranged from a low of under 40 percent of total production, approximately 900 million bushels, to as high as 77 percent of the annual harvest, nearly 1.5 billion bushels, making this crop one of American agriculture's most important export crops. Maintaining our wheat export markets is the key to a healthy wheat industry and this title along with the trade title of this bill is geared to do just that.

Unfortunately for our wheat farmers, the wheat industry in the United States continues to be highly volatile and variable, putting farmers at risk every year. In spite of technological advances which have yielded more productive varieties of wheat and more efficient production techniques, wheat production continues to be subject to the vagaries of weather, macroeconomic variables, and changes in international trading patterns. For example, a seemingly innocent announcement by USDA on projected foreign production sends domestic wheat prices spiralling downward and may not recover for weeks to come.

This title's objective is to provide the wheat industry the economic stability and predictability it will need to feed this Nation and many foreign nations every year. In three different but related ways, this title provides stability: One, it provides for the continuation of a system of stable income supports for wheat producers; two, it amends the operation of the wheat program to provide better balance between food security needs, export demand, and price supports; and three, it provides for a closer relationship between supplies and demand for wheat and production adjustment provisions of the wheat program.

With regard to income support levels, the committee extends through the 1995 wheat crop the same level of income support which is now in place for the 1990 crop of wheat. Unlike the 1985 act which permitted gradually declining levels of income support for wheat growers over 5 years, the committee's legislation stabilizes income support levels. Everywhere I traveled last summer, most farmers, while supporting a continuation of current policy set forth in the 1985 farm bill, warned that any further reductions in wheat income supports would be devastating to them and to the rural communities around them.

Accordingly, wheat farmers who agree to participate in the annual program for wheat will be eligible to receive payments equal to the difference between $4 and the higher of the average market price for wheat during the first 6 months of the marketing year.

One of the most significant deviations from the 1985 act is increasing price support loan levels for wheat. Under the 1985 act the Secretary set the loan rate between 75 and 85 percent of the average market price of wheat for the preceding 5 years, except that the year to year reduction could not exceed 5 percent. The 1985 act permitted the Secretary to lower that rate an additional 20 percent if such an adjustment were necessary, in the eyes of the Secretary, to maintain the competitiveness of U.S. wheat in world markets. Farmers who receive such loans pledge their crop as collateral and, at the end of the 9-month loan term, must repay the principal amount plus interest or may forfeit the collateral to the Commodity Credit Corporation, the USDA entity responsible for income and price support functions.

Although a reduction in loan rates for wheat in the 1985 act made wheat producers competitive again in the world market, it, simultaneously, placed financial pressures on wheat farmers, who not only use the loans to defray production and harvesting costs, but also as marketing tools to enable them to market wheat later in the marketing year, following

harvest season price lows. The only reason loan rates were established in the first place was to provide low interest loans to farmers waiting for market prices to improve. If they are not meeting this basic objective, then something is wrong.

In response, the legislation the committee has developed brings a better balance between wheat price support levels and supply and demand for wheat. Under the committee bill, the primary determinant for establishing the loan rate for wheat is still the average market price of wheat. This level is set at 85 percent of the average market price for the preceding 5 crops, excluding the highest and lowest annual prices, thus ensuring that wheat loan levels will be set at rates fair and reasonable to market prices and not interfere with the competitiveness of U.S. wheat.

In addition, the Secretary is given authority to make further adjustments in the loan levels based on the amount of wheat stocks on hand, providing for further refinements in the price support level for wheat based on annual market conditions. If the supply of wheat will exceed 30 percent of use, the Secretary may lower the effective loan level for wheat by 10 percent; if the stocks-to-use ratio is below 30 percent but 15 percent or more, the loan rate may be adjusted downward by 5 percent; and if the stocks-to-use ratio is under 15 percent, the loan rate may not be adjusted further.

In addition, the Secretary may further adjust the loan level for wheat downward by an additional 5 percent, without regard to the level of stocks on hand, if he determines that such a further reduction is needed to keep U.S. wheat competitively priced in the world market.

To ensure that the Secretary is making reductions in the wheat loan level based on market conditions and sound reasoning, the legislation requires that his determination be submitted to the Agriculture Committees for review. In addition, the legislation provides that if loan levels are reduced under these circumstances, the Secretary must compensate wheat farmers for the reductions by making payments based on the average market price for the entire marketing year. These reductions are not factored into the setting of loan levels for subsequent crops.

The effect of this change in loan rates is projected to increase loan rates by as much as 25 percent from the levels at which they would be set if the formula of the 1985 act were continued for another 5 years. While this change will ensure that loan rates are determined with greater consideration for market conditions and the financing needs of wheat farmers, I assure my colleagues that the changes made in the legislation will not interfere with the competitiveness of U.S. wheat.

The stability of the wheat program is further enhanced under the committee's legislation by the changes made in the annual acreage limitation requirements. Under the wheat program, farmers must idle a percentage of their wheat acreage, as determined by the act, and devote this acreage to conserving uses. This feature of the program is designed to ensure that production and demand stay within reasonable balance.

Under the 1985 act, the Secretary was required to implement an acreage limitation of not less than 20 percent but not more than 27½ percent for each farm participating in the wheat program if wheat supplies were projected to exceed 1 billion bushels. If projected supplies of wheat were projected to be below 1 billion bushels, the Secretary has been prevented from implementing an acreage limitation in excess of 20 percent.

Although this system of determining acreage limitation requirements has been in part responsible for the gradual decline in wheat surpluses over the life of the 1985 act, it is highly arbitrary and clearly removed from actual market conditions.

In developing this legislation, just as the committee revised the determination of annual loan levels to be more sensitive to market conditions, the committee has revised the determination of annual acreage limitation factors. Under the legislation the level of wheat land participating producers must idle will be determined by the amount of wheat projected to be on hand in the United States for that crop. If stocks are projected to exceed 40 percent of use, the Secretary would be required to establish a limitation factor of not less than 20 percent nor more than 30 percent for each farm. For crops when stocks are projected to be under 40 percent, the acreage limitation factor may not exceed 20 percent.

With these changes in place for the next 5 years, the committee is confident American wheat producers and consumers will have a stable economic environment and stable supply of wheat. It will enable farmers to invest and operate with predictability in terms of annual Government programs and will also ensure that the essential features of those programs remain sensitive to market conditions so that consumers are assured of adequate and affordable supplies of wheat and wheat products.

The CHAIRMAN. The Clerk will designate title X.

TITLE X—FEED GRAINS

SEC. 1001. LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, ACREAGE LIMITATIONS PROGRAM, AND LAND DIVERSION FOR THE 1991 THROUGH 1995 CROPS OF FEED GRAINS.

Effective only for the 1991 through 1995 crops of feed grains, section 105A of the Agricultural Act of 1949 (7 U.S.C. 1444c) is amended to read as follows:

"SEC. 105A. (a) LOANS AND PURCHASES.—(1) IN GENERAL.—Except as provided in paragraphs (2), (3), and (4) the Secretary shall make available to producers loans and purchases for each of the 1991 through 1995 crops of corn at such level as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn.

"(2) MINIMUM LOAN LEVEL.—Except as provided in paragraphs (3) and (4), the loan and purchase level determined under paragraph (1) shall not be less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this paragraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ADJUSTMENTS TO SUPPORT LEVEL.—(A) STOCKS TO USE RATIO.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

"(i) equal to or greater than 25 percent, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount not to exceed 10 percent in any year.

"(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount not to exceed 5 percent in any year;

"(iii) less than 12.5 percent the Secretary may not reduce the loan and purchase level for corn for the marketing year.

"(B) REPORT TO CONGRESS.—(i) If the Secretary adjusts the level of loans and purchases for corn under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate a report—

"(I) certifying such adjustment as necessary to prevent the build-up of stocks and to retain market share; and

"(II) containing a description of the need for such adjustment.

"(ii) Such adjustment shall become effective no earlier than 60 calendar days after the date of submission of such report to such committees.

"(C) COMPETITIVE POSITION.—Notwithstanding the provisions of subparagraph (A), if the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the effective loan rate established for such crop will not maintain a competitive market position for corn, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount, in addition to any reduction under subparagraph (A), not to exceed 5 percent in any year.

"(D) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan and purchase level for corn under this paragraph shall not be considered in determining the loan and purchase level for corn for subsequent years.

"(4) MARKETING LOAN.—(A) IN GENERAL.—The Secretary may permit a producer to repay a loan made under paragraphs (1) or (6) for a crop at a level that is the lesser of—

"(i) the loan level determined for such crop; or

"(ii) the higher of—

"(I) 70 percent of such level;

"(II) if the loan level for a crop was reduced under paragraph (3), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (3); or

"(III) the prevailing world market price for feed grains, as determined by the Secretary.

"(B) WORLD PRICE FORMULA.—If the Secretary permits a producer to repay a loan in accordance with subparagraph (A), the Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for feed grains; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for feed grains.

"(5) SIMPLE AVERAGE PRICE.—For purposes of this section, the Secretary in determining the simple average price received by producers for the immediately preceding marketing year shall use the latest information available to the Secretary at the time of the determination.

"(6) LOAN LEVELS FOR OTHER FEED GRAINS.—The Secretary shall make available to producers loans and purchases for each of the

1991 through 1995 crops of grain sorghum, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b).

"(b) PAYMENTS FOR FORGOING LOAN OR PURCHASE.—(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of corn, grain sorghum, barley, oats, and rye, make payments available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining such loan or agreement in return for such payments.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of such feed grains the producer is eligible to place under loan.

"(3) QUANTITY ELIGIBLE.—For purposes of this subsection, the quantity of feed grains eligible to be placed under loan may not exceed the product obtained by multiplying—

"(A) the individual farm program acreage for the crop; by

"(B) the farm program payment yield established for the farm.

"(4) PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for such crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) DEFICIENCY PAYMENTS.—(1) IN GENERAL.—(A) COMPUTATION.—The Secretary shall make available to producers payments (to be known as 'deficiency payments') for each of the 1991 through 1995 crops of corn, grain sorghum, oats, and barley in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the individual farm program acreage for the crop; by

"(iii) the farm program payment yield for the crop for the farm.

"(B) 0/92 PROGRAM.—(i) If an acreage limitation program under subsection (f)(2) is in effect for a crop of feed grains and the producers on a farm devote a portion of the permitted feed grain acreage of the farm (as determined in accordance with subsection (f)(2)(A)) equal to more than 8 percent of the permitted feed grain acreage of the farm for the crop to conservation uses (except as provided in subparagraph (H))—

"(I) such portion of the permitted feed grain acreage of the farm in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (H)) shall be considered to be planted to feed grains for the purpose of determining the individual farm program acreage in accordance with subsection (f)(2)(G) and for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (f)(2)(E); and

"(II) the producers shall be eligible for payments under this paragraph on such acreage.

"(ii) Notwithstanding any other provision of this section, any producer who elects to devote all or a portion of the permitted feed grain acreage of the farm to conservation uses (or other uses as provided in subparagraph (H)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to feed grains and eligible for payments under this subparagraph for such crop at a per-bushel rate established by the Secretary, except that such rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which feed grain producers may agree to participate in the program for such crop.

"(iii) The Secretary shall implement this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary may restrict the total amount of feed grain acreage that may be taken out of production under this subparagraph, taking into consideration the total amount of feed grain acreage that has or will be removed from production under other price support, production adjustment, or conservation program activities. No restrictions on the amount of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during such crop year.

"(iv) The feed grain crop acreage base and feed grain program payment yield of the farm shall not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses (except as provided in subparagraph (H)).

"(v) Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to feed grains.

"(vi) Any acreage considered to be planted to feed grains in accordance with clause (i) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation, set-aside, or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(C) PAYMENT RATE.—The payment rate for each crop of feed grains shall be the amount by which the established price for such crop of feed grains exceeds the higher of—

"(i) the national weighted average market price received by producers during the first 6 months of the marketing year for such crop, as determined by the Secretary; or

"(ii) the loan level determined for such crop, prior to any adjustment made under subsection (a)(3) for the marketing year for such crop.

"(D) COMPENSATION FOR SUPPORT LEVEL ADJUSTMENT.—(i) Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for feed grains under subsection (a)(3), the Secretary shall provide emergency compensation by increasing the deficiency payments for feed grains by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made.

"(ii) In determining the payment rate, per bushel, for deficiency payments for a crop of feed grains under this subparagraph, the Secretary shall use the national weighted average market price, per bushel of such crop of feed grains, received by producers during the marketing year for such crop, as determined by the Secretary.

"(E) ESTABLISHED FOR CORN.—

"(i) MINIMUM PRICE.—The established price for corn shall not be less than $2.75 per bushel.

"(ii) ESTABLISHED PRICE INCREASE FOR FEED GRAINS.—If in any crop year the Secretary announces an acreage limitation program under subsection (f)(2) or a set-aside program under subsection (f)(3) for farms under which the percentage reduction or set aside for a crop of feedgrains is in excess of 15 percent, then the established price for such crop shall be increased by an amount not less than 2.55 percent of the established price for such crop for each 2.5 percent incremental increase of such percentage reduction or set-aside in excess of 15 percent.

"(F) ESTABLISHED PRICE FOR OTHER FEED GRAINS.—(i) The established price for grain sorghum shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn.

"(ii) The established price for oats shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, but not less than $1.45 per bushel.

"(iii) The established price for barley shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, taking into consideration the various feed and food uses for barley, and provided that the ratio of such established price for barley shall not be less than 85.8 percent of the established price for corn.

"(G) REDUCTION FOR DISASTER PAYMENTS.—The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(H) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (B) to be devoted to sweet sorghum or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf), subject to the following sentence. The Secretary may permit such acreage to be devoted to such production only if the Secretary determines that—

"(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of such raw material and could lead to increased industrial use of such raw material to the long-term benefit of United States industry.

"(I)(i) TARGET OPTION PROGRAM.—Subject to clauses (ii) and (iii), if an acreage limitation program under subsection (f)(2) is in effect for a crop of feed grains and the producers on a farm devote a portion of the permitted feed grain acreage of the farm (as determined in accordance with subsection (f)(2)(A)) to conservation uses, the producers shall be eligible for an increase of up to one

percent in the established price of the crop of feed grains, on the acreage on the farm actually planted to feed grains, for each one percent of the permitted feed grain acreage of the farm devoted to conservation uses.

"(ii) The portion of permitted feed grain acreage of the farm devoted to conservation uses under clause (i) shall not exceed 10 percent of the crop acreage base of the farm.

"(iii) Such increase in the established price shall not result in a producer receiving more in payments than the maximum amount such producer would be eligible to receive under section 105A(C)(1)(B).

"(iv) The feed grain crop acreage base and the feed grain farm program payment yield for the farm may not be reduced due to the fact that such portion of the permitted acreage of the farm was devoted to conserving uses.

"(J)(i) BARLEY CALCULATIONS.—The Secretary shall, for purposes of determining the payment rate for barley under subparagraphs (C)(i) and (D)(ii), use the national weighted average market price received by producers of barley sold primarily for feed purposes.

"(ii)(I) In the case of the 1991 crop of barley, the Secretary shall, for purposes of determining any advance deficiency payment made to the producers of barley under section 107C, use the national weighted average market price received by producers for all barley, as determined by the Secretary.

"(II) In implementing this subsection, the Secretary shall ensure that producers of the 1991 crop of barley, notwithstanding the method of calculation or the amount of the advance deficiency payment, shall be equal to receive the total amount of payments as calculated under clause (i).

"(2) DISASTER ASSISTANCE.—(A) PREVENTED PLANTING PAYMENTS.—(i) Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(I) the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage that the producers were prevented from planting to feed grains or other nonconserving crops in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(II) 75 percent of the farm program payment yield established by the Secretary; by

"(III) a payment rate equal to 33⅓ percent of the established price for the crop.

"(ii) Payments made by the Secretary under this subparagraph may be made in the form of cash or from stocks of feed grains held by the Commodity Credit Corporation.

"(B) REDUCED YIELD PAYMENTS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the established price for the crop for the deficiency in production below 60 percent for the crop.

"(C) LIMITATION DUE TO CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the feed grain acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the feed grain acreage of the producers.

"(D) EXCEPTION FROM LIMITATION.—(i) Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crops or from reduced yields;

"(II) such losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency; and

"(IV) additional assistance must be made available to such producers to alleviate such economic emergency.

"(ii) The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to an individual farm so as to assure the equitable allotment of such payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) NATIONAL PROGRAM ACREAGE.—(1) IN GENERAL.—(A) PROCLAMATION.—Except for a crop with respect to which there is an acreage limitation program in effect under subsection (f), the Secretary shall proclaim a national program acreage for each of the 1991 through 1995 crops of feed grains. The proclamation shall be made not later than September 30 of each calendar year for the crop harvested in the next succeeding calendar year.

"(B) REVISION.—The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) if the Secretary determines it necessary based on the latest information. The Secretary shall proclaim such revised national program acreage as soon as such revision is made.

"(C) AMOUNT OF ACREAGE.—The national program acreage for feed grains shall be the number of harvested acres that the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop.

"(D) ADJUSTMENT FOR CARRYOVER.—If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the quantity the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(E) INAPPLICABILITY TO OATS.—This subsection shall not apply to the 1991 through 1995 crop of oats.

"(2) PROGRAM ALLOCATION FACTOR.—The Secretary shall determine a program allocation factor for each crop of feed grains, if the Secretary proclaims a national program acreage for such crop. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 percent nor less than 80 percent.

"(3) FARM PROGRAM ACREAGE.—(A) DETERMINATION.—Except as provided in subsection (f)(2), the individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined.

"(B) LIMITATION ON REDUCTION.—The individual farm program acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the crop acreage base established for the farm under title V by at least the percentage recommended by the Secretary in the proclamation of the national program acreage.

"(C) FAIR AND EQUITABLE TREATMENT.—The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than the crop acreage base established for the farm under title V, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor.

"(D) ADJUSTMENT FOR EXEMPTIONS.—In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(e) FARM PROGRAM PAYMENT YIELDS.—The farm program payment yields for farms for each crop of feed grains shall be determined under title V.

"(f) PROGRAMS TO REDUCE ACREAGE.—(1) IN GENERAL.—(A) EXCESSIVE SUPPLY.—(i) Notwithstanding any other provision of this Act, except as provided in subparagraphs (B) through (D), if the Secretary determines that the total supply of feed grains, in the absence of an acreage limitation or set-aside program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of feed grains either an acreage limitation program as described in paragraph (2) or a set-aside program as described in paragraph (3).

"(ii) In making a determination under clause (i), the Secretary shall take into consideration the number of acres placed in the conservation acreage reserve established under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831).

"(iii) If the Secretary elects to put either of such programs into effect for any crop year,

the Secretary shall announce any such program not later than September 30 prior to the calendar year in which the crop is harvested.

"(iv) Not later than November 15 of the year previous to the year in which the crop is harvested, the Secretary may make adjustments in an announcement made under clause (iii) if the Secretary determines that there has been a significant change in the total supply of feed grains since the program was first announced.

"(B) AMOUNT OF ACREAGE REDUCTION.—In the case of each of the 1991 through 1995 crops of feed grains, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of corn to total use of corn for the preceding marketing year will be—

"(i) more than 25 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 12.5 percent nor more than 20 percent; or

"(ii) 25 percent or less, the Secretary may provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not more than 12.5 percent.

"(C) CONDITION FOR ELIGIBILITY FOR FEED GRAINS.—As a condition of eligibility for loans, purchases, and payments for any such crop of feed grains, except as provided in subsection (g), the producers on a farm must comply with the terms and conditions of the acreage limitation program and, if applicable, the land diversion program, as provided in paragraph (5).

"(D) CONDITION FOR ELIGIBILITY FOR OATS.—Except as provided in paragraph (9), as a condition of eligibility for loans, purchases, and payments for the 1991 through 1995 crop of oats, the producers of oats on a farm may not plant oats in excess of the crop acreage base for the farm.

"(2) ACREAGE LIMITATION PROGRAM.—(A) UNIFORM PERCENTAGE.—If a feed grain acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction to the feed grain crop acreage base for the crop for each feed grain-producing farm.

"(B) ENFORCEMENT.—Except as provided in subsection (g), producers who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm.

"(C) EXCEPTION FOR MALTING BARLEY.—The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if such producer has previously produced a malting variety of barley for harvest, plants barley only of an acceptable malting variety for harvest, and meets such other conditions as the Secretary may prescribe.

"(D) FEED GRAIN CROP ACREAGE BASE.—Feed grain crop acreage bases for each crop of feed grains shall be determined under title V.

"(E) DETERMINATION OF CONSERVATION USE ACREAGE.—(i) A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by dividing—

"(I) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres planted to such commodity; by

"(II) the number of acres authorized to be planted to such commodity under the limitation established by the Secretary.

"(ii) The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'.

"(F) INAPPLICABILITY OF NATIONAL PROGRAM ACREAGE.—If an acreage limitation program is announced under paragraph (1) for a crop of feed grains, subsection (d) shall not be applicable to such crop, including any prior announcement that may have been made under such subsection with respect to such crop.

"(G) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c)(1)(B) and (c)(1)(I), the individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted feed grain acreage for the farm as established under this paragraph.

"(H) LIMITATION ON OATS ACREAGE REDUCTION.—In the case of the 1991 through 1995 crops of oats, the Secretary—

"(i) shall not establish a percentage reduction in accordance with paragraph (1) in excess of 5 percent, unless the Secretary determines that the supply of oats will be excessive without a greater percentage reduction than 5 percent; and

"(ii) may establish a percentage reduction for oats in accordance with paragraph (1) of less than 5 percent. If the Secretary does not establish a percentage reduction requirement for oats, the Secretary shall ensure that the crop acreage bases established for the farm and the farm acreage base are not increased as a result of this clause.

"(3) SET-ASIDE REQUIRED.—(A) IN GENERAL.—If a set-aside program is announced under paragraph (1), as a condition of eligibility for loans, purchases, and payments for feed grains authorized by this Act (except as provided in subsection (g)), the producers on a farm shall—

"(i) set aside and devote to conservation uses an acreage of cropland equal to a specified percentage, as determined by the Secretary, of the acreage of feed grains planted for harvest for the crop for which the set-aside is in effect; and

"(ii) otherwise comply with the terms of such program.

"(B) CONSERVATION USE REQUIRED.—The set-aside acreage shall be devoted to conservation uses, in accordance with regulations issued by the Secretary.

"(C) UNIFORM ACREAGE LIMITATION.—If a set-aside program is established, the Secretary may limit the acreage planted to feed grains. Such limitation shall be applied on a uniform basis to all feed grain-producing farms.

"(D) ADJUSTMENTS TO SET-ASIDE.—The Secretary may make such adjustments in individual set-aside acreages under this section as the Secretary determines necessary—

"(i) to correct for abnormal factors affecting production; and

"(ii) to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary determines necessary.

"(4) USE OF CONSERVATION ACREAGE.—(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraphs (2) and (3) with respect to acreage required to be devoted to conservation uses shall assure protection of such acreage from weeds and wind and water erosion.

"(B) PERMITTED PLANTINGS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to sweet sorghum, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, rye, or other commodities, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—(i) Except as provided in clause (ii), haying and grazing of acreage designated as conservation use acreage for the purpose of meeting any requirements established under an acreage limitation program (including a program conducted under subsection (c)(1)(B) or subsection (c)(1)(I)), set-aside program, or land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. Such 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

"(D) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation or set-aside program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) LAND DIVERSION PROGRAM.—(A) PAYMENTS.—The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation or set-aside program for feed grains is in effect, if the Secretary determines that such land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. Such land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with such producers.

"(B) BIDS FOR CONTRACTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) WILDLIFE USES FOR REDUCED AND DIVERTED ACREAGE.—(A) IN GENERAL.—Any reduced acreage, set-aside acreage, and additional diverted acreage may be devoted to

wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(B) WILDLIFE USE COST SHARING.—The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of subparagraph (A).

"(C) CONSERVATION COST SHARING.—The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on reduced acreage, set-aside acreage, or additional diverted acreage.

"(D) ENCOURAGEMENT OF PUBLIC ACCESS.—The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) PARTICIPATION AGREEMENTS.—(A) IN GENERAL.—An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(8) BUSHEL PRODUCTION TARGETS.—Notwithstanding the foregoing provisions of this subsection, in carrying out the program conducted under this subsection, the Secretary may prescribe production targets for participating farms expressed in bushels of production so that all participating farms achieve the same pro rata reduction in production as prescribed by the national production targets.

"(9)(A) In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats the Secretary, notwithstanding the foregoing provisions of this subsection—

"(i) shall, subject to subparagraph (B), provide that any reduced acreage and set-aside acreage may be planted to oats for harvest;

"(ii) may make program benefits (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under this title available to producers with respect to acreage planted to oats under this paragraph; and

"(iii) shall not make program benefits other than the benefits specified in clause (ii) available to producers with respect to acreage planted to oats under this paragraph.

"(B) LIMITATION.—(i) If the Secretary estimates that oats planted to such acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary shall limit the amount of such acreage that producers may plant to oats for harvest under subparagraph (A) to an amount that will result in projected domestic production fulfilling projected domestic demand.

"(ii) Such limitation may be achieved by applying a uniform percentage reduction to such acreage for each farm.

"(g) EXCEPTIONS TO PROGRAMS TO REDUCE ACREAGE.—(1) ONE-HALF ACREAGE REDUCTION PROGRAM.—(A) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of corn, grain sorghum, oats, and barley, make payments available to producers who meet the requirements of this paragraph.

"(B) FORM OF PAYMENT.—Such payments shall be—

"(i) made in the form of such feed grains, respectively, owned by the Commodity Credit Corporation; and

"(ii) subject to the availability of such feed grains.

"(C) DETERMINATION OF PAYMENT.—(i) Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(ii) The quantity of feed grains to be made available to a producer under this subsection shall be equal in value to the payments so determined under such subsection.

"(D) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(i) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(ii) agrees to forgo receiving payments under subsection (c);

"(iii) does not plant feed grains for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (f); and

"(iv) otherwise complies with this section.

"(2) ACRE-FOR-ACRE REDUCTION.—(A) IN GENERAL.—The Secretary may permit producers on a farm to plant feed grains on a portion of the acreage otherwise required to be devoted to conservation uses under subsection (f) if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments under subsection (c)(1)(A)(ii).

"(B) LIMITATION.—If the Secretary exercises the authority provided under subparagraph (A), then the Secretary shall implement this paragraph in such a manner that no greater outlays by the Commodity Credit Corporation result from its implementation.

"(C) BASES AND YIELDS UNAFFECTED.—The feed grain crop acreage base and the feed grain farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the conserving use acres for the farm was planted to feed grains as authorized under this subparagraph.

"(h) EQUITABLE RELIEF.—(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(i) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(l) EQUITABLE SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(n) PROHIBITIONS.—(1) CROSS COMPLIANCE.—(A) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(B) CROP ACREAGE BASE INCREASES.—If a producer on a farm is participating in the feed grains program under this section, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

"(i) the terms and conditions of the applicable commodity program for such commodity; or

"(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

"(2) OFFSETTING COMPLIANCE.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for such farm, to comply with the terms and conditions of the feed grains program with respect to any other farm operated by such producers.".

SEC. 1002. PRICE SUPPORT FOR HIGH MOISTURE FEED GRAINS.

(a) RECOURSE LOANS.—Notwithstanding any other provision of law, effective for each of the 1991 through 1995 crops of feed grains, the Secretary of Agriculture shall make available recourse loans as determined by the Secretary, as provided in this section, to producers on a farm who—

(1) normally harvest all or a portion of their crop of feed grains in a high moisture state (herein defined as a feed grain having a moisture content in excess of Commodity Credit Corporation standards for loans made by the Secretary under sections 105A(a)(1) and (6) of the Agricultural Act of 1949);

(2)(A) present certified scale tickets from an inspected, certified commercial scale, including licensed warehouses, feedlots, feed mills, distilleries, or other similar entities approved by the Secretary, pursuant to regulations issued by the Secretary; or

(B) present field or other physical measurements of the standing or stored feed grain crop in regions of the country, as determined by the Secretary, that do not have certified commercial scales from which cer-

tified scale tickets may be obtained within reasonable proximity of harvest operation;

(3) certify that they were the owners of the feed grain at the time of delivery to, and that the amount to be placed under loan was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to such facilities maintained by the users of such high-moisture feed grain;

(4) comply with deadlines established by the Secretary for harvesting the feed grain and submit applications for loans within deadlines established by the Secretary; and

(5) participate in an acreage limitation or set-aside program for such crop of feed grains established by the Secretary.

(b) ELIGIBILITY OF ACQUIRED FEED GRAINS.—Such loans shall be made on a quantity of feed grains of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(1) the acreage of the feed grain in a high moisture state harvested on the producer's farm; by

(2) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which such high moisture feed grain was obtained.

SEC. 1003. NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1991 THROUGH 1995 CROPS OF FEED GRAINS.

Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1991 through 1995 crops of feed grains.

SEC. 1004. CALCULATION OF REFUNDS OF ADVANCE ESTABLISHED PRICE PAYMENTS BY PRODUCERS OF THE 1988 OR 1989 CROPS OF FEED BARLEY.

(a) MANDATORY CALCULATION OF REFUND.—(1) IN GENERAL.—Not later than 45 days after the date of enactment of this Act, the Secretary of Agriculture shall calculate, for informational purposes only (except as provided in the discretionary authority under subsection (b)), the amount of the refund of any advance deficiency payment a producer of barley who participated in the 1988 or 1989 Federal barley price support program would be required to make pursuant to section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) based on a formula that includes the human food values of barley in all components of the calculations used to determine the amount of refund of the advance deficiency payment required of such producer.

(2) DISCLOSURE.—(A) TO THE PUBLIC.—The Secretary shall publish in the Federal Register—

(i) the formula used to perform the calculations described in paragraph (1);

(ii) the aggregate results that the use of such calculation would have pursuant to subsection (b), in terms of—

(I) the total reduction in the amount of refunds,

(II) the number of producers affected, and

(III) any other information the Secretary determines appropriate;

(iii) a declaration of the Secretary's decision whether to use such calculation to recalculate barley producer's refunds pursuant to subsection (b); and

(iv) a statement of the Secretary's reasons for the decision described in clause (iii).

(B) TO PRODUCERS.—The Secretary shall make available to each producer of 1988 or 1989 crop barley, upon request, a statement detailing the effect of the calculation of refunds described in paragraph (1) upon such producer's 1988 or 1989 refund.

(b) DISCRETIONARY USE OF CALCULATION.—(1) IN GENERAL.—The Secretary may use the calculation described in subsection (a) to determine whether or not to reduce the total refund owed by a producer of 1988 or 1989 crop barley under section 107C of the Agricultural Act of 1949.

(2) PROCEDURE FOR USE OF CALCULATION.—If the Secretary decides to use the calculation described in subsection (a) as provided under paragraph (1), then, in the case of a producer of 1988 or 1989 crop barley who paid the refund of the advance deficiency payment for such crop calculated prior to the enactment of this Act (or any amount of refund in excess of the amount of the refund determined in accordance with paragraph (1)), the Secretary —

(i) shall, before May 31, 1991, reimburse the producer the amount of refund paid by the producer in excess of the refund determined in accordance with this section;

(ii) shall have the option to make such reimbursement in a lump sum or in installments;

(iii) shall, not later than 45 days after the date of enactment of this Act, notify producers who are eligible to receive such reimbursement of their 1988 or 1989 advance deficiency payment refund under this section—

(I) of the timing of the payment of such reimbursement (either in lump sum or in installments),

(II) that the amount of such reimbursement shall not bear interest if paid before October 15, 1990, and

(III) that the amount of such reimbursement paid after October 15, 1990 shall bear interest at a rate of at least 7 percent per annum; and

(iv) may elect to pay such reimbursement in a lump sum with negotiable generic certificates redeemable for commodities owned by the Commodity Credit Corporation if such reimbursement is paid in full not later than 60 days after the date of enactment of this Act.

The CHAIRMAN. Are there amendments to title X?

EN BLOC AMENDMENTS OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer en bloc amendments.

The Clerk read as follows:

En bloc amendments offered by Mr. DE LA GARZA:

On page 236, after line 25 insert the following subparagraph:

"(E) MINIMUM LOAN RATE.—Notwithstanding the provisions of subparagraph (A), the loan rate for corn shall not be less than $1.76 per bushel, unless such rate would exceed 80 percent of the five-year average market price determination.".

On page 245, strike lines 6 through 8 and insert "sorghum or the production of guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, commodities for which no substantial".

On page 260, line 15, insert after the period the following: "The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.".

TITLE X—FEED GRAINS

Section 1001 is amended—

(1) by inserting on page 237, line 14 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

(2) by inserting on page 238, line 11 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

(3) by inserting on page 239, line 13 after the word "producers" the following: "including such condition resulting from the adjudication of Indian water settlement disputes,".

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the en bloc amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There is no objection.

Mr. DE LA GARZA. Mr. Chairman, this is the same amendment that we just did to the preceding title, and we are doing it to this title.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Texas [Mr. DE LA GARZA].

The en bloc amendments were agreed to.

The CHAIRMAN. Are there other amendments to title X?

If not, does the gentleman from Texas wish to renew his unanimous-consent request?

Mr. DE LA GARZA. Mr. Chairman, I renew my unanimous-consent request that titles V and VI be deferred and that we continue on with the succeeding titles.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GLICKMAN. Mr. Chairman, title X, feed grains, is the product of thousands of hours of public hearings in virtually every corner of this country over the past 4 years I have served as chairman of the subcommittee. This title will continue to support feed grain and livestock producers in their efforts to produce for our national well-being.

This title contains the best features of the 1985 Food Security Act and makes refinements the subcommittee deemed necessary to make the programs more responsive to market conditions, correct inequities in existing programs, and provides new incentives for the production of oats to decrease U.S. reliance on imports.

The United States is the world's largest producer and consumer of corn, the leading feed grain in the world. Equally important to the livestock and food sector are sorghum, barley, and oats. Altogether these crops contribute at least $14 billion annually to the economy.

Grown on over 600,000 farms, corn production is a $12 billion per year industry. Each American consumes the equivalent of over 1,100 bushels of corn annually, primarily in the form of meat, livestock products, and corn byproducts. Eighty percent of all livestock feed, for cattle, hogs, and poultry, is corn. High fructose corn syrup is one of the fastest growing uses of corn, accounting for nearly 15 percent of corn use and are projected to continue growing by as much as 3 percent annually.

Over 1 billion additional bushels of corn are used each year for a variety of industrial purposes, beverage alcohol, and, increasingly, for the production of ethanol as an extender and additive to gasoline for motor vehicles, which constitutes slightly under 5 percent of all corn usage. In addition to the domestic market, U.S. corn growers supply more than 70 percent of the corn traded in world markets.

The United States produces one-third of all the grain sorghum grown in the world, most of it concentrated in the Southern and Central Plains States on some 100,000 farms. Grain sorghum, also known as milo, has a farm value of over $1 billion annually. U.S. sorghum exports represent over 75 percent of all world sorghum trade. The most prevalent use of milo is as a livestock feed. Approximately 98 percent of all milo used domestically is for feed, primarily for cattle.

Barley production is concentrated in the Pacific Northwest and Northern Plains. Sixty percent of the annual barley crop is used for feed for dairy and beef cattle. Another 30 percent of the crop is used by malters for the production of beer. The remainder of the crop is exported. The value of the U.S. barley crop exceeded $900 million in 1987, ranking barley ninth of field crops prior to the two drought reduced crops of 1988 and 1989.

An important feature of the barley market is the distinction between feed barley and malting barley. High quality barley used for malting purposes can be produced only from certain barley varieties and the grain itself must also possess certain quality characteristics to be acceptable to malters. For example, adverse conditions during the growing season can frequently diminish the quality of the grain to the point it is unsuitable for use in beer.

The principal domestic use of oats is for livestock feed and a specialty feed for race horses. Recent studies indicating that certain fibrous plant materials, such as oat bran, may help lower serum cholesterol levels have led to a tremendous increase in human consumption of oatmeal, oat cookies, oat pancakes, and any other food containing oats you can think of. In 1989 alone, food, seed, and industrial uses increased by 10 percent, 110 million bushels, which account for one-fourth of total use.

Despite this increase in demand, farmers have not increased their plantings of oats, which have average around 6 million acres per year since 1986. As a result, the United States has become the largest importer of oats, importing 60 million bushels in 1989 alone, compared to an average of only 3 million bushels for the past 20 years.

A major cause for downward production trends of oats is the structure of farm programs. Since 1982, the program acreage bases for oats and barley have been combined into a common oats and barley acreage base. On this base a farmer could plant any combination of oats and barley. Because the target price for barley gave farmers a greater return than did the oats target price, barley production has increased at the expense of oats production. Oats acreage also declined as a result the enrollment of 1 million acres of oats acreage into the Long-Term Conservation Reserve Program.

Feed grain production in the United States continues to be a highly volatile and variable industry. In spite of technological advances which have resulted in more efficient production techniques, the production of feed grains continues to be subject to the vagaries of weather, macroeconomic variables, and changes in international trading patterns.

This title is designed to provide the feed grains industry the economic stability and predictability it will need to meet domestic and international demand in years to come. The legislation does so in three ways: First, by continuing a system of stable income supports for feed grains producers; second, by amending the operation of the feed grains program to balance between food security needs and feeding needs, export demand, and price supports; and third, by providing for a closer relationship between supplies and demand for feed grains and production adjustment provisions of the feed grains programs.

As my Subcommittee on Wheat, Soybeans, and Feed Grains traveled across the country last year, most of the farmers we talked to agreed that the 1985 farm bill should be continued to a large extent. It was a bill that provided stability and predictability to farmers suffering through the most difficult decade since the dust-bowl days.

In response to their request, the committee's legislation extends through the 1995 crops the same level of income support as in place for the 1990 crop of corn, milo, and oats. Unlike the 1985 act which provided for a gradually declining amount of income support for feed grains producers over 5 years, the committee's legislation stabilizes income support levels.

Some contend that income supports should be phased out with price supports, but as Senator Hubert Humphrey said 14 years ago, we cannot leave food security to chance. Farmers need to know that they will make some return on their investment so that they will be able to renew their investment in the land next year. Some will argue that the income support provided under this bill is not sufficient, well time will tell, but at least it provides them with more stability than what is offered at the market place. A stable agricultural sector means a stable supply of food at reasonable prices for all Americans.

Farmers who agree to participate in the annual program for feed grains will be eligible to receive payments equal to the difference between $2.75 for corn and—for milo, feed barley, and oats, comparable amounts based on the feed value relationships of those crops to corn—the higher of the average market price for the crop during the first 6 months of the marketing year or the amount per bushel of price support loans farmers are eligible to receive for the crop.

In response to the barley problem that was brought to the subcommittee's attention over the past year, the committee's legislation corrects inequities due to the melding together of feeding and malting barley prices in income support calculations. Prices for malting barley generally run about 20 cents per bushel over feeding barley but in some years, such as 1988, the spread between malting barley and feed barley increased to as much as $2 per bushel. The 1985 act established an income support level derived from the feed energy value of barley to corn. Accordingly, all barley received equal income support, in spite of the distinct end uses of malting and feed barley.

However, actual income support payments under the 1985 act were computed based on a sales weighted average market price which included both types of barley. As a result, as spreads between malting barley and feeding barley increased, as they did during the drought years of 1988 and 1989, feed barley growers were at a distinct disadvantage, so much so that growers had to repay some income support payments even though market prices for feed barley never reached target price levels.

To eliminate the possibility of such inequities in the future, the committee's bill applies a target price for the 1991 through 1995 crops of barley equal to the level of income support in place for the 1990 crop, $2.36 per bushel. In addition, the bill eliminates the average market price of malt barley in the determination of income support payments, ensuring the feed barley producers are not treated adversely due to market price movements for malt barley which may be totally unrelated to market prices for feed barley.

To help curb the trend of importing oats and to spur production, the committee's legislation continues provisions of the 1985 act which permit farmers to devote all of a farm's crop acreage base to oats production without penalty or eilgibility for future program benefits.

Planting oats as a cover crop on acreage idled under other annual commodity programs is a good way to protect idled land so it is not surprising that many farmers practice this. However, over the past 5 years, farmers have been prevented from harvesting those oats for grain, in spite of the fact that the United States imports approximately 50 to 60 million bushels of oats annually. To address this problem, H.R. 3950 bill allow farmers to harvest oats planted on idled acreage in those years the Secretary determines that domestic oats production will not meet expected domestic demand. As a further incentive to increase domestic production, the Secretary is given the authority to make oats program payments on oats planted on idled acreage.

Another concern that farmers around the country wanted the committee to address was the calculation of nonrecourse loan rates, known as price supports. Under the annual programs, farmers may receive from the Department of Agriculture a loan equal to the amount of feed grains produced on the farm multiplied by the loan rate in effect for that crop. The 1985 act established the level of the loan rate between 75 and 85 percent of the average market price of corn for the preceding 5 years, except that the year to year reduction could not exceed 5 percent. However, the bill also permitted the Secretary to lower that rate an additional 20 percent if such an adjustment were necessary, in the eyes of the Secretary, to maintain the competitiveness of U.S. corn and other feed grains in world markets.

This loan rate calculation, which has lowered loan rates to to unprecedented levels, was created to curb several problems associated with very high loan rates which existed

between 1981 and 1985. To a certain extent, these high loan rates caused U.S. producers to lose market share very quickly between 1981 and 1985. Corn exports dropped by nearly one-half, from a high of 2.4 billion bushels per year to just over 1 billion bushels as foreign production and foreign exports expanded. Also, high loan rates encouraged farmers to forfeit their grain which resulted in the CCC owning, by the end of the 1985 marketing year, nearly 5 billion bushels of corn. In response, Congress directed the Secretary in the 1985 farm bill to drop price support loan levels, but in no way encouraged him to drop them the maximum extent possible for each crop year 1990.

The reduction in loan rates resulted in lower prices for U.S. feed grains in the world market, produced greater risk for foreign farmers, and was partly responsible for the ability of U.S. farmers to recapture approximately 70 percent of the world corn market by 1990. However, at the same time, reduction in these loan levels placed additional financial pressures on farmers, who use the loans to defary production and harvesting costs and as marketing tools to enable them to market their crops later in the marketing year, following harvest season price lows.

I want to emphasize this latter point. Producers all over the country, I believe, understand why it is so important to have reasonable loan rates—to be competitive in important export markets. However, farmers expressed to me that current loan rates are too low because they do not provide them with enough upfront cash to meet immediate operational expenses during post harvest price lows. Mr. Chairman, the only reason loan rates were established in the first place was to provide low interest loans to farmers waiting for market prices to improve. If they are not meeting this basic objective, then something is wrong.

In response, the legislation the committee has developed brings better balance between price support levels and supply and demand. Under the committee bill, the primary determinant for establishing the loan rate for corn and other feed grains continues to be the average market prices of the crops. This level is set at 85 percent of the average market price for the preceding five crops, excluding the highest and lowest annual prices, thus ensuring that feed grains loan levels will be set at rates fair and reasonable to market prices and not interfere with the competitiveness of U.S. crops.

In addition, the Secretary is given authority to make further adjustments in the loan rates based on stocks on hand, providing for further refinements in the price support level for feed grains based on annual market conditions. If the supply of corn will exceed 25 percent of use, the Secretary may lower the effective loan level by 10 percent; if the stocks-to-use ratio is below 25 percent but 12½ percent or more, the loan rate may be adjusted downward by 5 percent; and if the stocks-to-use ratio is under 12½ percent, the loan rate may not be adjusted further.

In addition, the Secretary may further adjust the loan level for feed grains downward an additional 5 percent, without regard to the level of stocks on hand, if he determines that such a further reduction is needed to keep U.S. feed grains competitively priced in the world market.

To ensure the judicious use of this authority, the legislation requires that if the Secretary determines to make such reductions in the loan level, then the Secretary must transmit to Congress notice of such action for review by the Agriculture Committees and must certify that the reductions are warranted based on market conditions. In addition, the legislation provides that if loan levels are reduced under these circumstances, the Secretary compensate, by making payments based on the average market price for the entire marketing year, feed grains producers for the reductions and such reductions are not factored into the setting of loan levels for subsequent crops.

According to projected market prices at the time of H.R. 3950's development, the effect of this change to the loan rate calculation is to increase projected loan levels as much as 25 percent over the life of the legislation from the levels at which they would be set if the formula of the 1985 act were continued for another 5 years. While this change will ensure that loan rates are determined with greater consideration for market conditions and the financing needs of farmers, the changes made in the legislation will not interfere with the competitiveness of U.S. feed grains.

The stability of the production of feed grains is further enhanced under the committee's action on changing the annual acreage limitation requirements. In developing the legislation, just as the committee revised the determination of annual loan levels to be more sensitive to market conditions, the committee revised the calculation of annual acreage limitation factors.

Under the legislation the amount of feed grains acreage participating produces must idle will be determined by the amount of corn projected to be on hand. If stocks are projected to exceed 25 percent of use, the Secretary would be required to establish a limitation of not less than 12½ percent nor more than 20 percent for each farm. For years when corn stocks are projected to be under 20 percent, the acreage limitation factor may not exceed 12½ percent.

Mr. Chairman, I feel confident that the changes the committee has made in this title will benefit farmers and consumers alike. I am confident that it will provide farmers with the predictability and stability they need to produce for a nation so reliant on them. Also, I think that this title provides predictability and stability to the livestock sector so that it may continue providing meat to us at reasonable prices.

The CHAIRMAN. The Clerk will designate title XI.

The text of title XI is as follows:

TITLE XI—GENERAL COMMODITY PROVISIONS

Subtitle A—Miscellaneous Commodity Provisions

SEC. 1101. PAYMENT LIMITATIONS.

(a) AMENDMENTS TO SECTION 1001 OF THE FOOD SECURITY ACT OF 1985.—Effective beginning with the 1991 crops, section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1) by striking "1990" and inserting "1995";

(2) in paragraph (2)(A) by striking "1990" and inserting "1995";

(3) in paragraph (2)(B)(iii)(I) by striking "under section" and all that follows through "respectively" and inserting "under section 107A(a)(4), 105A(a)(4), 103B(a)(5), 101B(a)(5), or 201(b)(2), respectively,";

(4) in paragraph (2)(B)(iv) by striking "under section" and all that follows through "such Act" and inserting "under section 107A(c)(1) or 105A(c)(1), respectively, of the Agricultural Act of 1949 as the result of a reduction of the loan level for such crop under section 107A(a)(3) or 105A(a)(3) of such Act";

(5) in paragraph (2)(B)(v) by striking "107D(b), 105C(b), 103A(b), or 101A(b)," and inserting "107A(b), 105A(b), 103B(b), or 101B(b),"; and

(6) in paragraph (2)(B)(vi) by striking "107D(g), 105C(g), 103A(g), or 101A(g)" and inserting "107A(g)(1), 105A(g)(1), 103B(f), or 101B(f)".

(b) CONFORMING AMENDMENT.—Section 2 of the Act of December 11, 1989 (Public Law 101-217) is amended by striking "Effective only for" and inserting "Effective beginning with".

(c) AMENDMENT TO SECTION 1001C OF THE FOOD SECURITY ACT OF 1985.—Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308-3(a)) is amended by striking "and 1990" and inserting "through 1995".

(d) TREATMENT OF MULTI-YEAR FARM PROGRAM CONTRACT PAYMENTS.—Effective beginning with the 1989 crops, the Food Security Act of 1985 is amended by inserting after section 1001C (7 U.S.C. 1308-C) the following new section:

"SEC. 1001D. TREATMENT OF MULTI-YEAR FARM PROGRAM CONTRACT PAYMENTS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, in the event of a transfer of ownership of a farming operation (or an ownership interest in a farming operation) by way of gift (in anticipation of death or upon disability of the donor), devise, or descent, the Secretary of Agriculture shall continue to make to the new owner or owners all payments which may become due and payable by virtue of any multi-year program contract which was in effect at the time of the gift or the death of the prior owner.

"(b) LIMITATION ON INCREASE IN PAYMENTS.—Payments made pursuant to this section shall not exceed the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the gift or the death of the prior owner.

"(c) LIMITATION ON DECREASE IN PAYMENTS.—Payments shall be made pursuant to this section to the new owner or owners of a farming operation (or an ownership interest in a farming operation) without regard to any limitation on farm program payments received by such new owner or owners in their capacity as separate persons actively engaged in farming with regard to any other farming operation, including the operation subject to the multi-year program payment contract which is the basis of this section.".

SEC. 1102. HYBRID SEED CORN PRODUCERS.

(a) DEFINITION.—For the purposes of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) and the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) the terms "producer" and "producers" shall include a grower of hybrid seed corn under contract, and the grower's interest in the crop shall be determined as though any contract for growing such hybrid seed corn did not exist.

(b) DETERMINATION OF ACTIVELY ENGAGED STATUS.—Section 1001A(b) of the Food Security Act of 1985 (7 U.S.C. 1308-1(b)) is

amended by adding at the end the following paragraph:

"(6) GROWERS OF HYBRID SEED.—To determine whether a person growing hybrid seed under contract shall be considered to be actively engaged in farming, the Secretary shall not take into consideration the existence of any contract for growing such hybrid seed.".

SEC. 1103. ADVANCE DEFICIENCY AND DIVERSION PAYMENTS.

Effective only for the 1991 through 1995 crops of wheat, feed grains, upland cotton, and rice, section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) is amended to read as follows:

"SEC. 107C. (a)(1) If the Secretary establishes an acreage limitation or set-aside program for any of the 1991 through 1995 crops of wheat, feed grains, upland cotton, or rice under this Act and determines that deficiency payments will likely be made for such commodity for such crop, the Secretary shall make advance deficiency payments available to producers for each of such crops.

"(2) Advance deficiency payments under paragraph (1) shall be made to the producer under the following terms and conditions:

"(A) Such payments may be made available in the form of—

"(i) cash;

"(ii) commodities owned by the Commodity Credit Corporation and negotiable certificates redeemable in a commodity owned by the Commodity Credit Corporation, except that not more than 50 percent of such payments may be made in commodities or such certificates in the case of any producer; or

"(iii) any combination of clauses (i) and (ii).

"(B) If payments are made available to producers as provided for under subparagraph (A)(ii), such producers may elect to receive such payments either in the form of—

"(i) such commodities; or

"(ii) such certificates.

"(C) Such a certificate shall be redeemable for a period not to exceed 3 years from the date such certificate is issued.

"(D) The Commodity Credit Corporation shall pay the cost of storing a commodity that may be received under such a certificate until such time as the certificate is redeemed.

"(E) Such payments shall be made available as soon as practicable after the producer enters into a contract with the Secretary to participate in such program.

"(F) Such payments shall be made available in such amounts as the Secretary determines appropriate to encourage adequate participation in such program, except that such amount may not exceed an amount determined by multiplying—

"(i) the estimated farm program acreage for the crop, by

"(ii) the farm program payment yield for the crop, by

"(iii)(I) in the case of wheat and feed grains, not less than 40 percent, nor more than 50 percent, of the projected payment rate; and

"(II) in the case of rice and upland cotton, not less than 30 percent, nor more than 50 percent, of the projected payment rate,

as determined by the Secretary.

"(G) If the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under this Act, is less than the amount paid to the producer as an advance deficiency payment for the crop under this subsection, the producer shall refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer as a deficiency payment for the crop concerned.

"(H) If the Secretary determines under this Act that deficiency payments will not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this subsection, the producers who received such advance payments shall refund such payments.

"(I) Any refund required under subparagraph (G) or (H) shall be due at the end of the marketing year for the crop with respect to which such payments were made.

"(J) If a producer fails to comply with requirements established under the acreage limitation or set-aside program involved after obtaining an advance deficiency payment under this subsection, the producer shall repay immediately the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe by regulation.

"(3) The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(4) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(5) The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provisions of law.

"(b) If the Secretary makes land diversion payments under this Act to assist in adjusting the total national acreage of any of the 1991 through 1995 crops of wheat, feed grains, upland cotton, or rice to desirable levels, the Secretary may make at least 50 percent of such payments available to a producer as soon as possible after the producer agrees to undertake the diversion of land in return for such payments.".

SEC. 1104. COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.

Effective only for the marketing years for the 1991 through 1995 crops, section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended by—

(1) in the third sentence, striking the language following the third colon and inserting the following: "Provided, That, notwithstanding any other provision of law, the Corporation may not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye at less than (A) 150 percent of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, or (B) if the Secretary permits the repayment of loans made for a crop of the commodity at a rate that is less than the loan level determined for such crop, 150 percent of the average loan repayment rate that is determined for such crop during the period of such loans."; and

(2) in the seventh sentence, striking ", but in no event shall the purchase price exceed the then current support price for such commodities" and inserting "or unduly affecting market prices, but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use".

SEC. 1105. DISASTER PAYMENTS FOR 1991 THROUGH 1995 CROPS OF PEANUTS, SOYBEANS, SUGAR BEETS, AND SUGARCANE.

(a) EXTENSION OF AMENDMENT TO SECTION 201 OF THE AGRICULTURAL ACT OF 1949.—Section 1008 of the Food Security Act of 1985 is amended by striking "1990" and inserting "1995".

(b) TECHNICAL CORRECTION.—Section 201(k)(1) of the Agricultural Act of 1949 (7 U.S.C. 1446(k)(1)) is amended by striking "Secetary" and inserting "Secretary".

SEC. 1106. EXTENSION AND ENHANCEMENT OF AUTHORITY FOR MULTIYEAR SET-ASIDE CONTRACTS.

Section 1010 of the Food Security Act of 1985 (7 U.S.C. 1445i) is amended—

(1) in paragraph (1) by—

(A) striking "The Secretary of Agriculture may" and inserting "The Secretary of Agriculture shall";

(B) striking "beyond the 1990" and inserting "beyond the 1995";

(C) striking "through 1990" and inserting "through 1995";

(D) striking "the set-aside acreage to vegetative cover capable" and all that follows through "natural beauty." and inserting "50 percent of the set-aside acreage to a perennial cover crop or an annual cover crop each year that is capable of naturally improving water quality, improving habitat for wildlife, or making forage available for drought emergencies, unless water conservation considerations or other crop management considerations identified in a conservation plan prepared for such land require otherwise. Seasonal flooding with shallow water shall be considered to be acceptable cover crop for the purpose of this section.";

(E) striking "Grazing" and inserting "Haying or grazing"; and

(F) striking "grazing" and inserting "haying or grazing"; and

(2) by adding at the end the following:

"(5) To be eligible to enter into a multiyear set-aside agreement and receive cost share assistance under this section a producer shall designate the same cropland each crop year for all agricultural set-aside and acreage limitation programs that are involved in multi-year set-aside programs, except that those croplands necessary for normal crop rotation or those lands used for changes in farm operations shall be exempt from this requirement. Each producer shall establish on such acreage a perennial cover crop or an annual cover crop that is capable of naturally improving soil fertility, reducing water problems, improving water quality, improving habitat for wildlife or making forage available for drought emergencies, unless water conservation considerations or other crop management considerations identified in a conservation plan for such land require otherwise.".

SEC. 1107. ESTABLISHMENT OF COVER CROP.

(a) IN GENERAL.—The Secretary should encourage producers who participate in an acreage reduction program established for a crop of wheat, feed grains, cotton or rice under the Agricultural Act of 1949 to plant an annual or perennial vegetative cover on reduced acreage that provides full season coverage capable of naturally improving soil fertility, reducing erosion, improving soil quality, enhancing wildlife, and making forage available for drought emergencies on all acreage required to be devoted to conservation uses, unless water conservation considerations or other crop management considerations identified in a conservation plan prepared for such land require otherwise.

(b) PARTICIPATION VOLUNTARY.—Participation by a producer in any program of encouragement under subsection (a) shall be at the discretion of the producer. Failure to participate in any such program shall not

be used to determine eligibility for any other Federal program, unless specifically authorized by law.

(c) CONSIDERATION OF MANAGEMENT PRACTICES.—In any program of encouragement authorized under this section the Secretary shall provide for the planting of annual or vegetative cover crops consistent with normal crop rotation management practices, such as summer fallow or other conserving use management practices, traditionally practiced in the area.

SEC. 1108. SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY.

Effective for the 1991 through 1995 crops of wheat and feed grains, section 113 of the Agricultural Act of 1949 (7 U.S.C. 1445h) is amended to read as follows:

"SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

"SEC. 113. Notwithstanding any other provision of law or prior announcement made by the Secretary to the contrary, the Secretary may announce and provide for a set-aside or acreage limitation program under section 105A or 107A for one or more of the 1991 through 1995 crops of wheat and feed grains if the Secretary determines that such action is in the public interest as a result of the imposition of restrictions on the export of any such commodity by the President or other member of the executive branch of the Federal Government. To carry out effectively a set-aside or acreage limitation program authorized under this section, the Secretary may make such modifications and adjustments in such program as the Secretary determines necessary because of any delay in instituting such program.".

SEC. 1109. EXTENSION OF THE FOOD SECURITY WHEAT RESERVE.

Section 302 of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1) is amended—

(1) in subsection (b)(2)—

(A) by designating the current paragraph (2) as subparagraph (2)(A);

(B) by striking "(A)" and "(B)" and inserting "(i)" and "(ii)", respectively; and

(C) by adding the following new subparagraph:

"(B) Not later than 18 months after the release of stocks from the reserve, the Secretary of Agriculture shall replenish the reserve—

"(A) through purchase under subparagraph (A)(i) to the extent of the appropriations available; or

"(B) by designating an equivalent quantity of wheat from uncommitted stocks of the Commodity Credit Corporation, to the extent sufficient appropriations are not available under subparagraph (A)(i), except to the extent that the Secretary reports to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that there are not sufficient uncommitted stocks of the Commodity Credit Corporation available."; and

(2) in subsection (i) by striking "1990" both places it appears and inserting "1995".

SEC. 1110. EXTENSION OF NORMALLY PLANTED ACREAGE PROVISIONS.

Sections 1001(a) and (b) of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) are amended by striking "1990" each place it appears and inserting "1995".

SEC. 1111. EXTENSION OF PROVISIONS REGARDING THE ADVANCE ANNOUNCEMENT OF PROGRAMS.

(a) AMENDMENT THROUGH 1996 CROPS.—Section 406 of the Agricultural Act of 1949 (7 U.S.C. 1426) is amended by—

(1) striking "1990" each place it appears, other than in subsection (b)(3)(B)(ii), and inserting "1995";

(2) striking "1991" each place it appears, other than in subsection (b)(3)(B)(ii), and inserting "1996";

(3) in subsection (b)(2) striking "(B)(1)" and inserting "(B)(i)"; and

(4) adding at the end of subsection (b)(3)(B)(ii) a new clause as follows:

"(iii) In the case of the 1996 crop, the Secretary shall make available to producers of a commodity who exercise the election provided by this section and who comply fully with the terms and conditions of any acreage reduction program established for the 1995 crop of the commodity—

"(I) loans and purchases at the level established for the 1996 crop under legislation enacted subsequent to the date of the enactment of the Food and Agricultural Resources Act of 1990, except that if legislation is enacted subsequent to the enactment of such Act which provides that loans and purchases shall not be made with respect to the 1996 crop of a commodity, the Secretary may make available to producers of such commodity eligible for the election provided by this subsection loans and purchases at the level determined for the 1995 crop, or if legislation is not enacted subsequent to the enactment of such Act which provides that loans and purchases shall be made with respect to the 1996 crop of any such commodity, and if loans and purchases are available to producers of such commodity under laws previously enacted, none of the provisions of this section shall apply to the 1996 crop;

"(II) deficiency payments calculated on the basis of the established price for the commodity determined for the 1995 crop; and

"(III) payments equal to the difference between the level of loans and purchases that the producer is eligible to receive under subclause (I) for such commodity for the 1995 crop and the level of loans and purchases determined for such commodity for the 1995 crop.

Payments authorized by subclause (III) of the preceding sentence shall be made in cash or in the form of in-kind commodities.".

(b) AMENDMENT THROUGH 1995 CROPS.—Section 406 of the Agricultural Act of 1949 (7 U.S.C. 1426) is amended—

(1) in subsection (b)(1) by striking "1987 through 1991 crops of wheat, feed grains, upland cotton and rice" and inserting "1991 through 1995 crops of wheat and feed grains";

(2) in subsection (b)(1) by striking "1987 through 1991 crops of wheat, feed grains, upland cotton and rice" and inserting "1991 through 1995 crops of wheat and feed grains";

(3) in subsection (b)(2)(B) by striking clauses (iii) and (iv) and inserting "and" at the end of clause (B)(1);

(4) in subsection (b)(3)(B) by striking "(i) Except as provided in clause (ii)," and inserting "Effective for the 1992 through 1995 crops,"; and

(5) by striking subsection (b)(3)(B)(ii) and the last sentence in subparagraph (B).

SEC. 1112. EXTENSION OF PROVISIONS REGARDING CERTAIN DETERMINATIONS OF THE SECRETARY.

Section 1017(b) of the Food Security Act of 1985 (99 Stat. 1459) is amended by striking "1990" and inserting "1995".

SEC. 1113. APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.

Section 1018 of the Food Security Act of 1985 (99 Stat. 1459) is amended by striking "1990" and inserting "1995".

SEC. 1114. NORMAL SUPPLY DETERMINATION.

Section 1019 of the Food Security Act of 1985 (7 U.S.C. 1310a) is amended by striking "1990" and inserting "1995".

SEC. 1115. NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD.

Section 1014 of the Agriculture and Food Act of 1981 (7 U.S.C. 4110) is amended by striking "1990" and inserting "1995".

SEC. 1116. PRODUCER RESERVE PROGRAM FOR WHEAT AND FEED GRAINS.

Effective beginning with the 1991 crops, section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) is amended—

(1) by striking the first sentence in subsection (a) and inserting "If the Secretary estimates for any marketing year that the ratio of ending stocks to total use for the marketing year for wheat will be more than 40 percent or for corn will be more than 25 percent, the Secretary shall formulate and administer a program under which producers of wheat or feed grains, respectively, will be able to store wheat or feed grains to extend the time period for their orderly marketing and to provide for adequate, but not excessive, carryover stocks to ensure a reliable supply of the commodities.";

(2) in clause (1) of the third sentence of subsection (b) by striking "in not less than three years, with extensions as warranted by market conditions" and inserting: "in not less than 18 months, with one automatic 6-month extension upon the request of the producer, and further extensions at the discretion of the Secretary";

(3) in the third sentence of subsection (b) by striking clause (2) and inserting the following: "(2) payments to producers for storage at rates determined by the Secretary to be equivalent to average rates paid for commercial storage in that State and to be paid at the end of each calendar quarter after the grain has been stored;";

(4) in the third sentence of subsection (b) by striking clause (4) and inserting "(4) producers to redeem such loans at their discretion";

(5) in clause (5) of the third sentence of subsection (b) by striking "the higher of 140 percent of the nonrecourse loan rate for the commodity or the established price for such commodity," and inserting "150 percent of the nonrecourse loan rate,";

(6) by striking the fourth sentence of subsection (b);

(7) in subsection (c) by inserting at the end the following: "The Secretary may waive the repayment of principal or interest on loans made under this section if market conditions warrant."; and

(8) by striking paragraph (2) of subsection (e) and inserting the following:

"(2)(A) The total quantity of wheat stored under storage programs established under this section shall not exceed 300 million bushels.

"(B) The total quantity of feed grains stored under storage programs established under this section shall not exceed 600 million bushels.".

SEC. 1117. CERTIFICATES.

(a) AMENDMENT.—Section 107E of the Agricultural Act of 1949 (7 U.S.C. 1445b) is amended—

(1) in subsection (b)(3) by inserting "which shall enable any subsequent holders of such certificates to redeem such certificates under the same rules that apply to original holders of such certificates" before the semicolon; and

(2) by inserting at the end the following new subsection:

"(c) In the case of the annual programs for wheat or feed grains, if the Secretary makes in-kind payments available to producers for any payment under any such program, the Secretary shall also permit producers to elect to receive such payment in cash instead of in the form of an in-kind payment.".

(b) APPLICATION.—The amendment made by paragraph (a)(1) shall only apply during the 180-day period beginning on the date of enactment. No person may redeem more than $25,000 worth of certificates under such amendment.

(c) LIMITATIONS.—In no event shall a person receive a payment from the Commodity Credit Corporation for a certificate that is redeemed under the amendment made by paragraph (a)(1) in an amount greater than the price paid for the certificate by such person. No expired certificate shall be exchanged under this section if the owner purchased such certificate after January 1, 1990.

SEC. 1118. PROCEDURAL REQUIREMENTS.

The Agricultural Act of 1949 is amended by inserting after section 107F the following new section: "

SEC. 107G. PROCEDURES FOR DISPOSITION OF STOCKS.

"(a) IN GENERAL.—The Commodity Credit Corporation shall, by rule, establish procedures for the exchange of certificates issued by the Commodity Credit Corporation for commodities or funds of the Commodity Credit Corporation, including any procedures to be used by the Commodity Credit Corporation to determine the value of any such commodities.

"(b) ADVANCE ANNOUNCEMENT.—As soon as practicable before the marketing year or season for each commodity for which there is an annual program in effect under this Act, the Secretary shall announce the anticipated stock disposition actions with respect to the exchange of commodity certificates for commodities owned by the Commodity Credit Corporation (and reasons therefor) for that commodity for the marketing year or season.

"(c) ANNOUNCEMENT OF RATIONALE AND GOALS.—Whenever the Secretary decides to make payments to producers participating in annual programs under this Act using marketing certificates, the Secretary shall announce the rationale for such decision and the goals for the levels of Commodity Credit Corporation stocks.

"(d) REPAYMENT IN CERTIFICATES.—Whenever the Secretary decides to make payments to producers participating in annual programs under this Act using marketing certificates, the Secretary shall allow producers to make any refund of those payments by using such certificates.".

SEC. 1119. FINANCIAL IMPACT ASSESSMENT.

The Secretary shall conduct an annual assessment of the financial impact of the support levels established and announced by the Secretary under programs contained in the Agricultural Act of 1949 (hereafter "programs"), including an assessment of the effect of such support levels on the ability of producers to meet their financial obligations (with special emphasis on borrowers from the Farmers Home Administration and the Farm Credit System). The Secretary shall annually prepare a report containing the results of such assessment and submit such report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, not later than the date of the final announcement for such programs by the Secretary for any one year. The assessment under this section, including the assessment of the effect of such support levels on the ability of producers to meet their financial obligations, shall be only for informational purposes and for Congressional oversight and shall not give rise to any cause of action, be a basis for, or be used as evidence in support of, any claim or right of any person, including farmers and borrowers, in any administrative or judicial proceeding.

SEC. 120. SURVEY OF PROGRAM PARTICIPANTS.

(a) SURVEY.—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall provide that producers, during the sign-up period for commodity programs under the Agricultural Act of 1949 (7 U.S.C. 1441) in the 1991 calendar year, complete a survey regarding the preference of such producers, either to increase the efficiency of their farming operation or to assist in meeting conservation requirements for the farm, for the redistribution of any crop acreage bases on each producer's farm. Such survey shall include questions designed to determine whether such producers would prefer to redistribute their current crop acreage bases—

(1) in different proportions among the program crops for which such producers currently have a crop acreage base;

(2) among program crops for which such producers currently do not have a crop acreage base; or

(3) in some combination of the options provided under paragraphs (1) and (2)

without exceeding total cropland of the farm. Such survey shall be prepared and administered by the Agricultural Stabilization and Conservation Service, and conducted in every county where sign-ups for Federal commodity programs are administered.

(b) ANALYSIS OF DATA.—The Secretary shall compile and analyze the data collected from the survey required under subsection (a) to determine—

(1) the potential increases and decreases in State, regional, and national acreage that would be planted to various program crops if producers were given the option to redistribute their current crop acreage bases as indicated by the survey conducted under subsection (a);

(2) the potential commodity program costs or savings if producers were allowed to implement the redistribution of such crop acreage bases as described in paragraph (1);

(3) the potential impact of such a redistribution of crop acreage bases on the competitiveness of United States agriculture in world markets; and

(4) such other consequences of such a redistribution of crop acreage bases that the Secretary determines to be of significance to United States agriculture.

(c) REPORT.—Not later than January 31, 1992, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the survey conducted under subsection (a). Such report shall—

(1) include a compilation of the data collected pursuant to the survey conducted under subsection (a);

(2) include the results of the analysis and determinations required under subsection (b);

(3) provide a summary of such data and determinations on a program crop-by-program crop and State-by-State basis; and

(4) provide such other recommendations or information as the Secretary determines appropriate.

Subtitle B—Uniform Base Acreage and Yield Provisions

SEC. 1121. ACREAGE BASE AND PROGRAM YIELD SYSTEM FOR THE WHEAT, FEED GRAIN, UPLAND COTTON, AND RICE PROGRAMS.

Effective for the 1991 through 1995 crops of wheat, feed grains, upland cotton, and rice, title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended to read as follows:

"TITLE V—ACREAGE BASE AND PROGRAM YIELD SYSTEM FOR THE WHEAT, FEED GRAIN, UPLAND COTTON, AND RICE PROGRAMS

"SEC. 501. PURPOSE.

"The purpose of this title is to prescribe a system for establishing farm and crop acreage bases and program yields for the wheat, feed grain, upland cotton, and rice programs under this Act that is efficient, equitable, flexible, and predictable.

"SEC. 502. DEFINITIONS.

"For purposes of this title—

"(1) the term 'program crop' means any crop of wheat, feed grains, upland cotton, or rice; and

"(2) the term 'county committee' means the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for the county in which the farm is administratively located.

"SEC. 503. FLEXIBLE ACREAGE BASE AND FLEXIBLE CROP ACREAGE.

"(a) ESTABLISHMENT OF BASES.—The Secretary shall provide for the establishment and maintenance of flexible acreage bases for the 1991 and subsequent crop years.

"(b) DETERMINATION OF BASES.—The county committee, in accordance with regulations prescribed by the Secretary, shall determine the flexible acreage base for a farm for a crop year. Such flexible acreage base shall include the sum of—

"(1) the number of acres equal to the sum of the crop acreage bases for the farm; and

"(2) the average of the acreage on the farm planted and considered planted to soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and any other oilseeds the Secretary may designate under section 201(g)(1)(A), in each of the 5 crop years immediately preceding the year for which the determination is made.

"(c) FLEXIBLE CROP ACREAGE.—(1) Designation by Producers.—Notwithstanding any other provision of this Act, the Secretary shall permit producers on a farm to designate up to 25 percent of such flexible acreage base for the crop year as flexible crop acreage. Such flexible crop acreage may be planted, at the option of the producer, to—

"(A) any program crop in an amount such that the plantings of all program crops on a farm do not exceed the total of the permitted acreage for all program crops on the farm: Provided; That during any of the crop years 1991 through 1995 in which a percentage of permitted acres on a farm planted to a crop of wheat, feed grains, cotton, or rice shall be ineligible to receive deficiency payments by virtue of any program policy element that may subsequently be enacted removing from the producer of such crop the option to plant the permitted crop and receive deficiency payments thereon, then at such time and to the extent of the percentage of such ineligibility to receive deficiency payments

on the permitted program crop or crops on the farm, the restrictions imposed by this subparagraph shall be waived as to the total plantings of all program crops on the farm on flexible acreage base on the farm as defined in this title.

"(B) soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, or any other oilseeds the Secretary may designate under section 201(g)(1)(A);

"(C) sweet sorghum, guar, sesame, castor beans, mustard, crambe, plantago ovato, triticale, rye, guayule, milkweed, mung bean, meadowfoam, jojoba, kenaf;

"(D) commodities grown for experimental purposes, as determined by the Secretary; or

"(E) commodities for which no substantial domestic production or market exists, as determined by the Secretary.

"(2) NOTIFICATION.—With regard to commodities that may be planted pursuant to paragraph (1) (D) and (E), the Secretary shall make a determination in each crop year of the commodities that will qualify for planting on flexible acres and shall publish a proposed list of such commodities in advance of making a final determination and granting the authority to producers to plant such commodities.

"(3) BASE PROTECTION.—For the purposes of determining the flexible acreage base or the crop acreage bases for the farm, any acreage on the farm that is designated as flexible crop acreage under paragraph (1), shall be considered to be planted to the program crop or oilseed specified in subsection (b)(2) for which such crop planted on such flexible crop acreage is substituted.

"(4) LIMITATION ON BENEFITS.—The Secretary shall not make program benefits, other than price support loans authorized under this Act for the program crop, available to producers with respect to a program crop planted on flexible crop acreage under paragraph (1), and shall ensure that the crop acreage bases and the flexible acreage base established for the farm are not increased due to such plantings.

"(d) OATS PLANTINGS.—(1) BASE PROTECTION.—Notwithstanding any other provision of this Act, the Secretary shall permit producers on a farm to designate any portion of the flexible acreage base (excluding any acreage specified in subsection (b)(2)) for the crop year as acreage base established for oats. For the purposes of determining the flexible acreage base or the crop acreage bases for the farm, any acreage on the farm that is designated as oats base under this paragraph and planted to oats for harvest shall be considered to be planted to the program crop for which oats are substituted.

"(2) OATS PROGRAM BENEFITS.—The Secretary may make program benefits (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under section 105A available to producers with respect to acreage planted to oats under this subsection.

"(3) LIMITATION OF BENEFITS.—The Secretary shall not make program benefits other than benefits specified in paragraph (2) available to producers with respect to acreage planted to oats under paragraph (1), and shall ensure that the crop acreage bases established for the farm and the flexible acreage base are not increased due to such plantings.".

"SEC. 504. CROP ACREAGE BASES.

"(a) ESTABLISHMENT.—(1) IN GENERAL.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for each program crop, including any program crop produced under an established practice of double cropping. The sum of the crop acreage bases for all program crops produced on any farm for any crop year shall not exceed the flexible acreage base for such farm for such crop year, except to the extent that the excess is due to an established practice of double cropping.

"(2) DOUBLE CROPPING.—The term 'double cropping' means a farming practice, as defined by the Secretary, which has been carried out on a farm in at least 3 of the 5 crop years immediately preceding the crop year for which the crop acreage base for the farm is established.

"(b) DETERMINATION.—(1) IN GENERAL.—(A) Except as provided in subparagraph (B), the crop acreage base for a program crop for any farm for the 1991 and subsequent crop years shall be the number of acres that is equal to the average of the acreage planted and considered planted to such program crop for harvest on the farm in each of the 5 crop years preceding such crop year.

"(B) In the case of upland cotton and rice, the crop acreage base for those crops shall be the number of acres that is equal to the average of the acreage planted and considered planted to such program crop for harvest on the farm in each of the three crop years preceding such crop year.

"(2) ACREAGE CONSIDERED PLANTED.—The acreage considered planted to a program crop shall include—

"(A) any reduced acreage, set-aside acreage, and diverted acreage on the farm;

"(B) any acreage on the farm that producers were prevented from planting to such crop because of drought, flood, or other natural disaster, or other condition beyond the control of the producers;

"(C) acreage in an amount equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to conservation uses or the production of commodities permitted under section 107A(c)(1)(G), 105A(c)(1)(H), 103B(c)(1)(F), or 101B(c)(1)(F), as the case may be;

"(D) acreage designated as flexible crop acreage, other than that portion designated from acreage specified under section 503(b)(2);

"(E) any acreage on the farm that the Secretary determines is necessary to be included in establishing a fair and equitable crop acreage base;

"(F) any acreage on the farm for which the crop acreage base for the crop on the farm was adjusted because of a condition or occurrence beyond the control of the producer pursuant to subsection (e).

"(3) CONSTRUCTION OF PLANTING HISTORY.—For the purpose of determining the crop acreage base for the 1991 and subsequent crop years for any farm, the county committee, in accordance with regulations prescribed by the Secretary, may construct a planting history for such crop if—

"(A) planting records for such crop for any of the 5 crop years preceding such crop year are incomplete or unavailable; or

"(B) during at least one but not more than 4 of the 5 crop years preceding such crop year, the program crop was not produced on the farm.

"(c) CROP ROTATION.—The Secretary may make adjustments to reflect crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable crop acreage base.

"(d) PREVENTED PLANTING.—If a county committee determines, in accordance with regulations prescribed by the Secretary, that the occurrence of a natural disaster or other similar condition beyond the control of the producer prevented the planting of a program crop on any farm within the county (or substantially destroyed any such program crop after it had been planted but before it had been harvested), the producer may plant any other crop, including any other program crop, on the acreage of such farm that, but for the occurrence of such disaster or other condition, would have been devoted to the production of a program crop. For purposes of determining the flexible acreage base or the crop acreage base, any acreage on the farm on which a substitute crop, including any program crop, is planted under this subsection shall be taken into account as if such acreage had been planted to the program crop for which the other crop was substituted.

"(e) ADJUSTMENT OF BASES.—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any crop acreage base for any program crop for any farm if the crop acreage base for the crop on the farm would otherwise be adversely affected by a condition or occurrence beyond the control of the producer.

"SEC. 505. FARM PROGRAM PAYMENT YIELDS.

"(a) ESTABLISHMENT.—The Secretary shall provide for the establishment of a farm program payment yield for each farm for each program crop for each crop year. Such program payment yield shall be equal to the average of the farm program payment yields for the farm for the 1981 through 1985 crop years, excluding the year in which such yield was the highest and the year in which such yield was the lowest.

"(b) PRODUCER PROTECTIONS.—(1) LIMITATION ON REDUCTIONS.—If the farm program payment yield for a farm is reduced more than 10 percent below the farm program payment yield for the 1985 crop year, the Secretary shall make available to producers established price payments for the commodity in such amount as the Secretary determines is necessary to provide the same total return to producers as if the farm program payment yield had not been reduced more than 10 percent below the farm program payment yield for the 1985 crop year. Such payments shall be made available to producers not later than the time final deficiency payments are made available.

"(2) CONSTRUCTION OF YIELDS.—If no crop of the commodity was produced on the farm or no farm program payment yield was established for the farm for any of the 1981 through 1985 crop years, the farm program payment yield shall be established on the basis of the average farm program payment yield for such crop years for similar farms in the area.

"(3) COUNTY YIELDS.—If the Secretary determines such action is necessary, the Secretary may establish national, State, or county program payment yields on the basis of—

"(A) historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period; or

"(B) the Secretary's estimate of actual yields for the crop year involved if historical yield data is not available.

"(4) BALANCING OF YIELDS.—If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(c) DETERMINATION OF YIELDS.—(1) ACTUAL YIELDS.—With respect to the 1991 and subsequent crop years, the Secretary may (A) establish the farm program payment yield as provided in subsection (a), or (B) establish a farm program payment yield for any program crop for any farm on the basis of the average of the yield per harvested acre for the crop for such farm for each of the 5 crop years immediately preceding such crop year, excluding the crop year with the highest yield per harvested acre, the crop year with the lowest yield per harvested acre, and any crop year in which such crop was not planted on the farm. For purposes of the preceding sentence, the farm program payment yield for the 1986 crop year and the actual yield per harvested acre with respect to the 1987 and subsequent crop years shall be used in determining farm program payment yields. Notwithstanding any other provision of this paragraph, for purposes of establishing a farm program payment yield for any program crop for any farm for the 1991 and subsequent crop years, the farm program payment yield for the 1986 crop year may not be reduced more than 10 percent below the farm program payment yield for the farm for the 1985 crop year.

"(2) ADJUSTMENT OF YIELDS.—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any farm program payment yield for any program crop for any farm if the farm program payment yield for the crop on the farm does not accurately reflect the productive potential of the farm.

"(d) ASSIGNMENT OF YIELDS.—In the case of any farm for which the actual yield per harvested acre for any program crop referred to in subsection (c)(1) for any crop year is not available, the county committee may assign the farm a yield for the crop for such crop year on the basis of actual yields for the crop for such crop year on similar farms in the area.

"SEC. 506. PLANTING AND PRODUCTION HISTORY OF FARMS.

"Effective for each of the 1991 and subsequent crop years, each county committee, in accordance with regulations prescribed by the Secretary, may require any producer who seeks to establish a flexible acreage base, crop acreage base, or farm program payment yield for a farm for a crop year to provide planting and production history of such farm for each of the 5 crop years immediately preceding such crop year.

"SEC. 507. ESTABLISHMENT OF BASES AND YIELDS BY COUNTY COMMITTEES.

"Each county committee may, in accordance with regulations prescribed by the Secretary, provide for the establishment of a flexible acreage base, crop acreage base, and farm program payment yield with respect to any farm administratively located within the county if such flexible acreage base, crop acreage base, or farm program payment yield cannot otherwise be established under this title. Such bases and farm program payment yields shall be established in a fair and equitable manner, but no such bases or farm program payment yields shall be established for a farm if the producer on such farm is subject to sanctions under any provision of Federal law for cultivating highly erodible land or converted wetland.

"SEC. 508. APPEALS.

"The Secretary shall establish an administrative appeal procedure which provides for an administrative review of determinations made with respect to flexible acreage bases, crop acreage bases, and farm program payment yields.".

The CHAIRMAN. Are there amendments to title XI?

AMENDMENT OFFERED BY MR. SCHUMER

Mr. SCHUMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHUMER: At the end of subtitle A of title XI, insert the following new section:

SEC. 1121. ELIGIBILITY REQUIREMENT.

(a) GENERAL RULE.—(1) A person shall not be eligible to receive, directly or indirectly, any payment, purchase, or loan for wheat, feed grains, cotton, honey, rice, oilseeds, wool, and mohair under the Agricultural Act of 1949 if that person has adjusted gross income of at least $100,000 for the taxable year during which such payment, purchase, or loan is made available to that person or the preceding taxable year.

(2) Except as provided by paragraph (4), in the case of a person who is not an individual, paragraph (1) shall be applied by substituting "taxable income" for "adjusted gross income".

(3) For purposes of this section, a partnership shall be treated as a person who is not an individual.

(4) In the case of any person who is exempt from tax under chapter 1 of the Internal Revenue Code of 1986, that person shall not be eligible to receive any payment, purchase, or loan under the Agricultural Act of 1949 if that person has gross revenues of at least $1,000,000 for the calendar year during which such payment, purchase, or loan is made available to that person or the preceding calendar year.

(5) In the case of estates and trusts, the Secretary of Agriculture shall prescribe rules based on the principles of paragraph (1) to carry out this section.

(b) DEFINITIONS.—For purposes of this section:

(1) The terms "adjusted gross income" and "taxable income" shall have the meanings given such terms by the Internal Revenue Code of 1986.

(2) The term "person" shall have the same meaning it has for purposes of section 1001 of the Food Security Act of 1985.

(c) RULES.—The Secretary of Agriculture shall prescribe rules to carry out this section.

(d) EFFECTIVE DATE.—This section shall apply to the 1991 crop and all subsequent crops.

Redesignate the succeeding section accordingly.

□ 1540

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SCHUMER. Mr. Chairman, I move to strike the last word. This amendment is a very, very simple thing. It says that farmers and others who make over $100,000 in adjusted gross income will not get a support payment. This amendment helps to focus the farm program where it ought to be focused, on the family farmer.

What has happened to our farm program since 1985, it has been skewed to the very wealthy. It has too much to become a trickle-down farm program where 3.6 percent of the farmers get 40 percent of the subsidy. This amendment is not a broad and sweeping amendment. It only affects 20,000 farmers and another 4,500 entities, less than 2 percent, less than 2 percent of all the farmers in this country.

Amazingly so, Mr. Chairman, I hope my colleagues listen to this fact. Those 20,000 farmers, of their adjusted gross income, do Members know how much is farming? Not 50 percent, not 25 percent, not even 10 percent, but only 4 percent. Only 4 percent of the income of these 20,000 farmers is farm income. These are not family farmers. They are rather gentleman or hobby farmers. They are big agribusinesses, or they are people who do not make farming as their major or even secondary profession, and they should not be getting, and they do not need a subsidy.

Members, we live in a time of budget deficit. We are going to be cutting in the next few months thousands and hundreds of thousands and billions of dollars on the programs we really care about. Now we can save over $700 million a year without any question, by telling those 20,000 farmers and 4,500 entities that if they want to be farmers, they want to be farmers, they do not need a government subsidy to do it.

The family farmer deserves help. I have always supported that notion. These people are not family farmers.

Mr. Chairman, let me make a couple of other points. First, it has been said that if these people are out of the program, then they will plant, and plant, and plant, and plant, and ruin the whole program. Nonsense. These people, these mere 20,000 farmers, only use for their ARP the acreage that they have not farmed because they are part of the program. That acreage is less than 2 percent of the total acreage farmed. Furthermore, if they plant other goods, other commodities, they are most likely to be unsubsidized commodities. We all know that subsidized commodity acreage has gone down while fruit, vegetable, and other nonsubsidized commodity farmlands have gone up.

As for the environmental issues that some have raised, again, it does not affect the bill. The National Resource Defense Council, probably the toughest and most militant of all the environmental groups, supports this amendment. So I say to my colleagues, this amendment is a simple amendment. It says that for the richest 20,000 farmers who are not part of the program, who are part of the program now, giving them a subsidy is a mistake. They do not need one. The dol-

lars in this program ought to be directed where people think they are being directed, although so many are not, at the family farmer.

Members, this is a unique chance to tell our country that we mean what we say when our farm programs are not aiding the wealthy, in terms of agribusiness, but are aiding the people who need help. This has been carefully crafted. We use adjusted gross income, that is profit. Some have said that the Reid amendment in the Senate was misdrawn. I agree. There can be farmers who have gross sales of half a million dollars who are not wealthy, who are family farmers who are middle-class farmers, but with adjusted gross income we are aiming at only the most profitable, the small handful who do not need or deserve a subsidy.

Mr. GLICKMAN. Mr. Chairman, I have a substitute to the Schumer amendment.

POINT OF ORDER

Mr. SCHUMER. I have a point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SCHUMER. Mr. Chairman, the point of order is simply that, first, I believe that this amendment has not been printed in the RECORD, secondly, that a substitute to this amendment is not allowed by the rule, and that there were a set number of amendments printed and the time to offer this substitute would have occurred at the beginning when the amendment is offered. We are in the middle of debate, and as I understand it, the gentleman from Kansas [Mr. GLICKMAN] does not have a right to offer a substitute to this amendment at this time. He may offer his amendment that was printed as a separate amendment later, but not as an amendment at this time.

The CHAIRMAN. Does the gentleman from Kansas [Mr. GLICKMAN] wish to be heard on the point of order?

Mr. GLICKMAN. Mr. Chairman, the amendment was printed in the RECORD as an amendment, and under the rule there was no limit on amendments or substitutes offered. The general rules of the House would apply, in my judgment. I believe this amendment is germane because it relates to the exact same subject matter.

Mr. SCHUMER. Mr. Chairman, as I understood it, only the chairman is allowed to offer such an amendment, and it was my understanding that the rule was not crafted that any member of the committee could get up and offer a substitute. It is my understanding that such a substitute would not be allowed under the rules.

I would like clarification as to who can offer substitutes and at what point in time.

The CHAIRMAN (Mr. BONIOR). The Chair would state at this time that only first-degree amendments have to be printed in the RECORD, and the rule so states. Second-degree amendments do not. Therefore, the Chair would have to rule against the point of order raised by the gentleman from New York.

AMENDMENT OFFERED BY MR. GLICKMAN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SCHUMER

Mr. GLICKMAN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN as a substitute for the amendment offered by Mr. SCHUMER: On page 266, after line 21, insert the following new subsection:

"(e) DEFICIENCY PAYMENT INELIGIBILITY.—Effective beginning with the 1991 crops, the Food Security Act of 1985 is amended by inserting after section 1001D (as added by subsection (d)) the following new section:

'SEC. 1001E. DEFICIENCY PAYMENT INELIGIBILITY.

'(a) IN GENERAL.—Any person that has qualifying gross revenues in excess of $1,000,000 annually shall be ineligible to receive deficiency payments on program crops.

'(b) DEFINITIONS.—

'(1) QUALIFYING GROSS REVENUES.—For purposes of this section, the term 'qualifying gross revenues' means the gross income derived by a person from the sale of program crops.

'(2) DEFICIENCY PAYMENTS.—For purposes of this section, the term 'deficiency payments' means payments authorized to be made to producers of program crops under sections 107A(c)(1), 105A(c)(1), 103B(c)(1), 103(h)(3)(A), and 101A(c)(1) of the Agricultural Act of 1949.

'(3) PROGRAM CROPS.—For purposes of this section, the term 'program crops' means wheat, feed grains, upland cotton, extra long staple cotton, and rice.'.".

Mr. GLICKMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. CONTE. Mr. Chairman, I object.

□ 1550

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk concluded the reading of the amendment.

Mr. GLICKMAN. Mr. Chairman, first of all, I want to pay tribute to the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY], because they have raised an issue which I have been concerned about for some time, and that is the eligibility of people who get farm program payments. It is an issue that should be debated. It is an issue that relates to the philosophical heart of what farm program payments are about, and that is whether they are there as income support or whether they are there as some form of marketing, inventory management situation.

The gentleman from New York [Mr. SCHUMER] has offered an amendment which handles this problem in one fashion. It is not necessarily mutually exclusive to the way I am handling it, but I think the way I proposed to do it is a better way of handling it, and it is a more fair way of handling it and it has as its goal to get the giant operators out of the farm program, those people who do not need direct deficiency payments from the Government.

Let me tell the Members what my amendment does. My amendment says that any person who has gross revenues of $1 million or more from program crops, from wheat, feed grains, cotton, and rice, any person who gets $1 million or more from those crops could no longer be eligible for direct deficiency payments from Uncle Sam. We would say, "You are big enough to handle it on your own."

They would still qualify for loans, and they would still qualify for the conservation program, but they would not qualify for the direct Treasury checks from Uncle Sam.

This basically would deal with an operator who had about 3,000 acres of corn. The gentleman from Louisiana [Mr. HUCKABY] would know the specific amounts on rice or cotton. But they would be very large operators, and as to the million dollars, you would add all of this together. It would not be a million dollars in cotton, a million dollars in corn, and a million dollars in wheat; it would be a million dollars in total payments or sales from program crops.

The purpose of this amendment is to take the giant operators out of the program, the people who do not need to be in this program. I think this is a better, more constructive way of handling this issue. It saves some money. It does not destroy the conservation program which we have worked so hard on in connection with this particular situation.

Many Members have said to me, "I would like to do something that takes the giants out of the program, but I don't want to do anything that will actually hurt family farm agriculture."

Mr. Chairman, I know that the gentleman from Louisiana [Mr. HUCKABY], the gentleman from New York [Mr. SCHUMER], and others are working on other parts of this issue, the payment issue. The point I would make is that the function of my amendment is to take the megaoperators, the giants, out of the program, the people with tens of thousands of acres of wheat or corn or rice or cotton, people who probably ought not to be in the program at all, but not take out those operators who from year to year do fairly well, grow a sig-

nificant amount of production in this country, and who ought to be in the program because if they are not, they will tend to do things to the land which in some cases are not conducive and constructive to soil and water conservation as they might be if they were in the program.

This farm bill has many good parts. Perhaps the best part of all is that we have some of the best conservation provisions that have ever been presented in agriculture in this country. If we kick a lot of the folks out of the program who produce a great portion of the crops, we reduce the incentive to comply with those conservation provisions. That does not make any sense. If we kick a lot of folks out of agriculture who year to year produce a great portion of the crop, then we lose the ability of the Secretary of Agriculture and others to deal with issues of supply and demand. At the same time it is wrong that megaoperators get farm program payments. It is wrong that massive corporate agricultural entities in various parts of this country that may gross $20 million, $30 million, or $50 million a year get farm program payments, and to that extent it is incumbent upon us in agriculture to root that part of the problem out. That is the function of my amendment.

Again, my amendment says that if you get $1 million in income from program crops—and that is gross income, not net but gross—then you cannot get Treasury payments from Uncle Sam in the form of deficiency payments.

I am sure that the gentleman from New York [Mr. SCHUMER] will explain his amendment in great depth. His amendment applies to adjusted gross income, and the numbers are different. I am not here to put his amendment down. He has worked very hard and worked constructively on his amendment, and he offers it. I just think that his amendment would have a counterveiling result. It will tend to cause farmers to break up their farms to get around the $100,000 limit, it will encourage people to stay out of the program, and it will hurt the soil and water conservation.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. GLICKMAN] has expired.

(On request of Mr. SCHUMER, and by unanimous consent, Mr. GLICKMAN was allowed to proceed for 3 additional minutes.)

Mr. GLICKMAN. Finally, Mr. Chairman, I have one other point. Let us not be misled about this environmentalist issue. Most of the environmental organizations do not support the Schumer-Armey amendment. The AFL-CIO opposes the Schumer-Armey amendment, and virtually all the farm coalition opposes the Schumer-Armey amendment.

What I have attempted to offer here is a constructive middle-ground approach that takes care of the real serious problem, which is our giant operators, but I am not trying to decimate American agriculture in the process.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I just have a few questions. I have just seen the amendment. First, it states that the million dollars shall simply be from program crops.

Mr. GLICKMAN. That is correct.

Mr. SCHUMER. So it would cover a giant company that would have $20 million in revenues, $19 million from nonprogram crops, and $1 million from program crops; is that correct?

Mr. GLICKMAN. Well, the amendment speaks for itself.

Mr. SCHUMER. I would ask the gentleman a second question. I know exactly how many people will be covered by my amendment. How many farms or entities would be covered by the gentleman's amendment?

Mr. GLICKMAN. It would be several thousand. I cannot give the gentleman a specific number because we have been able to determine the issue of program versus nonprogram crops, but we do know that there are several thousand people predominantly in corn, rice, and cotton, very large operators who would be covered under this provision.

□ 1600

Mr. SCHUMER. Mr. Chairman, does the gentleman from Kansas [Mr. GLICKMAN] dispute the fact that for the $500,000 limit, which was in the Senate, there were 14,000 entities covered?

Mr. GLICKMAN. Mr. Chairman, I do not dispute it because I did not see those numbers.

Mr. SCHUMER. OK. It is my guess that for million dollar entities you would probably have, maybe, a couple of thousand covered, and no more.

Mr. GLICKMAN. We do not know that. The gentleman from New York [Mr. SCHUMER] is speculating.

Mr. SCHUMER. OK.

Let me ask the gentleman from Kansas [Mr. GLICKMAN] another question.

Mr. GLICKMAN. Sure.

Mr. SCHUMER. Is it not true that a farmer could not make very much money, but could even take a loss even if he or she had a million dollars in gross revenues, so that this amendment is not aimed at profitability, but rather at gross sales, and this might really hit some people who are losing money or not making very much money?

Mr. GLICKMAN. That is indeed possible, however I have made the value judgment, as the gentleman from New York [Mr. SCHUMER] has in his amendment, picking $100,000; we both picked an arbitrary number, that an operator that gets a million dollars gross sales from programmed crops is a very large operator indeed. And we have just made the arbitrary judgment that those people should not be in the program. But they can be removed from the program without hurting the basic program itself.

Mr. SCHUMER. Mr. Chairman, I would ask the gentleman from Kansas [Mr. GLICKMAN] another question.

Mr. Chairman, the gentleman from Kansas [Mr. GLICKMAN] said that for the Schumer amendment, the Schumer-Armey amendment, that someone could divide their farm land up. Is that not true under the amendment of the gentleman form Kansas [Mr. GLICKMAN] as well; divide into separate entities, and each of those would have a million dollars?

Mr. GLICKMAN. It is, but it is because, the difference is because, the gentleman's $100,000 is from all income sources, agriculture or nonagriculture. The husband could be a dentist, and the wife could be a farm wife.

Mr. SCHUMER. Indeed. That is the intent of our amendment. Someone has over $100,000.

Mr. GLICKMAN. OK. Wait, wait.

Mr. SCHUMER. They do not need a subsidy no matter where the money comes from.

Mr. GLICKMAN. OK, but the fact of the matter is, because the income is not all program crop related, statistically and procedurally it will be much easier to break up their farms under your proposal than mine.

Mr. ENGLISH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, as I do with the Armey-Schumer amendment, not so much with regard to amounts, because it appears that is what the debate is sinking into, but for the purpose of the farm bill directly.

Mr. Chairman, it seems to be that many people have gotten the impression that the purpose of farm legislation is income maintenance, that this is some kind of welfare program for farmers that we have carved out in the Federal Government.

Mr. Chairman, 50 years ago, when this program was designed, that was not the intent. The intent of the program was try to put together a national program that, in fact, served the consumers of this Nation. It provided for a balance, to try to provide a balance, between supply and demand so that each and every year the consumers would receive a steady, reliable source of food and fiber. And at the beginning of each and every farm bill, it continues to state that that is the purpose, but some people seem to have

gotten to the point that they believe that this is income maintenance.

Mr. Chairman, if we are talking about $1 million on gross income, I do not know how anyone can justify $1 million in gross income for that person to receive an income maintenance, a welfare check. If we are talking about $100,000 adjusted gross income, someone with $90,000 adjusted gross income, I do not know how we can justify an income maintenance check, a welfare check.

Mr. Chairman, I ask my colleagues, "If we're going to provide it for farmers, why aren't we providing it to small businessmen, whether it's the man running the local gas station, or a drug store, or some general store out in the country?" It does not make any sense.

The only way that a farm program makes sense is if we hold to the original purpose of that farm legislation, and that is that it is in the best interests of the consumers and all the people of this Nation if, in fact, we have a program that requires people to carry out certain acts.

As far as the farm bill is concerned, whether a person may be required to have a 5-percent set-aside; that means, a certain amount of land that he does not farm, to carry out certain environmental requirements, whether it is not to drain a wetland, whether it is to make sure that certain lands that are vulnerable to erosion are protected, or whether it means carrying out the conservation plan in that 1985 farm bill placed on each of our farmers, and this bill will require them to carry out at their own expense; those are expenses, denial of income to farmers, and that is the reason that those farmers are compensated. If in fact it is the purpose to take the largest farmers that we have in this country and take them out of the program, we can no longer have an effective program. We are taking out the most acreage, and that is what is wrong with the approach of most of the amendment of the gentleman from Kansas [Mr. GLICKMAN] and the amendment of the gentleman from New York [Mr. SCHUMER]. Both are aimed at taking out those people who have to play a vital role for us to have a successful farm program.

I would hope, Mr. Chairman, that we would hold to the original intent of this legislation. I would hope, Mr. Chairman, that we would continue the purpose of the farm bill, which is to have a program which, in fact, assures our consumers and all the people of our country that they will continue to receive an abundance of food and fiber at a reasonable price, as they have for the past 50 years. The farm program has worked well for them.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, I thank the gentleman from Oklahoma [Mr. ENGLISH] for yielding.

Mr. Chairman, what the gentleman is saying is that a farm bill basically is a combination of carrot and stick. We want farmers to do certain things. We protect them if they do that. We also provide incentives for them not to do other things, and generally what the gentleman is saying is that it is policy that we are setting here to have some people who are farmers to do certain things to produce food and fiber in this country. We do not ask them about the carrots and sticks if they make so much money or do not make so much money because the point of the gentleman is this is not an income maintenance. This is not a welfare program. It is a program designed to assure that we have that abundant crop, that we have the grocery store ability to go into our stores and find the variety, the wholesomeness, the freshness of our food and fiber in this country that has served us so well, and that is the point that these people who are trying to tie these support payments to some sort of income vehicle do not understand.

Mr. Chairman, I have a problem with the gentleman from Kansas [Mr. GLICKMAN]. Nobody could probably stand up here and say, "Gee, people who make $1 million ought to go ahead and get Federal support." I have problems with the fact that it is gross revenue.

There are a lot of small businesses that sell products, whatever it might be, $100,000, $1 million, but they may be losing money because they have expenses that exceed $1 million.

I say to my colleagues, "When you use gross revenue figures, today it may be $1 million. Five years from now it may be $100,000. Who knows? But when you use gross figures, they are distorted figures. They're not bottom line figures, and I think it's very unfair to even consider this one."

Mr. Chairman, the underlying amendment has some real basic problems with it as well, and we are talking about, I think, that the gentleman from New York [Mr. SCHUMER] said that it only affects 20,000 farmers because that is how many are over. The point of it is, it affects every farmer because the big farmers who will opt out of the program will produce, and produce, and produce, and that puts my little family farmer in Missouri at a disadvantage because the price he gets for his corn or wheat is depressed because the big guys out there are producing more, and more and more.

(By unanimous consent, Mr. ENGLISH was allowed to proceed for 2 additional minutes.)

Mr. COLEMAN of Missouri. Mr. Chairman, that is the reason we have to look at this in the context of everything, the small producers and the large producers. I do not have any producers in my district that make $1 million. I do not have any that I am sure of who have adjusted gross income of $100,000 that are farmers. Our average farm is about 230, 40, acres. That cannot be done on that size acreage, at least with a legal crop, and make that kind of money.

So, Mr. Chairman, the point is that we have got to protect all the farmers. If we take some of them out because it looks good, it is window dressing, we are really denying benefits to the small farmers because they are going to be impacted on low prices that they receive on their commodities because there will be others that say, "We are ineligible for this program. Therefore, we're going to opt out of it, and produce, and produce, and produce."

Mr. ENGLISH. Mr. Chairman, the gentleman from Missouri [Mr. COLEMAN] is correct.

I think again the point has to be stressed that the reason these payments are made is for people to comply with the program. There is also, I think, an enormous assumption being made that all farmers are participating in the program. To the contrary. We are finding a smaller and smaller number of farmers who are participating because of the additional burdens that are being laid on those farmers.

Mr. Chairman, I spoke of the 1985 farm bill and the requirements that we have in that farm bill with regard to what farmers can and cannot do in carrying out their farming practice: protecting the environment, such things as wetlands that cannot be drained. We did not have that before the 1985 farm bill, nor did we have the requirement that we had in the 1985 farm bill that every farmer had to come up with a conservation plan and have that plan filed by last year, the end of last year, and in this farm bill we are requiring those farmers to take it a step further. They are going to have to implement this.

Mr. Chairman, this legislation provides no funds for those farmers to be compensated for carrying out those very expensive plans. It provides no compensation for those farmers to do any additional work that needs to be done with regard to denying themselves the productivity of those wetlands.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, the gentleman from Oklahoma [Mr. ENGLISH] is absolutely right. These are the sticks that we put in that forces them to do certain things, and we are not giving them a nickel to do it with.

(By unanimous consent, Mr. ENGLISH was allowed to proceed for 1 additional minute.)

Mr. COLEMAN of Missouri. Mr. Chairman, they do not get one nickel in additional assistance from the Government to do these things, but if they do not do those things, they may be fined, as my colleagues know, $750, maybe $5,000, and they are going to have to pay to have them done eventually anyway.

□ 1610

Let me mention one more thing. Under the amendment of the gentleman from New York [Mr. SCHUMER] every farmer is going to have to go into the ASCS Office with this IRS form to disclose it to his neighbors and friends and everybody to show how much money they made or did not make. Boy, that is going to go over big in the farm community.

Mr. ENGLISH. Mr. Chairman, I think there is one other point that needs to be made, and that is the fact that farmers are not simply going in and complying. If we add these additional burdens, if we take the largest landowner and say, "Hey, you can't participate in the farm program. You're out of it," that means that those farmers have the incentive to go fence row to fence row with regard to the plantings; they no longer have the incentive to protect the wetlands, and they are going to be out in fact doing all they can to try to make that farm pay as much as it possibly can. There are not going to be any conservation plans to carry out. There are not going to be any kinds of environmental work that is going to be done and we are going to see more damage, not only to our markets and our farmers, but we are going to see terrible damage done to our environment, and I think it is a serious mistake.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(At the request of Mr. SCHUMER, and by unanimous consent, Mr. ENGLISH was allowed to proceed for 1 additional minute.)

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I yield to the gentleman from New York.

Mr. SCHUMER. Just two points for clarification, Mr. Chairman, one point of agreement and one for clarification. The gentleman from Missouri said that under the Schumer amendment people would have to file an IRS form. I know how much farmers do not want to do it. It is not dissimilar from the tenants in my district who do not want to do it. We have not required that. Instead, we have required a self-clarification. So there is no IRS form for any farmer under my amendment.

In reference to the gentleman's point, I agree with the gentleman from Oklahoma and the gentleman from Missouri that gross income is not the way to go because it is unfair, and in fact that was the message that the gentleman from Texas and I explored in the USDA, hardly someone who agrees with our amendment, but said that if you are going to do it, do it right. Gross income does not work.

I have a letter here which I would make available to my colleagues, a whole page from the U.S. Department of Agriculture saying that gross income does not work, and one of the main reasons is that it hurts farmers who are not wealthy, but who have large sales.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

(By unanimous consent, Mr. ENGLISH was allowed to proceed for 1 additional minute.)

Mr. ENGLISH. Mr. Chairman, I would like to ask the gentleman one question that goes to the very heart of this that I have not been able to understand from the gentleman's amendment, and I would like for the gentleman to try to answer for me.

If, in fact, the purpose of this legislation is income maintenance, and that is the real thrust of what the gentleman's amendment is all about, it is income maintenance, if that is what this is all about, how in the world can the gentleman justify a farmer who has an adjusted gross income of $90,000 receiving a $50,000 check from the Federal Government, while from the gentleman's own district he may have a lady down there who has five children and having a tough time getting those kids to school and giving them enough to eat, how can the gentleman justify the difference betweeen those two if, in fact, that is what the thrust of this legislation is all about and the purpose of it, understanding that is what I say it is not about, but that is what the thrust of the gentleman's amendment is, and I do not see how the gentleman can jusfity that.

Mr. SCHUMER. Mr. Chairman, if the gentleman will yield, I would say to the gentleman that the purpose of this is not income maintenance. If it were simply income maintenance, we would not have chosen a $100,000 level, we would have chosen a $20,000 or $15,000 level and aimed at the benefit to low-income farmers.

Mr. ENGLISH. If it is not income maintenance, then there is no way in the world the gentleman can justify his amendment, nor can the gentleman from Kansas.

Mr. GRANDY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Schumer amendment.

I would urge my colleagues to remember that the vote just prior in this House did save, according to estimates from the USDA, $1.2 billion. Estimates on the Schumer-Armey amendment vary from the $2.8 billion figure offered by OMB to only $200 million offered by the Department of Agriculture. There is no consensus within the Federal Government as to how much money you might really save.

Now, I do not intend to take up my time arguing about the farmers who will be thrown out of the program and whether or not this will affect the price to the smaller farmer. I believe that case has been well made.

Let me just go the question of whether or not this amendment has an environmental consensus behind it, because I know many Members who are not on the Agriculture Committee are concerned that the farm bill does not violate certain environmental contracts that we write into this legislation every 5 years, and this parenthetically is the toughest environmental bill the committee has ever reported.

Now, the gentleman from New York [Mr. SCHUMER] said that he had the National Resource Defense Council behind the bill. I do not doubt that.

But I will take his NRDC and raise him the National Audubon Society, the International Association of Fish and Wildlife Agencies, the National Wildlife Federation, and the Center for Resource Economics.

Let me just quote from a letter from the National Audubon Society about the concerns that they raise with this amendment. They talk about the 1985 bill and the 1990 extension and say that the conservation compliance provision required an estimated 1.5 million farmers to develop soil conservation plans for 143 million acres of highly erodable crop land, plans which have the potential to reduce excess soil erosion by as much as an additional 700 million tons by the 1995 implementation deadline.

That is a promise, Mr. Chairman, that we make.

Here is what they say about the amendment:

> These resource goals could be partially undermined by the Armey amendment. The amendment would make farmers with adjusted gross incomes greater than $100,000 ineligible for federal farm subsidies, limiting the availability of commodity program benefits to farmers who control a relatively large share of agricultural resources and production. Absent stronger inducements for compliance will reduce the effectiveness of federal agricultural resource protection policies like Sodbuster, Swampbuster and Conservation Compliance.

Other Members will make this argument, but I would note that you have four highly respected environmental agencies that have serious concerns about the potential violation through the environmental contracts that we raise.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. GRANDY. I yield to the gentleman from New York.

Mr. SCHUMER. Have any of them taken a position against the amendment?

Mr. GRANDY. Every one of them.

Mr. SCHUMER. Has any one of them explicitly stated they are against the amendment, because I have talked to all of them and they have claimed neutrality, so I would like the gentleman to read me the names of those who are against my amendment.

Mr. GRANDY. Does the gentleman assert that they support the amendment? They do not support it.

Mr. SCHUMER. They do not support nor do they oppose. The National Resource Defense Council explicitly supports.

Mr. GRANDY. Well, reclaiming my time, let me just say that they do raise legitimate concerns, and these are concerns the entire body should consider because they do affect the future of the environmental contracts in the farm bill.

Mr. COLEMAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GRANDY. I yield to the gentleman from Missouri.

Mr. COLEMAN of Missouri. Mr. Chairman, what the gentleman is saying is that if you have people who opt out of the farm program because they are now ineligible under the Schumer amendment, they will go in and they will plow up these lands. They will go in and take away wetlands. There is no incentive. There is no carrot and there is no stick left because they are not in the program. They do not care.

The reason we have these letters in support of the position of the gentleman from Iowa [Mr. GRANDY], is that it is the environmentally sound position to vote against the Schumer amendment because these lands will be torn up. The environment will be tossed out. They are concerned about that. We are concerned about it, and that is a side effect of the Schumer amendment.

Mr. GRANDY. Let me reclaim my time, Mr. Chairman, and say first to the gentleman from New York who had asked, and I did not have this information in front of me, this letter is the final paragraph from the International Association of Fish and Wildlife Agencies.

Mr. SCHUMER. Mr. Chairman, if the gentleman will yield, I asked about the Audubon Society and the National Wildlife Federation who the gentleman quoted from.

Mr. GRANDY. Well, the International Fish and Wildlife Agencies can be considered a proenvironmental group, and they say:

> We urge you to defeat these amendments and thereby continue your leadership to protect our valuable natural resources.

My point is only in stressing this undoes the thesis in the 1985 farm bill and the 1990 extension, that we are creating Federal contracts for everybody who goes into the program, not entitlements benefits, not giveaway programs.

The specifications are such that more and more producers are leaving the program, as the chairman of the Subcommittee on Conservation, the gentleman from Oklahoma [Mr. ENGLISH] said.

Finally, I would just note that if farmers have to certify their income at the ASCS office or the IRS, or whatever, that will drive more people out of the program.

Mr. HUCKABY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman the pending Schumer-Armey amendment and the Conte amendment that will be offered later on go to the very heart and soul of the functioning of farm programs.

Let us look at what we are trying to do here with the 1990 farm bill. We are trying to assure an adequate, safe supply of food and fiber. We are trying to asssure a reasonable return on investments so that our farmers can continue to farm and stay on the farm.

□ 1620

Let me point out it is very possible, very probable, very likely that you can have an adjusted gross income of $100,000 and end up the year with nothing. That does not include your payments that you make for land that goes for principal. That does not include your tractor payments that go toward principal.

This is a very unfair, very biased measure.

We in agriculture have the ability to produce more food and fiber than we can see as far into the future as the eye can see. So what we try to do with these farm programs is to pay farmers not to plant. We try to control supply and demand and regulate it so that the farmers can ge most of their income, if not all of it, from the marketplace instead of the Government. But we have this target-price deficiency payment mechanism so that farmers, by not planting all of their land, will receive Government payments.

The amendment offered by the gentleman from New York [Mr. SCHUMER], he states, is aimed at some 4 or 5 percent of the farmers. Let me point out to the Members that 15 percent of our farmers produce 70 percent of the agricultural products in America. These are the top 15 percent. You start making a lot of them ineligible for farm programs, and we are going to significantly handicap the way the entire system works, and it is going to penalize the farmer in the middle and the farmer at the bottom.

The proposal by the gentleman from Kansas [Mr. GLICKMAN], USDA says that in 1988 farms with gross revenue above $1 million accounted for $300 million in Government payments, whereas, USDA says for the proposal by the gentleman from New York [Mr. SCHUMER], it would only save a total of $200 million over the entire 5-year life of this farm bill.

How you can arrive at savings of billions of dollars a year I do not understand when our own USDA estimates a saving of less than $200 million over 5 years.

So I would urge my colleagues, and I am not really for either one of these amendments, but if they want to make a choice and take a choice of saying, "I limited," the Glickman amendment is far preferable than the Schumer amendment.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I wanted to read some quotes from some environmental organizations with regard to particularly the Armey-Schumer proposal. It applies just as well to the Glickman proposal.

The Center for Resource Economics says, "The amendment is likely to have significant and adverse effects on national efforts to conserve wetlands."

The National Audubon Society says, "Limiting the availability of commodity program benefits will reduce the effectiveness of Federal agricultural resource protection policies."

The International Association of Fish and Wildlife Agencies states, "Amendments such as those proposed by Mr. ARMEY would undoubtedly force thousands of producers out of Federal farm programs. The potential consequences are serious. Short-term economic gains to the Nation could quickly be offset by environmental costs."

The National Wildlife Federation states,

> The National Wildlife Federation is concerned about the potential impact the amendment might have on the wetland protection measures currently incorporated in the conservation title. Because Swampbuster links farm program participation to wetland drainage, it is the best deterrent currently available to discourage farmers from converting wetlands. Any reduction in the number of farm program participants will directly affect the amount of wetland acres presently covered by Swampbuster.

What we are doing in this particular case under either of these two amendments is taking the biggest chunks of farmland we have got out of the conservation program.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for his contribution. He is exactly right. We are going

to take significant pieces of farmland out of them participating in these environmental programs.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I was not clear. The gentleman was just citing some data just a few minutes ago about what USDA projects would be saved by the million-dollar-gross-sales substitute amendment of the gentleman from Kansas [Mr. GLICKMAN]. Am I correct, is that what the gentleman was citing?

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. HUCKABY] has expired.

(At the request of Mr. GREEN and by unanimous consent, Mr. HUCKABY was allowed to proceed for 5 additional minutes.)

Mr. HUCKABY. Mr. Chairman, reclaiming my time, I will quote from the USDA: "In 1988, farms with gross revenues above $1 million accounted for about $330 million in Government payments." That includes all gross revenues, not just farm programs which the amendment offered by the gentleman from Kansas [Mr. GLICKMAN] is doing. USDA also estimates that the total savings for 5 years from the Schumer-Armey proposal before us now is $200 million.

Mr. ARMEY. If the gentleman will yield further, does the USDA typically score savings of alternative budget proposals for purposes of budgetary policymaking?

Mr. HUCKABY. Does the gentleman have any data that he could substantiate that is more accurate? This has to be based on many assumptions, of course, and one must keep in mind that additional farm reorganizations will take forth that would lead us to inefficiencies. One of the greatest things that America has going for it is its agriculture, and we must operate on the margin of economy of scale where it is the most efficient. This amendment strikes at the heart of the ability to do that by forcing farmers into smaller economic sizes where they can no longer be efficient and compete and lead the world in production in agriculture, which we do today.

I would suggest to the gentleman that if we pass this Schumer-Armey amendment that in the year 2000 we will look back and wonder what happened to American agriculture in the 1990's, and this will be a significant contribution to the decline if we make these larger efficient operations ineligible for Government participation.

Mr. ARMEY. Mr. Chairman, if the gentleman will yield further, I am still trying to understand and grasp. If I understand what the gentleman said that if one took data related to $1 million gross revenue from all sources that the outlay of Government support prices to those enterprises totals about $330 million a year? Is that correct?

Mr. HUCKABY. I pointed out the Glickman amendment before us does not encounter $1 million from all sources, only from program costs.

Mr. ARMEY. If in fact one was talking then about the Glickman proposal, it would probably then be a figure lower than the $330 million, but the gentleman does not have a number for that figure itself?

Mr. HUCKABY. No. I do not. To my knowledge, those numbers, exact numbers, do not exist. As I stated, I gave this for a relative frame of reference.

Mr. GREEN of New York. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from New York.

Mr. GREEN of New York. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think the Glickman amendment does establish a principle, and that principle is that it does stick in one's craw to be subsidizing people above some level of income. It sticks in my craw that someone who is getting unemployment insurance averages only $2,000 a year in Federal money, but someone in the farm program who is making a lot more gets an average of $18,000 a year in Federal farm payments, and I think the Glickman amendment concedes that there is some point where the disparity is just so bad that we are not going to tolerate it.

I should simply like to suggest that to most people in this country subsidizing people above $100,000 is pretty bad, particularly when we do so little for those who are in poverty and for those who are thrown out of work in the industrial sector.

Is it such a harsh thing to ask that people who are above $100,000 a year in income come off the dole? I urge defeat of the Glickman million-dollar amendment and support of Armey-Schumer.

Mr. HUCKABY. I thank the gentleman for his contribution.

Mr. COMBEST. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a lot of different approaches are going to be taken obviously to the impact that the amendments that have been offered are going to have.

I would take just a moment to direct some concerns relative to the Schumer-Armey amendment and the impact that it is going to have on the implementation on the administration of the farm program through ASCS. I want to read from, and I will include in the RECORD, a letter from the Secretary of Agriculture to me in regard to the proposal.

□ 1630

The letter is dated today, and it says, in part,

A "means-tested" program could not be implemented without placing a significant burden on, and added administrative expense to, the Agricultural Stabilization and Conservation Service. The 1988 and 1989 Disaster Programs have provided ASCS with experience in administering a gross income type of means test. Because of the high ($2,000,000) trigger level applicable to the disaster programs, the means test was not a significant administrative burden. Many of the proposals now being considered would, however, be a significant administrative burden. This is caused by a number of factors, including the fact that most proposals for means testing have much lower income thresholds than those required for the disaster programs. In addition, data must be gathered from producers for multiple years. ASCS would be required to gather data such as income tax records which the agency has not had prior experience in evaluating.

Mr. Chairman, I include the letter from the Secretary of Agriculture for the RECORD:

DEPARTMENT OF AGRICULTURE,
Washington, DC, July 25, 1990.

Hon. LARRY COMBEST,
House of Representatives, Washington, DC.

DEAR LARRY: Many thanks for your letter, jointly signed by Congressman Roberts and yourself, expressing concern about the administrative expense and complexity of various amendments to the 1990 Farm Bill. I share your concern that the cost/benefit ratio may not be very high for many of these proposals.

A "means-tested" program could not be implemented without placing a significant burden on, and added administrative expense to, the Agricultural Stabilization and Conservation Service (ASCS). The 1988 and 1989 Disaster Programs have provided ASCS with experience in administering a gross income type of means test. Because of the high—$2,000,000—trigger level applicable to the disaster programs, the means test was not a significant administrative burden. Many of the proposals now being considered would, however, be a significant administrative burden. This is caused by a number of factors, including the fact that most proposals for means testing have much lower income thresholds than those required for the disaster programs. In addition, data must be gathered from producers for multiple years. ASCS would be required to gather data such as income tax records which the agency has not had prior experience in evaluating.

Creating a "means-test" which is evaluated at farm level, while other commodity program limitations are evaluated on a "person" basis, would be very difficult to administer in a fair manner. ASCS would need to develop regulations which would require analysis of sales and income information at the farm level. This would be difficult, particularly when more than one person is involved in a farm or when a person is involved in more than one farm.

Any targeting program will provide an incentive for producers to reorganize to maximize payments. This will mean increased administrative costs for ASCS and governmentally fostered inefficiencies for producers which will reduce our international competitiveness.

Virtually all of these proposals would substantially increase the data collection efforts for ASCS. We believe that targeting objectives could be better accomplished by implementing a direct attribution program. This would remove the incentive for producers to reorganize the farming operations and it would be easier and more cost effective to administer.

A similar letter has been sent to Congressman Roberts.

Sincerely,

CLAYTON YEUTTER,
Secretary.

Mr. Chairman, a lot of discussions have gone on about a family farm. We could debate from now on what a family farm is. A family farm in the district of the gentleman from New York [Mr. SCHUMER] is going to be certainly different than a family farm in Texas. But to that family who is out there on that farm, be it maybe much larger, to them that is going to be their family farming operation.

It is not consistent with agriculture policy as we have had for many, many years to begin to make determinations based upon what is the individual's family farm operation. That is simply not a measure we can agree is something that can be determined.

If that family in west Texas on that farming operation happens to have an income level of over $100,000 adjusted gross income, which I might say is not all that great down in Texas, and it does not include that individual's principal payments on equipment, it does not include that individual's principal payments on land, it does not give any opportunity for that individual to grow, and from discussion with the gentleman from Texas, the way that that would be administered is if the level was hit, the following year that individual would not be able to be in the program. If in fact that current farm programs are the same in the future as they are now, then that would make them ineligible for any future types of programs.

Mr. Chairman, it is just simply something that is going to be impossible to administer.

Mr. ROBERTS. Will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, the gentleman from Texas [Mr. COMBEST] has mentioned a specific concern I have had. I have talked to the gentleman from Texas [Mr. ARMEY] and the gentleman from New York [Mr. SCHUMER], and was planning on asking them this question, whether farmers are going to have to take their income tax returns, after they file them April 15, down to the beleaguered ASCS office and stand in line, like they have to stand in line with everything else?

The gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY] have both indicated to me no, no, no, no, we are just going to have them certified. You have to certify on the form anyway. But what you are telling me is the Secretary of Agriculture in a letter to you has indicated this is a multiple year concern. That is, if a farmer makes over $100,000 in adjusted gross income one year, but then we have a drought year and he does not, what happens to that preexisting contract he has with the CRP Program, or any other contract he signs?

Is the gentleman telling me the Secretary says they will have to have the income tax returns?

Mr. COMBEST. Mr. Chairman, reclaiming my time, I quote from the letter: "In addition, data must be gathered from producers from multiple years. ASCS would be required to gather data such as income tax records which the agency has not had prior experience in evaluating."

Mr. ROBERTS. If the gentleman will continue to yield, that is a tremendous concern that I think will set off a firestorm of controversy in farm country. What we do not need for a farmer who has to prepare his ground in July, and I am talking about the winter wheat producer in Kansas now, and then he goes ahead and has to put the seed in the ground in September or early October, and then he has to make a decision in regard to a whole lot of cropping plans, and he has to make a decision in January or February whether to sign up for the program, and then certify he signed up, and jump through all the hoops and hurdles in June.

In the meantime, here comes the tax return on April 15.

Mr. Chairman, is that prospective or de facto, or whatever? Now the Secretary says you have to have your income tax return.

Mr. COMBEST. Mr. Chairman, reclaiming my time, obviously those questions are not answered, because those regulations have not been written. They would be left up to the USDA. In doing so, the USDA is already stating that in fact the only thing mentioned as far as substantive data in proving one's income level would be income tax returns.

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBEST] has expired.

(By unanimous consent, Mr. COMBEST was allowed to proceed for 3 additional minutes.)

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I do think there is a very important point that needs to be made here with respect to this question of participation and the environmental impact of our legislation.

Mr. COMBEST. Mr. Chairman, reclaiming my time, I would yield to the gentleman from Texas [Mr. ARMEY] if he wants to respond to the issue relative to that. I will let the gentleman talk to somebody else about the environmental impact.

Mr. ARMEY. If the gentleman will yield further, the point is that participation in the Conservation Reserve Program is not affected by this legislation. If in fact they are disqualified by their adjusted gross income from participating in loan rates, target prices, and those programs, that is one thing. But for the land that they put in the conservation reserve, they are in no way required to give that up or lose their participation in that.

Mr. COMBEST. Mr. Chairman, reclaiming my time, the point that this gentleman from Texas was making was that in fact income tax records may be required by the farmer. Would the gentleman from Texas [Mr. ARMEY] dispute the fact that ASCS under a GAO audit or any other conditions trying to prove income level, would the gentleman state that a farmer would not have to take his income tax records into the ASCS office?

Mr. ARMEY. Mr. Chairman, first of all, regulations for the administration of certification would be up to the Secretary.

Mr. COMBEST. The Secretary says in this letter that income tax records, which the agency has not had prior experience in evaluating, would be required.

Mr. ARMEY. In most cases, of course, it would not be a problem, because in small, rural, local communities, people know.

Mr. COMBEST. Mr. Chairman, people might know. People might have a basic idea. But if you are trying to certify in order to receive records under penalty of law, under a GAO audit, if you have miscertified, there are substantial penalties. Just someone knowing that Joe Brown down the street makes less than $100,000 a year ain't going to get it.

Mr. ARMEY. Mr. Chairman, if the gentleman would yield further, there is nothing that would prevent the Secretary of Agriculture in writing the regulations to say that a sworn statement by the individual applicant would be acceptable for self-certification.

Mr. COMBEST. Mr. Chairman, there is nothing which would state that the Secretary could not dictate the fact that it would have to be income tax records under which one sets out and proves. It would be very legitimate for that to be the document which is used.

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBEST] has again expired.

(At the request of Mr. MARLENEE, and by unanimous consent, Mr. COM-

BEST was allowed to proceed for 2 additional minutes.)

Mr. COMBEST. Mr. Chairman, the point has been stated or has been taken away from the fact that it would be in very few instances that income tax records would have to be used. I just hold that that is not true. I hold that that is going to be the document that is going to have to be taken into the office. As proof of the fact, the thing that concerns me the most is the Secretary of Agriculture specifically mentions in a letter that in trying to administer a means test program, that income tax records would be one of those things which would have to be used.

Mr. MARLENEE. Will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Montana.

Mr. MARLENEE. There is a question of practical management and equity involved in this payment limitation question. That question is do we want to drive those producers who make over a certain amount of money out of the program and perhaps out of business? If a commercial operator goes to the bank, most bankers will insist that he participate in farm programs as an insurance. If he comes in there and says no, I do not qualify for these farm programs, he is likely to be turned down by his financial institution, which in turn means that he has to liquidate at least a great part of his operation, or dispose of it in some manner.

Mr. Chairman, it is a question of equity. This man in most instances when he has a commercial operation will exceed the limit if it is a large operation, and will not qualify, thereby disqualifying him from financing by some financial institutions.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I was just asking, we have had a lot of talk about income tax forms and going down to the office with it. It is my understanding that USDA law prohibits the USDA from acquiring income tax forms. Is that not true?

Mr. COMBEST. Mr. Chairman, reclaiming my time, all I know is what the Secretary of Agriculture responded to me in a letter about a means testing program, and he states that ASCS would be required to gather data such as income tax records.

□ 1640

Mr. SCHUMER. I would say to the gentleman, if he would continue to yield, that that would mean that this Congress, on a law signed by the President, would have to repeal the law that says that the USDA is not allowed to ask for those. Our amendment does not touch that law.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. COMBEST. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, right now they are requiring production of income tax records in order to prove whether or not they are actively engaged in agriculture, so that cannot be.

Mr. MARLENEE. If the gentleman will yield, the ASCS Committee is also requiring producers to come in, if they want agricultural assistance in the form of livestock feed loans, and produce their income tax records.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBEST] has again expired.

(On request of Mr. ROBERTS and by unanimous consent Mr. COMBEST was allowed to proceed for 1 additional minute.)

Mr. COMBEST. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding.

We are talking about income tax returns. Will this amendment, since we are talking about income tax returns, allow the farmer to deduct expenses associated with schedule F?

Mr. SCHUMER. I cannot hear the gentleman.

Mr. ROBERTS. What I am asking the gentleman from New York is will his amendment in terms of definition of adjusted gross income allow that farmer to go ahead and itemize, like he normally does, the schedule F, this schedule F in terms of farm income and expenses? We are talking about things like labor, fertilizer, custom hire, et cetera, and is that now then brought over here on the 1040 form to adjusted gross income? Is that what are are talking about.

Mr. SCHUMER. If the gentleman will yield, it is above adjusted gross income, I would tell him.

Mr. ROBERTS. But I ask if the farmer uses the schedule F form on farm income and expenses, does he take that out before he hits the $100,000, that is my question.

The CHAIRMAN. The time of the gentleman from Texas [Mr. COMBEST] has again expired.

(On request of Mr. ROBERTS and by unanimous consent Mr. COMBEST was allowed to proceed for 1 additional minute.)

Mr. COMBEST. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I would ask the gentleman from New York that question.

Mr. SCHUMER. Mr. Chairman, will the gentleman from Texas yield?

Mr. COMBEST. I yield to the gentleman from New York.

Mr. SCHUMER. I would ask the gentleman just to look at line 18 on the form. That will explain it all.

Mr. ROBERTS. We have rents, royalties, partnerships, estates and trusts on the 1040, and I am asking for schedule F; if the farmer cannot use schedule F for his normal operating expenses here, and that is deducted from the $100,000, I would tell the gentleman that his numbers of $20,000 and $25,000 are going to jump and triple.

Mr. SCHUMER. I would say to the gentleman that is not the case. If he looks at the amendment we do not change a thing about how adjusted gross income is calculated, not a thing.

Mr. ROBERTS. Could the gentleman give me a yes or no on schedule F?

Mr. SCHUMER. I would ask the gentleman from Kansas to read the amendment, and simply point to anything that changes the way adjusted gross income is now calculated. It does not.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, as has been pointed out previously by especially the gentleman from Oklahoma [Mr. ENGLISH], the gentleman from New York starts out with an erroneous goal for farm programs. The goal is not welfare for producers. It is to stabilize food prices and supplies, and the payments, of course, relate to the contribution toward the goal.

When there is a housing program in New York we do not limit someone to getting money from five subsidized apartments. If they furnish 1,000 subsidized apartments, they earn and receive more money than does one who furnishes the five. The housing programs in this country are not accomplishing our objective and I voted for all of them, and I tried to improve them, but they are not working satisfactorily. But we do not try to cure their problems by saying nobody can furnish more than five subsidized housing programs or housing units in this country. That is not the way to do it.

Then those supporting the amendment go from the erroneous assumption that the programs are for income maintenance instead of assuring supplies at reasonable prices, to assuming that prices for food in this country are high. The way to determine whether or not prices of food that are from price-supported commodities are high is to go to the grocery store and compare them with those products that are not processed from price-supported products.

I did go to the grocery store. Here is 5 pounds of flour, wheat flour, $1.39, 5 pounds of it. That is 7,500 calories,

which is enough for an obese American for 4 days. It takes 22 minutes at minimum wage to earn enough to buy that 5 pounds of flour, 22 minutes at minimum wage and $3.80 an hour.

Then I have cornmeal here. That is a price-supported product. It cost $1.69 for 5 pounds. That has 6,750 calories in it and it costs $1.69, and it takes 26 minutes working at minimum wage to earn enough to provide enough calories for 4 days if that were all one eats. Those are price-supported commodities that are in this bill that we are complaining about.

Now here is sugar. We had sugar amendments up here yesterday. It is slightly higher, $1.79 for 5 pounds. That 5 pounds contains 8,720 calories. It takes 28 minutes for someone in New York or anywhere else in this country working at minimum wage to earn enough to buy 5 pounds of sugar, and that is a fourth as much as they need for the whole year to add to their other products.

Now let us look at some non-price-supported products. Here is one, $2.83 for a package and it is only 2 pounds and 4 ounces. What do you suppose it is? It is cat food. Cat food. You pay, as a matter of fact, five times as much for a pound of food for Old Tom, and it contains what they could not sell for human food, whatever was leftover.

But here is the other one. I have another non-price-supported package that cost $2.89 for 5 pounds. There it is, 5 pounds, $2.89. it is not price supported.

You would think to hear some people here talk that it is only price-supported products that would be that high priced. Here it is, more than twice as high as wheat flour, and what do you suppose it is? It is chicken manure, chicken manure, more than twice as much for 5 pounds as it is for 5 pounds of flour. What is left over after the chicken was done with it brings more per pound than the price-supported corn it ate.

It just does not hold, any way you look at it, to say that these farm programs have failed, and also that they are causing prices to be high in this country. They have stabilized prices. It is a wonderful program with regard to reaching its goals. I do not know of any other program we have had that is of national importance that has met its goals as much as the farm programs have.

For less than $10 billion a year, we have stabilized prices and kept them at a reasonable level. That has not happened with regard to housing and most other programs. A study just showed last week—the computer study from Iowa State—showed that as a result of the drought that we just went through, the reserves we had, and that is paid as a part of this $10 billion, will save the consumers in this country $40 billion between now and the next 3 or 4 years.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SMITH] has expired.

(By unanimous consent Mr. SMITH of Iowa was allowed to proceed for 1 additional minute.)

Mr. SMITH of Iowa. Mr. Chairman, that part of the program alone, by stabilizing prices, and by carrying over from years of surplus to years of shortage is enough to pay for these programs.

If one starts with a false assumption, which the gentleman from New York starts with, of course they will end up with the wrong conclusion, and that is what they do. So I ask Members to oppose this amendment.

Mr. ARMEY. Mr. Chairman. I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the Glickman substitute to the Schumer-Armey amendment, and I will speak on the Schumer-Armey amendment when we get back to that subject later, presumably after a vote.

1650

Mr. Chairman, I would like to compare these two alternative approaches on three particular points.

We are all concerned about the cost of the farm program. Certainly, the average cost of the farm subsidy program during the 1970's was about $3 billion a year. It jumped to around $12 billion a year in the 1980's.

We are looking at very serious budget constraints and very tough choices. We may some day in the not-too-distant future be wrestling with whether or not we cut back on Medicare benefits or raise taxes or any other number of tough choices.

So we try to cut and gain savings wherever possible. We are also concerned about the increasing participation rate of American farmers in agricultural programs. We are concerned with equity and fairness in the manner in which we do supplement the incomes of American working men and women.

On these two issues, let us just focus for a moment on what is the fair thing to do, when in fact we have to limit the extent to which we draw on the Federal Treasury and the taxpayers' largesse to supplement the income of working men and women.

Mr. Chairman, the Schumer-Armey amendment says that, based on income, if the family's adjusted gross income from all sources is $100,000, 3 times the gross income of the average family of four in the United States, we have a basis by which we should disqualify them from participation in agricultural subsidy payments.

By comparison, the Glickman amendment says if they have $1 million of gross sales. Now, we do not know what that means by way of income. We do not know how many farmers will be affected, and we cannot get any information regarding what would be the subsequent savings to the taxpayers. In the Schumer-Armey approach, the Congressional Budget Office estimates a $400 million-a-year savings to the taxpayer. The Office of Management and Budget estimates $900 million a year to the taxpayer.

So we have some real estimates that we can lay before you for consideration.

Then we look at the question of supply management. It is argued that agricultural policy in the United States is for the purpose of supply management. We know from IRS data collected, hard data, that there are 20,000 of the 800,000 farm income-reporting entities that would be affected and that if in fact we pass the Schumer-Armey amendment, this would result in a possible reduction in participation acreage of 2.5 percent. Now, if in fact everybody that was affected by this bill did what apparently the committee fears worst, which is to plant fence row to fence row in the program crop participation, of which they are now denied to continue, they would have no more than a 2.5 percent impact on the total production of that program crop. But I would suggest to you that that would not be the case.

Mr. Chairman, I grew up not too far from the Red River Valley and I remember the Red River Valley, not the Red River Valley of Texas, the Red River Valley of North Dakota.

I can remember three crops that were prominent in the valley: potatoes, for which there was no program; wheat, for which there was the kind of program we address here; and sugar, for which there was an even more complex program.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has expired.

(By unanimous consent, Mr. ARMEY was allowed to proceed for 5 additional minutes.)

Mr. ARMEY. Let me suggest to you that should a beleaguered wheat or sugar or beet farmer in the Red River Valley find themselves because of this $100,000 disqualification no longer willing to continue to produce those two crops, they would find ample opportunity to make a reliable living in potatoes. And in the absence of a potato program, the potato farmers of America have not ruined their market.

There is no reason to suggest that these 20,000 farmers who have become successful enough to generate for themselves $100,000 of adjusted gross income would be more foolish than potato farmers in the Red River Valley of North Dakota and Minneso-

ta who have never enjoyed the enlightening benefits of participation in a Government program.

Now let us go to the third question, conservation. There are approximately 60 million acres of American agricultural land set aside from production. About half of those acres, about 30 million of those, are set aside voluntarily by the farmer with no recompense for that set-aside other than the right to participate in the program crop of their choice, by way of complying with the base and yield prescriptions given to them at their local ACS office.

So about half of that acreage might be affected if in fact these 20,000 farmers, totally, brought their share of these 30 million acres into production. Two and a half percent of 30 million acres is your best estimate of what would be the impact from your fence row to fence row, if the worst-case scenario took place.

On the other hand, there is another 30 million acres that farmers voluntarily set aside with no compensation in conservation plans and their ability to continue that conservation set-aside and to enjoy the compensation they receive as an inducement to put land into that conservation set-aside would not be affected by this legislation one bit, not one bit. And there would be no reason to suspect they would have less love for the land, that they would be less responsive to these inducements by the Federal Government that got them to be conservative with their land in the first place, if they did not enjoy participation in these other programs.

Now, the Glickman amendment and the supporters of it have given us no understanding as to what it would save the taxpayer, what might be the fence row to fence row impact if everybody affected—which quite frankly is not likely to be very many people—would be and what would be the impact on the consumer tax bill.

One final point: The question about whether or not this legislation as we propose it would require people to take tax records to the local ACS office is now clouded by the observation of the gentleman from Iowa which says they must do that now. I am eager to learn more about that.

But let me tell you about this: Our legislation says to the Secretary, "You will write the regulations." This is not unusual. We do this in many cases when we write legislation.

"You will write the regulations for enforcement." The Secretary is not required, in turn, to require certification by the revelation of one's income tax forms. The extent to which the Secretary may decide that he is compelled by the untrustworthiness of the American farmers to have them bring in the hard documentation of their tax forms would have to be a matter, is left to be a matter within this bill to the discretion of the Secretary, given his estimate of the veracity of American farmers.

□ 1700

Now, if indeed the Secretary believes American farmers cannot be trusted to sacrifice in testimony to their farmers and neighbors at the local AFC office, he may resort to something that vigorous. I do not know whether he will or not, but he is not mandated to do so.

However, let me suggest for a moment, what if, even though we do not, what if we mandated that they must show their income tax forms to prove they qualify for this benefit? Is that so much to ask for people making $100,000 a year? That they document their real income in order to qualify for up to $50,000 a year subsidies from American consumers? I would not consider that unreasonable, but we do not do it. It is not required in the bill.

Now, I suggest the possibility that a few of the 20,000 may be so lacking in veracity as to be required by their neighbors to do so, is a small price to pay to get this improvement.

(On request of Mr. COMBEST and by unanimous consent, Mr. ARMEY was allowed to proceed for 5 additional minutes.)

Mr. ARMEY. Mr. Chairman, I presume the gentleman from Texas [Mr. COMBEST] would like to be yielded to?

Mr. COMBEST. Mr. Chairman, yes, I and several other Members.

Would the gentleman then state since, in his opinion he is saying that if the Secretary does not understand an individual enough and a farmer that he is not making over $100,000 or so, would the gentleman be willing to suggest that he would wish they would use a certification rather than requiring some simple, just common sense, says that if they are going to have to prove whether or not they are making $100,000 a year under the gentleman from Texas' and the gentleman from New York's amendment, that the way to determine that is from an individual's income tax records. What else is there, other than simply signing a certification?

Mr. ARMEY. We are talking about the IRS data that is confidential, and we do not know the names of these 20,000 farmers. By IRS data, complete database, tells Members that there are approximately 20,000 people in the United States who take farm income, report farm income, and have an adjusted gross income of over $100,000. Incidentally, the farm income of these 20,000 people is, on average, 4 percent of the total income.

Mr. COMBEST. Mr. Chairman, if the gentleman will continue to yield, we are having to also prove that we are not over that level. It is not just those that have to go in and say, "No, I cannot get it."

Mr. ARMEY. I can suggest to the gentleman that the 780,000 American farmers would have no occasion to be asked to present their income taxes under that, as a bare minimum.

Mr. COMBEST. If the gentleman will continue to yield, the 780,000 farmers, there is no requirement at all for them to even prove this?

Mr. ARMEY. Obviously, if we are talking of the average small family farm, certification should be reasonable.

Mr. COMBEST. If the gentleman will continue to yield, I would hope under GAO audit that we read carefully the language on the floor about what the gentleman's intent is, because under a GAO audit, I can assure the gentleman who is a friend of mine from Texas, that they are not going to accept a certification. They are going to want proof, and the only proof that individual can give is income tax.

Mr. ARMEY. Mr. Chairman, if the gentleman will let me reclaim my time, as a coauthor of the amendment, let me certify, at this point, let me state, it is not the intent of the framers of the amendment to require or even recommend to the Secretary that the only way a farmer in America can certify themselves eligible under this bill is by displaying their IRS forms.

In fact, I would say it is the intent and the understanding of the framers of this amendment that there would be very, very few and rare occasions where any reasonable body, within any reasonable regulations, wherein by any reasonable Secretary of Agriculture, would even suggest the necessity for such an occurrence.

Mr. SCHUMER. Mr. Chairman, if the gentleman will yield to me in response to that question, what I say once again is, just as the gentleman said, it is not our intent to require taxing, but it is not more than our intent. Our intent does not matter.

The law states, according to the general counsel of USDA, that they are not allowed to ask for tax returns. This amendment does not change that. So, if we are unhappy with the present system, then change it. There are many people on this committee who know these laws very well. I do not see a change in the bill.

However, our amendment is the same exactly as the whole big farm bill on the idea of income tax returns, plain and simple. I do not think it is very fair to state or to imply, because no one has stated it, that it is any different.

Mr. ARMEY. Mr. Chairman, in all due respect, I think I am obliged, and please forgive me for having gotten myself diverted, but I am obligated and would yield to the chairman of the committee, the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I am going to address this issue more at length at another point, but let me just say that I have just been told that under section 6103 of Internal Revenue, the Internal Revenue cannot release, not even to the Secretary, unless we change it. But I wanted to ask the gentleman, was that in National Affairs magazine, there has been a lot of rhetoric from the gentleman about all this issue.

In this July 16 issue, it says "Armey likes to apply what he calls unassignable demagogic coefficient to issue 'demagoguery beats data every time.'" Did the gentleman say that?

(On request of Mr. DE LA GARZA and by unanimous consent, Mr. ARMEY was allowed to proceed for 2 additional minutes.)

Mr. DE LA GARZA. Mr. Chairman, what I want to know is, did the gentleman say that?

Mr. ARMEY. As long as the gentleman raises the issue, I was describing a condition. I was not describing a preference. We understand that, and I think probably it was, I think, not politic of me to come right and 'fess up to the fact where we understand that as a condition in this body. It is certainly not new in this legislation.

As I look at our current proposals, projects that I might undertake, I am acutely aware of the power of demagoguery.

Mr. SCHUMER. Mr. Chairman, if the gentleman will continue to yield, I hope we could keep the debate to the facts of this amendment. This amendment has been argued so far by both sides, and very fair, and in a very factual way. The gentleman has worked hard on this amendment. The gentleman's amendment has been argued on the floor in a very fair and gentlemanly way. I do not think there has been demagoguery on either side. I hope that would continue.

Mr. DE LA GARZA. If the gentleman will continue to yield, that is not the issue at all. The issue is that the gentleman and others have fought this amendment and this issue out in the news media, and there have been a lot of editorials. I just wanted to ask the gentleman if he brought in this issue of "demagoguery beats data every time." I probably agree with him, and will leave it at that.

Mr. ARMEY. Mr. Chairman, I yield to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Chairman, I just want to make one point for a couple of minutes. There is one fundamental reason why this amendment is absolutely unworkable. I commend my friend from New York and my friend from Texas for offering it, and I commend the gentlemen for the work they have done.

Mr. ARMEY. Mr. Chairman, if I may reclaim my time, I feel it is only fair to remind the gentlemen they are talking about the Glickman amendment, and I agree with the gentlemen.

Mr. SLATTERY. Mr. Chairman, if the gentleman continues to yield, I want to talk about both of the amendments, but first on the Schumer and Armey amendment.

(On request of Mr. SLATTERY, and by unanimous consent, Mr. ARMEY was allowed to proceed for 2 additional minutes.)

Mr. ARMEY. Mr. Chairman, I yield to the gentleman from Kansas.

Mr. SLATTERY. Mr. Chairman, I would like to have the attention of my friend from New York [Mr. SCHUMER] on this point. That is, it has been observed that farming is a very rich occupation. In fact, some people have said that farming makes a Las Vegas crap shoot look like guaranteed income. The fact I am making, one year the farmer may earn $150,000, and the next year he may lose $200,000, and the problem we have with this amendment we are talking about is that in our part of the country where farmers have been literally through hell for the last 10 years, and now they are getting back on their feet, and to try to make up for the thousands and thousands of dollars they have lost in the last decade, and if they have one good year where they make $100,000 that year to make up the loss of the $150,000 in the two previous years, what we are saying to them with this amendment is, "Sorry folks, you are out of the program."

All I am saying is that is the one point that makes this whole concept absolutely totally unworkable.

□ 1710

All I am saying is that is the one point that makes this whole concept absolutely and totally unworkable.

Mr. ARMEY. Mr. Chairman, let me reclaim my time and respond.

I understand this. It has been said repeatedly that it is a risky business and we want to have a safety net for people involved in agriculture. But statistically the most high risk business one can enter in America today is the restaurant business, and nobody has provided a restaurant program for them.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I would say to the gentleman from Kansas that I know his concerns are very sincere and heartfelt, but our amendment is just not aimed at this person he is talking about.

Mr. SLATTERY. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. If I can, I would like to finish my point.

What I say again is that only 20,000 farmers are affected. Hardly any of these, only a handful are what the gentleman would call family farmers. They are, rather large companies, gentlemen farmers, people who do not do farming for a living. I say again that no more than 4 percent of their income is farm income, so we are not talking about people the gentleman is addressing. We support help for those people, but that is not part of this amendment.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from Texas [Mr. ARMEY] has expired.

(On request of Mr. SLATTERY, and by unanimous consent, Mr. ARMEY was allowed to proceed for 2 additional minutes.)

Mr. SLATTERY. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentleman from Kansas.

Mr. SLATTERY. Mr. Chairman, in response to my friend, the gentleman from New York, I understand that his intentions may be good, but the reality of what I just described is absolutely accurate. When we are talking about a farmer in 1 year making $100,000 and being disqualified and the next year he loses $150,000, we are not allowing that farmer an opportunity to catch up in effect, and that is the fundamental flaw in the gentleman's amendment.

I would just observe that the $50,000 payment limitation that we are going to be tightening up is a much better way to get at the problem we are all trying to address.

Mr. ARMEY. Mr. Chairman, I thank the gentleman. I think the gentleman's concern is very real but not substantial in terms of the number of farmers affected.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentleman from New York.

Mr. SCHUMER. There is another very important point. If somebody making $100,000 cannot make it on their own, then who in heck can make it in America in 1990?

Mr. ARMEY. Let me reclaim my time and point out again that for the people affected by this legislation, on the average only $4,000 of the $10,000 worth of income would have come from the farm, so it would be very hard for them to have lost $150,000.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, I thank the gentleman for yielding.

There is one other point that should be made, I think. The gentleman from Kansas made some very good points about the various claims in agriculture, but the one other point I think we cannot lose sight of is that without

the big producers in the program, we do not have a program. Without them we do not have a program, and if the program is not there, it does not matter how small you are.

Mr. ARMEY. Mr. Chairman, again, as we ponted out, from our hard data analysis, if in fact every one of the 20,000 people who could conceivably be affected by this amendment were affected and dropped out of the program and planted fence row to fence row, which would be too irrational for somebody making that much money to behave, but if they did that, we are talking about a 2.5-percent maximum impact on the program. That is hardly going to destroy the program.

The CHAIRMAN pro tempore. The time of the gentleman from Texas [Mr. ARMEY] has again expired.

Mr. HUCKABY. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. ARMEY] be allowed to proceed for 2 additional minutes.

The CHAIRMAN pro tempore. Is the objection to there request of the gentleman from Louisiana?

Mr. MARLENEE. Mr. Chairman, reserving the right to object, I will not object, but there are a number of us who have been waiting patiently to insert ourselves into this argument. I will not object, but I hope this will be the last one.

Mr. Chairman, I withdraw my reservation of objection.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for not objecting.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN pro tempore. The Chair will state that he will recognize all Members seeking recognition for purposes of debate.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it is terribly unfair to say that $100,000 of adjusted gross income is cash income in your pocket. It is just not true. It is not the same thing. A John Deere 77-20 combine costs $150,000 today. You finance it over 5 years. Just paying the principal is $30,000 a year. You do not get to write that off. That takes you to $70,000.

Mr. ARMEY. Mr. Chairman, if the gentleman will allow me to reclaim my time, the gentleman from Kansas [Mr. ROBERTS] had raised that point over the payment on the tractor, the payment on the interest for the tractor, the grease for the tractor, the oil for the tractor, the gas for the tractor, and the tires for the tractor. All of this would be covered on schedule F, and the results are plugged into his tax above adjusted gross income on line 19.

I do appreciate that, and that is why we went with adjusted income as opposed to gross income. If we went with gross sales, then you would have to endure all these expenses after gross sales, and the Lord knows where you would end up. But with adjusted gross income, you have all your expenses out before you get to that figure.

Mr. HUCKABY. Mr. Chairman, the gentleman is right. There are fallacies in both of these approaches. That is why both amendments should be rejected.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in visiting with one of my colleagues back in the Cloakroom, they told me, "My goodness, I didn't think this debate was going to last this long."

I said, "Well, it only affects the daily lives and pocketbooks of the people in my district, so I think perhaps we at least ought to take enough time to fully debate it."

I would say that I also worry about what lurks under the banner of reform and law of unintended effects. I would remind my colleagues of this: How many times have we legislated here only to come back and do the backstroke to try to fix what we have legislated or mandated?

There have been some comments by my good friend, the gentleman from New York [Mr. SCHUMER], with whom I will pass the basketball 17 more times than I have ever done before in the gym so he can shoot his famous jump shot and by my good friend, the gentleman from Texas [Mr. ARMEY]. I have many philosophical talks with Mr. ARMEY. There has been some talk about this: "Let's don't have demagoguery. Let's don't get personal here."

I will say to my friends that I understand they have been riding their reform surfboards on this crest of the wave issue. This whole asserted band of self-declared Secretaries of Agriculture has taken upon itself in the press—not here on the floor, but in the press—the task of maligning agriculture, maligning the chairman, maligning every member of the Agriculture Committee, and maligning virtually everybody concerned with agriculture. They have been on the TV and in the press more than Phil Donahue and Morton Downey, Jr., or perhaps anybody I could think of all combined.

So we have had a little blood pressure on this issue. It has been a grand show. It has been a marvelous show. I know the media narcotic is very, very heady stuff. One would think that agriculture is in such bad shape and our farm policy is so mismanaged that the lines standing in front of empty supermarkets were in New York, not in Moscow.

This presents a real dilemma for those of us on the once powerful House Agriculture Committee. What are we to do as members of the Agriculture Committee, one of the back rail troops that stands back here and does not come down to the floor very often, does not get into the business of lobbing some grenades back and forth during the 1-minutes. What are we to do? Well, we are going to have to shine the light of truth into the darkness. We are going to have to at least try to set the record straight. So bear with me. I apologize to my colleagues.

What this amendment does is exclude a whole class of farmers and investors from participating in the farm program. It says to those who are most productive and most successful that "the badge of your success is that you had an adjusted gross income of $100,000, and we are going to publicly brand you as unworthy and deny you any benefits from the farm program."

The real heart of this issue really boils down to this, I say to my colleagues: Why do we have a farm program? It is not, I say to the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY], to help needy farmers. I know it helps some farmers, but the real purpose, as the chairman has pointed out and others have pointed out, is to assure the American consumer and all those people who are malnourished and hungry all around the world an adequate food supply. We have 1 billion new mouths to feed every year. There are 750 million people who are going to bed every night malnourished in the world. We cannot, it seems to me, put a monkey wrench into the food and fiber machine that really addresses that problem.

How on Earth do we control the supply of corn and rice and wheat and other basic food products when we exclude the very folks who are most successful in producing that food? This is not a welfare program. Mr. GREEN said it sticks in his craw greatly to pay people any program benefit when they earn over $100,000.

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Mr. Chairman, if we follow this logic, we should say to a successful trucking executive, "You make a hundred thousand dollars a year. Build your own highway."

It is like saying, Mr. ARMEY, "No defense contractor earning over $100,000 should be awarded any contract to build the B-2 or anything else over at the Pentagon."

It is like saying, "Anyone with a Ph.D. in economics who makes more than $100,000 teaching, or lecturing, or writing, or belly-aching about the

farm program could receive a Federal grant."

Mr. Chairman, I am not here to protect the rich, and I know it is very tempting around this place to bash the rich. That is the issue that we are dealing with. We are, in fact, bashing the rich, and, boy, do we do a good job of that in this place when we are trying to solve everybody's problems with our brains and the taxpayers' money.

I am not here to really protect the rich. They can do that themselves.

Let us look at the down side.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Iowa.

Mr. TAUKE. Mr. Chairman, I think the gentleman from Kansas [Mr. ROBERTS] is making a very important point, and that is that this is a contract between farmer and Government. As part of this contract, the farmer performs specific tasks and agrees to specific terms, including setting aside land meeting environmental standards, in return for payments received from the Government. This is not welfare or an income-based payment. If we remove farmers from eligibility for these contracts, that will seriously undermine our environmental efforts and it will have significant impact on market prices for family farmers.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from Kansas [Mr. ROBERTS] has expired.

Mr. TAUKE. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas have 2 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Iowa?

Mr. OWENS of New York. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

The time of the gentleman from Kansas [Mr. ROBERTS] has expired.

Mr. ROBERTS. Mr. Chairman, would the gentleman from New York [Mr. OWENS] reserve the right to object so that I could respond to him in terms of his objection? Would he at least do that just for about 15 seconds?

Mr. OWENS of New York. Mr. Chairman, reserving the right to object, I have been here for the entire course of this debate, and the arguments are repeating themselves again and again. There are some of us who would like to speak who do not want to say the same things that have been said over and over again, and I think it is only fair that we hear everybody.

Mr. ROBERTS. Mr. Chairman, in responding to the reservation of objection of the gentleman from New York [Mr. OWENS] if the gentleman will yield, I have probably 2 minutes left in my remarks. The gentleman from Iowa [Mr. TAUKE] asked that I yield to him, which I did, and I would say to the gentleman from New York [Mr. OWENS] what I did when we started this debate, that my colleagues very seldom see me down here on the floor of the House.

Mr. Chairman, this particular amendment affects the daily lives and pocketbooks of my people perhaps more than any other amendment that we have considered in the 10 years that I have been here, and I do have to say to the gentleman from New York [Mr. OWENS] that if I am restricted by an objection, I am going to have a little feeling about that.

Mr. OWENS of New York. Mr. Chairman, the important thing for the gentleman from Kansas [Mr. ROBERTS] to understand is that he yielded to someone who was speaking instead of him, and the Member who was speaking instead of him was offering the same arguments that have been offered four or five times already.

The CHAIRMAN pro tempore. Does the gentleman from New York [Mr. OWENS] insist on his reservation of objection?

Mr. OWENS of New York. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Kansas [Mr. ROBERTS] is recognized for 2 additional minutes.

Mr. ROBERTS. Mr. Chairman, I appreciate very much the spirit of cooperation, and I will try to sum up.

Mr. Chairman, the gentleman from Iowa [Mr. TAUKE] made a good point in regard to the environment. We have labored so hard in working out a partnership with our environmental partners in this bill to the extent that we are going to endanger all of that work if we drive the successful farmer and investor, yes, the successful investor, out of this program.

Mr. Chairman, I say to my colleagues, "When you drive him out of the program, you can bet your sweet green wetlands will go with him, and that's something we don't want to see."

Mr. Chairman, we made a lot of progress with our environmental responsibilities. What will happen to export programs when most of our production is outside the conventional marketing chain? What will happen to the AID and food for peace programs? What will happen to rural communities and rural credit relationships when there is no farm program for this very significant production?

Mr. Chairman, I would simply say, "You're not saving any money when you're voting for this program."

There has been a lot of talk about saving $4 billion. Let me say that the Secretary of Agriculture has informed OMB, and, by the way, we ought to have an amendment, if my friends would agree to it, the gentleman from Texas [Mr. ARMEY] and the gentleman from New York [Mr. SCHUMER]. Let OMB run this program. Let us take the funds out of OMB. There is a young man over there named Bob Grady, whose idea this was. Let him run the program, and let us not take it out of agriculture.

However, Mr. Chairman, I would simply say to my colleagues that we are not going to save any money. I say to them, "What you do is you drive the investor and the big producer out of the program and the people to which he rents or leases his program."

I ask the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY], "Mr. SCHUMER, Mr. ARMEY, do you have any figures on the land involved by which these investors and big producers lease or rent their ground? The many farm families who participate in the program due to their wherewithal?"

The answer to that, Mr. Chairman, is, "No."

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. So we do not really have 25,000 or 20,000.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I think we have statistics on just about everything in this area that the gentleman from Kansas [Mr. ROBERTS] would ask. Of the people in the program, 4 percent of their income comes from farm income. Thirty-eight percent comes from wages and salaries. Twenty-eight percent——

Mr. ROBERTS. Reclaiming my time, Mr. Chairman, as the gentleman from New York [Mr. SCHUMER] did in the tax debate——

Mr. SCHUMER. Mr. Chairman, the gentleman from Kansas [Mr. ROBERTS] asked me a question rhetorically.

The CHAIRMAN pro tempore. The gentleman from Kansas has the time.

Mr. ROBERTS. Mr. Chairman, I am reclaiming my time, and I will be more than happy, if the gentleman from New York [Mr. SCHUMER] provides me additional time, to respond to him. I am asking how many people rent.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, 21 percent of the income comes from rents, royalties, and partnerships.

Mr. ROBERTS. Mr. Chairman, I always worry about what lurks under the banner of reform and the law of unintended effects. And, I would remind my colleagues that it is very important to prevent bad and counterproductive legislation from passing even if that legislation represents the latest crest of the wave reform issue.

And, oh how Mr. ARMEY and Mr. SCHUMER and others have been riding their reform surfboards on this latest wave—"Save the small family farmer and cut the budget by getting the fat cat farmers out of the farm program." This assorted band of well meaning self declared secretaries of agriculture have been on TV and in the press maligning these folks, and the Agriculture Committee and agriculture more than Phil Donahue, Morton Downy, and Geraldo Rivera combined.

Its really been a grand show. My friends and colleagues have had their diatribes in the Wall Street Journal, the Readers Digest, the New York Times on TV, on radio. Hey, I understand this narcotic of media attention, its heady stuff. You would think agriculture is in such bad shape and our farm policy so mismanaged that the lines standing in front of empty supermarkets were in New York, not Moscow.

And, this concerted attack represents a real dilemma for those of us who serve on the Agriculture Committee—what is a full-time aggie and one of the back rail troops who seldom comes to the floor do in the face of the greatest tirade of criticism and publicity since the S&L crisis. Well, in our own way, we are going to try and shine the light of common sense, truth into darkness—to set the record straight.

What this amendment does is to exclude a whole class of farmers and investors from participating in the farm program. It says to those who are the most productive and successful farmers in the world that the badge of your success—an adjusted gross income of $100,000—will both publicly brand you as unworthy and deny you benefits from the farm program.

The real heart of this issue boils down to the question, Why do we have farm programs? Mr. SCHUMER, Mr. ARMEY, and Mr. GREEN contend the farm program is to help needy farmers. And, the program does that to some extent. But, the larger purpose of the farm program is to assure the American consumer and many malnourished and hungry people around the world with a dependable high quality supply of food at reasonable prices.

How do we do that? Well, admittedly through a very complex program that is not very popular to everyone who has to put up with the paperwork and regulations, we do that by controlling supply and in doing that, providing stability in the supply of those products, that make up the consumer's market basket of food.

Now, how on Earth do we control the supply of corn, rice, wheat, and other basic food products when we exclude the very folks who are most successful in producing that food. The farm program is not a welfare program, it is a supply management program.

If we follow Mr. ARMEY's logic, we should say to a successful trucking executive, you make $100,000 a year, build your own highway.

It is like saying no defense contractor earning over $100,000 could be awarded any contract to build the B-2 or any thing else over at the Pentagon.

It is like saying anyone with a Ph.D. in economics and who makes more than $100,000, teaching, or lecturing or writing or bellyaching about the farm program, could receive a Federal grant.

Now, I know it's tempting around here to bash the rich. And depending upon your definition of "rich," we sure do that around here—this is the greatest income redistribution machine ever devised by those who wish to play Robin Hood and solve all of our alleged problems with their brains and the taxpayer's money. I am not here to protect the rich or the so-called fat cat farmer. They will take care of themselves.

But, I am here to protect the integrity and common sense and workability of the farm bill which carries benefits for millions in America and the world.

Lets look at the downside. We have made some real progress in regard to our environmental responsibilities—in the past several years—conservation plans for 140 million acres of erodible cropland—protection for marginal lands—34 million acres of highly erodible land into a conservation reserve program with untold wildlife benefits—5 million acres of wetlands protection—2.2 million acres of trees.

With the farm bill, we will provide protection of ground and surface water—greater food safety and a tremendous increase in funding and direction in behalf of sustainable agriculture.

My colleagues when the so-called rich farmers are driven out of the program you can bet your sweet green wetlands that the acreage those farmers own will go along with them.

Now, Mr. SCHUMER and Mr. ARMEY will point out that they are not talking about farmers, only 20,000 or 25,000 or whatever the lastest figure is who are fat cats. This is their bash the rich shake, rattle, and roll issue. What they fail to say is that these successful farmers, and yes investors, investors that make a great deal of money, account for a significant percentage of our national production. When that successful production is driven out of the farm program, what will happen to consumer costs which now account for only 10 percent of our disposable income.

What will happen to export programs when most of our production is outside of the coventional marketing chain?

What will happen to AID and Food for Peace Programs? What will happen to rural communities and rural credit relationships when there there is no farm program for this production.

My colleagues, we just had members of the Supreme Soviet and Politburo over here hosted by the chairman of the committee. After all of the small talk and greetings, the bottom line was this: The Soviets said their system does not work, they are in desparate straights, cannot feed their people, need our exports, but cannot pay. They need credit. In essence, they said, "Help."

This effort to end participation of our most successful farmers and investors in the farm program sounds a lot like the way the Poles and Russians organized their agriculture policy before the Berlin Wall came down.

You are not saving any money when you vote for this amendment. When our most successful farmers leave the program it will lead to overproduction, huge stockpiles of grain and market collapse and greater government exposure. It is already happening without this amendment. The price of wheat at the county elevator in Dodge City is off more than a dollar since harvest was concluded. That is a one-third cut in the farmers' income in the 3 months we've been talking about this farm bill. We have wheat on the ground in Kansas. How do we control that supply, prevent huge surpluses but still provide Mr. GREEN, Mr. SCHUMER, and Mr. ARMEY anywhere from 300 to 700 loaves of bread for every man, woman, and child in their districts. You pass this farm bill.

If Mr. ARMEY and Mr. SCHUMER had been in charge of our Revolutionary Army at Valley Forge in place of George Washington and received a message that the men were freezing—they would have doubtlessly said—quick tax the firewood and if anyone comes back with anything we can burn, kick them out of the army.

NEW COMMODITY PROGRAM PAYMENT LIMITS

(By Michael R. Dicks and Daryll E. Ray, Oklahoma State University)

Targeting commodity program benefits by tightening payment limitations or introducing income eligibility rules ("means Test") is an appealing idea but targeting also will 1) reduce the effectiveness of supply control and environmental programs and policies; 2) adversely and unevenly impact regions and farm enterprises; and 3) transfer the effects of unstable farm prices and incomes from taxpayers to consumers. Some major issues are summarized below:

Supply Control and Environmental Goals: Eligibility for commodity programs is a major tool to induce farmers to use production methods with less adverse environmental impacts and to reduce excess production through acreage diversion programs. Limiting the availability of commodity program benefits to farmers which control a relatively large share of agricultural resources and production will reduce the effectiveness of supply control and resource management programs.

Efficiency Penalty: Tightening of income eligibility levels would put large farms at a competitive disadvantage. For a program participant, a price drop is offset by a larger deficiency payment. If income eligibility rules prevent participation or reduce payments, low-cost, high-income producers are at greater risk of failure during tough times than higher cost, low-income producers.

Payment Limitations Bind at Exactly the Wrong Times: When prices are high and per unit payment rates and acreage set-asides are low, large farms can participate in farm programs without hitting the payment limitation. But in times of excess production, low prices and high set aside rates—times large farms could help considerably with supply reduction objectives, large farms may not participate because market income from full-production may exceed market income for a restricted quantity under the

program plus the fixed payment of $25,000, for example.

Livestock and Gross Income: Livestock operations can greatly skew gross income numbers. An extreme example makes the point: A wheat-stocker operator could receive $300,000 gross income from the sale of cattle in a "down" market for stockers purchased for $310,000 a few weeks earlier in an "up" market. Thus, with a gross income eligibility rule, he used up $300,000 of the gross income limit while his cash-grain neighbor has the full limit available for his wheat operation.

Consumers or Taxpayers, Which? The use of government payments to maintain excess capacity in agriculture is a form of progressive tax, insuring consumers a constant and cheap supply of food. Without this excess capacity to draw on, food supplies and prices would be highly volatile and consumers would risk periods of high prices. Large farms play a significant role in the use of excess capacity to buffer price instability.

Administrative Costs and Net Effectiveness: Enforcing tightened eligibility rules could be difficult given the creativity and propensity of the largest farm producers and their lawyers to circumvent restrictions. The producers that receive the largest payments and were the impetus for the new legislation could be unaffected but at a higher administrative cost to the government.

Targeting commodity program benefits to reduce government outlays and increase the effectiveness of benefits in providing income support has become an issue in the 1990 farm bill debate. The proposed tools for targeting include the use of payment limitations or income eligibility levels. Implementation of a national value for either of these policy tools will (1) impact the effectiveness of supply control and environmental programs and policies; (2) have varying levels of adverse impacts among regions and farm enterprises; and (3) transfer price and income stability from taxpayers to consumers.

Several U.S. congressman have recently taken issue with the large government "subsidies" received by commodity program participants. Representatives Dick Armey (R-Texas) and Charles Schumer (D-New York) have proposed a plan to "weed out wealthy recipients of farm subsidies". Senator Reid (D-Nevada) has proposed a similar measure in the Senate. The plan would reduce eligibility (to all farm program benefits) to farmers with adjusted gross incomes less than $100,000 per year. Other proposals would limit eligibility to farmers with less than $500,000 gross sales, persons with less than 50 percent of income from farming (Glickman D-Kansas) or reduce the payment limitation to as low as $10,000 per year. Targeting program benefits by setting income eligibility limits, referred to as a "Means Test", would require program participants to offer proof of income (presumably by providing ASCS personnel with income tax returns).

While setting income eligibility levels would be a novel approach in targeting program benefits, payment limitations on government program benefits were introduced in the Agricultural Act of 1970. This was the first attempt by Congress to target program benefits to "family farmers". The limit, under the 1970 Act was set at $55,000 per crop per year but was reduced to $20,000 under the Agriculture and Consumer Protection Act of 1973 and lifted to $50,000 per farm in the Agriculture and Food Act of 1981. Under the Food Security Act of 1985, the payment limitation was set as at $50,000 per farm for deficiency payments, $250,000 for Findley payments and $50,000 for CRP rental payments.

IMPACT ON SUPPLY CONTROL AND ENVIRONMENTAL PROGRAMS

Supply control and resource management objectives are currently tied to commodity program benefits. Limiting the availability of benefits will reduce the effectiveness of supply control and resource management programs and policies. Supply control objectives are attained by requiring farmers to hold a portion of their acreage out of production to be eligible to receive commodity program benefits. All commodity program benefits are tied to land retirement requirements. The Acreage Reduction Program (ARP) requires farmers to set-aside a portion of their acreage to receive a deficiency payment while the Paid Land Diversion (PLD) provides a direct payment per acre retired. Since the Food Security Act of 1985, eligibility to commodity program benefits has also been used to induce farmers to use production methods with less adverse environmental impacts. The Conservation Reserve Program (CRP) provides payments to farmers for retiring highly erodible, fragile or environmentally sensitive acreage, while Conservation Compliance (CC), Sodbuster, and Swampbuster require producers to protect fragile soils and wetlands as a condition to receiving commodity program benefits. Thus, taxpayers are paying farmers to maintain a certain level of excess capacity and reduce the level of negative production externalities.

IMPACTS OF PAYMENT TARGETS WILL VARY

The current set of commodity programs attempts to clear the market at an acceptable price to farmers while guaranteeing a cheap and adequate supply of food to consumers. The use of income eligibility levels in addition to the current set of policies would create a competitive disadvantage for larger farmers. For instance, the Findley amendment establishes a price below the basic loan rate to insure competitive exports. The Findley payment has a payment limit of $250,000 while the deficiency payment limit is $50,000. The increased marketings associated with the Findley amendment will put downward pressure on prices and enable higher cost producers within the income eligibility level to receive a higher price than low cost, high income producers. Under these circumstances the lower cost, high income producer would be subject to greater financial stress (increased likelihood of failure) than higher cost, low income producers. However, payment limits that restrict either absentee owners or high income producers will place the burden of supply control and environmental regulation on the lower income producer, the very producer the targeting scheme is attempting to aid.

Nearly 32 percent of U.S. crop sales are attributable to farms with gross sales exceeding $500,000. These farms represent 1.7 percent of all farms and receive just more than 10 percent of government payments. Assets of nearly $2.1 million are used by these large farms to generate an average $1.1 million in sales with $830,000 cash operating expenses. Returns to land and management averaged $270,000 (including government payments). These high income farmers operate an average 2,549 acres, half of which is rented. Eliminating these large farms from program eligibility will severely constrain the ability of current commodity programs in controlling supply or adverse environmental consequences from agricultural production.

A national payment limitation will tend to favor specific regions, enterprises, be less effective when market prices are high or yields are low and more effective when market prices are low or yields are high. Table 1 illustrates the maximum number of acres of wheat which could be farmed and receive a total $50,000 in deficiency payments under alternative program yields and deficiency payment rates. The total farm size would be greater than the acreage farmed because of the ARP set-aside requirement, and, actual yields are generally greater than program yield.

A wheat farm in southeastern Washington may typically have a program yield of 60 bushels per acre. This farm would reach the $50,000 payment limit by farming 833 acres if the deficiency payment rate was $1.00. However, a western Oklahoma farm with a program yield of 30 could farm 1667 acres before reaching the payment limit with a $1.00 deficiency payment rate. However, the Oklahoma wheat farm also producing beef could have gross sales in excess of $500,000 making it ineligible to receive commodity program benefits under income eligibility limits.

PAYMENT TARGETING WILL TRANSFER RISK TO CONSUMER

The use of government payments to maintain excess capacity in agriculture is a form of progressive tax, insuring consumers a constant and cheap supply of food. Without this excess capacity, food supplies and prices would be highly volatile and consumers would risk periods of high prices. Because the poor consumer uses a larger share of total income to purchase food, national policy which transfers risk from taxpayers to consumers is a form of regressive tax. Limiting commodity program benefits to farmers in a certain economic class will reduce the role of government in maintaining excess capacity and increase price instability.

KEY QUESTIONS

Some basic questions need to be addressed when considering new proposals for targeting commodity program benefits.

SUPPLY CONTROL/ENVIRONMENT

Will supply control and/or resource management continue to be important components of the 1990 farm bill?

During times of "tight" demand-supply balance, do consumers benefit from government programs that keep excess capacity in the form of diverted acres or stocks to be immediately available when needed?

Would high income farmers participate in supply control programs without program benefits? If not, can current supply control programs be effective with almost one-third of production being outside of programs (1986-88 programs required nearly 90 percent participation)?

Do high income farms engage in production activities which heavily utilize agrochemicals, more intensive cultivation practices or other environmentally adverse activities?

If not farm program benefits, what alternative "carrot" will be used to influence farmers cropping practices?

FARM PROGRAM PURPOSE

Can targeting payments make undercapitalized "poor" farming operations economically viable? Is making such operations viable a realistic social goal?

Is a purpose of farm programs to improve the stability in agriculture so long-term adjustment and technology adoption can take place in a more stable environment?

How would lenders view the stability and cash flow predictability of large farms if they were excluded from commodity program benefits?

Will the targeting proposals reduce government outlays, increase farm income, stabilize prices or reduce consumer food costs?

INSTITUTIONAL CAPACITY

Would these new payment restrictions be any more capable of eliminating large aggregate payments to a few operators?

Are the targeting proposals capable of being uniformly implemented in all 2100 agricultural counties?

Will the targets be adjusted in the future to redefine the "socially desirable" farm size?

TABLE 1.—NUMBER OF ACRES OF WHEAT ALLOWABLE WITH A $50,000 PAYMENT LIMITATION FOR ALTERNATIVE PROGRAM YIELDS AND DEFICIENCY PAYMENT RATES

[Deficiency payment rates per bushel—dollars per bushel]

Program yield—bushels per acre:	0.20	0.40	0.60	0.80	1.00	1.20	1.40	1.60	1.80	2.00
30	8,333	4,167	2,778	2,083	1,667	1,389	1,190	1,042	926	833
32	7,813	3,906	2,604	1,953	1,563	1,302	1,116	977	868	781
34	7,353	3,676	2,451	1,838	1,471	1,225	1,050	919	817	735
36	6,944	3,472	2,315	1,736	1,389	1,157	992	868	772	694
38	6,579	3,289	2,193	1,645	1,316	1,096	940	822	731	658
40	6,250	3,125	2,083	1,563	1,250	1,042	893	781	694	625
45	5,556	2,778	1,852	1,389	1,111	926	794	694	617	556
50	5,000	2,500	1,667	1,250	1,000	833	714	625	556	500
55	4,545	2,273	1,515	1,136	909	758	649	568	505	455
60	4,167	2,083	1,389	1,042	833	694	595	521	463	417

Mr. CARPER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Kansas [Mr. GLICKMAN].

Mr. Chairman, as I listen to this debate, several thoughts come to mind. One of those is a vote that we will get to make in this Chamber within the next couple of weeks on raising the debt ceiling, raising the debt ceiling, not by a couple of dollars, but by probably a couple of a hundred billion dollars.

Mr. Chairman, as we approach the vote on the amendment of the gentleman from Kansas [Mr. GLICKMAN] and the amendments of the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY], I hope we will remember the vote to come on the debt ceiling.

As I sat here listening to this debate, Mr. Chairman, I could not help but think about the budget summit that is going on not too far from where we are. I could not help but think about the recommendations that we are likely to hear as a result of any agreement that comes out of that budget summit.

Mr. Chairman, we are going to be asked to vote here in the next several weeks for taxes, for taxes, and probably a lot of taxes. We are going to be asked to vote here in the next several weeks for cuts in defense spending. We are going to be asked to vote to close military bases. We are going to be asked to shut down weapons systems, to close defense production facilities. We are going to be asked to literally vote to lay off hundreds of thousands of our Armed Forces personnel. We are going to be asked to vote on cuts that will cut to the bone GLS's, Government student loans, guaranteed student loans, that will cut Pell grants, that will cut Head Start programs, that will reduce our ability to meet our transportation needs to build roads, to build bridges. We are going to be asked to make cuts to the WIC Program, a program where only half the people who need to be served are served. We are going to be asked to make cuts to health care programs where we have 45 million Americans who have absolutely no health care in this country. We are going to be asked to cut programs for housing homeless people where we have 10 million Americans who have really no housing or inadequate housing. Those are the kinds of choices we are going to be asked to make in the next few weeks.

Today, Mr. Chairman, we are being asked to make a choice that I think is easy compared to those kinds of choices. We are going to be asked today to determine whether or not people whose adjusted gross income exceeds $100,000, if they should also be eligible for government subsidies.

I want to yield to the gentleman from New York [Mr. SCHUMER], if I can, to say my understanding is that most American families in this country, their annual income is something like, adjusted annual income, is roughly 30 to $35,000. This $100,000 figure, is this not roughly three times, not one time, not two, but three times what most American families earn?

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. CARPER. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, these are people who are extremely rich. If they need a subsidy, then everybody needs a subsidy, and the point of the gentleman from Delaware [Mr. CARPER] is well taken.

Mr. Chairman, we are going to be cutting, cutting, cutting in a month. How we can justify paying people who make $20,000 a year, $30,000, $50,000, a hundred thousand dollars of Government money, is beyond me. It does not radically change the farm program, but it says to those at the very top, "You can make it on your own."

□ 1730

Mr. CARPER. We are going through the course of our debate this year on appropriation bills, and we vote for 2 percent across-the-board cuts, we vote for 5 percent across-the-board cuts, you name it, we vote for it, and while we always complain that when it comes to the entitlement programs they are out of control. They are beyond our control. All we can do is try to address the 13 appropriations bills.

Well, today we have an opportunity to address some of this so-called out-of-control spending.

The Congressional Budget Office has forecast and has projected that for each of the next 5 years a vote in favor of Schumer-Armey will cut outlays by $400 million a year. That is $2 billion in real money.

The Office of Management and Budget has forecast the savings are almost twice that amount, almost $4 billion. That is real money.

I hope that as we approach this debate, as we approach the vote on Glickman and on Armey-Schumer we will keep in mind not just the give and take of this day, but we will keep in mind the very difficult choices we are going to have to make 1, 2, 3, 4 weeks down the line.

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first and foremost and most importantly, this amendment is a question of equity. One hour ago this body, this Chamber moved to lower loan rates and market prices. I assume that the gentleman from New York City [Mr. SCHUMER] who has a lot of farms in downtown Long Island, and the gentleman from Texas [Mr. ARMEY] who has an urban district, I assume that they voted in favor of lowering loan rates and market prices.

This Congress and this administration has embarked upon an all-out

effort in a deliberate act to drive down market and loan prices.

Why? So we can sell wheat and corn at a competitive price on the world market.

The administration wants to be assured they will not take over any stocks of grain, so they are going to drag down the market and loan prices, and then pay the producer to make up the difference with a target price or a deficiency payment. Drive down the price and then pay a subsidy; however, some are more equal than others and those who happen to exceed an arbitrary limit, decided upon by a gentleman from New York City or by a gentleman from an urban area in Texas, they do not qualify. Even though this Chamber and the U.S. Government destroys their market, they do not qualify.

A deliberate act, drive down market prices, pay a subsidy, but if you exceed that arbitrary limit, you do not qualify for those payments.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to my colleague, the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, I continue to be amazed in the debate that we have people who project these arguments along the lines that this is an income maintenance program, that it is a welfare program. This is a contract that is reached between the Department of Agriculture and the farmer to participate in the programs. If the farmer carries out certain actions, then he receives certain benefits. If he is unwilling to do that, then he does not receive the benefits.

So the point should be that in fact if this is going to be the rule of thumb that is extended, then this should go to each and every company, whether they are with the Department of Defense, whether they produce chemicals, or whether they produce anything else. If you are going to have a contract with the U.S. Government, then you cannot have an adjusted gross income of more than $100,000. That is exactly the logic of the amendment under the Armey-Schumer proposal.

This is not an income maintenance program. That is the bottom line.

The fact of the matter is that unless we have the degree of participation necessary, this program does not work. If it does not work, it does not work. So if the feeling is such that regardless of whether or not a farmer is big or small that he should be denied participation in that program if he happens to be a big farmer, if that is the way you feel you probably ought to just oppose all programs.

Mr. MARLENEE. Regaining my time, Mr. Chairman, neither the Glickman amendment nor the Armey-Schumer amendment is equitable and we should dispose of both of them. We have within the program the $50,000 payment limitation, and to this point I have not heard anything about doing away with that $50,000 payment level limitation.

Does this, I ask the gentleman from New York [Mr. SCHUMER], supplant the $50,000 payment limitation? Is that what the gentleman is advocating, that we go to $100,000 adjusted gross?

Mr. SCHUMER. Mr. Chairman, will the gentleman from Skobey yield?

Mr. MARLENEE. Oh, I am happy to yield to the gentleman from New York. I am from a rural area way up on the northern Canadian border where it is colder than all blazes, and proud of being from Skobey.

Mr. SCHUMER. Mr. Chairman, I assure the gentleman he is a much bigger man in Skobey than I am in New York City, but I would say to the gentleman, this amendment is aimed not at the $50,000 payment limitation, not at anything except a very small group. I doubt there are very many of them in Skobey.

Mr. MARLENEE. Regaining my time, Mr. Chairman, does it supplant the $50,000 payment?

Mr. SCHUMER. It is for people of very high income who can get along on their own.

Mr. MARLENEE. Does it supplant the $50,000 payment limitation, does it replace it?

Mr. SCHUMER. Mr. Chairman, if the gentleman will yield, I do not know what the gentleman means by supplanting. It is one of the proposals.

Mr. MARLENEE. Does it replace the $50,000 limitation?

Mr. SCHUMER. It does not supplant, as the gentleman well knows.

Mr. MARLENEE. Then we have two limitations.

Mr. SCHUMER. It does not supplant it. This is simply aimed——

Mr. MARLENEE. It does not replace it.

Mr. SCHUMER. It does not replace it.

Mr. MARLENEE. Then what have we got another one for, if it does not replace it? We need one or the other. If we are going to have the $100,000 limitation, let us have the $100,000. If it is going to be $50,000, let us have $50,000.

Mr. SCHUMER. Mr. Chairman, if the gentleman will yield, the gentleman has asked a question. I would appreciate the gentleman letting me answer it. Why does the gentleman not ask the gentleman from Pittsfield who introduced that amendment? I am introducing this amendment.

Mr. OWENS of New York. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the substitute amendment and in support of the Armey-Schumer amendment.

Mr. Chairman, I think I speak for a number of Representatives of urban areas and for a large number of the members of the Black Caucus when I say that on the Agricultural Subsidy Program we have kept the faith. We have kept the faith and we have cooperated. If you would check the voting record of a large number of the members of the New York City delegation and other big cities, you will find that year after year we voted for subsidies. We understand that wrapped up in the total package are a number of benefits, food stamps, commodity surplus, and a number of benefits that the urban areas receive. We understand that, but the problem here is that the excesses must be trimmed.

I appeal to the committee, I appeal to the people here in Congress to take steps now to trim the excesses, the abuses.

You know, we have the cheapest gasoline of any of the industrialized nations. We get the cheapest gasoline and we do not have subsidies for gasoline dealers. Oh, yes, we have oil depletion allowances. There is no pure capitalism, I know, but we do not have subsidies for them. We get cheap gasoline.

We have some of the cheapest widgets and gadgets in the world. Our consumers benefit from that.

Our consumers have a good supply of newsprint that is cheaper than any other nation. There are a number of things we have that are cheaper than the rest of the world and they do not have subsidies. Capitalism produces them.

As the gentleman indicated, we have a good supply of potatoes, and potatoes are not subsidized, and on and on it goes.

I am not arguing for the ending of all subsidies. I am not a pure capitalist. There are other people in this place who are, but I am not.

I think Government should intervene when it makes sense. Instead of socialism or capitalism, let us talk about pragmatism in economics. There are times when it is practical for the Government to intervene.

The gentleman mentioned contracts before. The Government intervened to have a contract for the farmers to do two things, to maintain their income for one. Do not say it is not an income maintenance program. That is part of the objective, to maintain income of farmers all across the country at a certain level, and also to make sure that consumers have a good supply of food.

When we reach the point where there are abuses, to the point where people cannot accept the limitation of $100,000 adjusted gross income, you know, we have lost our perspective. We are going to lose our control to the talk show hosts of America who are going to call us absurd and irresponsi-

ble for not beginning to rein in our own abuses, our own excesses.

Guaranteeing deposits of people in savings and loan associations made a lot of sense. It still makes a lot of sense, but look at the abuses and excesses we have tolerated because we refused to recognize reality and trim the abuses and get rid of the swindlers and the parasites. That is what you have here, swindlers and parasites taking advantage of the need of the Government to intervene for reasonable, commonsense purposes.

□ 1740

But common sense has gone out of the window. We have gotten locked into some religious dogma about any attempt to scale back the subsidies is an attack on the program. We must resist at all costs any attempt to be reasonable.

From an urban area, I say that we want reasonableness. The most risky job in America is to be an unskilled worker in an urban area where after 10 years of working all of your life you are suddenly out of work, and all the Government gives you is 26 weeks of unemployment insurance. There are a lot of risky things in our economy, a lot of people who deal with risk all the time, so it is hard to go back to my district and talk to my voters, talk to my constitutents about the need for farm relief. The drought relief bill that we passed two summers ago where the cutoff point was $2 million; a farmer who grossed up to $2 million was eligible for the drought relief program.

You did not require that they do anything to make up for that. The Government did not say that you have got to let the kids come out from the urban areas and play on your farms and touch the cows. They did not have to do anything; $2 million gross income and they were eligible for a drought relief program.

It started raining all over the country before we finished that bill, but we went ahead with it. I noticed the administration got most of the money out very rapidly.

So there are abuses. There are bitter pills that we cannot continue to ask our consumers in urban areas to swallow. The WIC Program ran out of money because of the rising price of food. It is not working, gentlemen. WIC depends on cereals and milk, and cereals and milk are two areas where we have subsidies.

Why were the prices of milk and cereals rising so rapidly that the WIC Program found that they ran out of money? Because the people found they had to pay higher prices.

Let us stop and think about what we are doing. We have an intervention by Government into the capitalist system as far as the farmers are concerned. It makes sense. It has worked for a long time, but the abuses are there. Let us correct the abuses. The parasites are there, and we should get rid of the parasites.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from New York [Mr. OWENS] has expired.

(At the request of Mr. DE LA GARZA and by unanimous consent, Mr. OWENS of New York was allowed to proceed for 2 additional minutes.)

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. OWENS of New York. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, I sympathize with what the gentleman is telling us. I agree with most of what he has said, and there are some 200 indictments in the Federal courts of people in one form or another that have tried to evade the rules or regulations or the law of the program, and we are trying.

Second, the WIC, which is, I have always stated, probably the No. 1 program that I would like to have my money go to. But the capitalistic system is what happened. What happened was we had a freeze in Texas, and we had a freeze in Florida, and the price of orange juice shot up. It has now cost us $150 million or so.

We have got now to increase the cost of school lunch programs, and we have had to pump more money into WIC, but it was not because of these programs. It was the freeze in Texas and Florida that increased the price of orange juice.

We had complaints from similar arguments about the cost of the dairy program, and we reduced the cost of the dairy program, and we reduced the surplus that used to be on the news every night. We now do not have the powdered milk from that program.

Mr. OWENS of New York. Mr. Chairman, reclaiming my time, the information I got did mention orange juice in addition to cereal and milk, which are definitely in the subsidy program. I did not say specifically there was something wrong with the way we handled milk or cereal. I am saying the system obviously is not working if the most needy people in our society, children and pregnant mothers, found that the price of food was going up. We need to make some adjustments and take a look at our system and see how we can make it work to avoid that kind of situation.

The CHAIRMAN pro tempore. The time of the gentleman form New York [Mr. OWENS] has again expired.

(At the request of Mr. DE LA GARZA and by unanimous consent, Mr. OWENS of New York was allowed to proceed for 1 minute.)

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. OWENS of New York. I yield to the gentleman from Texas.

Mr. DE LA GARZA. That is the reason for the program, because there is no program for orange juice, and that is a capitalistic system, and that is what brought the price up. So we try and provide commodities for the elderly, Meals on Wheels, for school lunches, and all of that from the program with the system that we have for distribution.

I wanted to thank the gentleman for bringing us this viewpoint, but it is not a question of big and small, but city versus rural. It is a question of doing the right thing for the reasons that the gentleman wants the right thing to be done.

Mr. OWENS of New York. Reclaiming my time, it is a question of people who are earning an adjusted gross income of $100,000 or more not being in this program. It is only fair to have this as a safety net program, and that is a pretty generous safety net, $100,000 adjusted gross income.

For those out there in my district who might be listening, that means you have taken off a lot of your expenses already. That is your profit almost, adjusted gross income, that is almost the same as profit.

Let us be realistic about it.

Mr. EMERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Schumer-Armey amendment.

Mr. Chairman, this amendment would effectively unravel years of carefully constructed balance in the Federal agricultural policy which has been designed to provide, and Members should understand this, a reasonable supply of food and fiber for the American public, but also to have enough to share with the hungry of the world under Public Law 480.

The tragic consequences of this amendment would range from an extreme volatility in supplies and prices of agricultural commodities available to American consumers to a greatly increased Federal budget exposure in addition to severely disrupting foreign trade, leaving many proenvironmental farm goals in shambles and decay of the infrastructure of rural America due to a crippled farm economy.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. EMERSON. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding.

The point I was trying to make awhile back, and I hope this is not old information, because we have been going over this and over and over again. I tried to make this to the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY].

We have heard a lot about the 4 percent and heard a lot about the 20,000 to 25,000 people here who are rich or who can certainly afford this who are investors or whoever.

A lot of those people are landlords. My question was: Has anybody tried to make a determination that if you disenfranchise the landlord and if for economic reasons or simply because you really singled him out as unworthy and he decides he is not going to allow that tenant to enter his land in the program, we have also disenfranchised that small family farmer, many of them, the average producer whose daily livelihood really depends on the landlord's operation and his cooperation and his good farm management; now, many farmers in my district farm their own land, but then farm and rely on leased ground to make their operation really economically viable.

Many of them have multiple landlords to work with. If one of those landlords falls into the unworthy category of the gentleman from Texas [Mr. ARMEY] or the gentleman from New York [Mr. SCHUMER] or the gentleman from New York [Mr. OWENS], he wears a scarlet "B" on his bib overalls, and that stands for "big," and that landlord says, "No way will I participate in the Federal program. If I am out, then the land goes with me."

What does that do to that average, moderate-sized family farmer trying to make a living? Do we know how many farm families depend on the capital assets of these individuals? That was the question I was trying to raise.

I would make one other question of the sponsors of the bill: Why did we exclude dairy, that is, the dairy program? I certainly have the attention of the gentleman from Wisconsin. Why did we exclude dairy from this particular kind of cutoff? Could I ask that?

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. EMERSON. I am happy to yield to the gentleman from Texas.

Mr. ARMEY. I thank the gentleman for yielding.

Let me first say that I am tempted to say that the gentleman from Wisconsin is meaner than you, and that is why we excluded dairy. But that is not the reason. The reason is so much of dairy payments go through cooperatives, and we felt the tracking of that would make it too complex in its administration, and we left it out.

Let me return to the gentleman's point about the land, remembering, if you will, by IRS hard data, we know the average income of these 20,000 people who may be disqualified, taken from farming, is 4 percent. One of the things that would happen if the acreage they owned or wished to acquire were disqualified from programs, you would not have them inflating the price of land as we have seen happen all too often to the point that the small operator that was really farming his own land that wished to acquire land would not be able to afford to purchase his own land, and you would have a tendency to work against the chronic trend for the programs themselves to encourage concentration in agriculture.

□ 1750

Mr. ROBERTS. Mr. Chairman, will the gentleman yield further?

Mr. EMERSON. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I would just like to make the point again, I think the gentleman from New York [Mr. OWENS] made a very good point from an urban standpoint. This whole business of a small family farmer really bothers me. If you take a father and three-son operation in western Kansas with 5,000 acres, we did not have production of 5,000 acres last year. We lost over half of our wheat crop. You are going to bump against that gross income level.

Mr. Chairman, these people are producers. They are not hobby farmers, they are producers. They have produced about 600 loaves of bread for every man, woman, and child in this whole body, including the gentleman from New York [Mr. OWENS], and it got down to 200 loaves of bread when we had the drought. They are producers and they belong in the program.

Mr. Chairman, I would simply close by saying if you follow this ideology of the gentleman from New York [Mr. SCHUMER], and if the gentleman from Texas [Mr. ARMEY] were in charge of the Revolutionary Army instead of George Washington, and somebody came to the gentleman and said, "Sir, the men are freezing," you would doubtlessly say, "Tax the firewood."

Mr. EMERSON. Mr. Chairman, I rise today in strong opposition to the Schumer-Armey amendment. This amendment would effectively unravel years of carefully constructed Federal agricultural policy which has been designed to provide a reasonable supply of food and fibre to American at reasonable prices, and to have enough to share with the hungry of the world under Public Law 480. The tragic consequences of this amendment would range from an extreme volatility in supplies and prices of agricultural commodities available to American consumers, to a greatly increased Federal budget exposure, in addition to severely disrupting foreign trade, leaving many proenvironemntal farm goals in shambles, and decay of the infrastructure of rural America due to a crippled farm economy.

Current U.S. farm programs have been operating responsibly for a number of years now, due in large part to the Food Security Act of 1985. H.R. 3950 will largely extend the goals of the 1985 farm bill that allows American agriculture to provide the safest, most reliable, and least expensive food and fiber supply in the world. However, if adopted, the Armey amendment would effectively destroy the very foundation on which this farm and consumer success story has been built

This anti-farm amendment would make many agricultural producers ineligible to participate in farm programs. For the many members of this body that are not familiar with the long-term effect of such an action, I would like to explain how that relates to your constituents at the grocery checkout register. According to the U.S. Department of Agriculture, the top-earning 5 percent of U.S. farms receive 25 percent of Government farm payments. Most importantly, these same farms also account for nearly 40 percent of gross agricultural sales. Removing these farmers from the Government program would mean turmoil for commodity markets and spell economic chaos for the American consumer.

With fewer farmers eligible to participate in farm programs, the balance of supply and demand will be increasingly more difficult to maintain and the costs of such an unstable food and fiber market will be ultimately borne by consumers at the marketplace. With no restrictions on the amount of production that larger "excluded" farmers have to abide with, acreage reduction requirements will increase, deficiency payments will be larger and the end result is greater budget exposure than under the present program.

Over the last several years, American agriculture has worked hard to address many of the environmental concerns facing this Nation and its future generations. However, this amendment would only compound present problems and open the door for further environmental turmoil the likes of which this Nation's rural society has never seen.

Present farm program eligibility is tied to farming in compliance with various conservation and environmental goals. Unfortunately, taking our largest producers out of the program removes a needed incentive to continue complying with many conservation practices. There will be no specific means to promote proenvironmental production on nearly half of our farms and ranches when these same producers are denied the benefits of Federal farm programs.

As the ranking member of the House Select Committee on Hunger, I take the threat of an unreliable food supply very seriously. The world now looks to us for leadership in farm commodity export markets. The hungry nations of the world rely on the United States for a consistent and reliable source of food. Constant instability in our grain supply due to a monkey wrench in our Federal farm policy is not a comforting sign to our foreign allies.

Similarly, without the means to stabilize prices and production of nearly half of our domestic farm output, our position in world markets could easily topple. Many of my colleagues are well aware that agriculture remains one of the few bright spots in our constant trade imbalance. Let's not destroy one of the few areas helping to keep American export trade afloat. I recommend my colleagues defeat this ill-conceived amendment and give a vote of confidence to our Federal farm policy and the American consumer.

Mr. STENHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. STENHOLM. Mr. Chairman, essentially we are getting close to the end of the debate. I think it is important now to focus on a few of the main points of disagreement.

Mr. Chairman, I would submit that those Members who have suggested time and time again that we are discussing food policy, not a welfare program, ought to be looked at and listened to very carefully.

The gentleman from New York [Mr. OWENS] made his points a moment ago. I would ask the gentleman, as I would ask other Members of Congress from urban areas, how can it be that the policies of the Committee on Agriculture over the last 5 or 10 years, how can it be that we are such a failure in your eyes, in delivering food to your people, if it is a fact that we are providing the most abundant quality, the best quality, the safest food supply, at the lowest cost of any other country or agricultural system in the world?

I ask Members to ask themselves that question before they cast their vote, if that is a fact, and I believe it to be a fact, because no one has contradicted that in any of the arguments as yet today.

The question was brought by the gentleman from Delaware on the budget. This Member quarreled not with the cuts that we are going to have to make from the agricultural function of the budget. The debate on this amendment is whether this is the best way to do it or whether there are better ways to do it. I would submit if one is interested in continuing the food policy that has brought us where we are today, there are better ways to do it. The Committee on Agriculture, the gentleman from Louisiana [Mr. HUCKABY], and others, will bring some better ways to do it in just a moment. But you ask the question, and you get it answered.

As to the question of the size of the farmer, we have to understand that today 14 percent of the farmers in America are producing 70 percent of that which is produced. No amendment is going to change that. But an amendment like that that the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY] have brought to us today will fundamentally change the policy under which we are operating.

Mr. Chairman, here I would make a point: the gentleman from Texas [Mr. ARMEY] very honestly is out to destroy the farm program and has made no bones about it. He is very honest and clear in that, and his philosophy is pure. I happen to disagree with it, but he is honest.

The gentleman from New York [Mr. SCHUMER] does not bring that to the debate. The gentleman from New York has been very honest in saying he does not wish to destroy farm programs. He believes his amendment as is offered is a fundamentally positive step.

Mr. Chairman, I would argue it is not for the reasons I am giving right now. If you knock the big producers out of the farm program, you are not going to have one, not as we know it today. There will be one. It will change. Maybe it is time to make that fundamental change. I do not think so.

Again, I submit the basic fact, the American farmer under the rules on which we cause him to operate today is feeding America and the poorest of the poor, cheaper than any other country in the world. I resent it when the gentleman from Texas [Mr. ARMEY] wrote in another publication "Moscow on the Mississippi," and compared our farm policy to Moscow. We do not have food lines in America. If we are not feeding the poorest of the poor, it is because our distribution system of income to the poorest of the poor is at fault, not the farm program. We have an abundance of food.

Mr. Chairman, if it is the budget we are concerned with, this committee will make the trims and the changes.

Mr. Chairman, I would ask Members, in particular the gentleman from New York [Mr. SCHUMER] as the author of this amendment, one simple question: In the amendment that the gentleman offers, he says that a person shall not be eligible to receive directly or indirectly any payment, purchase, or loan, if that person has a certain adjusted gross income.

The basic question I ask of those that support the Schumer amendment is why do you just limit wheat, feed grain, cotton, honey, rice, oilseed, wool, and mohair? Why not cargo preference? Why not housing? Why not the B-2? Why not all of the other multitude of programs that we have in which this Congress votes payments, purchases, loans, directly or indirectly, on a regular basis?

I guess the gentleman from New York [Mr. SCHUMER] is truly out to do as the gentleman from Texas [Mr. ARMEY] is, and that is to destroy this policy, in the grand belief that the free market out there in the world is going to be better for America unilaterally?

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I would say to the gentleman from Texas [Mr. STENHOLM] that it is hardly an agricultural loan, that there are subsidies. Subsidies that are aimed at those who do not need subsidies, either because they are underserving, or, as in this case, because they simply have enough money to make it on their own.

I would simply say to the gentleman that we should be, and I know the gentleman in his way and many of us in our own ways in other areas, are trying to eliminate those subsidies, too. But as I do not have to tell the gentleman from Texas [Mr. STENHOLM], whose ethical principles are among the highest that I have met, that two wrongs do not make a right. That because there are other bad subsidies, does not mean that we should continue this one.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from Texas [Mr. STENHOLM] has expired.

(At the request of Mr. SLATTERY and by unanimous consent, Mr. STENHOLM was allowed to proceed for 2 additional minutes.)

Mr. SLATTERY. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Kansas.

Mr. SLATTERY. Mr. Chairman, the gentleman from Texas [Mr. STENHOLM] talked about the budget costs. Yesterday evening, as a member of the Committee on the Budget, I just sat down and reviewed for the last 20 some years the cost of the farm programs. Let me share with Members one very interesting fact.

In 1970 dollars the farm program costs in 1989 was $3.4 billion. In 1970, the American taxpayer paid $4.8 billion to fund these programs.

The cost in 1970 dollars for the 1989 farm bill was less than it was in 1970.

Mr. Chairman, I would just like to associate myself with the remarks of the gentleman from Texas [Mr. STENHOLM]. He has hit the nail right on the head, and as far as I am concerned, we have to look at the bottom line. The American consumers are getting an enormous good deal when it comes to the American farm programs. I would just suggest that we not undermine the fundamental principle that has held all this together for the last 20 years.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, I thank the gentleman.

The CHAIRMAN pro tempore. The time of the gentleman from Texas [Mr. STENHOLM] has again expired.

(At the request of Mr. GLICKMAN and by unanimous consent, Mr. STENHOLM was allowed to proceed for 30 additional seconds.)

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I am the author of the substitute amendment. I see the debate has been focused on the base Schumer-Armey amendment. I, of course, hope my amendment passes. But if it does not on a voice vote, I am not going to call for a rollcall vote. Because I think Members want to get to the underly-

ing issue, which is the amendment of the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY].

Mr. Chairman, I hope that is defeated. My amendment I thought dealt with the problem of bigness and size. The Schumer-Armey amendment will deal with the problem of the basic structure of American agriculture and it will hurt the stability of food supplies in this country. So my hope is if my amendment does go down, which I hope it does not, that we will defeat the Schumer-Armey amendment.

Mr. STENHOLM. Mr. Chairman, reclaiming my time, let me just say quickly in concluding, this is a fundamental vote on farm policy. If you support Armey-Schumer, you are fundamentally changing the direction of farm policy. I have to ask Members, do you believe that fundamentally changing it is going to provide a better system than the one we have today? If the answer is yes, you vote with them.

Mr. ARMEY. Mr. Chairman, will the gentleman yield for a quick observation?

Mr. STENHOLM. I am happy to yield to the gentleman from Texas.

Mr. ARMEY. If the gentleman would yield, I would like to just quickly point out my adjusted gross income is $103,000. I have four boys in college. None of my boys are qualified for financial aid for their education.

Mr. STENHOLM. Mr. Chairman, if I may reclaim my time, that was not the point of the discussion.

Mr. LIGHTFOOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really want to make a couple of very quick points. In listening to the debate up in the office, some of it is rational. Some of it is irrational. Some of it is politically motivated. But I think all Members have honest intentions.

□ 1800

I spent 16 years as a farm editor before I failed the sanity test and got this job. Quite frankly, in that period of time I had an opportunity to work with a lot of farmers and a lot of consumers, and have worked this process from the outside as well as now from the inside.

What the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY] want to do, quite frankly, I think we would be hard pressed to find many farmers who would not like to get rid of having to deal with an ASCS office in one county that has a different opinion than the ASCS office in the next county, that would like to get away from all of the Government paperwork, that would like to get away from all of the restrictions that the Federal Government puts on them, and takes the decisionmaking process away from them and places it in the hands of some bureaucrat at USDA. They would love to do that.

But the basic problem with it is that in a world where we compete with the EC and other countries who do subsidizing that makes ours look like kindergarten play, there is absolutely no way that we can compete in a world market against those kind of countries without some Federal assistance on our end.

We heard much talk on the balance of trade. Look at those figures and see where the positive numbers are. They are in agricultural exports. That is the only reason this country has kept its head above water as long as we have, is because of agricultural exports. If the Armey and Schumer amendment passes, we will lose that advantage as well.

The second point which I think gets to the heart of some of this, and I know that the gentleman from New York [Mr. SCHUMER] is a champion of the downtrodden and the oppressed, and the poor, but in this country today the average American consumer spends about 10.8 percent of their income on what they eat. In the Soviet Union they spend around 30 percent, a little more than that in Japan, and we could go on and on and list other countries around the world. If this amendment passes, we will start to see prices escalate at the grocery store, and I will guarantee that the gentleman from New York and those who are pushing on this amendment now, who are particularly champions of the oppressed, the downtrodden, and the poor will be back in this House Chamber asking for subsidies so that the poor people can buy groceries, and then the subsidy will be paid to the grocery store. The bottom line is that it will cost 10, 20, 30 times more than what this particular farm program costs to the American taxpayer.

So I think although intentions are good, it is ill advised. We are the leading nation in the world in agricultural exports, and we need to stay there. We have I think one of the best bargains in the food that our consumers eat, and the only way that we can do it is with the system we have in place.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. LIGHTFOOT. I yield to my friend, the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I would like to point out one more thing that has not been brought out here. We are spending $27 billion a year for food aid programs and $19 billion of that is for food stamps, some also is for the WIC Program, and about one-third of that amount is the cost of the programs in this bill relating for production and reserves that stabilize the supplies and the prices of food. The amount we pay in the budget, $27 billion, for food aid for the needy, if we did not have the commodity programs, would in many years increase more than the total amount the commodity programs cost. We would have fluctuations in supplies and prices and we would be in one of those periods right now where the cost would not be $27 billion, it would probably be more like between $37 and $47 billion.

So the commodity programs are truly programs that are for the poor as well as for the producers. And if the cost of food aid had increased $37 to $47 billion this we would have found extremely difficult if not impossible to come up with that amount in extra money instead of the just $150 million more for orange juice.

Mr. LIGHTFOOT. I appreciate the gentleman's comments.

Mr. DORGAN of North Dakota. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have been through a 10-year period of almost an orgy of greed and speculation on Wall Street, junk bonds, the lexicon of leveraged buyouts. It has been an interesting decade, and the economy and the country and the policymakers somehow seem to construct and put together things that have rewarded the people that are speculating and producing nothing but a paper economic base, and yet the people in the country that produce real, new wealth, especially the farmers that grow real crops year after year have been in a deep, abiding, lengthy recession.

One of the interesting things that I have noticed is a difference between what I read about in the paper on the op-ed pieces and what I find back home on the farms. You read the newspaper and what you see is a description of farmers who are making $100,000, $1 million, parking their Mercedes Benz at the airport as they jet to Mesa, AZ, for the winter. And then you go back home, and I can only speak for North Dakota, the wheat and feed grain area, you go back home and analyze what is happening on the farm. What we have is main streets are boarding up, small businesses are going broke, family farms are closing, farmers are leaving the farm in record numbers.

The fact is the policy is not working now. We have many different views on the floor of this House about how to fix it. I disagree with the committee in some areas. Congressman JOHNSON and I want to target higher support prices to the first increment of production to better help the family farmer. We have disagreements on that.

But the problem I have as I listen to this debate is that we have some people who come to the floor who know very little about agriculture, who describe to us a condition in farming that simply does not exist. In

North Dakota we do not have the $1 million outfits and the description of well-to-do farmers that I read about in the op-ed pieces that trumpet this new policy that you are giving us today. In most cases we have family farmers hanging on by their financial fingertips.

A couple of nights ago a friend of mine called. He is a young man who came back to North Dakota after getting his master's degree and working in a corporation to take over his dad's farm. He is a good farmer. But his cost of producing a bushel of wheat exceeds the target price that he gets for wheat. And no, he does not get the $4 target. That is what the law says, but you do not get the $4 target price back in Regent, ND. It is adjusted. He gets less than $3.50 a bushel target price. And the fact is his cost of production exceeds the price supports. You do not have to have advanced arithmetic to understand that when it costs more to produce something than you get for it that you are going to keep farming until you go broke, and that is what is happening in my part of the country.

We need better price supports. We need a better system. We do not need a fractured approach that uses a lot of hyperbole to describe conditions that do not exist on the farm today.

We have been using a lot of energy in the last few hours to deal with a problem that does not exist in North Dakota. By and large our problem in North Dakota is to construct a better price support system that works for family farmers.

So I would hope that we will support the Glickman substitute. I hope in the coming hours as we discuss the farm bill that all of us can agree that our mission here is to try to develop a policy that guides our farm program.

We have had a program that the people down at the USDA like. They think this is fine. They like lower prices. It is not what I believe in. I believe in fair prices, prices above the cost of production for a family farmer.

We ought to have a philosophy in our farm program that drives it, a philosophy that says that it is our intent, for social, for economic reasons in this country to maintain a network of family farmers. If that is our goal, and it is not now our goal but if it is, and it should be, then we will construct a system of price supports that does not cost all that much, but does save family farmers. With less than 1 percent of the Federal budget we can save family farmers in this country.

To some of my friends I would say this: You talk about cost; the farm price support program a few years ago cost nearly $27 billion. Now it is going to cost around $8 billion to $9 billion. Would we not be so lucky if our defense budget was on the same trend, if a number of the other areas of expenditure were to run the same trend line? Then we would not have the deficit problems we have today.

Has agriculture contributed to reducing the deficit? You better believe we have contributed. We are talking about one-third the price support protection in aggregate dollars expended from the Federal budget now than existed not too many years ago.

I stand to support the Glickman amendment. I hope we will pass the substitute.

But then I hope we will begin to discuss real serious price support protection for family-sized farmers in this country.

Mr. GRANDY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from North Dakota [Mr. DORGAN] has expired.

(On request of Mr. GRANDY and by unanimous consent Mr. DORGAN of North Dakota was allowed to proceed for 1 additional minute.)

Mr. DORGAN of North Dakota. I am happy to yield to the gentleman from Iowa.

Mr. GRANDY. Mr. Chairman, I rise not only to support what the gentleman says, and the gentleman knows that I do not always support him on various market philosophies and farming, but on one point he makes an excellent observation.

We are 1 percent of the budget, but we have also made 16 percent of the discretionary cuts over the last 5 years. There is not another discretionary program that has borne the cost of these budget cuts to the extent that agriculture has, and again we are asked to take a disproportionate share. Regardless of the Armey amendment, we will be cut, no matter what happens today. But what we should not be is penalized.

Mr. DORGAN of North Dakota. Let me say that we are less than 1 percent, we are three-fourths of 1 percent of the budget, and if we had 1 percent of the budget the chairman could bring a bill to the floor that gives price support protection that makes sense for family farmers. If we had 1 percent, literally 1 percent of the Federal budget, we could save most family farmers in this country.

□ 1810

Mr. ROBERT F. (BOB) SMITH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know we are growing tired of this issue. But I want to approach it possibly from a little different point of view.

Both Glickman and Armey are flawed. I want to speak basically to the Armey philosophy here. It is flawed because it strikes at the very heart of American values, and that is; growth. We have achieved greatness in America because we are competitive and because little folks want to become big guys and they have achieved that.

Well, it is absurd to say, for instance, "You can buy airplanes, but you can only buy them from little airplane companies. You can have a loan on a house, but it can only be a little house. You can have a dream, but it only must be a little dream."

Well, small farmers are driven by competition in America, and that competition produces an opportunity for them to buy out their neighbor, to become big farmers. I do not know of a farmer in America who does not want to buy out his neighbor. Many of them have, and many of them have become most efficient in doing so.

So we are here striking again at the very incentive that has made agriculture great in this country, feeding the world, you might say. There has been a great deal of talk about how much farmers make and $100,000 is a rich man's dream. I look around this House, and it appears to me that Congress makes about $100,000 a year, Congressmen make that much. I do not see any rich Congressmen here. You sure did not make it from your salary.

I see the kinds of cars you drive, I can tell you that you are not rich.

To say that farmers are rich who make $100,000 is a grand anomaly and wrong. There is nothing wrong with being a big farmer.

You heard my friend from Texas talk about the fact, and the fact is that 14 percent of the farmers in America produce 70 percent of the agricultural products in this country. That means some of the largest farmers in America produce most of the goods.

We are striking, again, at the heart of the farm program when you move those people out of the program.

We have heard from the Department of Agriculture that the Armey-Schumer amendment could cost more, not less, could cost more in its application in the future.

I think they are absolutely correct.

So the trend has served us well, it has fed our people, and it produces the highest quality food in the world at the cheapest prices in the world.

If you want to push big producers out of the agriculture program, you make two mistakes. First, you penalize those who are and those who wish to be bigger and better, and you create an agricultural policy that ignores 70 percent of the goods produced in this country.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Schumer amendment.

Mr. Chairman, the Schumer-Armey amendment is really about limitations.

It is about whether or not those who belly up to the Federal Treasury for a level of support for their activities, all of which is commendable, whether or not there is some limitation on their participation at the Treasury.

It is interesting that a number of comparisons have been drawn. The gentleman from Oregon just said if you want to buy a house, we do not say you have to buy a small house. Oh, yes, we do, if you want a Federal subsidy.

If you want an FHA loan, there is a limit upon which we will participate. If you are a veteran, there is a limit. You can have a larger house, you can do whatever you want, but there is a limit to which the Federal Government, the Treasury and the taxpayers, will participate.

Mr. SCHUMER is not saying that farmers who have $150,000 adjusted gross income are rich, because everybody recognizes here that they are not necessarily so. He is simply saying that that is the point at which we are going to ask that the Federal Treasury stop being your partner. We do that all the time.

We spend, somebody said—what is the cost of this program this year? Eight billion?

Eight billion dollars, and we do not want any limitations on the participation of this program. Then Mr. SMITH stood up and said $19 billion goes out to nutrition. Do you know there is a limitation on each and every one of those people about their participation?

If you are a young child and you are in the School Lunch Program, we have three of them: We have free for the poor, reduced for the middle-income, and paying for others, because we say there is a limitation on which the Federal Government will participate in that program.

If people need stamps, well, first of all, we do not give them the full allotment that it takes to meet a nutritional diet for a family of four. We only give them 80 percent. then we say if they are at a poverty level, they will get full participation; if they are at 125, or 145, or 150, we will start to phase that down.

If you go to work and you are poor, we say that if you earn a dollar, we are going to call back a dollar of Federal support from you. If you are single and you have children in child care, you go to work, the Federal Government will support you, but after a while the Federal Government is going to take back their dollars.

If you are on Social Security and you go to work because you need income, we give you your Social Security payment, but if you work and you earn too much, we take back $1, we take back 50 cents for that which you earn over the limit.

There are limits in American society, there are limits in American society that have been placed there by Members of the Congress because we believe there was a point after which individuals should be able to make it on their own.

Some people get student loans and some people get grants. For poor people we provide grants; for middle-income people we provide loans; and if you are rich or high income the loans are on your own.

That is a basic philosophy. I dare say it is a basic conservative philosophy of this Government. But somehow that is not going to apply to the agricultural community. We are not going to means-test this program, we are not going to look behind that farmer and that payment to determine if something else is going on.

Can this individual make it? Can this individual make it? Not to transfer the money saved to programs that I might like, but maybe to other farmers that need additional help, smaller farmers, poorer farmers, more productive farmers.

We operate that way in every other program of this Federal Government, but we do not want to operate that way here.

Mr. STENHOLM is right, this is about a basic debate on farm policy. You are quite correct.

We must choose.

As Mr. DORGAN said, we have come out of a decade where we have binged out on the lavish expenditure of taxpayers' money on those who were unjustified, people who used tax breaks, who used the Tax Code beyond all of our expectations.

We have made decisions about that in the last tax bill, we are making decisions about defense contractors, we are making a whole host of decisions. But we are not going to make that decision with respect to the farm program? I do not believe it. You may slip by this year, but this debate will become fundamental to the well-being of this program, to the success of this program.

The CHAIRMAN pro tempore (Mr. ALEXANDER). The time of the gentleman from California [Mr. MILLER] has expired.

(By unanimous consent, Mr. MILLER of California was allowed to proceed for 3 additional minutes.)

Mr. MILLER of California. I do not believe that this is a wholesale attack on the American farmer. I would not be standing here if that were the case.

A few months ago, most of you voted with me. To do what? To limit the extent to which the Federal Government would support farmers who were receiving water subsidies. We did not say we would take them away. We said: After 1,000 acres of subsidy that is worth $350,000 to that farmer, before any of these other subsidies, that is the extent to which the Federal Government will continue to participate.

If you want to farm 5,000 or 10,000, you are on your own, you are on your own. This is not class warfare, it is about the recognition that down the hall, for the last 8 or 9 weeks, we have had a summit, we have had people going into a room trying to figure out how we can pay for our priorities.

□ 1820

They are going to come back and tell Members how we are not going to pay for the doctors on Medicare, we are going to change the payments, we are going to change the deductible, we are going to change the copayments. Why? Because they are going to try to convince Members there is a limit to which the Government can help those elderly people.

This apparently is a Brahmin class program. We do not have to undergo that same kind of scrutiny. We will cut the overall cost in the United States, but what about internally within the program on who gets to participate and who does not? Does the benefit go? We keep hiding behind the small farmers, but we now find we have some 2 percent of the land or 3 percent of the land or possibly 20,000 farmers who apparently have enough adjusted gross income that they do not need the full benefits of this program.

But the answer is, no changes. So what we are suggesting, if we go against the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY], we are suggesting that that program will be treated differently, the participants in this program will be treated differently than everybody else, from the poorest of the poor in our society. The poorest of the poor in our society will have to do a means test to get a food stamp, to get a hot lunch, to get a vaccination, to get child care, to get an education, to get a student loan. Their grandparents will have to undergo a means test if they want to work at McDonald's to make ends meet, but the farmer making over $100,000, no means test. They can have the program. They can have the subsidy.

Come on, come on. If we are all going to be their partners, can we not share in the profits? No, we do not do that. I think this is about limitations. This is about a notion that the Government will help when a person needs it. The Government will travel with a person when they need to be traveled with. But at some point, we have to go it alone. At some point we have to go out there into the free market. God forbid, the free market that has been talked about so often here. Somebody is going to have to put their toe into that ice cold water of the free market. We are not going to

send the poor out there. We are not going to send the small farmer. We will suggest that a person has this kind of assets, this kind of adjusted income, maybe can go it without governmental help, not to say they are rich, but I think it is to say this is a very fair proposal. It is just. It has equity with respect to taxpayers that we all represent.

Mr. COLEMAN of Missouri. Mr. Chairman, I move to strike the last word. The gentleman from California has made some very interesting statements about limiting various programs and income eligibility. I want to make sure that the record reflects the fact that what he says about the programs are true. We are not talking about those programs, but all the programs that he mentioned are different from this farm program because when we may limit, for example, the amount of loan that FHA will subsidize, the taxpayers will subsidize on the size of the house, he uses as an example, it does not impact the cost of housing to other people who do not get that loan. However, in the farm program, the people who he wants to take out of the farm program have a direct impact on the people who are left in.

He talked about the free market. There is no free market to the extent that an individual farmer can control his own destiny. That is the difference, and that is why we have this program with the big guys and the little guys in it. The big guys impact the little guys. It is my little family-sized farmer, that if the big farmer leaves this program will see the prices decline that he gets for his commodity, because the big farmer will produce and produce and produce. Therefore, by limiting these people to come into the program from an income-adjusted standpoint has absolutely no impact upon trying to save money, which we have recognized, but it impacts the farmers that remain behind.

All the problems, food stamps and housing, that the gentleman from California [Mr. MILLER] talked about are completely different. We are talking about universal producers, and when some of those producers are taken out and are increasing their production, it drives down the price of commodities for everybody. That is the problem.

Of all persons, one of the cosponsors of this is an economist. He knows about supply and demand from Econ 101; he used to teach it. That is when we have a large supply of something and the demand stays the same, the price is going to go down. That is exactly what happens to the farmer's product, his commodity, his corn or wheat or whatever it is. Let Members not lose sight of what we are really talking about here. It is not to establish income eligibility levels here. We are talking about trying to keep together a comprehensive agricultural production system in this country that has an impact and an adjustment on each other. Take some out, it will impact those that remain behind.

Mr. DE LA GARZA. Mr. Chairman, because we must finish this legislation tonight, I would like to find out what Members desire to debate the Glickman amendment further, and I ask unanimous consent that we restrict the debate time to 10 minutes.

The CHAIRMAN pro tempore (Mr. ALEXANDER). Is there objection to the unanimous-consent request of the gentleman from Texas?

Mr. ARMEY. Mr. Chairman, reserving the right to object, I just want to be sure that I understand that we are limiting debate to 10 minutes, to be equally divided among the Members standing?

The CHAIRMAN pro tempore. That is the unanimous-consent request of the gentleman from Texas [Mr. DE LA GARZA].

Mr. ARMEY. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the unanimous-consent request of the gentleman from Texas?

There was no objection.

The CHAIRMAN pro tempore. Members standing at the time the unanimous-consent request was agreed to will be recognized for 1½ minutes each.

The Chair recognizes the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I simply rise to urge the gentleman from Kansas [Mr. GLICKMAN] to proceed to a recorded vote on his amendment to cap payments to those producers who receive more than $1 million in income from program crops. I urge that amendment. It is similar to an amendment that I offered in committee. The gentleman from Kansas [Mr. GLICKMAN] supported me at that point. We were told when we offered that amendment in committee by the USDA's witness that it would not detrimentally affect our supply management efforts to exempt the largest farms from program benefits.

I believe that a recorded vote is important on this question. I think this is a preferable alternative to the one being proffered by the gentleman from New York [Mr. SCHUMER] and the gentleman from Texas [Mr. ARMEY]. If the gentleman from Kansas [Mr. GLICKMAN] does not proceed to a recorded vote, it is my intention to come back after the Schumer-Armey amendment is defeated and offer a similar $1 million limitation. Again, we might as well get the recorded vote out of the way now.

□ 1830

(By unanimous consent, Mr. WILLIAMS yielded his time to Mr. LEHMAN of California.)

Mr. CHAIRMAN pro tempore (Mr. ALEXANDER). The Chair recognizes the gentleman from California [Mr. LEHMAN].

The LEHMAN of California. Mr. Chairman, I will be very brief. I just want to make a couple of comments in response to what has been said by some of the other speakers here.

I think that the proponents of this amendment cannot see the program for the farmers. I remember when I was growing up, my father grew peaches, and we would take our peaches down to the processing plant and sell them to the processor. He told us what we would get for the peaches. We did not negotiate with him; he told us what we would get. There was no free market. All the leverage is on one side, and that is why in its wisdom this Congress created a farm program to level out that playing field and to give the farmer a chance when he went in there.

As has been pointed out, there are no breadlines in this country. Our farm program is the envy of the world. Other nations erect barriers to keep our products out, that is how envious they are. If we start taking people out of the program, we will destroy the program and we will destroy that level playing field that the program was designed to create for everyone.

Mr. Chairman, I urge a no vote on the Schumer amendment.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I agree with many members of the Committee on Agriculture that the Glickman amendment is not very fair. It uses a much more swiss cheese-like standard, which is gross sales. It may catch middle-class farmers, and it may catch people who have high salaries, high expenses, and not much income.

Mr. Chairman, I urge that the Glickman amendment be defeated and that the Schumer-Armey amendment be voted on positively by this body.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Very quickly, Mr. Chairman, the Glickman amendment is a substitute for the Schumer-Armey amendment. It is a substitute that touches scarcely no one. It makes no change in outlays for the Treasury; it removes nobody from the subsidy roles; it makes no impact on acreage planted.

The Schumer-Armey alternative saves the Treasury $900 million a year, it takes 20,000 people out of participation, and it makes virtually no impact on participation in the program, 2.5

percent of the total acreage of the program.

Mr. Chairman, I urge a no vote on Glickman and a yes vote on Schumer-Armey.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA], the chairman of the committee to close debate.

Mr. DE LA GARZA. Mr. Chairman, the committee has brought us what I think is fair and equitable legislation, and I oppose both the amendments. I ask the Members to vote no on the Glickman amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Kansas [Mr. GLICKMAN] as a substitute for the amendment offered by the gentleman from New York [Mr. SCHUMER].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. GLICKMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 174, noes 251, not voting 7, as follows:

[Roll No. 265]

AYES—174

Ackerman
Anderson
Andrews
Anthony
Applegate
Baker
Ballenger
Bartlett
Bateman
Bentley
Bereuter
Bevill
Bilirakis
Bliley
Bonior
Bosco
Boxer
Brooks
Browder
Brown (CA)
Bruce
Bryant
Buechner
Byron
Cardin
Chandler
Chapman
Clement
Clinger
Coble
Coleman (TX)
Cooper
Costello
Courter
Coyne
Dannemeyer
Darden
Dellums
DeWine
Dicks
Dixon
Dorgan (ND)
Dornan (CA)
Durbin
Dymally
Edwards (CA)
Evans
Fascell
Fazio
Fish
Frost
Gallegly
Gephardt
Geren
Gillmor
Gilman
Gingrich
Glickman
Goodling
Gordon
Grandy
Grant
Gray
Gunderson
Hamilton
Hansen
Harris
Hastert
Hayes (IL)
Hefley
Henry
Hertel
Hoagland
Holloway
Houghton
Hoyer
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jenkins
Johnson (SD)
Jones (GA)
Kaptur
Kasich
Kastenmeier
Kennelly
Lagomarsino
Lancaster
Leach (IA)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lowery (CA)
McCandless
McCloskey
McDermott
McHugh
Meyers
Miller (CA)
Miller (OH)
Mineta
Mollohan
Moody
Moorhead
Murtha
Nagle
Neal (NC)
Oberstar
Owens (UT)
Oxley
Panetta
Paxon
Pease
Penny
Petri
Pickett
Pickle
Poshard
Pursell
Quillen
Rahall
Ravenel
Regula
Ridge
Roe
Ros-Lehtinen
Rose
Rowland (GA)
Roybal
Sangmeister
Savage
Sawyer
Schaefer
Schuette
Sharp
Shaw
Sikorski
Skaggs
Slattery
Slaughter (NY)
Slaughter (VA)
Staggers
Stark
Ford (MI)
Ford (TN)
Swift
Tanner
Tauke
Thomas (CA)
Thomas (WY)
Torres
Madigan
Martin (IL)
Traficant
Unsoeld
Valentine
Vander Jagt
Volkmer
Vucanovich
Stearns
Sundquist
Walgren
Waxman
Wheat
Wilson
Wise
Wolpe

NOES—251

Alexander
Annunzio
Archer
Armey
Aspin
Atkins
AuCoin
Barnard
Barton
Bates
Beilenson
Bennett
Berman
Bilbray
Boehlert
Boggs
Borski
Boucher
Brennan
Broomfield
Brown (CO)
Bunning
Burton
Bustamante
Callahan
Campbell (CA)
Campbell (CO)
Carper
Clarke
Clay
Coleman (MO)
Collins
Combest
Condit
Conte
Conyers
Coughlin
Cox
Craig
Crane
Davis
de la Garza
DeFazio
DeLay
Derrick
Dickinson
Dingell
Donnelly
Douglas
Downey
Dreier
Duncan
Dwyer
Dyson
Eckart
Edwards (OK)
Emerson
Engel
English
Erdreich
Espy
Fawell
Feighan
Fields
Flippo
Foglietta
Frank
Frenzel
Gallo
Gaydos
Gejdenson
Gekas
Gibbons
Gonzalez
Goss
Gradison
Green
Guarini
Hall (OH)
Hall (TX)
Hammerschmidt
Hancock
Hatcher
Hawkins
Hayes (LA)
Hefner
Herger
Hiler
Hochbrueckner
Hopkins
Horton
Hubbard
Huckaby
Hughes
Johnson (CT)
Johnston
Jones (NC)
Jontz
Kanjorski
Kennedy
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
Kyl
LaFalce
Lantos
Laughlin
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Luken, Thomas
Lukens, Donald
Machtley
Manton
Markey
Marlenee
Martin (NY)
Matsui
Mavroules
Mazzoli
McCollum
McCrery
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
McMillen (MD)
McNulty
Mfume
Michel
Miller (WA)
Moakley
Molinari
Montgomery
Morella
Morrison (CT)
Morrison (WA)
Murphy
Myers
Natcher
Neal (MA)
Nielson
Nowak
Oakar
Obey
Olin
Ortiz
Owens (NY)
Packard
Pallone
Parker
Parris
Pashayan
Patterson
Payne (NJ)
Payne (VA)
Pelosi
Perkins
Porter
Price
Rangel
Ray
Rhodes
Richardson
Rinaldo
Ritter
Roberts
Robinson
Rogers
Rohrabacher
Rostenkowski
Roth
Roukema
Rowland (CT)
Russo
Sabo
Saiki
Sarpalius
Saxton
Scheuer
Schiff
Schneider
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Shays
Shumway
Shuster
Sisisky
Skeen
Skelton
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
Stallings
Stangeland
Stenholm
Stokes
Studds
Stump
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torricelli
Towns
Traxler
Udall
Upton
Vento
Visclosky
Walker
Walsh
Washington
Watkins
Weber
Weiss
Weldon
Whittaker
Whitten
Williams
Wolf
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—7

Carr
Crockett
Early
Flake
Martinez
Mrazek
Nelson

□ 1855

Messrs. LENT, VENTO, KENNEDY, FLIPPO, HALL of Texas, and UDALL, and Ms. PELOSI, and Mr. ANNUNZIO changed their vote from "aye" to "no."

Messrs. GRANDY, HASTERT, BEREUTER, ROWLAND of Georgia, BROOKS, BUECHNER, GEREN of Texas, McCLOSKEY, HOAGLAND and CLINGER, and Mrs. BENTLEY changed their vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

LEGISLATIVE PROGRAM

(By unanimous consent, Mr. DE LA GARZA was allowed to proceed out of order.)

Mr. DE LA GARZA. Mr. Chairman, I take this time to inform the Members that working with the leadership we hope that we might conclude this amendment that is pending. We have several areas where we have some degree of compromise that we hope we might be able to offer tonight not requiring a vote of the Members and then rise and return at the call of the leadership either tomorrow or Friday, so that we would have basically one more vote this evening.

With that in mind, Mr. Chairman, I ask unanimous consent that on this amendment we limit debate to 10 minutes for the amendment and 10 minutes against the amendment.

The CHAIRMAN pro tempore (Mr. ALEXANDER). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SCHUMER. Mr. Speaker, I ask for time on the amendment.

The CHAIRMAN pro tempore. The time remaining on the Schumer amendment is limited to 10 minutes on each side.

Mr. DE LA GARZA. Mr. Chairman, I ask unanimous consent that I might divide my 10 minutes with the gentleman from Illinois [Mr. MADIGAN].

The CHAIRMAN pro tempore. The Chair will divide the time between the two sides.

□ 1900

The CHAIRMAN pro tempore (Mr. ALEXANDER). The Chair will state the agreement.

There are 20 minutes of debate remaining on the Schumer amendment which will be divided equally to both sides. The gentleman from New York [Mr. SCHUMER] will get 10 minutes, and the gentleman from Texas [Mr. DE LA GARZA] will get 10 minutes.

PARLIAMENTARY INQUIRY

Mr. SCHUMER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. SCHUMER. Mr. Chairman, does the sponsor of the amendment get to conclude?

The CHAIRMAN pro tempore. The gentleman from Texas [Mr. DE LA GARZA] gets to close debate.

Mr. SCHUMER. I thank the Chair.

The CHAIRMAN pro tempore. The gentleman from Illinois [Mr. MADIGAN] will receive 5 minutes, and the gentleman from Texas [Mr. DE LA GARZA] will receive 5 minutes.

The Chair recognizes the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise in strong support of the Schumer-Armey amendment.

This amendment will save the taxpayers nearly a billion dollars merely by eliminating income support payments to people whose incomes do not need supporting.

Currently, there is no income limit for receiving most farm payments. A wealthy farm operator, a corporate farm, even an investor who has never set foot on a farm in his life can receive huge checks from the Government. These checks can range as high as $50,000, $100,000, even $250,000, depending on the farm program involved.

This can hardly be described as a Draconian spending cut. Only 20,000 of the 800,000 people receiving income support for the USDA will be affected. Interestingly, those people get only a small percentage of their income from farm sources—on average, less than 4 percent. These are not full-time farmers at all, but in many cases, merely investors.

Mr. Chairman, we face many difficult decisions this year. Excessive spending must be reduced. Some have suggested that taxes must be raised. The need to reduce the deficit presents no easy answers.

I would say to my colleagues, however, that this should not be a tough decision to make. Wealthy people do not need income support. That is not what our farm programs are for.

Mr. Chairman, this is a year when we must make many difficult decisions to reduce excessive Government spending.

I urge my colleagues to vote for the Schumer-Armey amendment.

Mr. SCHUMER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ROHRABACHER].

MR. ROHRABACHER. Mr. Chairman, I rise in strong support of the Armey-Schumer amendment.

It seems like every time we try to reform the system to cut special interests or to deal with the deficit problem in a serious way or attack some special interest, what we hear are howls of anguish that suggest that what we are really after is the little guy, that the little guy is the fellow who is going to hurt.

Today we hear that the urban poor in the grocery line will suffer. Yet, in the same debate we hear that our actions will drive down the price of commodities. You cannot have it both ways.

We hear that family farmers are hanging on by their fingernails. This amendment does not impact on the family farmer. This amendment is aimed at those wealthy individuals who are earning more than $100,000 a year.

We are told that this debate is about a system that is working. The question is: Can the system work better?

Marketing orders, quotas, allotments increase the price of food, and in the name of the family farmer and in the name of the system that is working, what we are doing is helping, is channeling much-needed Federal revenue to wealthy, affluent individuals.

It is time for this Congress to set priorities. We have a high level of deficit spending that is threatening the well-being of our country. People who are earning over $100,000 a year should not be drawing on these scarce dollars that are available to this Congress to deal with the problems that face America.

Whether for income support payments or any other form of Federal subsidy, it is not right in this time of high Federal deficit spending that we spend money on the rich. Perhaps even those who receive National Endowment for the Arts grants should not be receiving them if they earn over $100,000 a year.

The fact is there are many programs, many, many programs that are aimed at ordinary citizens that will not be put into practice if the recipient is earning over $100,000 a year.

I say it is time to support the Armey-Schumer amendment and bring some sanity back to this battle for the budget.

Mr. MADIGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Chairman, I rise in opposition to this ill-advised amendment.

Mr. Chairman, I oppose the amendment to deny program eligibility to farmers reporting at least $100,000 in adjusted gross income.

The amendment is potentially unfair to farm families because of the way it operates. Capital gains income, such as a farmer might have after selling land in order to make ends meet, is considered when determining adjusted gross income. Interest and dividend earnings from family savings are considered. Under this amendment, farm income from nonprogram crops will be counted in determining adjusted gross, as well wages earned off the farm by the farmer or the farmers' spouse. Essentially, this amendment may put the people who have been forced into selling assets or who have saved or taken off-farm employment into a position of being unable to participate in farm programs that set prices for their commodities.

This amendment is particularly unfair because it penalizes farmers who reach $100,000 in adjusted gross income during the tax year in which payments are made available. This could force farmers who signed up, reduced acreage, and who took other steps to qualify for the program out of eligibility because of events they could not have easily predicted when they signed up. We would be denying farm assistance to people who did everything the Government told them to do in the expectation that Government programs would be open to them.

Perhaps the most disturbing thing about this amendment is that it keeps farmers outside programs for 2 years. Farmers are not eligible in the tax year when they earn $100,000 in adjusted gross income. They are ineligible if they earned $100,000 in the preceding year. No matter how bad things may have become, this amendment keeps a farmer outside Government programs that are supposed to help stabilize farm economies. They is no basis for taking this approach.

The thing this amendment really does is signal the Europeans and the Japanese that we are ready to unilaterally make major changes in our farm support programs at a time when we have had to bludgeon them into negotiating about farm subsidies in the Uruguay Round. I have dealt with European and Japanese officials, as many of us have. The one clear impression they have about American trade negotiators is that we are ephemeral—we cannot sustain a drive, and they need only wait until our attention is diverted elsewhere in order to preserve the status quo. Those who think this amendment is a quick and easy way to save money ought to think about our trading partners' probable reaction. We have spent years and, regrettably, billions of dollars trying to get them to the bargaining table. Major changes in our programs while they remain recalcitrant will only make them more inflexible, perhaps denying U.S. agriculture the kind of new international trading regime it desperately needs.

Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am not a farmer, and I am not an investor in any farming. I have never received any money from any farming enterprise, and I do not expect that I ever will.

I am in favor of cuts in the agriculture budget just as everything else may be cut, and earlier in the day I offered an amendment to cut the Agriculture Committee bill. There are more cuts coming with reconciliation.

I am going to support those cuts which I anticipate will be in the neighborhood of $8 billion over the 5-year life of this bill.

I do not support the Schumer-Armey amendment, because I do not believe that there are any real savings from this amendment. The assumption of $2.5 billion in savings is a static

assumption based on the premise that no farmer will do anything differently than what they are doing now.

The gentlemen who are proponents of this amendment say it will affect only 4 percent of the farmers. The Department of Agriculture tells me it will affect 23 percent of the farmers. It will cause more land to come into production. There will be more surpluses. Those surpluses will drive down prices, and that will result in more budget exposure to the Treasury for payments to the remaining 76 percent of the farmers. Those are not my predictions. Those are the predictions of the U.S. Department of Agriculture, and they say that, in fact, the Schumer-Armey amendment over the 5-year life of the farm bill will cost money rather than saving money.

For that reason, I oppose it.

Mr. Chairman, I reserve the balance of my time.

□ 1910

Mr. SCHUMER. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. RUSSO], the most valuable player of the Democratic baseball team last night.

The CHAIRMAN. The star of the Democratic baseball team is recognized for 2 minutes.

Mr. RUSSO. Mr. Chairman, I thank my good friend, the gentleman from New York [Mr. SCHUMER], for his wonderful comments.

Mr. Chairman, while the budget summit is going on, it is important that we send the proper message to our summiteers that we are really serious about cutting waste in the Federal budget. This is a specific area where we have to do it in a very pronounced way.

What does the Schumer-Armey amendment do? What it does is it would eliminate farm payments to individuals with incomes over $100,000 after their farming expenses have been paid, that is, an adjusted gross income of over $100,000.

What does that mean? That is nearly three times the 1987 average household income of $36,000. These are not poor farmers. These are not small farmers. These are not family farmers. These are rich, wealthy farmers who are doing well. We do not need to subsidize their wealth. We do enough through the Tax Code in subsidizing their wealth. And only 4 percent of their total income is farm income.

Mr. Chairman, we need to use the money for better things. This is not one of the areas that we have to spend $4 billion more of taxpayer dollars for.

Mr. Chairman, in 1991 we are going to save between $300 and $500 million. Between 1992 and 1995, we will save between $500 to $800 million a year. That is $4 billion that we can save the American taxpayer.

Mr. HUCKABY. Mr. Chairman, would the gentleman yield on that point?

Mr. RUSSO. I yield to the gentleman from Louisiana.

Mr. HUCKABY. Mr. Chairman, USDA estimates that the savings over 5 years is less than $200 million cumulative.

Mr. RUSSO. Mr. Chairman, reclaiming my time, I can understand that. USDA has not been right on many of their figures before anyway, and I do not give much credence to it.

My point is our records indicate with over $100,000 adjusted gross income, that is not a small farmer. This would not deny farm payments to the small full-time family farmer. That is who we need to help. That is what this Schumer-Armey amendment does.

Mr. Chairman, let us support this amendment. Let us send a message to the budgeteers.

Mr. MADIGAN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I do that for the purpose of responding to the gentleman from Illinois [Mr. RUSSO]. The gentleman from Illinois has just stated that adjusted gross income means that all of the farmer's expenses have been paid. That is not true. The principal payments on a farmer's mortgage come after adjusted gross income; the principal payments on a farmer's equipment comes after adjusted gross income. A farmer might have $100,000 in adjusted gross income, and after he made those payments, have no money left whatsoever. That point needs to be made in this debate.

Mr. Chairman, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Chairman, I yield 1 minutes to the gentleman from Indiana [Mr. JONTZ].

Mr. JONTZ. Mr. Chairman, what is wrong with this amendment is it tells thousands of our Nation's farmer's making decisions affecting millions of acres of land, forget about conservation, forget about the environment, forget about the requirements of the swampbuster program and the sodbuster program and conservation compliance and set-aside. Drain your wetlands, plow up your set-aside, plow from fence row to fence row, forget about the environmental benefits of the farm program.

Mr. Chairman, a proenvironment vote is a vote against the Schumer amendment.

Mr. SCHUMER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. ARMEY], cosponsor of the amendment.

Mr. ARMEY. Mr. Chairman, I thank the gentleman from New York [Mr. SCHUMER] for yielding, and I ask the body to please vote for the Schumer-Armey amendment, crafted by the gentleman from New York [Mr. SCHUMER] and myself, with input from the legislative staff of the Department of Agriculture and the legislative staff of the Office of Management and Budget.

Mr. Chairman, we would cap participation in farm programs at $100,000 income. Beyond that point you do not participate. That affects 20,000 out of the 800,000 people who participate. Of those 20,000 people who would participate, and this is hard IRS data, only 4 percent of their income on the average comes from farming. One-third of their income comes from salaries. One-third of their income comes from capital gains. One-third of their income comes from rent and royalties.

Mr. Chairman, if in fact each and every one of these 20,000 people pulled out of the program, they could only impact 2.5 percent of the participating acreage in the program. None of that would come out of the Conservation Reserve Program, because this amendment does not affect participation in the Conservation Reserve Program.

Mr. Chairman, this is scored by OMB as saving $900 million a year. The Department of Agriculture scores it less. They have four points here of omission. Let me give you one example. Over $500 million in savings would come from partnerships, corporations, trusts, and taxable income of over $100,000. USDA left that out.

Mr. Chairman, USDA is not the official scorekeeper on these kinds of decisions. OMB says $900 million, no impact on conservation acres, no impact on the ability to manage these chronically surplus crops that are so well managed.

Mr. Chairman, let me say one thing: we are the best fed nation in the world because we have a good agricultural economy; not because the policies are so.

Mr. MADIGAN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, I rise in opposition to the Armey-Schumer amendment. I commend the gentlemen for their intentions to reduce Federal spending toward balancing the budget. However, this amendment will not achieve budget savings but will do grave damage to our farm policies.

By arbitrarily denying program benefits to full time, commercial family farms, this amendment would discriminate against our most productive and efficient producers. This will greatly decrease the ability of American agriculture to compete in international markets in the future.

The practical effect of this amendment would be to force larger growers out of the program, thus subverting the supply/price stabilization objective of our farm programs. This likely would result in highly volatile prices for both farmers and consumers, and easily could result in higher not lower

Federal outlays for agriculture in the future.

In forcing some farmers out of the program, we also will be losing valuable environmental benefits of program participation, such as the prevention of soil erosion and conservation of wetlands.

I urge my colleagues to promote stable, efficient production in American agriculture by rejecting the Armey-Schumer amendment.

□ 1920

Mr. SCHUMER. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, I strongly support the Schumer-Armey amendment, and as a person with a 100-percent environmental record, believe me, this does not do anything to the environment. It strengthens the environment.

The CHAIRMAN. The remaining time will be equally divided and the gentleman from Texas [Mr. DE LA GARZA] has the right to close debate.

Mr. MADIGAN. Mr. Chairman, I yield my remaining 1 minute to the gentleman from Texas [Mr. DE LA GARZA], chairman of the committee.

Mr. SCHUMER. Mr. Chairman, I yield myself the remaining 4 minutes.

Mr. Chairman, I thank my colleagues because I know this has been a lengthy debate on the arcane matter of farm policy. But it is an important issue, and I appreciate Members' patience.

Mr. Chairman, we speak at a crucial time here tonight. It is a time when our budget deficit is out of whack, and within a month we are going to be called on to make major cuts in programs we hold near and dear. We speak at a time when our farm programs, despite the prosperity of the farmer, in trouble are hundreds of thousands of family farmers, the people who till the soil, who work hard with their hands and are thrown out of work.

The number of farmers has dramatically decreased under this farm bill. And we speak at a time when most of America feels that the very well-to-do, the high end of the spectrum has gotten a great deal in the 1980's and the low and middle ends of the spectrum have gotten very little.

The Schumer-Armey amendment can address all three of those concerns without hurting the environment, as the gentleman from Massachusetts, [Mr. CONTE], said. The NRDC, the National Resources Defense Council, the toughest of the environmental groups, has a letter in Members' offices supporting this bill. The EPA says it helps the environment. Without the technical problems, every farmer will get to deduct all of his farm expenses like any other taxpayer under this bill and without sinking the farm program, because the amount of acreage that the people we are aiming at use is negligible. That is what this bill is about.

Now what does it do? The bill does something very simple. It says that the 20,000 farmers who are at the highest end of the spectrum, only 20,000, less than 2 percent of all farmers whose profit is $100,000 or more shall get on their own.

We know that all of our people have difficulty, our plumbers, our salesmen, our managers. They are not making $100,000. They do not get a subsidy from the Government. And these people are not the family farmer. In fact, ladies and gentleman, if Members will listen to just this one fact, of the 20,000 farmers our amendment aims at, their income from the farm is only 4 percent of their income. Yes, they are the large agricultural businesses that do not need subsidies. Yes, they are the investors and the multimillionaires who farm for a hobby. They do not need subsidies. Yes, they are investors who live far away and do not even till the soil. They do not need subsidies either. Our amendment simply says that that very high end, the people, the 20,000 farmers who make a profit, who are well to do, can get by without a subsidy.

Ladies and gentleman, perhaps at one time this country could afford to engage in such policy. Perhaps at one time we could afford to have 40 percent of the farm dollars go to the top 3 percent of the farmers, but that time is no longer. The Schumer-Armey amendment will fix the farm program, because we care about the family farmer. It will say money goes to the family farmer, money goes to the family working the soil, but money does not go to the well-to-do hobby farmers, the large agro-businesses and the investors who are now milking the Government for $700 million a year.

I urge a "yes" vote on the Schumer-Armey amendment.

The CHAIRMAN pro tempore (Mr. ALEXANDER). For the purposes of closing debate, the gentleman from Texas [Mr. DE LA GARZA] is recognized for 5 minutes.

Mr. DE LA GARZA. Mr. Chairman, we have had a long debate. Members have heard a lot of figures, a lot of facts, a lot of rhetoric, a lot of philosophy. But here is the basic bottom line.

We have a good program. This amendment is a meat ax approach to our program.

Here is what it costs, less than 1 percent, 0.6. This is what the whole program costs.

Here is what it gets us: 10.4 percent of disposable income per family contrasted with Canada 11.5, Denmark 16.4, Sweden 17.9.

What is the cost to the farmer? The cost to the farmer, that has not been discussed: $150,000 for a 5-row cotton picker, $150,000 for a large 8-row combine, $15,000 for a planter, $15,000 for a pickup, $75,000 for a 150-horsepower tractor. This is what it costs the farmer, big and small.

We are what we are because of our antecedents, Mr. Chairman.

Let me quote from an article from the Houston Post. In part it says: "A nation that sacrifices its farmers is a nation ruled by fools or enemies." It makes no distinction.

Can Members imagine a shoeshine boy from Mission, TX, being accused of protecting the rich and the greedy? Ridiculous. It is even insulting that I would be accused of protecting the greedy and the rich. It is that we have a good system and it works well, and I do not care about headlines, or rhetoric or editorials. I am here to do what is right for America, and what is right for America is, as this man said, if we rule out our farmers we are either being ruled on by fools or enemies.

Let me give the Members something else. The other day we talked about jobs, jobs, jobs. That is it. For every pound of sugar you do not raise, it comes from abroad. For every cotton bale you do not raise, it comes from abroad. For every 100 pounds of wool you do not raise, it comes from abroad. For every 100 pounds of mohair you do not raise, it comes from abroad. For every fruit and vegetable you do not raise, it comes from abroad. That is what we are talking about.

But finally, let me go back to this editorial. "If we give up our manufacturing base," and we already have, "if we give up our technological base," and we are about to, "if we give up our energy and strategic minerals independence, if we sell off our assets to foreign buyers, if we as a last stroke destroy our farmers," large and small, "what * * * will be left of the United States? A few banks and a large peasant population."

□ 1930

That is what is going to be left. That is the issue here, not about the rich or who gets $100,000. The issue is that we have a good system, it is working, and if we dismantle it with a meat ax approach, it is like sending a mechanic who works on diesels to do brain surgery.

That is what this amendment is all about. And the people who sponsor it in goodwill, I have no problem with, but we need the large and we need the small farmer. We need to protect the system, and basically it is for the best, rich and poor, needy and hungry.

You do not have food stamps, you do not have WIC, you do not have school lunch programs if you do not have the commodities. To have the commodities, you need the large and you need the small.

So we are talking about America, we are talking about protecting the interests of the people of the United States of America, and if you let your farmers down the drain, rich or poor, big or small, you would have what this gentleman has said, we will have left "nothing but a few international banks and a large population of peanuts."

Is that what you want to do? Vote "no" on the Schumer amendment.

Mr. BATES. Mr. Chairman, I rise in strong support of the amendment offered by the gentlemen from New York and Texas. Their work on this amendment to restrict Government subsidies to high-income farmers highlights the reservations that many of my colleagues and I have with this farm bill.

Simply put: How can we justify subsidizing farmers, whose net earnings each year are over $100,000. In 1987 alone, according to the USDA, 20,000 individuals with adjusted gross incomes of greater than $100,000, received some Government subsidy. For this select group, however, their farm income only constituted 4 percent of their total income. So our Government pays these farmers who aren't really even farmers.

Critics of this amendment charge that in the long run this program will hurt farmers because they will have to utilize more of their acreage, thereby driving up production and lowering prices. This is misleading because these farmers instead of expanding supply by continuing to grow program commodities, would in fact do the rational thing and grow nonprogram commodities; commodities that consumers want and are willing to pay market prices for.

It seems to me, and to my two colleagues, that if the USDA wasn't so busy telling these farmers and investors what to grow and how much to grow and then paying them for it, we would have farmers growing crops more efficiently on the basis of market forces and not according to a USDA bureaucrat.

I urge my colleagues to vote for the Schumer-Armey amendment and I thank the gentlemen for yielding.

Mr. TALLON. Mr. Chairman, I rise in opposition to this amendment to prohibit farmers who gross more than $100,000 from participating in farm programs.

What happens if the amendment by the gentleman from New York is agreed to.

Very simply, what would happen is that those small number of farmers who have a very large part of the overall production would dramatically increase their production in order to make up for the lost income.

What would that do?

It does not take a great math mind to understand if they increase their production, prices will go down and the result will be that subsidy payments to the other 99 percent of the farmers in American will go up.

This will not save the taxpayers money.

In fact, USDA estimates that if you eliminate that 1 percent from the farm program who produce almost 50 percent of our agricultural production, they are just going to increase their production, collapse prices, and increase subsidies for everyone else.

What would farmers do who are in this category who are targeted by this amendment. Very simply, they would break up their operations so they would not lose their farm program benefits. They would break up their operations so that they would still qualify and in fact, many of us believe you would find no savings at all.

So while I believe this amendment is well intentioned, I do not believe for 1 minute that it would accomplish what the authors seek to accomplish.

This amendment strikes at the very heart and soul of farm legislation. It threatens three of the most essential goals of farm legislation: Adequate supply of food and fiber; stable, reasonable prices for the consumer; and protection of the environment.

Forcing the larger producers out of the program and taking the largest chunk of farmland out of production will send prices and supplies into a tailspin, and reverse any gains we've made with regard to conservation and environmental protection.

We're throwing away our ability to ensure that the largest producers practice sound conservation. And we're shoving consumers to the front lines of the brutal, erratic swings in world agricultural markets and prices.

For decades this country has pursued a deliberate and sensible policy of managing the country's food supply through a Federal farm program. We do not have to imagine what life would be like without a responsible Federal farm program. We need only to look to the East. Look to the Soviet Union where people will wait in line for hours in hopes that they can buy a small portion of beef or bread. Look at East Germany. What did the first people pouring through the Berlin Wall want to buy? Oranges.

Consumers in America pay the lowest consumer price for food of any nation in world history. In short, we enjoy the widest variety of wholesome food available anywhere at the lowest consumer cost in the world.

Why do we want to mess with this sort of success?

Mr. FOGLIETTA. Mr. Chairman, I rise today in support of the Schumer-Armey amendment.

What we are doing today is talking about fairness. Tell me why it is fair that two-thirds of farm subsidies go to the richest 15 percent of farm operators. Tell me why 70 percent of the total of family farms get less than 10 percent of Federal payments. There is nothing fair in these numbers. Let's stop providing farm welfare to wealthy farmers.

While the details need to be worked out—the point needs to be made. Let's get the fat cat farmers off of the public dole.

The CHAIRMAN pro tempore [Mr. ALEXANDER]. All time on the amendment has expired.

The question is on the amendment offered by the gentleman from New York [Mr. SCHUMER].

The question was taken and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SCHUMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 159, noes 263, answered "present" 2, not voting 8, as follows:

[Roll No. 266]

AYES—159

Annunzio
Archer
Armey
Aspin
Atkins
Ballenger
Bates
Beilenson
Bennett
Berman
Bilbray
Bliley
Bonior
Borski
Boucher
Brennan
Broomfield
Brown (CO)
Buechner
Campbell (CA)
Cardin
Carper
Clarke
Coble
Conte
Coughlin
Courter
Cox
Coyne
Crane
Dannemeyer
Dellums
Dickinson
Donnelly
Douglas
Downey
Dreier
Duncan
Dwyer
Eckart
Engel
Fawell
Feighan
Foglietta
Frank
Frenzel
Gallo
Gaydos
Gejdenson
Gibbons
Goodling
Goss
Gradison
Gray
Green
Guarini
Hancock
Hansen
Hertel
Hochbrueckner
Hughes
Jacobs
Johnson (CT)
Johnston
Kanjorski
Kennedy
Kennelly
Kleczka
Kostmayer
LaFalce
Lagomarsino
Lantos
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lipinski
Livingston
Lowey (NY)
Machtley
Manton
Markey
Mavroules
Mazzoli
McCollum
McGrath
McMillan (NC)
McMillen (MD)
McNulty
Mfume
Miller (CA)
Miller (OH)
Miller (WA)
Molinari
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Neal (MA)
Nielson
Nowak
Oakar
Obey
Owens (NY)
Owens (UT)
Pallone
Panetta
Payne (NJ)
Pease
Pelosi
Petri
Porter
Price
Rangel
Regula
Rinaldo
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland (CT)
Russo
Sabo
Savage
Saxton
Scheuer
Schneider
Schroeder
Schulze
Schumer
Sensenbrenner
Serrano
Shaw
Shays
Shuster
Smith (NJ)
Smith, Robert (NH)
Snowe
Solarz
Stark
Stearns
Studds
Torricelli
Vento
Visclosky
Walgren
Walker
Waxman
Weiss
Weldon
Wise
Wolf
Wyden
Wylie
Yates
Yatron
Young (FL)

NOES—263

Ackerman
Alexander
Anderson
Andrews
Anthony
Applegate
AuCoin
Baker
Barnard
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilirakis
Boehlert
Boggs
Bosco
Boxer
Brooks
Browder
Brown (CA)
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Campbell (CO)
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coleman (MO)
Coleman (TX)
Collins
Combest
Condit
Conyers
Costello
Craig
Darden
Davis
de la Garza
DeFazio
DeLay
Derrick
DeWine
Dicks
Dingell
Dixon
Dorgan (ND)
Dornan (CA)
Durbin
Dymally
Dyson
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Fields
Fish
Flippo
Ford (MI)
Frost
Gallegly
Gekas
Gephardt
Geren
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Grandy
Grant
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert

Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hiler
Hoagland
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (SD)
Jones (GA)
Jones (NC)
Jontz
Kaptur
Kasich
Kastenmeier
Kildee
Kolbe
Kyl
Lancaster
Laughlin
Leach (IA)
Leath (TX)
Lehman (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lloyd
Long
Lowery (CA)
Luken, Thomas
Lukens, Donald
Madigan
Marlenee
Martin (IL)
Martin (NY)
Matsui
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McEwen
McHugh
Meyers
Michel
Mineta
Moakley
Mollohan
Montgomery
Moorhead
Morrison (WA)
Murtha
Myers
Nagle
Natcher
Neal (NC)
Oberstar
Olin
Ortiz
Oxley
Packard
Parker
Parris
Pashayan
Patterson
Paxon
Payne (VA)
Penny
Perkins
Pickett
Pickle
Poshard
Pursell
Quillen
Rahall
Ravenel
Ray
Rhodes
Richardson
Ridge
Ritter
Roberts
Robinson
Rogers
Rose
Rowland (GA)
Roybal
Saiki
Sangmeister
Sarpalius
Sawyer
Schaefer
Schiff
Schuette
Sharp
Shumway
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (TX)
Smith (VT)
Smith, Denny (OR)
Smith, Robert (OR)
Solomon
Spence
Spratt
Staggers
Stallings
Stangeland
Stenholm
Stokes
Sundquist
Swift
Synar
Tallon
Tanner
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Thomas (WY)
Torres
Towns
Traficant
Traxler
Udall
Unsoeld
Upton
Valentine
Vander Jagt
Volkmer
Vucanovich
Walsh
Washington
Watkins
Weber
Wheat
Whittaker
Whitten
Williams
Wilson
Wolpe
Young (AK)

ANSWERED "PRESENT"—2

Cooper
Stump

NOT VOTING—8

Crockett
Early
Flake
Ford (TN)
Kolter
Martinez
Nelson
Roe

□ 1950

Messrs. RAY, DEFAZIO, and SLAUGHTER of Virginia changed their vote from "aye" to "no."

Mr. ASPIN changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title XI?

Mr. MICHEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I believe the farm bill before us today represents a continuation, generally, of the sound agricultural policies, we have been following over the past 5 years, and I thus intend to vote for the bill, barring the adoption of damaging amendments.

Having met with many farmers in my district over the past several months, both through my agricultural advisory committee and individually, I can report that they are generally of an optimistic frame of mind. Conditions on the farm in Illinois have improved considerably over what they were 5 years ago, and this is also borne out by nationwide statistics.

Farm income is up. Exports have increased by nearly 50 percent. And the cost of commodity payments to the Federal Government has dropped from $25 billion to approximately $8 billion.

This is ample indication that the market-oriented 1985 farm bill has been working. Thank goodness we did not adopt the mandatory supply management concepts being advocated by a number of Members back then.

Who knows where we would be today if we had adopted those concepts—we probably would have priced ourselves out of the world market.

Exports account for about 30 percent of farm income. It is thus no coincidence that overall farm income has risen along with exports over the past 5 years. The market-oriented approach we have been following has encouraged production to meet world demand, and the result has been progress on all fronts.

It is not hard to understand, then, why most farmers favor a continuation of existing policies, with perhaps some small adjustments.

The 1990 farm bill follows this basic course. To be sure, there are some shortcomings. With the budget problems we are facing the bill should be doing more to restrain costs. Nutrition programs, particularly, have helped to push the bill some $6.5 billion above the baseline and some $25 billion above the President's proposals, over the next 5 years. Any budget summit agreement we achieve will almost certainlly mandate some retrenchment in this regard.

Many of our farmers in Illinois have asked for greater planting flexibility. The bill provides for some increased flexibility, but could have gone further. We should encourage a situation where farmers can make more of their own planting decisions.

Overall, however, I believe this bill keeps us on the right track, and thus merits our support.

EN BLOC AMENDMENTS OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer en bloc amendments.

The Clerk read as follows:

En bloc amendments offered by Mr. DE LA GARZA: 1. In the matter proposed to be added by section 1121 of the bill as a new section 503(c)(1) of the Agricultural Act of 1949:

Strike "or" at the end of subparagraph (D); strike the period at the end of subparagraph (E) and insert "; or"; insert after subparagraph (E) the following:

"(F) any experimental crop, including annual herbaceous, or short-rotation woody crops, the production of which the Secretary determines necessary to meet demand or anticipated demand for ethanol or other biofuels production."

and, in paragraph (2), strike "(1)(D) and (E)" and insert "(1)(D), (E), and (F)".

In the amendment made by section 1001 to section 105A of the Agricultural Act of 1949, in subsection (f)(1)(B) of such section 105A, insert "(I) Except as provided by subclause (II), after "(ii)", strike the period and insert "; or", and insert at the end the following new subparagraph:

"(II) not less than 21.6 nor more than 22.8 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 11.6 percent.

In the amendment made by section 1121 to title V of the Agricultural Act of 1949, at the end of section 505, insert the following new subsection:

"(e) OFFSETS.—In order to offset any cost of the use of the actual yield per harvested acre in establishing farm program payment yields for feed grains under subsection (a), the Secretary shall increase the uniform percentage reduction to the crop acreage base applied to each crop of feed grains under any acreage limitation program under this Act by an amount sufficient to result in a reduction of program costs equal to any costs associated with such use of actual yields.".

In the amendment made by section 1121 to title V of the Agricultural Act of 1949, in section 505(a), after "1985 crop years" insert the following: "(or, at the option of the producer, the actual yields for the 1986 through 1990 crop years in the case of feed grains)".

In the amendment made by section 1121 to title V of the Agricultural Act of 1949, in section 505(b)(1), after "1985" each place it appears insert the following: "(or 1990 in the case of feed grain producers who elect the 1986 through 1990 crop years)".

In the amendment made by section 1121 to title V of the Agricultural Act of 1949, in section 505(b)(2), after "1981 through 1985" insert the following: "(or 1986 through 1990 as appropriate)".

At the end of Title XI, insert the following:

SUBTITLE C—ENCOURAGING SURFACE WATER STORAGE

SEC. 1131. DEFINITIONS.

As used in this subtitle—

(1) the term "producer" means a producer of a program crop who, in the year the crop is produced, participates in the price support and acreage reduction program for such crop established by the Agricultural Act of 1949;

(2) the term "surface reservoir" means a reservoir, pond, or other facility constructed on a farm for the primary purpose of storing surface water for the irrigation of crops produced on the farm, for the watering of livestock, or for such agricultural purpose as the Secretary may by regulation allow:

(3) the term "program crop" means any crop of wheat, feed grains, upland cotton or rice; and

(4) the term "wetland" has the meaning given such term in section 1201(a)(16) of the Food Security Act of 1985.

SEC. 1132. SURFACE RESERVOIR ENCOURAGEMENT PROGRAM.

(a) IN GENERAL.—A producer may construct a surface reservoir on land which is part of a flexible acreage base for a farm, as determined by the Secretary pursuant to section 503 of the Agricultural Act of 1949.

(b) CONSERVATION USE.—Land on which a surface reservoir has been constructed pursuant to subsection (a) shall be considered to be devoted to conservation uses if the land was planted or considered planted to a program crop or an oilseed crop in at least 3 of the immediately preceding 5 years.

SEC. 1133. SPECIAL PROGRAM FOR AREAS OF SEVERE GROUNDWATER DEPLETION.

Not later than 18 months following the date of enactment of this Act, the Secretary shall devise and implement a program for providing further incentives for reservoir construction in counties designated by the Secretary, after consultation with the U.S. Geologic Survey, as areas of severe groundwater depletion.

SEC. 1134. LIMITATIONS.

This subtitle shall not apply in the case of any producer unless—

(a) the surface reservoir constructed by the producer under this subtitle is in compliance with an established conservation plan approved by the Soil Conservation Service;

(b) the Soil Conservation Service certifies that the producer has not converted any wetland not previously designated as prior converted wetland or farmed wetland for the purpose of constructing the reservoir;

(c) the producer has demonstrated to the satisfaction of the Secretary that water needs which would be met by the water in the surface reservoir have been met on the same farm by groundwater in at least three of the five years preceding enactment of this act.

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the en bloc amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DE LA GARZA. Mr. Chairman, these en bloc amendments include an amendment by the gentleman from Arkansas [Mr. ALEXANDER], as modified by the gentleman from Arkansas [Mr. ANTHONY], an amendment by the gentleman from Indiana [Mr. JONTZ], and another one by the gentleman from Arkansas [Mr. ALEXANDER]. These amendments have been agreed to by all the parties.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Texas [Mr. DE LA GARZA].

The en bloc amendments were agreed to.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the last word.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I appreciate the committee's efforts and the work of the staff on making these amendments to this bill, and I enjoyed working with my colleague, the gentleman from Arkansas [Mr. ANTHONY].

Mr. Chairman, I would like to thank the chairman of the committee, the ranking minority member, Mr. MADIGAN, and their staffs for working with Mr. ANTHONY and myself to work out our differences on the two Alexander-Anthony amendments to title XI.

These amendments, in modified fashion, have been included in the chairman's en bloc amendment to title XI.

The first amendment would simply add certain nonprogram crops which can be used as feedstocks for ethanol or other biofuels to the list of crops which can be planted on flexible crop acreage at the Secretary's discretion.

Currently, corn is the exclusive feedstock for ethanol produced in the United States. Corn, of course, is a program crop, and the committee provided for program crop plantings on flexible acreage in the bill it reported.

However, with the increased demand for ethanol that may come about because of the Clean Air Act amendments and renewed fears about imported oil, there may be a demand for new, more exotic alcohol feedstocks by the time the new farm bill expires in 1995.

The Department of Energy's Oak Ridge National Laboratory in Tennessee has already conducted research into a number of these crops, and the Secretaries of Energy and Agriculture are expected to sign in the near future a memorandum of understanding providing for cooperation between the two Departments in biofuels experiments.

If these exotic energy crops prove promising, farmers will need a farm program with the flexibility to allow them to try the new crops out. The amendment adopted tonight will provide that needed flexibility.

The second amendment, which we have worked on with staff on both sides of the aisle much of today, would take a first step toward solving the problem of ground water depletion that threatens American agriculture.

One of the most important things farmers can do to conserve ground water in places such as east Arkansas, where the water table is falling, is build reservoirs. These reservoirs capture winter and spring rainfall and surface runoff, which the farmer can use instead of ground water.

The amendment as modified would provide that if a farmer builds a reservoir on his base acreage, the acreage devoted to the reservoir would count as conserving use acreage.

This means that farmers who are now using ground water for irrigation or watering livestock could, depending on their circumstances, be able to either count acreage devoted to reservoirs as set-aside acreage, or enroll in the 0/92 or 50/92 programs and count acreage devoted to reservoirs as acreage not planted under those programs.

Furthermore, the amendment would direct the Secretary of Agriculture to develop and implement a program to provide further incentives for reservoir construction in counties which he classifies as areas of severe ground water depletion. The Secretary would be required to consult with the U.S. Geologic Survey before making such a determination.

The old saying has it that "you never miss the water till the well runs dry." This amendment would do something to help keep the wells from running dry.

I thank the committee for its accommodation on these amendments.

Mr. ANTHONY. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Arkansas.

Mr. ANTHONY. Mr. Chairman, I thank the gentleman from Texas [Mr. DE LA GARZA] for yielding, and I would also like to thank him for working with the gentleman from Arkansas [Mr. ALEXANDER] and myself on this very important water conservation amendment.

Mr. ANTHONY. Mr. Chairman, a decade ago, this Congress grappled with problems of a limited and dwindling resource. At that time, this country was mired in what was referred to as the energy crisis. When you take a hard look at agricultural losses over the past 10 years and the even more frightening aspect of failing ground water supplies, it becomes quickly apparent that endangered water resources could make the energy crisis of the past pale by comparison to a true water crisis.

The alluvial aquifer of eastern Arkansas is an example of ground water depletion that threatens an entire rural economy. Over the past many years, agricultural production, rural residences and communities, and industry have tapped this underground resource to the extent that the water table has fallen to levels that make access to the resource difficult and costly. In addition, the aquifer is not only failing in quantity but quality as well. Similar patterns have been repeated all across this country.

The State of Arkansas, like many other States, has implemented plans to better manage ground water resources. Without doubt, incentives should be provided for historical ground water users to shift to excess surface water as their primary supply of water use. My colleague from Arkansas, Mr. ALEXANDER, and myself offer an amendment to this major farm legislation to provide such an incentive.

Our amendment provides farmers who participate in Federal farm programs an option to help satisfy acreage reduction program requirements by taking land out of production and into surface water storage. Any land so used must have a history of production in program or oilseed crops and must maintain the water storage use to keep the credit. Our amendment does not make the program permanent, but ties it to the 5-year life of this farm bill. Similar language is contained in the farm bill now before the U.S. Senate.

We have made certain changes to our amendment to ensure that any benefit resulting from our amendment is tied to environmental protection. Since there must be a history of ground water use for irrigation, the surface water must be used to replace ground water as the source. It does not allow new land to be put into irrigation. Therefore, it does not increase production—with the likely result of increasing deficiency payments—because the land had to be under irrigation to begin with.

Our amendment also maintains historic application of set-aside objectives by denying additional economic use of the land. Our amendment will not allow any use of stored water other than irrigation of crops—already under irrigation—or stock ponds—if ground water is currently being used as the source—unless the Secretary of Agriculture finds that other uses are appropriate.

Our amendment cannot be viewed as a farm giveaway since it gives away nothing. It merely allows the farmer limited freedom to better manage one of his most important farm

resources. Acreage reduction programs are designed to keep program cropland out of production; our amendment continues that policy.

The true beneficiary of this amendment is the environment. Farmers are sensitive to water quality and water quantity concerns. They do not want to see aquifers fail any more than anyone in this Chamber. This amendment simply provides them an incentive to protect fragile ground water supplies.

Haunting photographs of Oklahoma, Kansas, Arkansas, and other Central States taken during the Dust Bowl days of the 1930's remind us of the devastation of nature when resources are neglected. We respectfully ask this body to help provide a cost-free management tool to our Nation's farmers as we enter the environmentally sensitive decade of the 1990's to help prevent the ecological and economical chaos that will result if we do not today recognize the true value of the resource.

Mr. ARMEY. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, I thank the gentleman from Texas [Mr. DE LA GARZA] for yielding.

For those of my colleagues who wondered what happened to the Armey amendment on the peanut program, I just wanted to mention that the peanut program was ruled out of order on a point of order. I am going to pursue a consideration of whatever parliamentary alternatives I can and try to get it back in before the bill is retired. If I cannot do so, I will be filing a motion to recommit that will effect that, and I will try to get my colleagues a vote on that amendment in the best possible way. If not, we will pick it up 5 years from now, if that is what it takes.

Mr. DE LA GARZA. Mr. Chairman, I now revert to the unanimous-consent request that had deferred titles V and VI, and I would ask unanimous consent that title V be open at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will designate title V.

The text of title V is as follows:

TITLE V—WOOL AND MOHAIR

SEC. 501. EXTENSION OF PRICE SUPPORT PROGRAM.

Section 703 of the National Wool Act of 1954 (7 U.S.C. 1782) is amended by—

(1) striking "1990" in subsection (a) and inserting "1995"; and

(2) striking "1990" in subsection (b) and inserting "1995".

SEC. 502. PROMOTION PROGRAM.

Section 708 of the National Wool Act of 1954 (7 U.S.C. 1787) is amended by striking "at least two-thirds" whenever it appears and inserting "a majority" and by striking "two-thirds" wherever it appears and inserting "a majority".

SEC. 503. PAYMENT LIMITATION.

Section 704 of the National Wool Act of 1954 (7 U.S.C. 1783) is amended by—

(1) inserting immediately after the section designation "(a) USE OF PAYMENTS.—"; and

(2) adding at the end the following new subsection:

"(b) PAYMENT LIMITATION.—The total amount of payments that any one producer is entitled to receive under this Act for any marketing year that begins after the date of enactment of this sentence not exceed $250,000.".

The CHAIRMAN. Are there any amendments to title V?

Mr. STENHOLM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the wool and mohair title as established in H.R. 3950.

The wool/mohair title of H.R. 3950 is aimed at maintaining the viability of the production of wool and mohair at no net cost to the taxpayer. The wool program continues to provide producers with a stable income and consumers with a reliable supply of quality products. In addition, the positive contributions of this program to the economy of rural America should not be understated. More than 125,000 families in all 50 States raise sheep and goats. It is clear that wool and mohair production is a vital and essential income source for many American farmers and, as a result, is important to rural economies. Finally, because the operation of the wool program rewards higher quality wool and mohair, it is an example of how government and market forces can operate together to strengthen the quality of a product.

Under the wool program, incentive payments paid to producers are at no net cost to the taxpayer. All payments are linked to tariffs that are assessed on raw wool and wool products imported into the United States. The law as enacted in 1954 states that the amount of incentive payments paid to producers may never exceed 70 percent of the total dollars collected in the same year on wool tariffs. In fact, in 1989, gross receipts collected from assessments totaled over $440 million, of which only $115 million or 26 percent was paid to producers, resulting in a contribution of over $325 million to the U.S. Treasury.

Because of current Federal budget difficulties, the Agriculture Committee imposed a cap to limit the total amount of payments a wool and/or mohair producer could receive in any marketing year. This payment limitation places the wool and mohair program on level with the other commodity programs. Other than this payment limitation, the title is a straight extension of the 1985 farm bill.

I urge your support for this program which serves many purposes including revitalizing rural American economies, stabilizing producer income, contributing to higher quality wool and mohair products, and assuring consumers of a stable domestic supply of wool and mohair products.

I urge my colleagues to support the wool/mohair title as established in H.R. 3950.

AMENDMENT OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DE LA GARZA: On page 132, strike lines 14 through 17 and insert the following:

"(b) PAYMENT LIMITATION.—(1) IN GENERAL.—The total amount of payments that any one producer shall be entitled to receive under this Act for any marketing years shall not exceed—

"(1) $200,000 in the 1991 marketing year;

"(2) $167,000 in the 1992 marketing year;

"(3) $133,000 in the 1993 marketing year; and

"(4) $100,000, beginning with marketing year 1994.

"(2) ENFORCEMENT.—For purposes of determining who is a producer referred to in paragraph (1), sections 10001 (5), 1001A, and 1001B, of the Food Security Act of 1985 (7 U.S.C. 1308(5), 1308-1, and 1308-2, respectively) shall apply in the same manner as such sanctions apply for purposes of determining who is a person under such sections.".

Mr. DE LA GARZA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There is no objection.

Mr. DE LA GARZA. Mr. Chairman, this is the amendment that the gentleman from Texas [Mr. STENHOLM] has explained.

Does the gentleman from Texas need more time at this point?

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, this is the amendment that I referred to earlier in my remarks concerning the amendment of the gentleman from Texas [Mr. ARMEY] and the gentleman from New York [Mr. SCHUMER].

Mr. Chairman, I pointed out at that point in time the gentleman from Texas [Mr. ARMEY] had one game plan, and the gentleman from New York [Mr. SCHUMER] had another, and we have been working with Mr. SCHUMER and others who are sincere in wanting to make our programs work and to work out some of these rough spots, as they perceive them, regarding the amount of payments.

Mr. Chairman, I would remind my colleagues that the wool and mohair program had no limitation, no limitation whatsoever this year. The Committee on Agriculture decided this year, and in the bill that was present-

ed we decided that a 250,000 limit would be made in order, that with all of the amendments that we have already discussed and the ones that are pending, it seems that a reasonable compromise would be, concerning the wool and mohair, to treat wool and mohair exactly like every other commodity: cotton, wheat, feed grains, others in which we have payments, and the gentleman from Louisiana [Mr. HUCKABY] will have an amendment at the appropriate time that will deal with improvement in that area.

Mr. Chairman, in this case basically what we are doing is we are saying that from the 1991 year it is $200,000, and it reverts back to $100,000 in 3 years and then is frozen at that level, which is the exact level that I hope we are going to be agreeing on in future amendments regarding all of the other crops.

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Mr. MADIGAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Texas [Mr. STENHOLM] to advise me as to whether or not the ranking member of the subcommittee on our side has been apprised of the agreement that has been reached and has that ranking member acquiesced to this change?

Mr. STENHOLM. It is my understanding, Mr. Chairman, that he has been.

Mr. MADIGAN. Mr. Chairman, I yield further to the gentleman from Texas to advise me as to whether or not he is going to request unanimous consent to correct grammatical errors that appear in this amendment that is being offered?

Mr. STENHOLM. I will so do.

Mr. SCHUMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I thank the chairman, and first let me say that on the previous amendment I think the debate was a full and open and fair one and I want to thank my colleagues for the good debate that was out there. They participated in a very fair and good way. I just want to say thank you. I think the debate helped things along in the House, I say to the chairman and all my colleagues.

On this amendment, Mr. Chairman, we have reached an agreement. It is an agreement that does limit the wool and mohair program downward over a period of years. We try to be mindful of the fact that there has to be a transition, and that the program does have a purpose.

I am supportive of that amendment and will not offer my amendment, which was a substitute.

I want to sincerely thank both the gentleman from Texas [Mr. STENHOLM] and the gentleman from Louisiana [Mr. HUCKABY] for participating. We have negotiated long and hard on this and each side had to give a little, but I think the product, as in the best of legislative compromises that emerges, is one that we can all be proud of.

I am fully supportive of this amendment. I think it makes some progress without causing undue hardship. I would hope we would adopt this amendment quickly.

Mr. DE LA GARZA. Mr. Chairman, to conclude on my amendment, I appreciate all who have worked on this endeavor. It is a good compromise amendment and I urge its passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. DE LA GARZA].

The amendment was agreed to.

Mr. WOLPE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had intended to offer an amendment to title XI that was directed at the glaring contradiction in current law to a reclamation policy that provides a select group of agricultural interests low cost federally subsidized irrigation water to grow crops that are already in surplus, and a farm policy that pays huge amounts in commodity payments to limit production and support sagging prices for these same crops.

My amendment very simply would bring irrigation subsidies within the existing $50,000 deficiency payment cap and the $250,000 program payment cap of the current farm law.

Analysts at the USDA have indicated the savings that would be achieved by that would be from $10 million to $15 million each year, or $50 million to $75 million over the 5-year life of the farm bill, and this I am told is a conservative estimate.

But I am told that an objection would lie against the amendment on this bill this evening, so I will not press this point.

In addition, the gentleman from Washington [Mr. MORRISON] and the gentleman from California [Mr. BROWN] have correctly noted that the remedy proposed in my amendment would not discriminate in its impact between small and large farm operations.

I take this time, however, Mr. Chairman, to underscore the need to address this "double subsidy" issue. Current law makes no sense. It wastes tax dollars. It provides unwarranted incentives to grow surplus crops. It discourages the efficient use of our precious water supplies, and it puts farmers in the Midwest and other parts of the country that do not have the luxury of subsidized irrigated water at a competitive disadvantage.

In addition to receiving water at prices far below economic value, farmers that are served by the Bureau of Reclamation enjoy tremendous advantages over their dry land competitors in our Nation's farm belt.

Irrigation increases per acre yields. Irrigated yields for wheat, for instance, are twice the dry land yields. Irrigation yields of cotton are 90 percent higher. Not surprisingly, irrigated areas constitute 13.7 percent of all harvested cropland, but 27.8 percent of the value of harvested production.

I recall what happened during the drought of 1988 which crippled the Midwest. It devastated grain and livestock producers throughout our region, where just 2 percent of agricultural land is irrigated. The drought, however, was a boon to farmers in a few Western States who—with the Federal Government's generous assistance—irrigate a majority of their commercial cropland. Stored water supplies enabled them to maintain normal production and benefit from higher prices occasioned by drought induced shortages. In fact, cash receipts in California rose by 9.1 percent in 1988.

Let me tell you, farmers in my State of Michigan and throughout the Northeast and Midwest find great difficulty in understanding why they should be competing on such an uneven field with farmers who have an unlimited supply of cheap irrigation water.

So it is my hope, Mr. Chairman, that the committees of jurisdiction in the weeks ahead will revisit this issue of reclamation policy as it impacts both upon our water resources efforts in this country and also as it impacts upon the agricultural policy that we are trying to pursue on a national basis.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I am pleased to yield to my distinguished colleague and good friend, the gentleman from California [Mr. BROWN].

Mr. BROWN. Mr. Chairman, I have discussed this matter with the gentleman. I find that I have a number of various agreements with him.

I think that our policies of subsidized water in the West for irrigation purposes do need to be re-examined. There are some inequities involved.

The original rationale for the programs going back a 100 years involves situations which have drastically changed over that period of time. I believe it would be beneficial for the House to consider looking at these policies and enacting any necessary modifications.

I do believe that this is properly within the jurisdiction of the Interior Committee. I know that they are interested in that and I hope they will pursue the issue.

I commend the gentleman for bringing the matter up and for following the course that he is following now.

Mr. WOLPE. Mr. Chairman, I thank the gentleman for his observations.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I am pleased to yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, I thank the gentleman for yielding to me.

I commend my friend and colleague for raising this important issue.

The gentleman from California [Mr. MILLER] who I have worked with on this issue and the gentleman from Washington [Mr. MORRISON], I think have given us some guidance on how to perfect this.

I think it is an important principle that we have to address here. The process is a complicated one. We do not want to do unintentional injury to people who work hard to earn a living, but we also have to have a rational farm policy that also rationally uses water, an important economic and environmental issue.

I grew up on a dairy farm. I have the greatest respect for the hard work that farmers put in on a regular basis.

I commend the gentleman from Michigan [Mr. WOLPE] for raising this issue, but also for making sure that we do not unintentionally hurt people in the process.

I just want to commend him and the gentleman from California [Mr. MILLER] and the gentleman from Washington [Mr. MORRISON] for their efforts.

Mr. WOLPE. Mr. Chairman, let me thank the gentleman for his contribution and also his leadership in offering the original amendment that has begun that policy review and the redirection of our national policy.

Mr. MORRISON of Washington. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from Washington.

Mr. MORRISON of Washington. Mr. Chairman, I thank the gentleman for yielding to me, and also thank the gentleman for his consideration of some facts and arguments that we brought to him leading to his withdrawing this amendment. It is an issue that will be before us and I look forward to working with the leadership reflected here from the Interior Committee and the gentleman for his thoughtfulness. We will work with the gentleman.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, let me also join and say that the gentleman raises a very serious and important subject.

I think clearly, as the gentleman from Washington [Mr. MORRISON] and others have said and we have discussed earlier today, that this is one that is going to have to take a great deal of consideration and work to make sure that the objectives that we seek in terms of limiting multiple subsidies to single entities, that we not also deprive those financial supports to the farmers that in fact need those financial supports to maintain their farms, their places of employment in the production of food and fiber.

We on the Interior Committee have looked at this at the urging of the gentleman from Michigan, the gentleman from Connecticut and others, and we will continue to do that. We will take this amendment and give it our fullest consideration within the Policy Committee.

Mr. WOLPE. Mr. Chairman, I thank the gentleman for that assurance, and look foward to working with him on this question.

Mr. SMITH on Texas. Mr. Chairman, I support the wool and mohair title as written by the Agriculture Committee. We have heard the facts about the program: that it is financed through a tariff, not the taxpayer; that it is a program designed to encourage production; that it is not a welfare program.

The wool and mohair program is not one that rewards people for not producing sheep, or pays people to slaughter their animals. It is a program that gives ranchers across the country an incentive to produce a high-quality product that will be used here in the United States.

This program does not favor existing producers to the exclusion of people hoping to start a small family operation or shift to production of wool and mohair.

The wool and mohair producers rely solely on the wool and mohair program. They do not have marketing loan programs, export enhancement programs or commodity storage programs like other commodities.

Imposing a $50,000 payment limit would be telling producers that they shouldn't be too efficient, they shouldn't expand their operation too much, they shouldn't do too good a job of competing with foreign producers who do have export enhancement programs and who do have commodity storage programs.

I will support changing the wool and mohair program when American producers can compete on a level playing field with producers in Australia and South Africa.

But until our negotiators in Geneva bring home a GATT agreement that creates a fair world market, I will vote to help American producers.

Mr. DE LA GARZA. Mr. Chairman, I renew my unanimous-consent request that title VI be deferred and that the remainder of title XI be deferred for further consideration and that at this time we move to title XII.

The CHAIRMAN. First, are there other amendments to title V?

The Clerk will designate title VI.

Mr. DE LA GARZA. Mr. Chairman, it is title XII.

The CHAIRMAN. Does the gentleman prefer to keep title VI in abeyance and go to title XII?

Mr. DE LA GARZA. Mr. Chairman, I wish to keep title VI and the remainder of title XI in abeyance and proceed to title XII.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk will designate title XII.

The text of title XII is as follows:

TITLE XII—TRADE

Subtitle A—Public Law 480, Food for Progress

SEC. 1201. AMENDMENT OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

Unless otherwise expressly provided, whenever in this subtitle an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691, 1701 et seq.).

SEC. 1202. EXTENSION OF AUTHORITIES.

(a) PRIVATE ENTERPRISE PROMOTION.—Section 108(g) (7 U.S.C. 1708(g)) is amended by striking "1986 through 1990" and inserting "1991 through 1995".

(b) MINIMUM QUANTITY OF AGRICULTURAL COMMODITIES DISTRIBUTED UNDER TITLE II.—Section 201(b) (7 U.S.C. 1721(b)) is amended by striking "ending September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990," and inserting "1991 through 1995".

(c) EXTENSION OF AUTHORITY TO ENTER INTO AGREEMENTS.—Section 409 (7 U.S.C. 1736c) is amended by—

(1) striking "1990" in the first sentence and inserting "1995"; and

(2) striking "and the Food Security Act of 1985" in the second sentence and inserting ", the Food Security Act of 1985, and the Food and Agricultural Resources Act of 1990".

SEC. 1203. AMENDMENT TO SECTION 3.

Section 3 (7 U.S.C. 1691a) is amended to read as follows:

"SEC. 3. OVERALL FOOD AID LEVEL.

"It is the sense of Congress that the President should increase the level of food aid provided by the United States and encourage other donor governments to increase the level of food aid they provide, to reflect the findings of the National Research Council of the National Academy of Sciences that it will be necessary to double the present food aid level of approximately 10 million metric tons per year in order to meet the projected world food aid needs during 1991 through 2000. It is further the sense of Congress that the President should encourage other developed countries to increase their contributions toward combatting hunger and malnutrition in developing countries by expanding international food and agricultural assistance programs.".

SEC. 1204. AMENDMENTS TO TITLE I.

(a) AMENDMENT OF SECTION 101.—Section 101 (7 U.S.C. 1701) is amended to read as follows:

"SEC. 101. AGREEMENTS FOR THE SALE OR DONATION OF AGRICULTURAL COMMODITIES.

"(a) AUTHORITY.—In order to carry out the policies and accomplish the objectives set forth in section 2, the President is authorized to negotiate and carry out agreements with friendly countries providing for the sale of agricultural commodities—

"(1) for dollars on credit terms; or

"(2) for foreign currencies for use under sections 104 or 108.

The President is also authorized to negotiate and carry out agreements with friendly least developed countries that meet the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference providing for the donation of agricultural commodities to such countries.

"(b) MINIMUM LEVEL FOR SALES FOR FOREIGN CURRENCIES.—For each of the fiscal years 1991 through 1995, sales for foreign currencies for use under section 108 under agreements entered into under this title should be made at an annual level of not less than 10 percent of the aggregate value of all sales of agricultural commodities under this title.

"(c) DEFINITION.—As used in this section, the term 'least developed country' means a country that meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference for providing financial assistance or that is a food deficit country and is characterized by high levels of malnutrition among significant numbers of its population.".

(b) TECHNICAL AND CONFORMING CHANGES TO SECTION 103.—Section 103 (7 U.S.C. 1703) is amended—

(1) in subsection (b) by striking "subsections (a), (b), (e) and (h) of section 104, in section 108, and in title III" and inserting "sections 104 and 108";

(2) in subsection (m)—

(A) by striking "as provided in section 108" and inserting "for foreign currency payments for use under section 108",

(B) by striking "(1)", and

(C) by striking ", and (2)" and all that follows through the end and inserting a semicolon;

(3) by amending subsection (p) to read as follows:

"(p) give priority to financing the sale of food and fiber commodities in the allocation of funds made available under this title; and"; and

(4) by striking subsection (q) and redesignating subsection (r) as subsection (q).

(c) REVISION OF SECTION 104.—Section 104 (7 U.S.C. 1704) is amended to read as follows:

"SEC. 104. USES OF FOREIGN CURRENCY.

"(a) IN GENERAL.—Notwithstanding any other provision of law, the President may use, or enter into agreements with foreign countries or international organizations to use, the foreign currencies, including principal and interest from loan repayments, that accrue in connection with agreements for credit sales or sales for foreign currencies as provided in section 103(b) as follows:

"(1) For payment of United States obligations (including obligations entered into pursuant to other legislation).

"(2) For carrying out programs of United States government agencies to—

"(A)(i) Help develop new markets for United States agricultural commodities on a mutually benefiting basis. From sale proceeds and loan repayments under this title not less than the equivalent of 5 percent of the total sales made each year under this title shall be set aside in the amount and kinds of foreign currencies specified by the Secretary of Agriculture and made available in advance for use as provided by this paragraph over such period of years as the Secretary of Agriculture determines will most effectively carry out the purpose of this paragraph. The Secretary of Agriculture may release such amounts of the foreign currencies so set aside as the Secretary determines cannot be effectively used for agricultural market development purposes under this section, except that no release shall be made until the expiration of 30 days following the date on which notice of such proposed release is transmitted by the President to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Foreign Relations of the Senate, if transmitted while Congress is in session, or 60 days following the date of transmittal if transmitted while Congress is not in session.

"(ii) Provision shall be made in sale and loan agreements for the convertibility of such amount of the proceeds thereof (not less than 2 percent) as the Secretary of Agriculture determines to be needed to carry out the purpose of this paragraph in those countries that are, or offer reasonable potential of becoming, dollar markets for United States agricultural commodities. Such sums shall be converted into the types and kinds of foreign currencies as the Secretary deems necessary to carry out the provisions of this paragraph and such sums shall be deposited to a special Treasury account and shall not be made available or expended except for carrying out the provisions of this paragraph.

"(iii) In carrying out agricultural market development activities, nonprofit agricultural trade organizations shall be utilized to the maximum extent practicable.

"(iv) The purpose of this paragraph shall include such representation of agricultural industries as may be required during the course of discussions on trade programs relating either to individual commodities or groups of commodities.

"(B) Finance with up to 2 percent of the total sales proceeds received each year in each country collaborative agricultural research of mutual benefit to the United States and the recipient country, including under title XII of the Foreign Assistance Act of 1961, and activities to assist international educational and cultural exchange and to provide for the strengthening of the resources of American schools, colleges, universities, and other public and nonprofit private educational agencies for international studies and research under the programs authorized by title VI of the National Defense Education Act, the Mutual Educational and Cultural Exchange Act of 1961, and the International Education Act of 1966.

"(C) Collect, collate, translate, abstract and disseminate scientific and technological information and conduct research and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against human diseases, and promote and support programs of medical and scientific research, cultural and educational development, family planning, health, nutrition, and sanitation.

"(D) Acquire by purchase, lease, rental, or otherwise, sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and construct, repair, alter and furnish such buildings and facilities.

"(E) Finance under the direction of the Librarian of Congress and the Director of the National Agricultural Library, in consultation with the National Science Foundation and other interested agencies, (i) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance, and (ii) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate.

"(3) For use by such agencies as the President may designate for—

"(A) loans to United States business firms (including cooperatives) and branches, subsidiaries, or affiliates of such firms for business development, market research, and trade expansion in such countries, including promotion of private investment advice and technical support, and

"(B) loans to domestic or foreign firms (including cooperatives) for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products. No such loans shall be made for the manufacture of any product intended to be exported to the United States in competition with products produced in the United States and due consideration shall be given to the continued expansion of markets for United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans.

"(4) To promote multilateral trade and agricultural and other economic development, under procedures, established by the President, by loans or by use in any other manner that the President may determine to be in the national interest of the United States; particularly to assist programs of recipient countries designed to promote, increase, or improve food production, processing, distribution, or marketing in food-deficit countries friendly to the United States, for which purpose the President may utilize to the extent practicable the services of nonprofit voluntary agencies registered with and approved by the Agency for International Development. No such funds may be utilized to promote religious activities.

"(5) For financing, at the request of such country, programs emphasizing maternal welfare, child health and nutrition, and activities, where participation is voluntary, related to the problems of population growth, under procedures established by the President through any agency of the United States, or through any local agency that the President determines is qualified to administer such activities. Not less than 5 percent of the total sales proceeds received each year shall, if requested by the foreign country, be used for voluntary programs to control population growth. None of the funds made available to carry out this paragraph may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

"(6) For paying, to the maximum extent practicable, the costs of carrying out programs for the control of rodents, insects, weeds, and other animal or plant pests.

"(b) 1953 ACT.—Section 1415 of the Supplemental Appropriation Act, 1953, shall apply to currencies used for the purposes specified in subsection (a), and in the case of currencies to be used for the purposes specified in paragraph (2)(B) of subsection (a) the Appropriation Act may specifically authorize the use of such currencies and shall not re-

quire the appropriation of dollars for the purchase of such currencies.

"(c) LAYOVER REQUIREMENT.—No agreement or proposal to grant any foreign currencies under this section shall be entered into or carried out until the expiration of 30 days following the date on which such agreement or proposal is transmitted by the President to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate, if transmitted while Congress is in session, or 60 days following the date of transmittal if transmitted while Congress is not in session.

"(d) INTEREST ON LOANS.—Any loan made under the authority of this section shall bear interest at such rate as the President may determine but not less than the cost of funds to the United States Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having maturity comparable to the maturity of such loans, unless the President shall in specific instances designate a different rate.

"(e) EXCEPTION.—(1) EXCESS AMOUNTS.—Subsections (c) and (d) shall not apply in the case of any country where the foreign currencies or credits owned by the United States and available for use by it in such country are determined by the Secretary of the Treasury to be in excess of the normal requirements of the departments and agencies of the United States for expenditures in such country for the two fiscal years following the fiscal year in which such determination is made. The amount of any such excess shall be devoted to the extent practicable and without regard to subsection (b), to the acquisition of sites, buildings, and grounds under subsection (a)(2)(D) and to assist such country in undertaking self-help measures to increase its production of agricultural commodities and its facilities for storage and distribution of such commodities. Assistance under the foregoing provision shall be limited to self-help measures.

"(2) REPORT TO CONGRESS.—Upon the determination by the Secretary of the Treasury that such an excess exists with respect to any country, the President shall advise the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Foreign Relations of the Senate of such determination; and shall thereafter report to each such Committee as often as may be necessary to keep such Committee advised as to the extent of such excess, the purposes for which it is used or proposed to be used, and the effect of such use.

"(f) SPECIAL ACCOUNT; REIMBURSEMENT TO COMMODITY CREDIT CORPORATION.—Foreign currencies received pursuant to this Act shall be deposited in a special account to the credit of the United States and shall be used only pursuant to sections 104 and 108, and any department or agency of the Government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used. The President shall utilize foreign currencies received pursuant to this Act in such manner as will, to the maximum extent possible, reduce any deficit in the balance of payments of the United States.".

(c) DELETION.—Sections 105 (7 U.S.C. 1705), 110 (7 U.S.C. 1710), and 113 (7 U.S.C. 1713) are deleted.

(d) TECHNICAL AND CONFORMING CHANGES TO SECTION 106.—Section 106 (7 U.S.C. 1706) is amended—

(1) in subsection (a)(1)—

(A) by striking "section 122(b)" and inserting "chapter 1 of part 1",

(B) by inserting before the period at the end of the second sentence ", and other payment terms shall be no less favorable to the United States than those for development loans made under chapter 1 of part 1 of the Foreign Assistance Act of 1961", and

(C) by striking the third sentence;

(2) by amending subsection (a)(2) to read as follows:

"(2) The President may, on a case-by-case basis, taking into account the financial resources of a country and commitment to undertake policy reforms to promote economic growth, waive payment of such aggregate amounts of principal and interest payable under sales agreements for dollars on credit terms entered into under the authority of this title with respect to any relatively least developed country (as determined on the basis of criteria comparable to those used for the United Nations Development Program list of 'least developed countries') or any other country in Sub-Saharan Africa, if—

"(A) an International Monetary Fund standby agreement is in effect with respect to that country;

"(B) a structural adjustment program of the International Bank for Reconstruction and Development or of the International Development Association is in effect with respect to that country;

"(C) a structural adjustment facility or enhanced structural adjustment facility with the International Monetary Fund is in effect with respect to that country; or

"(D) even though such an agreement, program or facility is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market oriented, and long term economic development.

The aggregate amount of principal and interest waived under this paragraph may not exceed the amount approved for such purposes in an Act appropriating funds to carry out this Act.";

(3) by amending subsection (b)(1) to read as follows:

"(1) Agreements under this title for the sale for dollars on credit terms or donation of agricultural commodities shall include requirements that an amount equal to the proceeds from the sale of the commodities in the recipient country are used for such economic development purposes as are agreed upon in the grant or sales agreement or any amendment thereto. In negotiating such agreements with recipient countries, the United States shall emphasize the use of such proceeds for purposes that directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries and to carry out programs in accordance with sections 109 and 406(a)(1).";

(4) by striking subsections (b)(2) and (3) and redesignating paragraph (4) as paragraph (2); and

(5) by amending the last sentence of subsection (b)(2)(B) (as so redesignated) to read "Such proceeds shall not be used to finance the production for export of agricultural commodities or the products thereof that will compete, as determined by the President, in world markets with similar agricultural commodities or the products thereof produced in the United States, where such competition will cause substantial injury to United States producers.".

(e) AMENDMENTS TO SECTION 108.—Section 108 (7 U.S.C. 1708) is amended—

(1) in subsection (a)(1) by adding at the end "Agreements for sales for foreign currency in a developing country for use under this section may not be entered into to the extent that such agreements would generate currency in amounts that cannot be productively used and absorbed in the private sector of such country.";

(2) in subsection (c)—

(A) in paragraph (1) by striking "A financial" and inserting "Except where it would be inconsistent with the objectives of this section, a financial",

(B) in paragraph (2) by striking subparagraph (A) and the subparagraph designation for subparagraph (B), and

(C) in paragraph (3)(B)—

(i) by inserting after "not be" the word "substantially", and

(ii) by striking ", in whole or in part,";

(D) in paragraph (4)(B)—

(i) by striking "101(a)(3)" and inserting "101(a)(2)", and

(ii) by striking "defray the startup costs of becoming a" and inserting "such";

(E) by amending paragraph (5) to read as follows:

"(5) No currency made available under this section may be used to finance the production for export of agricultural commodities or the products thereof that will compete, as determined by the President, in world markets with similar agricultural commodities or the products thereof produced in the United States, where such competition will cause substantial injury to United States producers."; and

(F) by adding at the end a new paragraph to read as follows:

"(8) When entering into a loan agreement under this section, the President may agree to reduce the repayment obligation of a financial intermediary in an amount not to exceed 80 percent of the principal losses suffered by the financial intermediary in connection with loans made by it with funds borrowed under this section and used in accordance with the requirements of this section and the loan agreement.";

(3) in subsection (d)(2), by amending subparagraph (D) to read as follows:

"(D) be used in furtherance of the policies of this section to promote joint or cooperative ventures between private firms or individuals in the developing countries and United States firms, individuals, and organizations, including without limitation cooperatives, private voluntary organizations, and land grant colleges and universities.";

(4) in subsection (f)—

(A) by inserting after "technical assistance" the words ", or technical assistance to financial intermediaries,", and

(B) by striking the last sentence; and

(5) by striking subsection (g) and redesignating subsections (h) and (i) as subsections (g) and (h), respectively.

(f) AMENDMENT TO SECTION 109.—Section 109 (7 U.S.C. 1709) is amended—

(1) by amending the section designation and subsection (a) to read as follows:

"SEC. 109. SELF-HELP MEASURES.

"(a) To be eligible to enter into agreements for the grant or sale of United States agricultural commodities under this title, the proposed recipient country must undertake self-help measures for economic development purposes in order to improve food security and agricultural development, allevi-

ate poverty, and promote broad-based economically and environmentally sustainable growth through such activities as the following:

"(1) fostering increased agricultural production (with emphasis on small farms), processing, forestry management, land and water management;

"(2) fostering the availability of agricultural inputs necessary for agricultural growth;

"(3) improving marketing, storage, transportation and distribution systems;

"(4) promoting and developing credit policies for private-sector agricultural development;

"(5) promoting increased access to food supplies through the encouragement of policies and programs designed to increase employment and incomes within the country;

"(6) promoting free and open markets;

"(7) establishing and maintaining government policies to ensure adequate incentives to producers;

"(8) establishing and expanding institutions for basic and applied agricultural research and use of such research through development of extension services;

"(9) carrying out voluntary family planning, including increased access to voluntary family planning services;

"(10) carrying out programs promoting improved health and self-sustaining primary health care systems;

"(11) supporting programs to improve the health of the poor, focusing on the special health needs of children and mothers; and

"(12) preservation of biological diversity.

In negotiating the terms of an agreement under this title, the President shall take into consideration the overall development strategy of the recipient country and any other United States development activities in that country.";

(2) by redesignating subsections (c) and (d) as subsections (b) and (c) respectively;

(3) in subsection (c) (as so redesignated)—

(A) in paragraph (1)—

(i) by striking "maximum", and

(ii) by striking "be the major beneficiaries of" and inserting "benefit from";

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2); and

(C) by adding a new paragraph (3) to read as follows:

"(3) An agreement with the recipient country under this title shall, to the extent practicable, be entered into not later than November 30 of the first fiscal year in which such commodities are to be shipped under the agreement.".

(g) TECHNICAL AND CONFORMING CHANGES TO SECTION 112.—Section 112 (7 U.S.C. 1712) is amended—

(1) in subsection (b) by striking "International Relations" and inserting "Foreign Affairs"; and

(2) by striking subsection (d).

(h) REPORT BY COMMODITY OR OCEAN TRANSPORTATION SUPPLIER.—Section 115(b) (7 U.S.C. 1715) is amended—

(1) by striking "International Relations" and inserting "Foreign Affairs", and

(2) in the last sentence by inserting after "for a period of" the words "not more than".

SEC. 1205. AMENDMENTS TO TITLE II.

(a) AMENDMENT TO SECTION 201.—Section 201 (7 U.S.C. 1721) is amended—

(1) in subsection (a)—

(A) by striking "The President" and inserting "Notwithstanding the provisions of any other Act, the President", and

(B) by inserting after "furnish agricultural commodities" the words "under this title"; and

(2) in subsection (c)(2) by striking "fortified or processed" both places it occurs and inserting "fortified, processed, or bagged" in both such places.

(b) NONPROFIT VOLUNTARY AGENCIES ADMINISTRATIVE COSTS.—Section 207(c) (7 U.S.C. 1726a(c)) is amended by adding a new subsection to read as follows:

"(d)(1) Not less than $10,000,000 and not more than $13,500,000 of the amounts made available in each fiscal year to nonprofit voluntary organizations and cooperatives under this title shall be made available by the President to such organizations and cooperatives to assist in—

"(A) establishing new programs under this title; and

"(B) meeting specific administrative, management, personnel and internal transportation and distribution costs for carrying out programs in foreign countries under this title.

"(2) In order to receive funds made available under paragraph (1), a nonprofit voluntary organization or cooperative must submit a request, to be approved by the President, for such funds when submitting a proposal to the President for an agreement under this title.

"(3) Such request for funds shall include a specific explanation of—

"(A) the program costs to be offset by such funds;

"(B) the reason why such funds are needed in carrying out the particular assistance program; and

"(C) the degree to which such funds will improve the provision of food assistance to countries of the world (particularly those in sub-Saharan Africa suffering from acute, long-term food shortages).".

(c) FOOD AID ADVISORY GROUP.—Title II is amended by adding at the end the following new section:

"SEC. 209. FOOD AID ADVISORY GROUP.

"The President shall establish a Food Aid Advisory Group composed of the Administrator of the Agency for International Development and the Secretary of Agriculture, or their designees, and representatives of nonprofit voluntary agencies and cooperatives to provide advice on the implementation of programs under this title.".

SEC. 1206. REPEAL OF TITLE III.

Title III is hereby repealed.

SEC. 1207. AMENDMENTS TO TITLE IV.

(a) AMENDMENT TO SECTION 401.—Section 401 (7 U.S.C. 1731) is amended—

(1) in subsection (a)—

(A) by inserting after "Secretary of Agriculture shall" the following: ", prior to the beginning of each fiscal year,", and

(B) by striking ", and the commodities and quantities thereof which may be included in the negotiations with each country" and inserting ". The Secretary of Agriculture may, during the fiscal year, modify such determination to include additional quantities or commodities available for such disposition";

(2) by designating subsection (b) as subsection (b)(1) and adding the following new paragraph:

"(2) In making agricultural commodities available under title I, the President shall consider—

"(A) the time of harvest of any competing commodities in the recipient country; and

"(B) such other concerns determined to be appropriate by the President."; and

(3) adding a new subsection to read as follows:

"(c) In implementing this Act, the Secretary of Agriculture shall, to the extent practicable, seek to maintain a stable level of available agricultural commodities under this Act of the kind and type needed to provide food assistance to developing countries and seek to make such commodities available to the degree necessary to fulfill multiyear agreements entered into under this Act.".

(b) INGREDIENTS OF TITLE II COMMODITIES.—Section 402 (7 U.S.C. 1732) is amended by inserting after "or product thereof" the following: "(including all ingredients contained therein, if available, and provided under title II)".

(c) FARMER-TO-FARMER PROGRAM.—Section 406 (7 U.S.C. 1736) is amended to read as follows:

"SEC. 406. FARMER-TO-FARMER PROGRAM.

"(a) IN GENERAL.—To further assist developing countries, middle-income countries, and emerging democracies to increase farm production and farmer incomes, the President may, notwithstanding any other provision of law—

"(1) establish and administer a program of farmer-to-farmer assistance between the United States and such countries to assist in increasing food production and distribution and improving the effectiveness of the farming and marketing operations of such farmers;

"(2) utilize United States farmers, agriculturalists, land grant universities, private agribusinesses, and non-profit farm organizations to work in conjunction with farmers and farm organizations in such countries, on a voluntary basis, to facilitate the improvement of farm and agribusiness operations and agricultural systems in such countries, including animal care and health, field crop cultivation, fruit and vegetable growing, livestock operations, food processing and packaging, farm credit, marketing, inputs, agricultural extension, and the strengthening of cooperatives and other farmer groups;

"(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on a person-to-person basis, to such countries while enhancing the democratic process by supporting private and public agriculturally-related organizations who request and support technical assistance activities through cash and in-kind services;

"(4) enter into contracts, cooperative agreements, or make grants to private voluntary organizations, cooperatives, land grant universities, private agribusiness or non-profit farm organizations, to the extent practicable, to carry out this section;

"(5) coordinate programs established under this section with other foreign assistance activities carried out by the United States; and

"(6) to the extent practicable, augment the funds available for programs established under this section through the use of foreign currencies that accrue from the sale of agricultural commodities under this Act, and local currencies generated from other types of foreign assistance activities.

"(b) DEFINITIONS.—As used in this section—

"(1) EMERGING DEMOCRACIES.—The term 'emerging democracy' means a country that has recently begun the transformation of its system of government from a non-representative type of government to a representative democracy and that is encouraging democratic institution building and the cultural values, institutions, and organizations of democratic pluralism.

"(2) MIDDLE INCOME COUNTRY.—The term 'middle income country' means a country that has developed economically to the point where it does not qualify for bilateral foreign assistance from the United States because its per capita income level exceeds the eligibility requirements of such assistance programs.

"(c) MINIMUM FUNDING.—Notwithstanding any other provision of law, not less than 0.2 percent of the amounts made available for each of the fiscal years 1991 through 1995 to carry out this Act, in addition to any funds that may be specifically appropriated to carry out this section, shall be used to carry out programs under this section, with not less than 0.1 percent to be used for programs in developing countries.".

(d) AMENDMENT OF SECTION 407.—Section 407 (7 U.S.C. 1736a) is amended to read as follows:

"SEC. 407. ADMINISTRATIVE PROVISIONS.

"(a) AVOIDANCE OF CONFLICTS OF INTEREST.—No person may act as an agent, broker, consultant, or other representative of—

"(1) the Federal Government,

"(2) an importer, or

"(3) an importing country

in connection with commodities provided under this Act during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subsection, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(b) FULL AND OPEN COMPETITION.—No purchase of agricultural commodities from private stock or purchase of ocean transportation services by the Federal Government shall be financed under this Act unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(c) LIMITATION ON COMMISSIONS.—No commission, fees, or other payments to an agent, broker, consultant or other representative of the importer or importing country for ocean transportation brokerage services in connection with the transportation of commodities provided under this Act may be paid in excess of an amount determined appropriate by the President.".

(e) REPORTING REQUIREMENTS.—Section 408 (7 U.S.C. 1736b) is amended by—

(1) amending subsection (a) to read as follows:

"(a) The President shall submit a statement to Congress not later than June 1 of each fiscal year specifying the agreements signed under this Act for that fiscal year. Such statement shall also specify for each country with which there is an agreement under this Act for that fiscal year, the amount that country requested and is receiving under the Food for Progress Act of 1985, section 416 of the Agricultural Act of 1949, title I of this Act, and title II of this Act. With respect to title II, the statement shall indicate for each country—

"(1) the quantity provided through the World Food Program, nonprofit voluntary agencies or cooperatives (identified by name), or government-to-government agreements;

"(2) the type and quantity of each commodity provided; and

"(3) the quantity provided for each program category.";

(2) redesignating subsection (e) as subsection (g); and

(3) inserting after subsection (d) the following:

"(e) The President shall, no later than the end of the fiscal year, submit a statement to Congress on the number of requests submitted and the number of requests approved under section 207 for that fiscal year for the generation of foreign currency proceeds, the amount of foreign currency proceeds generated, and a summary of the uses of such proceeds.

"(f) On World Food Day, October 16 of each year, the President shall submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report, prepared with the assistance of the Secretary of Agriculture and the Administrator of the Agency for International Development, assessing progress towards food security in each country receiving United States government food assistance.".

(f) MULTIYEAR AVAILABILITY.—Section 413 (7 U.S.C. 1736g) is amended to read as follows:

"SEC. 413. MULTIYEAR AGREEMENTS.

"Commodities provided under this Act shall be made available on a multiyear basis, subject to the requirements of section 401 and the availability of appropriations, unless—

"(1) the past performance of the country in meeting program objectives does not warrant a multiyear agreement;

"(2) it is anticipated that the need of the country for food aid does not extend beyond one year; or

"(3) other circumstances, as determined by the President, indicate there is only a need for a one-year agreement.".

SEC. 1208. PROGRAM REGULATIONS.

(a) IN GENERAL.—The President shall provide for the issuance of regulations to revise the existing regulations to implement the Agricultural Trade Development and Assistance Act of 1954, including all provisions necessary or appropriate to implement the amendments made by this subtitle.

(b) DEADLINES.—The regulations specified in subsection (a) shall be issued in proposed form no later than 6 months after the date of enactment of this Act and in final form no later than 1 year after the date of enactment of this Act.

(c) REQUIREMENTS.—The regulations issued under this section to implement title II of the Agricultural Trade Development and Assistance Act of 1954 shall, in addition to such other provisions as the President determines appropriate—

(1) simplify procedures for participation in the programs established under that title;

(2) reduce paperwork requirements under such programs;

(3) establish reasonable and realistic accountability standards to be applied to nonprofit voluntary organizations and cooperatives participating in the programs established under that title, taking into consideration the problems associated with carrying out programs in developing countries; and

(4) provide flexibility for carrying out programs under that title.

SEC. 1209. FOOD FOR PROGRESS.

Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by—

(1) in subsection (g) striking "1990" and inserting "1995";

(2) in subsection (h)—

(A) by inserting "(1)" immediately after the subsection designation, and

(B) by adding the following new paragraphs:

"(2) No person may act as an agent, broker, consultant, or other representative of—

"(A) the Federal Government,

"(B) an importer, or

"(C) an importing country

in connection with commodities provided under this section during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this paragraph, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(3) No purchase of agricultural commodities from private stock or purchase of ocean transportation services by the Federal Government shall be financed under this section unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(4) No commission, fees, or other payments to an agent, broker, consultant or other representative of the importer or importing country for ocean transportation brokerage services in connection with the transportation of commodities provided under this section may be paid in excess of an amount determined appropriate by the President."; and

(3) in subsection (l) striking "1990" and inserting "1995".

SEC. 1210. AMENDMENT TO SECTION 416.

Section 416(b) of the Agricultural Act of 1949 is amended by adding the following new paragraph:

"(12)(A) No person may act as an agent, broker, consultant, or other representative of—

"(i) the Federal Government,

"(ii) an importer, or

"(iii) an importing country

in connection with commodities provided under this subsection during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subparagraph the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(B) No purchase of agricultural commodities from private stock or purchase of ocean transportation services by the Federal Government shall be financed under this subsection unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(C) No commission, fees, or other payments to an agent, broker, consultant or other representative of the importer or importing country for ocean transportation brokerage services in connection with the transportation of commodities provided under this subsection may be paid in excess of an amount determined appropriate by the President.".

Subtitle B—Export Promotion

SEC. 1211. AMENDMENT TO THE AGRICULTURAL TRADE ACT OF 1978.

Titles I through IV of the Agricultural Trade Act of 1978 (7 U.S.C. 1761 et seq.) are amended to read as follows:

"TITLE I—GENERAL PROVISIONS

"SEC. 101. DEFINITIONS.

"As used in this Act—

"(1) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity, food, feed, or fiber and any product thereof.

"(2) DEVELOPING COUNTRIES.—The term 'developing country' means a country that—

"(A) has a shortage of foreign exchange earnings and has difficulty accessing sufficient commercial credit to meet all of its food needs, as determined by the Secretary; and

"(B) has the potential to become a commercial market for agricultural commodities.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(4) UNFAIR TRADE PRACTICE.—(A) Subject to subparagraph (B), the term 'unfair trade practice' means any act, policy or practice of a foreign country that—

"(i) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement; or

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce.

"(B) Nothing in this Act may be construed to authorize the Secretary to make any determination regarding an unfair trade practice that is inconsistent with section 301 of the Trade Act of 1974.

"(5) UNITED STATES.—The term 'United States' includes each of the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

"(6) UNITED STATES AGRICULTURAL COMMODITY.—The term 'United States agricultural commodity' means—

"(A) with respect to any agricultural commodity other than a product of an agricultural commodity, an agricultural commodity entirely produced in the United States; and

"(B) with respect to a product of an agricultural commodity—

"(i) that all the agricultural components are entirely produced in the United States; or

"(ii) any other product the Secretary may designate that contains any agricultural component that is not entirely produced in the United States if such component—

"(I) is an added, de minimis component,

"(II) is not commercially produced in the United States, and

"(III) there is no acceptable substitute that is entirely produced in the United States.

For purposes of this paragraph, fish entirely produced in the United States include fish harvested by a documented fishing vessel as defined in title 46, United States Code in waters that are not waters (including the territorial sea) of a foreign country.

"SEC. 102. CERTIFICATION OF COMPLIANCE.

"The Secretary shall obtain certification with respect to commodities provided, or for which financing or credit guarantees are provided, under any commercial export promotion program of the Department of Agriculture or Commodity Credit Corporation—

"(1) from countries, or importers in countries, that were the intended destination of agricultural commodities under such program that such commodities were received in that country; and

"(2) from the seller or exporter of record of such commodities that there were no corrupt bonuses, extra sales services, or other items than those so provided, financed or guaranteed in connection with the transaction, and that the transaction complied with applicable United States law.

"SEC. 103. DEPARTMENTAL ADMINISTRATION SYSTEM.

"(a) IN GENERAL.—With respect to each commercial export promotion program of the Department of Agriculture or the Commodity Credit Corporation, the Secretary shall—

"(1) specify by regulation the criteria used to evaluate and approve proposals for that program;

"(2) monitor the progress of each proposal, specifying in a central system—

"(A) the origin of the proposal;

"(B) arguments supporting the proposal;

"(C) arguments against the proposal;

"(D) recommended action at the various stages of consideration; and

"(E) the disposition of the proposal;

"(3) provide for regular audits of program transactions to determine compliance with program objectives and requirements; and

"(4) in the event any audit discloses noncompliance with program objectives or requirements, determine promptly whether in light of such noncompliance to suspend or debar the noncomplying party from further participation in one or more of the programs under this title, affording the alleged noncomplying party opportunity for an agency hearing.

"(b) ACCESSIBILITY OF INFORMATION.—Information pertaining to a particular proposal shall be retrievable within the central system by country, commodity, proposal, and other appropriate categories, including participating financing institutions.

"(c) INDEPENDENT STUDY OF WAYS TO IMPROVE IMPLEMENTATION OF SYSTEM AND IMPROVE MANAGEMENT.—The Secretary shall contract with an appropriate management consulting firm to obtain from that firm detailed recommendations on how to improve the implementation of this section and, generally, the management information systems of the Department of Agriculture and Commodity Credit Corporation with respect to such agencies' commercial export promotion programs.

"SEC. 104. POLICY.

"The Congress finds that the agricultural export policy of the United States should provide for increased emphasis on sales abroad of United States processed, value-added agricultural products due to the multiple benefits from such sales to United States producers, processors, exporters and the national workforce.

"SEC. 105. DEVELOPMENT OF AGRICULTURAL TRADE POLICY.

"(a) MARKETING GOALS.—The Secretary shall develop general United States agricultural export marketing goals, including increasing exports of United States processed, value-added agricultural products, and ensure that the commercial export promotion programs of the Department of Agriculture and Commodity Credit Corporation have a coordinated strategy to achieve those goals.

"(b) REPORT.—The Secretary, not later than November 15 of each of the fiscal years 1992 through 1995, shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate regarding—

"(1) the actions the Secretary has taken the previous year to increase exports of United States processed, value added agricultural products and the problems encountered in achieving such goal;

"(2) the Secretary's plans for the coming year to increase exports of United States processed, value-added agricultural products; and

"(3) the Secretary's recommendations, if any, for further legislation needed to obtain the optimum national objectives with respect to the policy stated in section 104.

"SEC. 106. RELIEF FROM UNFAIR TRADE PRACTICES.

"(a) USE OF PROGRAMS.—(1) IN GENERAL.—The Secretary may, for each article described in paragraph (2), make available some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice serving as the basis for the proceeding described in paragraph (2).

"(2) COMMODITIES SPECIFIED.—Paragraph (1) shall apply in the case of articles for which the United States has—

"(A) instituted any dispute settlement proceeding under any international trade agreement, and

"(B) such proceeding has been prevented from progressing to a decision by the refusal of the party maintaining the unfair trade practice to permit the proceeding to progress.

"(b) CONSULTATIONS REQUIRED.—For any article described in subsection (a)(2) the Secretary shall—

"(1) promptly consult with representatives of the industry producing such articles and other allied groups or individuals regarding specific actions or the development of an integrated marketing strategy utilizing some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice identified in subsection (a)(2); and

"(2) ascertain and take into account the industry preference for the practical use of available commercial export promotion programs in implementing subsection (a)(1).

"SEC. 107. PRESERVATION OF TRADITIONAL MARKETS.

"The Secretary shall, in implementing programs of the Department of Agriculture intended to encourage or assist exports of agricultural commodities, seek to preserve traditional markets for agricultural commodities.

"SEC. 108. INDEPENDENCE OF AUTHORITIES.

"Each authority granted under this Act shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

"SEC. 109. PROGRAM EXPENDITURES.

"Expenditures for programs under this Act shall be considered to be expenditures for export promotion and not expenditures for any price support program.

"TITLE II—SPECIFIC EXPORT PROMOTION PROGRAMS

"SEC. 201. EXPORT ENHANCEMENT PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall carry out in accordance with this section a program to discourage unfair trade practices by making United States agricultural commodities competitive.

"(b) EXPORT BONUS.—(1) IN GENERAL.—In carrying out the program established under this section, the Commodity Credit Corporation may—

"(A) make agricultural commodities, acquired by the Commodity Credit Corporation, available to exporters, users, processors, or foreign purchasers at no cost either

directly or through the issuance of commodity certificates; and

"(B) make cash payments to exporters, users, and processors.

"(2) CALCULATION OF BONUS LEVELS.—The Commodity Credit Corporation shall—

"(A) maintain an established procedure for evaluating program bonus requests, with guidelines for determining prevailing market prices for targeted commodities and destinations to be used in the calculation of acceptable bonus levels;

"(B) use a clear set of established procedures for measuring transportation and incidental costs to be used in the calculation of acceptable bonus levels and for determining the amount of such costs actually incurred;

"(C) in the case of livestock and livestock products, develop a methodology to determine the world price and gather and analyze appropriate price and cost of production information in foreign countries for the purpose of price discovery and to aid sales in foreign markets, and publish such information periodically; and

"(D) maintain consistent and effective controls and procedures for auditing and reviewing payment of bonuses and for securing refunds where appropriate.

"(3) DISCLOSURE OF INFORMATION.—The Secretary may, notwithstanding the provisions of 5 U.S.C. 552, provide for withholding from the public the procedures and guidelines established under paragraphs (2)(A) and (B) if the Secretary determines that release of such information would adversely affect the operation of the program. Nothing in this paragraph shall be construed to authorize the withholding of information, including such procedures and guidelines, from Congress.

"(4) DIVERSION OF CARGO.—(A) IN GENERAL.—The Secretary shall ensure that commodities exported under the program established under this section arrive at the specified destination country. The Secretary may provide for an exception if such arrival does not occur due to force majeure.

"(B) ENFORCEMENT.—The Secretary shall provide that in the case commodities exported under the program established under this section fail to arrive at the specified destination country, except as provided under subparagraph (A)—

"(i) any person receiving, or who otherwise would receive, a bonus under this section in connection with such commodities shall be liable for the amount of such bonus and shall be ineligible for participation in the program established under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

"(ii) if such failure is attributable in whole or in part to the specified destination country, no bonus is made available for exports to such country for a period of 1 year or more.

"(C) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this paragraph shall be ineligible to participate in the program established under this section for a period of up to 5 years. The Secretary shall provide that no bonus is made available under the program established under this section for exports to any country that engages in any scheme or device to circumvent the provisions of this paragraph for a period of at least one year.

"(D) OTHER REMEDIES UNAFFECTED.—The remedies provided under this paragraph are in addition to any remedy available under any other provision of law.

"(5) COMPETITIVE DISADVANTAGE.—The Secretary shall take such action as is necessary to ensure that equal treatment is provided to domestic and foreign purchasers and users of agricultural commodities in any case in which the importation of a manufactured product made, in whole or in part, from a commodity made available for export under this section would place domestic users of the commodity at a competitive disadvantage.

"(6) DIFFERENT COMMODITIES.—The Commodity Credit Corporation may provide to a United States exporter, user, or processor, or foreign purchaser, under the program established under this section, agricultural commodities of a kind different than the agricultural commodity involved in the transaction for which assistance under this section is being provided.

"(7) OTHER EXPORT PROGRAMS.—The Commodity Credit Corporation may provide bonuses under this section in conjunction with other export promotion programs conducted by the Secretary or the Commodity Credit Corporation.

"(c) PRIORITY IN THE CASE OF DAIRY CATTLE.—In the case of proposals for bonuses for dairy cattle or other appropriate livestock, the Commodity Credit Corporation shall give priority to proposals that include in connection with the purchase of the livestock appropriate herd management training, veterinary services, nutritional training and other technical assistance necessary for the adaption of the livestock to foreign environments.

"(d) INAPPLICABILITY OF PRICE RESTRICTIONS.—Any price restrictions that otherwise may be applicable to dispositions of agricultural commodities owned by the Commodity Credit Corporation shall not apply to agricultural commodities provided under this section.

"(e) RECORDS.—(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require exporters, users, or processors who receive bonuses under the program to maintain all records concerning a program transaction for a period of 5 years from the completion of the program transaction and permit the Secretary to have full and complete access to the records of the exporter, user, or processor relating to the program transaction for the 5-year period following the completion of the program transaction.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require exporters, users, or processors participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(f) FUNDING LEVELS.—(1) IN GENERAL.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $500,000,000 of the funds or commodities of the Commodity Credit Corporation to carry out the program established under this section.

"(2) LIMITATION.—Not more than 10 percent of the funds and commodities made available for a fiscal year to carry out the program established under this section may be made available to promote the export of agricultural commodities described in section 101(6)(B)(ii).

"SEC. 202. MARKET PROMOTION PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall establish and carry out a program to encourage the development, maintenance, and expansion of commercial export markets for agricultural commodities through cost-share assistance to eligible trade organizations that implement a foreign market development program.

"(b) TYPE OF ASSISTANCE.—Assistance under this section shall be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.

"(c) REQUIREMENTS FOR PARTICIPATION.—(1) IN GENERAL.—To be eligible for assistance under this section, an organization shall—

"(A) be an eligible trade organization;

"(B) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such plans established by the Secretary; and

"(C) meet any other requirements established by the Secretary.

"(2) PRIORITY BASIS FOR EXPORT ASSISTANCE.—The Secretary shall provide assistance under this section on a priority basis in the case of an unfair trade practice.

"(d) ELIGIBLE TRADE ORGANIZATIONS.—An eligible trade organization shall be—

"(1) an organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities;

"(2) a cooperative organization or State agency that promotes the sale of agricultural commodities; or

"(3) a private organization that promotes the export and sale of agricultural commodities if the Secretary determines that such organizations would significantly contribute to United States export market development.

"(e) APPROVED MARKETING PLAN.—(1) IN GENERAL.—A marketing plan submitted by an eligible trade organization under this section shall describe the advertising and other export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this section is being requested.

"(2) REQUIREMENTS.—To be approved by the Secretary, a marketing plan submitted under this subsection shall—

"(A) specifically describe the manner in which assistance received by the eligible trade organization in conjunction with funds and services provided by the eligible trade organization will be expended in implementing the marketing plan;

"(B) establish specific market goals to be achieved as a result of the marketing promotion program; and

"(C) contain whatever additional requirements are determined by the Secretary to be necessary.

"(3) AMENDMENTS.—A marketing plan may be amended by the eligible trade organization at any time, with the approval of the Secretary.

"(4) BRANDED PROMOTION.—An agreement entered into under this section may provide for the use of branded advertising to promote the sale of agricultural commodities in a foreign country under such terms and conditions as may be established by the Secretary.

"(f) OTHER TERMS AND CONDITIONS.—(1) MULTIYEAR BASIS.—The Secretary may provide assistance under this section on a multiyear basis, subject to annual review for compliance with the approved marketing plan by the Secretary.

"(2) TERMINATION OF ASSISTANCE.—The Secretary may terminate any assistance made, or to be made, available under this section if the Secretary determines that—

"(A) the eligible trade organization is not adhering to the terms and conditions of the program established under this section;

"(B) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the marketing promotion program;

"(C) the eligible trade organization is not adequately contributing its own resources to the marketing promotion program;

"(D) the unfair trade practice that was the basis of the provision of assistance has been stopped and marketing assistance is no longer required to offset its effect; or

"(E) the Secretary determines that termination of assistance in a particular instance is in the best interest of the program.

"(3) EVALUATIONS.—The Secretary shall monitor the expenditure of funds received under this section by recipients of such funds. The Secretary shall make evaluations of such expenditure, including—

"(A) an evaluation of the effectiveness of the program in developing or maintaining markets for United States agricultural commodities;

"(B) an evaluation of whether assistance provided under this section is necessary to maintain such markets; and

"(C) a thorough accounting of the expenditure of such funds by the recipient.

The Secretary shall make an initial evaluation not later than 15 months after the initial provision of funds to the recipient.

"(4) AVAILABILITY OF RECORDS.—(A) IN GENERAL.—An eligible trade organization that received assistance under this section shall maintain all records concerning the use of assistance under this program for a period of 5 years after completion of the program transaction and shall permit the Secretary to have full and complete access to the financial records of the organization relating to the use of assistance under this program while such organization is a participant in the program and for a period of 5 years thereafter.

"(B) NON-PROGRAM TRANSACTIONS.—The Secretary may require eligible trade organizations participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(5) LEVEL OF MARKETING ASSISTANCE.—(A) IN GENERAL.—The Secretary shall justify in writing the level of assistance provided to an eligible trade organization under the program and the level of cost-sharing required of such organization.

"(B) LIMITATION.—Assistance provided under this section to private organizations for activities described in subsection (e)(4) shall not exceed 50 percent of the cost of implementing the marketing plan. Criteria for determining that cost shall be consistent and such cost shall be documented.

"(g) PROGRAM LEVEL.—The Commodity Credit Corporation shall make available assistance under this section at a level not less than $200,000,000 for each of the fiscal years 1991 through 1995.

"(h) REGIONAL TRADE CENTER SET-ASIDE.—(1) IN GENERAL.—The Secretary shall establish as an objective reserving an amount of assistance provided under this section for the benefit of applicants whose applications have been forwarded to the Secretary by the 4 regional non-profit export trade associations established by a number of States in cooperation with the Foreign Agricultural Service, Department of Agriculture, and for the benefit of the National Association of State Departments of Agriculture for purposes such as the conduct of export promotion trade fairs and other export promotional activities.

"(2) DESIRED LEVEL OF SET-ASIDE.—The desired amounts of such assistance should be provided at levels no less than the following schedule of set-aside funding:

"(A) 10 percent in fiscal year 1991,

"(B) 11 percent in fiscal year 1992,

"(C) 12 percent in fiscal year 1993,

"(D) 13 percent in fiscal year 1994, and

"(E) 14 percent in fiscal year 1995

as the Secretary may determine will best effectuate the goals of this section.

"SEC. 203. EQUITABLE TREATMENT OF HIGH-VALUE AND VALUE-ADDED UNITED STATES AGRICULTURAL COMMODITIES.

"In the case of any program, such as that established under section 201, operated by the Secretary or the Commodity Credit Corporation during the years 1991 through 1995, for the purpose of discouraging unfair trade practices, the Secretary shall establish as an objective to expend annually at least 25 percent of the total funds available (or 25 percent of the value of any commodities employed) for program activities involving the export sale of high-value agricultural commodities and value-added products of United States agricultural commodities.

"TITLE III—TRADE REPORTING

"SEC. 301. EXPORT REPORTING AND CONTRACT SANCTITY.

"(a) EXPORT SALES REPORTS.—(1) IN GENERAL.—All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities the Secretary may designate produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period:

"(A) type, class, and quantity of the commodity sought to be exported;

"(B) the marketing year of shipment; and

"(C) destination; if known.

"(2) CONFIDENTIALITY AND COMPILATION OF REPORTS.—Individual reports shall remain confidential in accordance with subsection (c) but shall be compiled by the Secretary and published in compilation form each week following the week of reporting.

"(3) IMMEDIATE REPORTING.—All exporters of agricultural commodities produced in the United States shall upon request of the Secretary of Agriculture immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as the Secretary may request. When the Secretary requires that such information be reported by exporters on a daily basis, the information compiled from individual reports shall be made available to the public daily.

"(4) MONTHLY REPORTING PERMITTED.—The Secretary may, with respect to any commodity or type or class thereof during any period in which he determines that there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements, and that total supplies of such commodity in the exporting countries are estimated to be in surplus, and that anticipated exports will not result in excessive drain on domestic supplies, and that to require the reports to be made will unduly hamper export sales, provide for such reports by exporters and publishing of such data to be on a monthly basis rather than on a weekly basis.

"(b) REPORT ON ORIGIN OF COMMODITIES.—(1) IN GENERAL.—The Secretary shall require each person making a commercial export of any agricultural commodity or product thereof (hereinafter in this section referred to as a 'good') that is determined by the Secretary to be of commercial significance, before or upon that exportation, to report the quantity of such good so exported, and the percentage of the agricultural components produced in the United States and percentage produced in a foreign country by value and weight, and shall also report such percentages by crop year and type, if necessary or appropriate to determine the identity of the United States and foreign agricultural components of the good exported.

"(2) EXEMPTION.—A person shall not be required to report any information under paragraph (1) that cannot be obtained from records maintained in the ordinary course of business.

"(3) CODES.—The Secretary may establish codes to identify the type and characteristics of each commodity for the purposes of reports under paragraph (1).

"(4) COMPILATION OF REPORTS.—Individual reports shall remain confidential in accordance with subsection (c) but may be compiled by the Secretary and published in compilation form on a quarterly basis.

"(c) CONFIDENTIALITY.—The individually identifiable information contained in reports under this section shall be kept confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Whoever being an officer or employee in the Department knowingly discloses, except as required by court order, to the public information made confidential by this subsection shall be fined under title 18, United States Code, or imprisoned not more than one year, or both. Nothing in this section shall be construed to authorize the withholding of information from Congress.

"(d) FAILURE TO REPORT.—Any person who knowingly fails to make any report required under this section shall be fined not more than $25,000 or imprisoned not more than one year, or both.

"(e) CONTRACT SANCTITY.—Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity or the products thereof under an export sales contract (1) entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity or products thereof, (2) the terms of which require delivery of the commodity or products thereof within 270 days after the date of the suspension of trade is imposed, except that the President may prohibit or curtail the export of any commodity or the products thereof during a period for which the President has declared a national emergency or for which Congress has declared war.

"TITLE IV—REPORTS

"SEC. 401. NONGOVERNMENTAL SUBSIDIES.

"(a) IN GENERAL.—The Secretary shall submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate specifying any nongovernmental subsidies provided in any foreign country. In compiling such report, the Secretary shall give priority to specifying those nongovernmental subsidies provided to livestock and commodities for which there is a price support program or marketing agreement or order in effect in the United States.

"(b) DEADLINES.—The Secretary shall submit the report specified in subsection (a)

no later than 180 days after the date of enactment of the Food and Agricultural Resources Act of 1990, and shall submit additional reports at 1 year intervals for each of the next 5 years after the submission of the first report.".

SEC. 1212. AMENDMENTS RELATING TO EXPORT CREDIT PROGRAMS.

(a) GUARANTEES FOR WOOD.—Section 4(b)(1) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(1)) is amended by adding at the end the following new sentence: "In making available any assistance under this paragraph with respect to wood and processed wood products, the Commodity Credit Corporation shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products.".

(b) CRITERIA FOR USE OF AUTHORITY.—Section 4(b)(2) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(2)) is amended by inserting "directly benefit United States agricultural producers and will" after "that the sale will".

(c) PROGRAM LEVEL.—Section 4(b)(10) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(10)) is amended by—

(1) striking beginning with "available—" through the end and inserting "available not less than $500,000,000 for each of fiscal years 1991 through 1995.".

(d) CREDIT GUARANTEES.—Section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) is amended by adding at the end the following:

"(e) RESTRICTION.—The Corporation shall not make credit guarantees available for exports to any country the Secretary determines cannot adequately service the debt associated with the guarantee.

"(f) FRAUD.—If the Corporation finds that any exporter or assignee has engaged in fraud or in any scheme, trick or device to misuse or misappropriate any credit guarantee made available under this section, the relevant export credit guarantee issued under this section is no longer valid.

"(g) DIVERSION OF CARGO.—(1) IN GENERAL.—The Secretary shall ensure that commodities exported under any program under this section arrive at the specified destination country. The Secretary may provide for an exception if such arrival does not occur due to force majeure.

"(2) ENFORCEMENT.—The Secretary shall provide that in the case commodities exported under any program under this section fail to arrive at the specified destination country, except as provided under paragraph (1)—

"(A) any person receiving a credit guarantee under this section in connection with such commodities shall be liable for the amount of any amounts paid under such guarantee and shall be ineligible for participation in any program under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

"(B) if such failure is attributable in whole or in part to the specified destination country, no credit or guarantee is made available under any program under this section for exports to such country for a period of 1 year or more.

"(3) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this subsection shall be ineligible to participate in any program under this section for a period of up to 5 years. The Secretary shall provide that no credit or guarantee is made available under any program under this section for exports to any country that engages in any scheme or device to circumvent the provisions of this subsection for a period of at least one year.

"(4) OTHER REMEDIES UNAFFECTED.—The remedies provided under this subsection are in addition to any remedy available under any other provision of law.

"(h) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign agricultural component.

"(i) RECORDS.—(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require exporters under the program to maintain all records concerning a program transaction for a period of 5 years from the completion of the program transaction and permit the Secretary to have full and complete access to the records of the exporter relating to the program transaction for the 5-year period following the completion of the program transaction.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require exporters participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.".

(e) USE OF PROGRAM.—Section 4(b)(5) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(5)) is amended by inserting ", foreign policy," after "foreign aid".

(f) SHORT-TERM EXPORT CREDIT GUARANTEES.—Section 1125 of the Food Security Act of 1985 (7 U.S.C. 1736t) is amended by—

(1) in subsection (b) striking "1990" and inserting "1995";

(2) in subsection (d)—

(A) by inserting "(1)" after the subsection designation; and

(B) by adding at the end the following new paragraph:

"(2) In making available any guarantees under subsection (b) with respect to wood and processed wood products, the Commodity Credit Corporation shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products."; and

(3) adding the following new subsections:

"(e) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall guarantee under any program conducted under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not guarantee under this section the value of any foreign agricultural component.

"(f) RECORDS.—(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require exporters under the program to maintain all records concerning a program transaction for a period of 5 years from the completion of the program transaction and permit the Secretary to have full and complete access to the records of the exporter relating to the program transaction for the 5-year period following the completion of the program transaction.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require exporters participating in the program to make available for 5 years after completion of the program transaction all books and other records concerning transactions other than program transactions for purposes of program oversight and administration.".

SEC. 1213. MARKET DEVELOPMENT TASK FORCE.

(a) ESTABLISHMENT.—The Secretary shall establish a task force, to be known as the "Market Development Task Force" (hereinafter referred to in this section as the "Task Force"), to develop foreign market development strategy, coordinate and disseminate information, and provide advice and education to entities, concerning agricultural export markets and domestic trade programs.

(b) COMPOSITION.—The Task Force shall be composed of 11 members, of which—

(1) one member shall be the Administrator of the Foreign Agricultural Service, or such Administrator's designee;

(2) one member shall be the Secretary of Commerce, or such Secretary's designee;

(3) one member shall be the United States Trade Representative, or such Representative's designee;

(4) one member shall be the Administrator of the Small Business Administration, or such Administrator's designee;

(5) one member shall be the Administrator of the Extension Service, or such Administrator's designee;

(6) one member shall be the Administrator of the Agricultural Stabilization and Conservation Service, or such Administrator's designee;

(7) one member shall be a representative of the National Association of State Departments of Agriculture (NASDA); and

(8) one member shall be the special assistant to the President appointed under section 1113 of the Food Security Act of 1985 (7 U.S.C. 1736-1), or such assistant's designee.

(c) CHAIRPERSON.—The Administrator of the Foreign Agricultural Service shall serve as the Chairperson of the Task Force.

(d) VACANCIES.—A vacancy occurring on the Task Force in a member described in subsection (b)(7) or (b)(8) shall be filled in the same manner in which the original appointment was made.

(e) EQUIPMENT AND STAFF.—(1) PERSONNEL.—The Secretary shall make available to the Task Force office facilities and equipment necessary to enable the Task Force to effectively carry out its functions.

(2) STAFF.—The members of the Task Force identified in paragraphs (1) through (6) of subsection (b) shall make available to the Task Force such personnel, and the Secretary may employ such additional staff, as are necessary to enable the Task Force to effectively carry out its functions.

(f) FUNCTIONS.—The Task Force shall—

(1) develop a strategy that demonstrates ways in which the Federal Government can support the export of processed products;

(2) coordinate the information available concerning—

(A) the locations of existing and potential agricultural export markets;

(B) the types of commodities and products desirable in such markets;

(C) the existence of trade barriers applicable to such markets;

(D) the existence of Federal trade program opportunities that are available to domestic exporters; and

(E) any other information related to such markets;

(3) disseminate the information described in paragraph (1);

(4) annually produce, publish and disseminate throughout the United States through the Extension Service and through regional trade organizations, a catalog containing information available through the Federal Government concerning such markets;

(5) act as an advisor and consult with State governments to promote the establishment and use of such markets; and

(6) perform any other functions determined appropriate by the Task Force.

(g) CONSULTATION WITH PARTICIPANTS IN PROGRAMS.—The Task Force shall consult with participants in agricultural trade programs, including regional trade organizations, in carrying out the functions of the Task Force.

(h) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, proposed regulations necessary to establish and administer the Task Force.

(i) RELATIONSHIP TO USTR FUNCTIONS.—The functions and responsibilities of the Task Force may not conflict with, or supersede, any authority of the United States Trade Representative to determine the existence of trade barriers or unfair trade practices under the Trade Act of 1974, or to develop or coordinate the trade policy of the United States.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

(k) TERMINATION.—The Task Force shall cease to exist 5 years after the date of the enactment of this section.

Subtitle C—Agricultural Trade with and Fellowships for Emerging Democracies and Middle-Income Countries

SEC. 1221. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING DEMOCRACIES.

(a) GUARANTEES TO BE MADE AVAILABLE.—The Commodity Credit Corporation, for each of fiscal years 1991 through 1995—

(1) shall make available not less than $225,000,000 of export credit guarantees for exports to emerging democracies under the program described in section 1125(b) of the Food Security Act of 1985 (7 U.S.C. 1736t(b)), in addition to the amounts required under that section;

(2) shall make available $50,000,000 to guarantee financing, on terms of not less than 3 years nor more than 10 years, for the establishment or improvement of facilities by United States persons in emerging democracies to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities if the Secretary of Agriculture determines that such guarantees will promote the export of United States agricultural commodities; and

(3) is encouraged to make available guarantees under section 4(b) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)), in addition to the amounts otherwise available under that section, for exports to emerging democracies.

The Commodity Credit Corporation shall give priority under paragraph (2) to opportunities or projects identified under subsection (b).

(b) SHARING UNITED STATES AGRICULTURAL EXPERTISE.—(1) IN GENERAL.—(A) ESTABLISHMENT OF PROGRAM.—For each of the fiscal years 1991 through 1995, the Secretary of Agriculture (hereafter referred to in this section as "the Secretary"), in order to develop, maintain or expand markets for United States agricultural exports, is directed to make available to emerging democracies the expertise of the United States to make assessments of the food system needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of those systems, and identify specific opportunities and projects to enhance the effectiveness of those systems.

(B) EXTENT OF PROGRAM.—The Secretary shall implement this subsection with respect to at least 3 such countries in each fiscal year.

(2) EXPERTS FROM THE UNITED STATES.—The Secretary shall implement the requirements of paragraph (1)—

(A) by providing assistance to teams consisting primarily of United States agricultural consultants and government officials expert in assessing the food and rural business systems of other countries to enable such teams to conduct the assessments, make the recommendations, and identify the opportunities and projects specified in paragraph (1) in emerging democracies; and

(B) by providing necessary subsistence expenses in the United States and necessary transportation expenses by individuals designated by emerging democracies to enable such individuals to consult with food and rural business system experts in the United States to enhance such systems of such emerging democracies.

(3) COST-SHARING.—The Secretary shall encourage the nongovernmental experts described in paragraph (2)(B) to share the costs of, and otherwise assist in, the participation of such experts in the program under this subsection.

(4) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide technical assistance to implement the recommendations, or in connection with the opportunities or projects identified, under paragraph (1).

(5) REPORTS TO SECRETARY.—A team that receives assistance under paragraph (2)(A) shall prepare such reports as the Secretary may require.

(6) REPORT TO CONGRESS.—The Secretary shall annually submit to the Committee on Agriculture, Nutrition and Forestry of the Senate and the Committee on Agriculture of the House of Representatives, a report summarizing the activities carried out under this subsection, including a summary of the assessments and recommendations prepared under this subsection, and the Secretary shall also make the assessments and recommendations available to the public.

(7) ADVISORY COMMITTEE.—To provide the Secretary with information that may be useful to the Secretary in carrying out the provisions of this subsection, the Secretary shall establish an advisory committee composed of representatives of the various sectors of the food system of the United States.

(8) USE OF CCC.—The Secretary shall implement this subsection through the funds and facilities of the Commodity Credit Corporation. The authority provided under this subsection shall be in addition to and not in place of any other authority of the Secretary or the Commodity Credit Corporation.

(9) LEVEL OF ASSISTANCE.—The Secretary shall provide assistance under this subsection of not more than $10,000,000 in any fiscal year.

(c) EMERGING DEMOCRACY.—As used in this section, the term "emerging democracy" means any country that, as determined by the President, has made a significant beginning in transforming the system of government of the country from a non-representative type of government to a representative democracy and is encouraging democratic institution building, and the cultural values, institutions, and organizations of democratic pluralism.

SEC. 1222. AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE-INCOME COUNTRIES AND EMERGING DEMOCRACIES.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a fellowship program for middle-income countries and emerging democracies to provide fellowships to persons from eligible countries who specialize in agriculture for study in the United States.

(b) ELIGIBLE COUNTRIES.—Countries that meet the following requirements shall be eligible to participate in the program established under this section:

(1) A middle-income country means a country that—

(A) has developed economically to the point where it no longer qualifies for bilateral foreign assistance programs from the United States because its per capita income level exceeds the eligibility requirements of such programs; or

(B) has never qualified for bilateral foreign assistance programs from the United States, but with respect to which an ongoing relationship with the United States, including technical assistance and training, would provide mutual benefits to such country and the United States.

(2) An emerging democracy means a country that has recently begun the transformation of its system of government from a non-representative type of government to a representative democracy and is encouraging democratic institution building, and the cultural values, institutions, and organizations of democratic pluralism.

(c) PURPOSE OF THE FELLOWSHIPS.—Fellowships under this section shall be provided in order to allow the recipients to gain knowledge and skills that will—

(1) assist eligible countries to develop agricultural systems necessary to meet the food needs of their domestic populations; and

(2) strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.

(d) INDIVIDUALS WHO MAY RECEIVE FELLOWSHIPS.—The Secretary shall utilize the expertise of United States agricultural counselors, trade officers, and commodity trade promotion groups working in participating countries to help identify program candidates from both the public and private sectors of those countries.

(e) PROGRAM IMPLEMENTATION.—The Secretary shall consult with other United States Government agencies, United States universities, and the private agribusiness sector, as appropriate, to design and administer training programs to accomplish the program objectives.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated without fiscal year limitation such sums as may be necessary to provide funding to carry out the program established under this section, except that the amount of such funds shall not exceed—

(1) for eligible countries that meet the requirements of subsection (b)(1), $3,000,000;

(2) for eligible countries that meet the requirements of subsection (b)(2), $2,000,000; and

(3) for eligible countries that meet the requirements of subsection (b)(3), $5,000,000.

(g) COMPLEMENTARY FUNDS.—When the Secretary of Agriculture determines that it is advisable in furtherance of program purposes, the Secretary may accept money, funds, property, and services of every kind

by gift, devise, bequest, grant, or otherwise, and may, in any manner, dispose of all such holdings and use the receipts generated from such disposition as general program funds under this section. All funds so designated for the program established under this section shall remain available until expended.

Subtitle D—Studies and Reports

SEC. 1231. STUDY OF NORTH AMERICAN FREE TRADE AREA.

The Secretary of Agriculture shall study the potential effects on the United States agricultural economy of the creation of a North American free trade area, including the creation of a United States-Mexico free trade area. The Secretary shall submit a report on the results of such study to the Congress no later than May 31, 1991.

SEC. 1232. REPORT ON WOOD EXPORT PROMOTION.

Not later than 180 days after the date of enactment of this Act, and annually thereafter through fiscal year 1995, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate a report concerning the promotion and participation of wood and processed wood products in the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, section 1125 of the Food Security Act of 1985, and section 4 of the Food for Peace Act of 1966.

SEC. 1233. ROSE AND FLOWER STUDY.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the impact of consignment sales of foreign roses and fresh cut flowers on the domestic rose and fresh cut flower industry, taking into account the findings in the report issued April 1989 entitled "Competitive Conditions in the U.S. and World Markets for Fresh Cut Roses" by the United States International Trade Commission.

(b) REPORT TO CONGRESS.—Not later than one year after the date of the enactment of this Act, the Secretary shall report the results of the study conducted under subsection (a) to the Congress together with any recommendation of the Secretary on how the domestic rose and fresh cut flower industry can compete fairly with the practice of consignment sales.

SEC. 1234. COMMODITY TRANSPORTATION AND TECHNOLOGY ASSESSMENT AND REPORT.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct an assessment of the impact upon prices received by producers, costs to consumers, and the overall effect upon the ability of the United States to fulfill export goals and expand foreign markets for domestic commodities of the current agricultural transportation situation, focusing especially on rail transportation capabilities including rail abandonments, periodic shortages of adequate rail car equipment suitable for transporting agricultural commodities, and the practice of rail carriers selling in advance Certificates of Transportation.

(b) In preparing the assessment required by this section, the Secretary shall consult with rail, truck, and waterborne carriers who have experience in the transportation of agricultural commodities, and shall also examine the feasibility of—

(1) providing technical and financial assistance to producers, marketers, and exporters in the design and construction of alternatives (such as freight containers that could be carried aboard flatbed trucks, flatbed rail cars, river barges, and ocean-going container vessels) to covered rail hopper cars for the purpose of transporting bulk commodities to appropriate terminal market facilities; and

(2) encouraging the establishment of a computerized network that would assist producers, marketers, exporters, and carriers in identifying, matching, and coordinating potential loads of agricultural commodities with carriers having proper capabilities and equipment in an effort to expedite transportation needs.

(c) REPORT.—Within 240 days following enactment of this Act, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate the results and recommendations of such assessment.

(d) For the purpose of preparing the assessment and report required by this section, the Secretary is authorized to expend such sums as may be necessary in order to complete a thorough assessment and report as required by this section from any unobligated funds appropriated to the Department of Agriculture, and may, without the necessity of advertising for bids, contract with any appropriate private sector businesses that have expertise and experience in transporting agricultural commodities, or with experience in operating a computerized network of load and equipment matching between shippers and carriers if the work or consultation performed under such contract is deemed necessary by the Secretary in order to fully comply with the scope of the assessment, and complete the report, required by this section.

SEC. 1235. RED TART CHERRY STUDY.

(a) STUDY.—Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture shall, in consultation with the United States International Trade Commission, complete a study to determine—

(1) the competitive factors affecting the domestic red tart cherry industry, including competition from imports;

(2) the effect that the European Community's restriction on imported red tart cherries has had, and may continue to have, on world trade of red tart cherries;

(3) the extent to which unfair trade practices and barriers to trade by other competing countries are impeding the marketing abroad of domestically produced red tart cherries; and

(4) the extent to which imported red tart cherry concentrate has been sold, and is being sold, in the United States at prices below the world market price.

(b) REPORT.—The Secretary shall submit a report containing the results of the study conducted under subsection (a) to the Congress.

(c) SENSE OF CONGRESS.—It is the sense of Congress, that the Secretary of Agriculture should use all available remedies, programs and policies to assist the domestic red tart cherry industry to maintain and enhance its ability to compete in the domestic and world market for red tart cherries.

SEC. 1236. REPORT ON SECTION 22 SUSPENSION OR TERMINATION.

(a) REQUIREMENT OF REPORT.—If section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is repealed or all measures proclaimed under such section are suspended, the Secretary of Agriculture shall, prior to the effective date of the suspension or termination of any quantitative limitation or fee in effect under that section, report to the Congress.

(b) CONTENTS OF REPORT.—The report under subsection (a) shall assess each material consequence of the lifting of such limitation or fee, including the impact on—

(1) the Farmers Home Administration and agricultural credit in general;

(2) the prices paid to farmers generally for the affected commodity; and

(3) United States food security needs.

Subtitle E—Effective Dates and Conforming Changes

SEC. 1241. EFFECTIVE DATES.

(a) The amendments made by subtitle A shall be effective beginning for fiscal year 1991.

(b) The provisions of section 103 of the Agricultural Trade Act of 1978 (as amended by section 1211) shall apply to proposals pending or received on or after the date of enactment of this Act.

(c) The Secretary shall promulgate regulations to implement section 301 of the Agricultural Trade Act of 1978 (as amended by this title) no later than 180 days after the date of enactment of this Act.

SEC. 1242. CONFORMING CHANGES.

(a) REPEAL OF EXPORT SALES REPORTING.—Section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c-3) is hereby repealed.

(b) REPEAL OF OBSOLETE LAWS.—Effective October 1, 1991, sections 1124 and 1127 of the Food Security Act of 1985 (7 U.S.C. 1736s and 1736v) are repealed.

(c) REPEAL OF SENSE OF CONGRESS.—Section 1165 of the Food Security Act of 1985 is repealed.

Mr. GLICKMAN. Mr. Chairman, I would like to express my support to title XII of H.R. 3950, the Food and Agricultural Resources Act of 1990. In constructing this title, I would like to thank the chairman, Mr. DE LA GARZA, Mr. MADIGAN, and Mr. BROWN of California for their support and hard work.

If you look at the hard facts about what the Export Enhancement Program, the Marketing Assistance Program—formerly TEA—and the Credit Guarantee Programs have accomplished since their enactment in the 1985 Food Security Act, you too will be convinced of their overall effectiveness in combating unfair trade practices of other countries. In world markets inundated by subsidies, these programs, at such little cost, have put this country on equal competitive footing. We cannot abandon any of these programs until the Europeans and others abandon their trade distorting policies.

Over the past year, however, several General Accounting Office and USDA's Office of Inspector General's audits on these programs brought to surface several inadequacies with the way the U.S. Department of Agriculture has been administering them. In response, several of my colleagues and I agreed that changes had to be made in order to preserve the good will that these programs have always received in Congress and the countryside.

With the help of Chairman DE LA GARZA, Mr. BROWN, and Mr. ROSE, we have included in this trade title a number of administrative reforms for the EEP, MAP—formerly TEA—and GSM programs. Since GAO and OIG reports pointed out similar problems associated with each program, the committee incorporated management guidelines for all and more specific guidelines for the management of each.

Another important item in this title is the expansion of the long- and short-term credit

guarantee programs for emerging democracies. After visiting Eastern bloc countries last year, I came to the conclusion these countries need lines of credit to finance not only food purchases, but infrastructural projects to develop their agricultural systems, which are in desperate shape. Once these systems become more advanced in processing and transporting food, the more consumers will consume on the world market, which means American farmers will profit. Guaranteeing credit for infrastructural development and food purchases, which this title does, will sell more U.S. commodities and help U.S. agribusiness get its foot in the Eastern European door.

Also, I would like to lend my support to the Public Law 480 section of this title. For nearly a half a century, this program has helped feed hungry people all over the world. U.S. farmers should feel proud that they can produce such an abundance of food that it can be given to the needy not only in this country, but overseas, as well.

Finally, in June my Subcommittee on Wheat, Soybeans, and Feed Grains held a hearing to review current Public Law 480 law that prohibits AID from implementing countrywide agricultural programs in countries heavily reliant on the revenues generated from producing drugs. The reasoning behind the law is that the commodities produced under these programs may end up competing with U.S. commodities on world markets. But if agricultural development is implemented countrywide, AID contends that the people growing drugs in secluded and undeveloped areas will move to the more economically active areas. Mr. William Bennett, the drug czar, also agrees with AID and has made this concept a part of his Andean Drug Initiative.

This country right now is fighting the toughest war ever—the war on drugs. Drugs are killing and debilitating millions of people every year. Everywhere in this country, drugs are threatening our children and our future. If the agricultural community can contribute in the war against drugs, then I think we owe it to our country. I am pleased that Mr. KOSTMAYER, in the Foreign Affairs Committee business meeting on trade, added a provision to allow AID to implement countrywide development projects in those countries reliant on drug production.

After talking to the American Ambassador in Bolivia, I am convinced, as he is, that overall agricultural development coupled with heavy law enforcement in Bolivia, the second largest producer of coca—raw cocaine—will eventually help curb coca production. If it can work in one country, then it is worth trying in others.

I strongly support this provision and complement Mr. KOSTMAYER for his action.

Mr. BROWN of California. Mr. Chairman, title XII contains reauthorization of our agricultural export and food aid programs. I would like to thank Chairman DE LA GARZA for his diligence in working with my subcommittee on this Title, and also thank the Committee on Foreign Affairs for their input, particularly in regard to the Food For Peace Program.

As chairman of the subcommittee with oversight over the agricultural export programs I can confidently say that this title contains important improvements to our food aid programs and commercial export programs.

We have worked out a compromise agreement with the Committee on Foreign Affairs which would revamp the Food For Peace Program. This program, to be offered as a substitute amendment by Mr. GEJDENSON, will increase food donations and allow debt forgiveness for the neediest countries. The program also ensures that economic development is the underlying objective of all of our food aid programs, in recognition that economic development and policy reform are preconditions to develop future export markets for our commodities. We have maintained provisions to safeguard against the potential detrimental effects that U.S. commodities can have on agricultural production in the recipient countries. We have also provided increased support for newly emerging democracies, and reauthorized the Food For Progress Program which provides donated commodities to countries that encourage private enterprise and agricultural reform. I support the changes to the food aid programs and believe that this bill will further the continued cooperation between the agencies which carry out these programs.

Since the 1985 farm bill our agricultural export programs have been successful in recapturing world market share that the United States lost during the early 1980's. Agricultural exports help our farmers and enhance our general economic performance by creating millions of off farm jobs through associated services in financing, storage, packaging, processing, merchandising, and transportation. Agricultural exports contribute to a positive trade balance of more than $17 billion and thus play a major role in reducing the national trade deficit. Since our farmers can produce more than the country can consume during the same year, exporting the residual supplies is critical in keeping agriculture a healthy industry.

Over the past 2 years extensive oversight hearings by three Agriculture subcommittees have detailed a number of administrative weaknesses which have led to some abuses of our export programs. We have responded to these problems by adding new provisions to strengthen program administration and operation in this title. These additional program requirements will deter future program abuse while allowing for responsible export assistance in those markets where the United States is at a disadvantage. New provisions in this title will allow the Secretary of Agriculture to certify and periodically audit all USDA export programs and establish a marketing strategy for carrying out all export programs, including the increased export of high value products. We have included tighter eligibility criteria to make sure that only U.S. grown commodities go out under the export credit guarantees. In addition, we have authorized additional credit guarantees for the emerging democracies of Eastern Europe.

This title will also require stronger oversight of the Targeted Export Assistance—TEA—Program, renamed the Marketing Promotion Program. This program is virtually important to export high value agricultural products which have been affected by unfair trade practices in foreign markets. We have added new provisions to require all participants in the program to meet specified cost-share levels, including a minimum 50 pecent cost-share requirement for branded advertising. The program will also require participants to keep detailed records of how the assistance is used and requires the Secretary to audit and evaluate the effectiveness of the assistance in achieving the market expansion goals. The Secretary of Agriculture is required to terminate the marketing assistance if evaluations show that there are no longer unfair trade practices directed at the commodity or if the assistance is no longer needed to maintain the markets. Agricultural trade organizations and cooperatives from all parts of the country benefit from this program. Priority funding is directed to nonprofit organizations and at markets where U.S. producers face unfair trade practices.

All told, this title includes tighter eligibility criteria and improved management and oversight requirements which will make for much stronger export programs. Let's continue the success story of U.S. agricultural exports by approving the reauthorization of these programs.

AMENDMENT OFFERED BY MR. GEJDENSON

Mr. GEJDENSON. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. GEJDENSON: Strike out title XII—Trade (Page 313, line 3, through page 397, line 22) and insert in lieu thereof the following:

TITLE XII—AGRICULTURAL TRADE AND ASSISTANCE

Subtitle A—Public Law 480 And Related Programs

SEC. 1201. SHORT TITLE.

This subtitle may be cited as the "Mickey Leland Food for Peace Act".

SEC. 1202. AMENDMENT OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

Unless otherwise expressly provided, whenever in this subtitle an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 and following).

SEC. 1203. EXTENSION OF AUTHORITIES.

Section 409 (7 U.S.C. 1736c) is amended—

(1) by striking "1990" in the first sentence and inserting "1995"; and

(2) by striking "and the Food Security Act of 1985" in the second sentence and inserting ", the Food Security Act of 1985, and the Food and Agricultural Resources Act of 1990".

SEC. 1204. AMENDMENT TO SECTION 2.

Section 2 (7 U.S.C. 1691) is amended to read as follows:

"SEC. 2. UNITED STATES POLICY.

"It is the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of agricultural commodities, and local currencies accruing under this Act, to—

"(1) combat world hunger and malnutrition and their causes;

"(2) promote broad-based, equitable, and sustainable development, including agricultural development;

"(3) expand international trade;

"(4) develop and expand export markets for United States agricultural commodities; and

"(5) foster and encourage the development of private enterprise and democratic participation in developing countries.".

SEC. 1205. AMENDMENT TO SECTION 3.

Section 3 (7 U.S.C. 1691a) is amended to read as follows:

"SEC. 3. OVERALL FOOD AID LEVEL.

"It is the sense of the Congress that the President should increase the level of food aid provided by the United States, and should encourage other donor governments to increase the level of food aid they provide, to reflect the findings of the National Research Council of the National Academy of Sciences that it will be necessary to double the present food aid level of approximately 10 million metric tons per year in order to meet the projected world food aid needs during 1991 through 2000. It is further the sense of the Congress that the President should encourage other developed countries to increase their contributions toward combatting hunger and malnutrition in developing countries by expanding international food and agricultural assistance programs.".

SEC. 1206. AMENDMENTS TO TITLE I.

(a) AMENDMENT TO SECTION 101.—Section 101 (7 U.S.C. 1701) is amended to read as follows:

"SEC. 101. SALES PROGRAM.

"(a) GENERAL AUTHORITY.—To carry out the policies set forth in section 2, the President may negotiate and carry out agreements with developing countries to provide for the sale of agricultural commodities to such countries—

"(1) for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under section 104; and

"(2) on such other terms and conditions as the President may require be included in such agreements, consistent with the requirements of this Act.

"(b) DEFINITION OF DEVELOPING COUNTRY.—For purposes of this section, the term 'developing country' means a country that has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels.

"(c) PRIORITIES IN ALLOCATIONS OF ASSISTANCE.—In determining whether and to what extent agricultural commodities will be made available to developing countries under this section, the President shall give priority to countries that—

"(1) demonstrate the greatest need for food, and

"(2) have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities.".

(b) AMENDMENTS TO SECTION 103.—Section 103 (7 U.S.C. 1703) is amended—

(1) by striking subsections (a), (b), (d), (h), (i), (j), (p), (q), and (r);

(2) by redesignating subsections (c), (e), (f), (g), (k), (l), (m), (n), and (o) as paragraphs (1) through (9), respectively;

(3) in paragraph (7), as so redesignated—

(A) by striking "except as provided in section 108,";

(B) by striking "(1)"; and

(C) by striking ", and (2)" and all that follows through "conversion;" and inserting a semicolon;

(4) by inserting "and" at the end of paragraph (9), as so redesignated; and

(5) by inserting after that paragraph the following:

"(10) give priority to financing the sale of food and fiber commodities in the allocation of funds made available under this title.".

(c) AMENDMENT TO SECTION 104.—Section 104 (7 U.S.C. 1704) is amended to read as follows:

"SEC. 104. USE OF LOCAL CURRENCY PAYMENTS.

"(a) IN GENERAL.—Agreements under section 101 may provide that the President shall use payments made in local currencies by the recipient country in accordance with this section.

"(b) ACTIVITIES.—The proceeds from the payments referred to in subsection (a) may be used in the recipient country for the following:

"(1) TRADE DEVELOPMENT.—To carry out programs to help develop markets for United States agricultural commodities on a mutually beneficial basis in the recipient country.

"(2) AGRICULTURAL BUSINESS DEVELOPMENT LOANS.—To make loans to United States business entities (including cooperatives) and branches, subsidiaries, or affiliates of such entities for agricultural business development and agricultural trade expansion in such recipient countries.

"(3) AGRICULTURAL FACILITIES LOANS.—To make loans to domestic or foreign entities (including cooperatives) for the establishment of facilities for aiding in the utilization or distribution of, or otherwise increasing the consumption of and markets for, United States agricultural products.

"(4) TRADE PROMOTION.—To promote agricultural trade development, under procedures established by the President, by making loans or through other activities (including trade fairs) that the President determines to be appropriate.

"(5) PRIVATE SECTOR AGRICULTURAL TRADE DEVELOPMENT.—To conduct private sector agricultural trade development activities in the recipient country, as determined appropriate by the President.

"(6) AGRICULTURAL DEVELOPMENT.—To support—

"(A) increased agricultural production, including availability of agricultural inputs, with emphasis on small farms, processing, forestry management, and land and water management;

"(B) credit policies for private-sector agriculture development; and

"(C) establishment and expansion of institutions for basic and applied agricultural research and the use of such research through development of extension services.

"(7) RESEARCH.—To conduct research in agriculture, forestry, and aquaculture, including collaborative research which is mutually beneficial to the United States and the recipient country.

"(8) ACQUISITION OF BUILDINGS FOR UNITED STATES GOVERNMENT USE.—To acquire (by purchase, lease, rental, or otherwise) sites and buildings and grounds abroad for United States Government use (including offices, residence quarters, and community and other facilities), and to construct, repair, alter, and furnish such buildings and facilities.

"(9) ACQUISITION OF MATERIALS FOR LIBRARIES.—To finance under the direction of the Librarian of Congress and the Director of the National Agricultural Library, in consultation with the National Science Foundation and other interested agencies—

"(A) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine their technical, scientific, cultural, or educational significance to the United States, and

"(B) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate.

"(10) SCIENTIFIC ACTIVITIES.—To collect, collate, translate, abstract, and disseminate scientific and technological information, conduct research and support scientific activities overseas, including programs and projects of scientific cooperation between the United States and other countries, such as coordinated research against human diseases, and to promote and support programs of medical and scientific research.

"(11) PEST CONTROL PROGRAMS.—To pay the costs of carrying out programs for the control of rodents, insects, weeds, and other animal or plant pests.

"(c) SPECIAL ACCOUNT.—Local currencies received by the President under section 101 shall be deposited in an interest-bearing account to the credit of the United States. Amounts in such accounts shall be used by the President as provided in this section.

"(d) FISCAL REQUIREMENTS REGARDING USE OF LOCAL CURRENCIES.—

"(1) EXEMPTION.—Section 1306 of title 31, United States Code, shall not apply to local currencies used by the President under paragraphs (1) through (7) of subsection (b).

"(2) USE OF CURRENCIES BY OTHER AGENCIES.—Any department or agency of the United States Government that uses any currencies from a special account established pursuant to subsection (c) for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

"(e) REDUCTION IN BALANCE OF PAYMENTS DEFICIT.—The President shall utilize local currencies received pursuant to this Act is such manner as will, to the maximum extent possible, reduce any deficit in the balance of payments of the United States.

"(f) SUPPORT FOR CERTAIN EDUCATIONAL INSTITUTIONS.—If the President determines that local currencies deposited in a special account pursuant to subsection (c) are not needed for any of the activities described in subsection (b), the President may use those currencies to provide support for any institution (other than an institution whose primary purpose is to provide religious education) located in the recipient country that provides education in agricultural sciences or other disciplines for a significant number of United States nationals (who may include members of the United States Armed Forces or the Foreign Service or dependents of such members).".

(d) REPEAL OF SECTION 105; DEBT FORGIVENESS AND DEBT-FOR-NATURE SWAP AUTHORITIES.—Title I is amended by striking section 105 (7 U.S.C. 1705) and inserting the following:

"SEC. 105. DEBT FORGIVENESS.

"(a) AUTHORITY.—The President, taking into account the financial resources of a country, may waive payments of principal and interest that that country would otherwise be required to make to the Commodity Credit Corporation under dollar sales agreements under this title if—

"(1) that country is a least developed country (as defined in section 301(b)) or has a per capita external debt in excess of $1500; and

"(2) either—

"(A) an International Monetary Fund standby agreement is in effect with respect to that country;

"(B) a structural adjustment program of the International Bank for Reconstruction and Development or of the International Development Association is in effect with respect to that country;

"(C) a structural adjustment facility, enhanced structural adjustment facility, or similar supervised arrangement with the International Monetary Fund is in effect with respect to that country; or

"(D) even though such an agreement, program, facility, or arrangement is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market-oriented, and long term economic development.

"(b) APPROPRIATIONS ACTION REQUIRED.—The aggregate amount of principal and interest waived under this section may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this Act.

"(c) LIMITATION ON NEW CREDIT ASSISTANCE.—If the authority of this section is used to waive payments otherwise required to be made by a country pursuant to this title, the President may not provide any new credit assistance for that country under this title during the 2-year period beginning on the date such waiver authority is exercised, unless the President provides to the Congress, before the assistance is provided, a written justification for the provision of such new credit assistance.

"(d) APPLICABILITY.—The authority of this section applies with respect to credit sales agreements entered into before or after the enactment of the Food and Agricultural Resources Act of 1990.

"SEC. 105A. DEBT-FOR-NATURE SWAPS FOR LATIN AMERICA AND THE CARIBBEAN.

"(a) DEBT CONVERSION.—To the extent provided for in an agreement meeting the requirements of subsection (b), the President may release an eligible country from all or a part of its obligation to make principal and interest payments that would otherwise be required to be made to the Commodity Credit Corporation under dollar sales agreements under this title.

"(b) DEBT-FOR-NATURE SWAP AGREEMENT.—The agreement referred to in subsection (a) is an agreement between the United States Government and the government of the eligible country which includes the following requirements:

"(1) ISSUANCE OF BOND.—The government of the eligible country shall be required to issue, and deposit in a trust, a long-term bond or other obligation requiring that government to make periodic payments to the trust. Such obligation shall be nonredeemable.

"(2) TRUST.—The agreement shall provide for the establishment of a trust, which shall hold the bond or other obligation. The trust shall be managed by a board of trustees as specified in the agreement

"(3) USE OF FUNDS FOR ENVIRONMENTAL PURPOSES.—Amounts paid to the trust shall be made available by the trustee, in accordance with the agreement, to—

"(A) indigenous nongovernmental environmental, conservation, or development organizations,

"(B) the government of the eligible country, or

"(C) other appropriate entities,

for use in protecting, preserving, or restoring, and ensuring the appropriate and sustainable use of, environmentally critical land, habitat, or other natural resources in the eligible country.

"(c) CRITERIA FOR SELECTING COUNTRIES.—In determining the eligible countries with respect to which the authority of this section will be exercised, the President shall take into account—

"(1) the needs for financial resources for use in protecting, preserving, or restoring environmentally critical areas and resources in an eligible country; and

"(2) the commitment of the government of that country to protecting, preserving, and restoring, those areas and resources.

"(d) ELIGIBLE COUNTRIES.—For purposes of this section, the term 'eligible country' means a country in Latin America or the Caribbean that the President determines—

"(1) has adopted a strong economic reform program consistent with the policies of the International Monetary Fund and the International Bank for Reconstruction and Development and the International Development Association and that protects the poor and other vulnerable groups;

"(2) is pursuing comprehensive investment reforms with the Inter-American Development Bank or is otherwise implementing an open investment regime; and

"(3) has concluded, if appropriate, a financing package with commercial banks including debt and debt service reduction.

"(e) CONSULTATION REQUIREMENTS.—The President shall consult with nongovernmental organizations having expertise with respect to environmental or conservation matters—

"(1) in identifying countries with respect to which the authority of this section should be exercised because of their environmental situation;

"(2) during the negotiation of an agreement pursuant to subsection (b) with respect to the debt restructing arrangement pursuant to subsection (b)(1), the establishment of the trust pursuant to subsection (b)(2), and the uses of funds pursuant to subsection (b)(3); and

"(3) with respect to whether funds paid to the trust are being used for the intended purposes.

"(f) ANNUAL REPORTS.—Each year, the President shall submit to the Congress a report which describes the debt-for-nature swap agreements entered into under this section during the preceding fiscal year.

"(g) APPROPRIATIONS ACTION REQUIRED.—The aggregate amount of principal and interest waived under this section may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this Act.

"(h) RELATION TO SECTION 105.—This section should not be construed to limit the authority of the President to provide debt forgiveness under section 105 of this Act for eligible countries (as defined in this section).

"(i) APPLICABILITY.—The authority of this section applies with respect to credit sales agreements entered into before or after the enactment of the Food and Agricultural Resources Act of 1990.".

(e) AMENDMENT TO SECTION 106.—Section 106 (7 U.S.C 1706) is amended to read as follows:

"SEC. 106. TERMS AND CONDITIONS OF SALES.

"(a) PAYMENT.—

"(1) DOLLARS.—Except as provided in paragraph (2), agreements under section 101 shall require that payment for agricultural commodities be made in dollars.

"(2) LOCAL CURRENCIES.—(A) The President may permit a recipient country to make payment under an agreement under section 101 in the local currency of such country in order to use the proceeds from such payments to carry out activities under section 104.

"(B) Payments in local currency shall be at rates of exchange that are no less favorable than the highest exchange rate legally obtainable in the country and that are no less favorable than the highest exchange rate obtainable by any other country.

"(b) INTEREST.—An agreement under section 101 shall provide that interest shall accrue on the payment deferred under such agreement at such rate as is determined appropriate by the President, but not in excess of 50 percent of the cost of borrowing to the United States Government as of the time the agreement is entered into.

"(c) DURATION.—Payments required under an agreement under section 101 may be made in reasonable annual amounts over the period specified in the agreement, which may not be less than 10 nor more than 40 years after the date of the last delivery of agricultural commodities under such agreement. The date for the beginning of such annual payment may be deferred for not more than 2 years after the date of such last delivery, and interest shall be computed from the date of such last delivery.

"(d) DELIVERY.—Delivery of agricultural commodities pursuant to an agreement under this title shall be made for not more than 10 years following the date of the agreement and subject to the availability of the commodities at the time delivery is to be made.

"(e) USE OF SALES PROCEEDS FOR ECONOMIC DEVELOPMENT PURPOSES.—Agreements under this title for the sale of agricultural commodities for dollars on credit terms may include requirements that an amount equal to the proceeds from the sale of the commodities in the recipient country be used for such economic development purposes as are agreed upon in the agreement or any amendment thereto. Such purposes may include promotion of specific policy reforms and private sector development. In negotiating such agreements, the President shall emphasize the use of such proceeds for purposes that directly improve the lives of the poorest of the people of the recipient country and their capacity to participate in the development of their country and to carry out programs in accordance with sections 109 and 406(a)(1).".

(f) AMENDMENT TO SECTION 107.—Section 107 (7 U.S.C. 1707) is amended in subsection (d) by striking "103(a), 103(d), 103(e), 103(f), 103(j), 103(k)" and inserting "103(2), 103(3), 103(5)".

(g) REPEAL OF SECTION 108.—Section 108 (7 U.S.C. 1708) is repealed.

(h) AMENDMENTS TO SECTION 109.—

(1) REQUIREMENT FOR SELF-HELP MEASURES.—Section 109 (7 U.S.C. 1709) is amended by amending subsection (a) to read as follow:

"(a) To be eligible to enter into an agreement under title I or title III, the proposed recipient country must undertake self-help measures for economic development purposes in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development through such activities as—

"(1) fostering increased agricultural production (with emphasis on the production by small farms of food for local consumption) and processing, forestry management, and land and water management;

"(2) fostering the availability of agricultural inputs necessary for agricultural growth;

"(3) improving marketing, storage, and transportation systems;

"(4) promoting and developing credit policies for private sector agricultural development;

"(5) promoting free and open markets for food and agricultural producers;

"(6) establishing and maintaining government policies to ensure adequate incentives to producers of food and agricultural products;

"(7) establishing and expanding institutions for basic and applied agricultural research and the use of such research through development of extension services and agricultural education institutions; and

"(8) preservation of biological diversity.".

(2) DESCRIPTION OF SELF-HELP MEASURES.—Subsection (d)(1) of that section is amended by striking "maximum".

(3) ADDITIONALITY REQUIREMENT.—Subsection (d)(2) of that section is repealed.

(4) REDESIGNATIONS.—Subsection (c) of that section is redesignated as subsection (b), subsection (d)(1) of that section is redesignated as subsection (c), and subsection (d)(3) of that section is redesignated as subsection (e).

(5) APPLICATION OF PROVISIONS TO NEW TITLE III PROGRAM.—Subsection (b) of that section, subsection (c) of that section, and subsection (d) of that section (as so redesignated by paragraph (4) of this subsection) are amended by inserting after "this title" each place it appears "or title III".

(i) REPEAL OF SECTION 110.—Section 110 (7 U.S.C. 1710) is repealed.

(j) AMENDMENTS TO SECTION 112.—Section 112 (7 U.S.C. 1712) is amended—

(1) in subsection (a) by striking "to finance the sale of agricultural commodities to" and inserting "or title III with";

(2) in subsection (b) by striking "International Relations" and inserting "Foreign Affairs"; and

(3) by striking subsection (d).

(k) AMENDMENT TO SECTION 113.—Section 113 (7 U.S.C. 1713) is amended to read as follows:

"SEC. 113. DEADLINE FOR AGREEMENTS UNDER TITLES I AND III.

"An agreement under this title or title III shall, to the extent practicable, be entered into not later than—

"(1) November 30 of the first fiscal year in which agricultural commodities are to be shipped under the agreement, or

"(2) 60 days after the date of enactment of the annual Rural Development, Agriculture, and Related Agencies Appropriations Act for the first fiscal year in which agricultural commodities are to be shipped under the agreement,

whichever is later.".

(l) AMENDMENTS TO SECTION 115.—Section 115 (7 U.S.C. 1715) is amended—

(1) in subsection (a) by striking the first two sentences; and

(2) in subsection (b)—

(A) in the next to the last sentence by striking "International Relations" and inserting "Foreign Affairs", and

(B) in the last sentence by inserting "not more than" after "for a period of".

SEC. 1207. AMENDMENTS TO TITLE II.

(a) AMENDMENTS TO SECTION 201.—Section 201 (7 U.S.C. 1721) is amended—

(1) in subsection (a)—

(A) by striking "The President" and inserting "IN GENERAL.—Notwithstanding the provisions of any other Act, the President"; and

(B) by inserting "under this title" after "furnish agricultural commodities";

(2) by amending subsection (b) to read as follows:

"(b) MINIMUM LEVELS.—

"(1) MINIMUM ASSISTANCE.—Except as provided in paragraph (3), the President shall make agricultural commodities available for food distribution under this title in an amount that—

"(A) for fiscal year 1991, is not less than 1,925,000 metric tons;

"(B) for fiscal year 1992, is not less than 1,950,000 metric tons;

"(C) for fiscal year 1993, is not less than 1,975,000 metric tons;

"(D) for fiscal year 1994, is not less than 2,000,000 metric tons; and

"(E) for fiscal year 1995, is not less than 2,025,000 metric tons.

"(2) MINIMUM NONEMERGENCY ASSISTANCE.—Of the amounts specified in paragraph (1), and except as provided in paragraph (3), the President shall make agricultural commodities available for nonemergency food distribution through private voluntary organizations, cooperatives, the World Food Program, and other intergovernmental organizations in an amount that—

"(A) for fiscal year 1991, is not less than 1,450,000 metric tons;

"(B) for fiscal year 1992, is not less than 1,475,000 metric tons;

"(C) for fiscal year 1993, is not less than 1,500,000 metric tons;

"(D) for fiscal year 1994, is not less than 1,525,000 metric tons; and

"(E) for fiscal year 1995, is not less than 1,550,000 metric tons.

"(3) EXCEPTION.—The President may waive the requirements of paragraphs (1) and (2) for any fiscal year if the President determines that such quantities of commodities cannot be used effectively to carry out this title or in order to meet an emergency or that insufficient funds are available for that fiscal year to meet those requirements. In making a waiver under this paragraph, the President shall prepare and submit to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the reasons for the waiver."; and

(3) in subsection (c)(2) by striking "fortified or processed" both places it appears and inserting "fortified, processed, or bagged".

(b) AMENDMENTS TO SECTION 202.—Section 202 (7 U.S.C. 1722) is amended—

(1) by striking "nonprofit voluntary agencies" each place it appears and inserting "private voluntary organizations,";

(2) by striking "nonprofit voluntary agency" each place it appears and inserting "private voluntary organization";

(3) in subsection (a) by striking "friendly";

(4) in subsection (b)(4) by striking "those agencies" and inserting "those organizations"; and

(5) in subsection (c) by striking "(c)(1)" and all that follows through "(3) In carrying out a multiyear agreement pursuant to this subsection," and insert "(c) In carrying out a multiyear agreement under this title,".

(c) REPEAL OF SECTION 206.—Section 206 (7 U.S.C. 1726) is repealed.

(d) AMENDMENTS TO SECTION 207.—Section 207 (7 U.S.C. 1726a) is amended—

(1) by striking "nonprofit voluntary agency" each place it appears and inserting "private voluntary organization"; and

(2) by adding at the end the following:

"(d)(1) Not less than $10,000,000 and not more than $13,500,000 of the amounts made available in each fiscal year to private voluntary organizations and cooperatives under this title shall be made available by the President to such organizations and cooperatives to assist in—

"(A) establishing new programs under this title; and

"(B) meeting specific administrative, management, personnel and internal transportation and distribution costs for carrying out programs in foreign countries under this title.

"(2) In order to receive funds made available under paragraph (1), a private voluntary organization or cooperative must submit a request for such funds (which must be approved by the President) when submitting a proposal to the President for an agreement under this title. Such request for funds shall include a specific explanation of—

"(A) the program costs to be offset by such funds;

"(B) the reason why such funds are needed in carrying out the particular assistance program; and

"(C) the degree to which such funds will improve the provision of food assistance to foreign countries (particularly those in sub-Saharan Africa suffering from acute, long-term food shortages).

"(e) Upon the request of a private voluntary organization or cooperative, the President may provide assistance to that organization or cooperative with respect to the sale of agricultural commodities made available to it under this title.".

(e) AMENDMENT TO SECTION 208.—Section 208 (7 U.S.C. 1726b) is amended to read as follows:

"SEC. 208. ADMINISTRATION.

"(a) PROPOSALS.—

"(1) TIME FOR DECISION.—Not later than 45 days after the receipt by the President of a proposal submitted—

"(A) by a private voluntary organization or cooperative, with the concurrence of the appropriate United States field mission, for commodities; or

"(B) by a United States field mission to make commodities available to a private voluntary organization or cooperative;

under this title, a decision shall be made concerning such proposal.

"(2) DENIALS.—If a proposal under paragraph (1) is denied, the response shall specify the reasons for the denial and the conditions that must be met for the proposal to be approved.

"(b) NOTICE AND COMMENT.—Not less than 30 days prior to the issuance of a final guideline to carry out this title, the President—

"(1) shall provide notice of the proposed guideline (including notice of its availability for review and comment) to private voluntary organizations and cooperatives that participate in programs under this title and to other interested persons; and

"(2) shall make the proposed guideline available, on request, to such organizations, cooperatives, and other persons.

The President shall take any comments received into consideration prior to the issuance of the final guideline.

"(c) REGULATIONS, GUIDELINES, AND HANDBOOKS.—

"(1) IN GENERAL.—The President shall promptly issue all necessary regulations and make revisions to agency guidelines with respect to changes in the operation or imple-

mentation of programs established under this title.

"(2) REQUIREMENTS.—The President shall develop regulations with the intent of—

"(A) simplifying procedures for participation in the programs established under this title;

"(B) reducing paperwork requirements under such programs;

"(C) establishing reasonable and realistic accountability standards to be applied to eligible organizations participating in such programs, taking into consideration the problems associated with carrying out programs in developing countries; and

"(D) providing flexibility for carrying out such programs.

"(3) HANDBOOKS.—Handbooks developed by the President to assist in carrying out programs under this title shall be designed to foster the development of programs under this title by eligible organizations.

"(d) DEADLINE FOR SUBMISSION OF COMMODITY ORDERS.—Not later than 15 days after receipt of a call forward from a United States field mission for agricultural commodities that meet the requirements of this title, the order for the purchase or the supply, from inventory, of such commodities shall be transmitted to the Commodity Credit Corporation.".

(f) FOOD AID ADVISORY GROUP.—Title II is amended by adding at the end the following new section:

"SEC. 209. FOOD AID ADVISORY GROUP.

"(a) ESTABLISHMENT.—The President shall establish a Food Aid Advisory Group to meet regularly and provide advice on the implementation of programs under this title.

"(b) MEMBERSHIP.—The Food Aid Advisory Group shall be composed of—

"(1) the Administrator of the Agency for International Development;

"(2) the Inspector General of the Agency for International Development;

"(3) the Administrator of the Foreign Agricultural Service;

"(4) the Administrator of the Agricultural Stabilization and Conservation Service;

"(5) representatives of each private voluntary organization and cooperative participating in a program under this title or receiving planning assistance funds to establish programs under this title; and

"(6) representatives from African, Asian and Latin American indigenous nongovernmental organizations determined appropriate by the President.

"(c) CHAIRPERSON.—The Administrator of the Agency for International Development shall be the chairperson of the Food Aid Advisory Group.

"(d) CONSULTATIONS.—In preparing regulations, handbooks, or guidelines in implementation of this title, and in preparing any significant revisions of any such regulations, handbooks, or guidelines, the President—

"(1) shall provide such proposals to the Food Aid Advisory Group for review and comment, and

"(2) shall consult and, when appropriate, meet with the Group regarding such proposed regulations, handbooks, guidelines, or revisions thereto prior to their issuance.

"(e) TERMINATION.—The Food Aid Advisory Group shall terminate on December 31, 1995.".

(g) SAFEGUARDING USUAL MARKETINGS.—Title II is further amended by adding at the end the following new section:

"SEC. 210. SAFEGUARDING USUAL MARKETINGS.

"In exercising the authorities conferred by this title, the President shall take reasonable precautions to safeguard usual marketings of the United States and to assure that agricultural commodities provided under this title will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with recipient countries.".

SEC. 1208. AMENDMENT TO TITLE III.

Title III (7 U.S.C. 1727-1727g) is amended to read as follows:

"TITLE III

"SEC. 301. FOOD FOR DEVELOPMENT.

"(a) GENERAL AUTHORITY—To carry out the policies set forth in section 2, the President may negotiate and carry out agreements with least developed countries to provide commodities to such countries on a grant basis.

"(b) LEAST DEVELOPED COUNTRIES.—

"(1) DEFINITION.—As used in this section, the term 'least developed country' means a country that—

"(A) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference for providing financial assistance, or

"(B) is a food deficit country and is characterized by high levels of malnutrition among significant numbers of its population.

"(2) INDICATORS OF FOOD DEFICIT COUNTRIES.—In determining whether a country is a least developed country under the criteria in paragraph (1)(B), the President should take into consideration whether that country meets all of the following indicators of national food deficit and malnutrition (using the best available information):

"(A) CALORIE CONSUMPTION.—The daily per capita calorie consumption of the country is less than 2,300 calories.

"(B) FOOD SECURITY REQUIREMENTS.—The country cannot meet its food security requirements through domestic production or imports due to a shortage of foreign exchange earnings.

"(C) CHILD MORTALITY RATE.—The mortality rate of children under five years of age in the country is in excess of 100 per 1,000 births.

"(c) PRIORITIES IN ALLOCATION OF ASSISTANCE.—In determining whether and to what extent agricultural commodities shall be made available to least developed countries under this section, the President shall give priority to countries that—

"(1) demonstrate the greatest need for food;

"(2) demonstrate the capacity to use food assistance effectively;

"(3) have demonstrated a commitment to policies to promote food security, including policies to reduce measurably hunger and malnutrition through efforts such as establishing and institutionalizing supplemental nutrition programs targeted to reach those who are nutritionally at risk; and

"(4) have a long term plan for broad-based, equitable, and sustainable development.

"(d) DIRECT USES OR SALES OF COMMODITIES.—Agricultural commodities provided to a least developed country under this section—

"(1) may be used in such country for—

"(A) direct feeding programs, including programs that include activities that deal directly with the special health needs of children and mothers consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2); relating to the Child Survival Fund), or

"(B) the development of emergency food reserves; or

"(2) may be sold in such country by the government of the country or the President (or their designees) as provided in the agreement, with the proceeds of such sale used in accordance with subsection (f).

"(e) ACCOUNTING FOR LOCAL CURRENCY PROCEEDS.—

"(1) SEPARATE ACCOUNTS.—Except as provided in paragraph (2), all of the proceeds of sales of agricultural commodities pursuant to subsection (d)(2) shall be deposited into a separate account in the recipient country.

"(2) ACCOUNTING FOR LOCAL CURRENCIES TO BE USED FOR POLICY REFORM.—The President may waive the requirement of paragraph (1) with respect to local currency proceeds that are to be used to promote policy reforms pursuant to subsection (f)(1)(A) if the President determines that those currencies will otherwise be adequately accounted for in accordance with procedures approved by the President.

"(3) OWNERSHIP AND PROGRAMMING OF LOCAL CURRENCIES.—The proceeds of sales pursuant to subsection (d)(2) shall be the property of the recipient country or the United States, as specified in the applicable agreement. Such proceeds shall be utilized for the benefit of the recipient country, shall be jointly programmed by the President and the government of the recipient country, and shall be disbursed in such country in accordance with local currency agreements between the President and that government.

"(f) USE OF LOCAL CURRENCY PROCEEDS.—

"(1) IN GENERAL.—Except as provided in paragraph (5), the local currency proceeds of sales pursuant to subsection (d)(2) shall be used in the recipient country for specific economic development purposes, including—

"(A) the promotion of specific policy reforms to improve food security and agricultural development within the country and to promote broad-based, equitable, and sustainable development;

"(B) the establishment of development programs, projects, and activities that promote food security, alleviate hunger, improve nutrition, promote family planning, and promote maternal and child health care, oral rehydration therapy, and other child survival objectives consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2); relating to the Child Survival Fund);

"(C) the promotion of increased access to food supplies through the encouragement of specific policies and programs designed to increase employment and incomes within the country;

"(D) the promotion of free and open markets through specific policies and programs;

"(E) support for United States private voluntary organizations and cooperatives and encouragement of the development and utilization of indigenous nongovernmental organizations;

"(F) the purchase of agricultural commodities (including transportation and processing costs) produced in the country—

"(i) to meet urgent or extraordinary relief requirements in the country or in neighboring countries, or

"(ii) to develop emergency food reserves;

"(G) the purchase of goods and services (other than agricultural commodities and related services) to meet urgent or extraordinary relief requirements;

"(H) the payment, to the extent practicable, of the costs of carrying out the program authorized in section 406;

"(I) private sector development activities designed to further the policies set forth in

section 2, including loans to financial intermediaries for use in making loans to private individuals, cooperatives, corporations, or other entities;

"(J) activities of the Peace Corps that relate to agricultural production;

"(K) the development of rural infrastructure such as roads, irrigation systems, and electrification to enhance agricultural production;

"(L) research on malnutrition and its causes, as well as research relating to the identification and application of policies and strategies for targeting resources made available under this section to address the problem of malnutrition; and

"(M) support for research (including collaborative research which is mutually beneficial to the United States and the recipient country), education, and extension activities in agricultural sciences.

Section 1306 of title 31, United States Code, shall not apply to the use under this paragraph of local currency proceeds that are owned by the United States.

"(2) SUPPORT OF PRIVATE INDIGENOUS NONGOVERNMENTAL ORGANIZATIONS.—To the extent practicable, not less than 10 percent of the proceeds of sales in each country pursuant to subsection (d)(2) shall be used to support the development and utilization of indigenous nongovernmental organizations and cooperatives that are active in rural development, agricultural education, sustainable agricultural production, other measures to assist the poorest people, and environmental protection projects within such country.

"(3) CONSULTATION WITH FOREIGN AGRICULTURAL SERVICE OFFICERS.—The President shall ensure that members of the Foreign Agricultural Service, who are assigned to a country in which local currencies are to be used under this subsection, are consulted with respect to the uses of those currencies in that country.

"(4) INVESTMENT OF LOCAL CURRENCIES BY NONGOVERNMENTAL ORGANIZATIONS.—A nongovernmental organization may invest local currencies that accrue to that organization as a result of assistance under paragraph (1), and any interest earned on such investment may be used for the purpose for which the assistance was provided to that organization without further appropriation by the Congress.

"(5) SUPPORT FOR CERTAIN EDUCATIONAL INSTITUTIONS.—If the President determines that local currencies deposited in a special account pursuant to subsection (e)(1) are not needed for any of the activities described in subparagraphs (A) through (M) of paragraph (1) of this subsection or for any other specific economic development purpose in the recipient country, the President may use those currencies to provide support for any institution (other than an institution whose primary purpose is to provide religious education) located in the recipient country that provides education in agricultural sciences or other disciplines for a significant number of United States nationals (who may include members of the United States Armed Forces or the Foreign Service or dependents of such members).

"(g) GENERAL REQUIREMENTS.—In exercising the authorities conferred by this title, the President shall—

"(1) take reasonable precautions to safeguard usual marketings of the United States and to assure that agricultural commodities provided under this title will not unduly disrupt world prices of agricultural commodities or normal patterns of commercial trade with recipient countries;

"(2) give consideration to the development and expansion of markets for United States agricultural commodities and local foodstuffs by increasing the effective demand for agricultural commodities through the support of measures to stimulate equitable economic growth in recipient countries, with appropriate emphasis on developing more adequate storage, handling, and food distribution facilities;

"(3) obtain commitments from recipient countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of agricultural commodities provided under this title, without specific approval of the President;

"(4) obtain commitments from recipient countries to publicize widely to their people, by public media and other means, that the commodities are being provided on a grant basis through the friendship of the American people as food for peace;

"(5) take maximum precautions to assure that donations under this title shall not displace any sales of United States agricultural commodities that would otherwise be made; and

"(6) take steps to assure that the United States obtains a fair share of any increase in commercial purchases of agricultural commodities by the recipient country and that commercial supplies are available to meet demands developed through programs carried out under this Act.".

SEC. 1209. AMENDMENTS TO TITLE IV.

(a) AMENDMENTS TO SECTION 401.—

(1) AVAILABILITY DETERMINATIONS.—Section 401 (7 U.S.C. 1731) is amended in subsection (a)—

(A) by inserting ", prior to the beginning of each fiscal year" after "Secretary of Agriculture shall";

(B) by striking ", and the commodities and quantities thereof which may be included in the negotiations with each country"; and

(C) by inserting after the first sentence the following: "The Secretary may, during the fiscal year, modify such determination if the Secretary provides to the Congress prior notice of that modification (including a statement of the reasons for the modification).".

(2) TIMING OF SHIPMENT OF COMMODITIES.—Section 401 (b) is amended by adding at the end the following: "In evaluating the timing of shipments of agricultural commodities to be provided under this Act, the President shall consider the time of harvest of any competing commodities in the recipient country.".

(3) STABLE LEVEL OF COMMODITIES.—Section 401 is amended by adding at the end the following:

"(c) STABLE LEVEL OF COMMODITIES.—In implementing this Act, the Secretary shall, to the extent practicable, seek to maintain a stable level of available agricultural commodities under this Act of the kind and type needed to provide assistance to developing countries and seek to make such commodities available to the degree necessary to fulfill multiyear agreements under this Act.".

(b) AMENDMENTS TO SECTION 402.—Section 402 (7 U.S.C. 1732) is amended—

(1) by inserting "(a) AGRICULTURAL COMMODITIES.—" before "The term" in the first sentence;

(2) by inserting "and title III" after "title II" in the proviso;

(3) by inserting before the last sentence the following: "For purposes of title II, a product of agricultural commodities shall not be considered to be produced in the United States if it contains any ingredient that is not produced in the United States if that ingredient is produced and is commercially available in the United States."; and

(4) by striking the last sentence; and

(5) by adding at the end the following:

"(b) ADMINISTRATOR.—The term 'Administrator' as used in this Act means the Administrator of the Agency for International Development, unless otherwise specified in this Act.

"(c) COOPERATIVE.—The term 'cooperative' as used in this Act means a private sector organization whose members own and control the organization and share in its services and its profits and that provides business services and outreach in cooperative development for its membership.

"(d) FOOD SECURITY.—The term 'food security' as used in this Act means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

"(e) INDIGENOUS NONGOVERNMENTAL ORGANIZATION.—The term 'indigenous nongovernmental organization' as used in this Act means a foreign organization working at the local level to solve development problems in the foreign country in which it is located, except that the term does not include an organization that is primarily an agent or instrumentality of the foreign government.

"(f) PRIVATE VOLUNTARY ORGANIZATION.—The term "private voluntary organization" means a not-for-profit, nongovernmental organization (in the case of a United States organization, an organization that is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1986) that receives funds from private sources, that receives voluntary contributions of money, staff time, or in-kind support from the public, and that is engaged in or is planning to engage in voluntary, charitable, or development assistance activities (other than religious activities).

"(g) SECRETARY.—The term 'Secretary' as used in this Act means the Secretary of Agriculture, unless otherwise specified in this Act.".

(c) AMENDMENTS TO SECTION 403.—Section 403 (7 U.S.C. 1733) is amended—

(1) in subsection (a) by striking ", to the extent the Commodity Credit Corporation is not reimbursed under section 104(j) and 105,";

(2) in subsection (c) by inserting "(other than subsection (d) of this section)" after "this Act"; and

(3) by adding at the end the following:

"(d) ALLOCATION OF FUNDS BETWEEN TITLE I PROGRAM AND TITLE III PROGRAM.—For any fiscal year—

"(1) the amount of funds made available to carry out title I may not be greater than twice the amount made available to carry out title III, and

"(2) the amount of funds made available to carry out title III may not be greater than twice the amount made available to carry out title I,

taking into account amounts transferred between titles of this Act.".

(d) COORDINATION WITH DEVELOPMENT ASSISTANCE STRATEGY.—Section 404 of that Act (7 U.S.C. 1734) is amended by adding at the end the following:

"(c) To the maximum extent possible, assistance for a foreign country under this Act shall be coordinated and integrated with United States development assistance objectives and programs for that country and with the overall development strategy of that country. Special emphasis should be

placed on, and funds devoted to, activities that will increase the nutritional impact of programs of assistance under this Act, and child survival programs and projects, in least developed countries by improving the design and implementation of such programs and projects.".

(e) FARMER-TO-FARMER PROGRAM.—Section 406 (7 U.S.C. 1736) is amended to read as follows:

"SEC. 406. FARMER-TO-FARMER PROGRAM.

"(a) IN GENERAL.—To further assist developing countries, middle-income countries, and emerging democracies to increase farm production and farmer incomes, the President may, notwithstanding any other provision of law—

"(1) establish and administer a program of farmer-to-farmer assistance between the United States and such countries to assist in increasing food production and distribution and improving the effectiveness of the farming and marketing operations of farmers;

"(2) utilize United States farmers, agriculturalists, land grant universities, private agribusinesses, and nonprofit farm organizations to work in conjunction with farmers and farm organizations in such countries, on a voluntary basis, to facilitate the improvement of farm and agribusiness operations and agricultural systems in such countries, including animal care and health, field crop cultivation, fruit and vegetable growing, livestock operations, food processing and packaging, farm credit, marketing, inputs, agricultural extension, and the strengthening of cooperatives and other farmer groups;

"(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on a people-to-people basis, to such countries while enhancing the democratic process by supporting private and public, agriculturally related organizations that request and support technical assistance activities through cash and in-kind services;

"(4) to the extent practicable, enter into contracts or other cooperative agreements with or make grants to private voluntary organizations, cooperatives, land grant universities, private agribusiness, or nonprofit farm organizations to carry out this section (except that any such contract or other agreement may obligate the United States to make outlays only to the extent that the budget authority for such outlays is available pursuant to subsection (c) or has otherwise been provided in advance in appropriation Acts);

"(5) coordinate programs established under this section with other foreign assistance activities carried out by the United States; and

"(6) to the extent practicable, augment the funds available for programs established under this section through the use of foreign currencies that accrue from the sale of agricultural commodities under this Act, and local currencies generated from other types of foreign assistance activities.

"(b) DEFINITIONS.—The following definitions apply for purposes of this section:

"(1) DEVELOPING COUNTRY.—The term 'developing country' means a country that has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels.

"(2) EMERGING DEMOCRACY.—The term 'emerging democracy' means a country that is taking steps toward—

"(A) political pluralism, based on progress toward free and fair elections and a multiparty political system;

"(B) economic reform, based on progress toward a market-oriented economy;

"(C) respect for internationally recognized human rights; and

"(D) a willingness to build a friendly relationship with the United States.

"(3) MIDDLE INCOME COUNTRY.—The term 'middle income country' means a country that has developed economically to the point where it does not qualify for bilateral development assistance from the United States because its per capita income level exceeds the eligibility requirements of such assistance programs.

"(c) MINIMUM FUNDING.—Notwithstanding any other provision of law, not less than 0.2 percent of the amounts made available for each of the fiscal years 1991 through 1995 to carry out this Act, in addition to any funds that may be specifically appropriated to carry out this section, shall be used to carry out programs under this section, with not less than 0.1 percent to be used for programs in developing countries.".

(f) REPEAL OF SECTION 407; ADMINISTRATIVE PROVISIONS.—Section 407 (7 U.S.C. 1736a) is amended to read as follows:

"SEC. 407. ADMINISTRATIVE PROVISIONS.

"(a) AVOIDANCE OF CONFLICT OF INTEREST.—A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this Act during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subsection, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(b) FULL AND OPEN COMPETITION.—No purchase of agricultural commodities from private stocks or purchase of ocean transportation services shall be financed under this Act unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(c) LIMITATION ON COMMISSIONS.—No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this Act may be paid in excess of an amount determined appropriate by the President.".

(g) AMENDMENTS TO SECTION 408.—

(1) ANNUAL REPORT.—Section 408 (7 U.S.C. 1736b) is amended by amending subsection (a) to read as follows:

"(a) ANNUAL REPORTS.—

"(1) IN GENERAL.—The President shall prepare an annual report concerning the programs and activities implemented under this Act for the preceding fiscal year.

"(2) CONTENTS.—Each report shall include—

"(A) the levels and recipients of food and other assistance provided under this Act;

"(B) the countries in which projects or activities are implemented under this Act;

"(C) a general description of the projects or activities implemented under this Act; and

"(D) a statement of the amount of each agricultural commodity made available pursuant to section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985.

"(3) SUBMISSION.—The President shall submit such report no later than January 15 of each year to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.".

(2) OTHER REPORTS.—Section 408 is further amended by redesignating subsections (d) and (e) as subsections (h) and (i), respectively, and by inserting the following new subsections after subsection (c):

"(d) QUARTERLY REPORTS ON ANTICIPATED AGREEMENTS.—Prior to each quarter of a fiscal year, the President shall submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of the agreements that the President anticipates will be entered into under this Act with respect to each foreign country during the remainder of that fiscal year.

"(e) CURRENT YEAR REPORTS.—The President shall submit a statement to Congress not later than June 1 of each fiscal year specifying the agreements signed under this Act for that fiscal year. Such statement shall also specify for each country with which there is an agreement under this Act for that fiscal year, the amount that country requested and is receiving under the Food for Progress Act of 1985, section 416(b) of the Agricultural Act of 1949, title I of this Act, title II of this Act, and title III of this Act. With respect to title II, the statement shall indicate for each country—

"(1) the quantity provided through the World Food Program, private voluntary organizations, or cooperatives (identified by name), or government-to-government agreements;

"(2) the type and quantity of each commodity provided; and

"(3) the quantity provided for each program category.

"(f) TITLE II FOREIGN CURRENCY PROCEED REPORTS.—The President shall, no later than the end of the fiscal year, submit a statement to Congress on the number of requests submitted and the number of requests approved under section 207 for that fiscal year for the generation of foreign currency proceeds, the amount of foreign currency proceeds generated, and a summary of the uses of such proceeds.

"(g) WORLD FOOD DAY REPORT.—On World Food Day, October 16 of each year, the President shall submit to the Congress a report, prepared with the assistance of the Secretary and the Administrator, assessing progress towards food security in each country receiving United States Government food assistance. Special emphasis should be given in such report to the nutritional status of the poorest populations in such countries.".

(h) AMENDMENT TO SECTION 409.—Section 409 (7 U.S.C. 1736c) is amended by striking "to finance sales under title I and no program of assistance under title II" and inserting "under this Act".

(i) REPEAL OF SECTION 411.—Section 411 (7 U.S.C. 1736e) is repealed.

(j) MULTIYEAR AVAILABILITY.—Section 413 (7 U.S.C. 1736g) is amended to read as follows:

"SEC. 413. MULTIYEAR AGREEMENTS.

"Agricultural commodities provided under this Act shall be made available on a mul-

tiyear basis, subject to the requirements of section 401 and the availability of appropriations, unless—

"(1) the past performance of the country in meeting program objectives does not warrant a multiyear agreement;

"(2) it is anticipated that the need of the country for assistance does not extend beyond one year; or

"(3) other circumstances, as determined by the President, indicate there is only a need for a one-year agreement.".

(k) DISTRIBUTION OF ASSISTANCE.—Title IV is further amended by adding at the end the following:

"SEC. 414. DISTRIBUTION OF ASSISTANCE.

"(a) NONDISCRIMINATORY DISTRIBUTION.—The President shall attempt to ensure that agricultural commodities made available under title II and title III are distributed within the recipient country in a manner that does not discriminate on the basis of political affiliation, geographic location, ethnic, tribal, or religious identity, or other extraneous factors.

"(b) MILITARY DISTRIBUTION.—

"(1) PROHIBITION.—Except as provided in paragraph (2), the President shall not enter into any agreement to provide agricultural commodities under title II or title III that provides for the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(2) EXCEPTION.—Notwithstanding paragraph (1), the President may authorize the handling or distribution of agricultural commodities by a country's military forces in exceptional circumstances in which—

"(A) nonmilitary channels are not available,

"(B) such action is consistent with subsection (a), and

"(C) the President determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(3) REPORTS TO CONGRESS.—The President shall report any authorization under paragraph (2) to the Congress within 30 days. Any such report shall specify the reason for the authorization, including an explanation of why no alternatives were available to the handling or distribution by the country's military forces.

"(c) SAFE PASSAGE.—When entering into agreements under title II and title III which involve areas experiencing protracted warfare or civil strife, the President shall, to the extent practicable, encourage—

"(1) all parties to the conflict to permit safe passage for the commodities and other relief supplies; and

"(2) the creation of safe zones for medical and humanitarian treatment and evacuation.".

(l) LIMITATION ON USE OF LOCAL CURRENCY FOR AGRICULTURAL PRODUCTION.—Title IV is further amended by adding at the end the following:

"SEC. 415. LIMITATION ON USE OF LOCAL CURRENCY FOR AGRICULTURAL PRODUCTION.

"Local currencies that are made available for use under this Act may not be used to finance the production for export of agricultural commodities (or products thereof) that would compete, as determined by the President, in world markets with similar agricultural commodities (or products thereof) produced in the United States if such competition would cause substantial injury to United States producers, except that this section does not prohibit the use of such currencies for crop substitution or other alternative development activities undertaken in furtherance of narcotics control objectives.".

(m) LIMITATION ON USE OF LOCAL CURRENCY FOR ABORTIONS.—Title IV is further amended by adding at the end the following:

"SEC. 416. LIMITATION ON USE OF LOCAL CURRENCY FOR ABORTIONS.

"Local currencies that are made available for use under this Act may not be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.".

(n) RESPONSIBILITIES FOR ADMINISTERING ACT.—

(1) ALLOCATION OF RESPONSIBILITIES.—Title IV is further amended by adding at the end the following:

"SEC. 417. RESPONSIBILITIES FOR ADMINISTERING ACT.

"(a) DESIGNATION OF AGENCY PRIMARILY RESPONSIBLE FOR IMPLEMENTATION OF PRESIDENTIAL AUTHORITY.—

"(1) TITLE I PROGRAM.—The President shall designate the Secretary as the official with primary responsibility for administering the authority granted to the President by title I, except that the requirement of this paragraph does not apply with respect to sections 105 and 105A or (to the extent they apply to title III) sections 109 and 112.

"(2) TITLE II AND TITLE III PROGRAMS.—(A) The President shall designate the Administrator as the official with primary responsibility for administering the authority granted to the President by title II and title III and (to the extent they apply to title III) sections 109 and 112.

"(b) COOPERATION BETWEEN AGENCIES.—

"(1) USDA.—The Secretary shall be responsible for ensuring that the Department of Agriculture, in carrying out its responsibilities under title I, cooperates fully with the Agency for International Development with respect to the latter's areas of expertise.

"(2) AID.—The Administrator shall be responsible for ensuring that the Agency for International Development, in carrying out its responsibilities under title II and title III, cooperates fully with the Department of Agriculture with respect to the latter's areas of expertise.

"(c) REVIEW OF PROPOSED AGREEMENTS.—

"(1) TITLE I PROGRAMS.—Before negotiating an agreement (or an amendment to an agreement) under title I, the Secretary shall consult with the Administrator to ensure that the proposed agreement will not be inconsistent with United States development assistance objectives and programs for the recipient country and with the overall development strategy of that country.

"(2) TITLE II AND TITLE III PROGRAMS.—Before negotiating an agreement (or an amendment to an agreement) under title II or title III, the Administrator shall submit to the Secretary the proposal which is the basis for those negotiations. The Secretary shall have up to 30 days in which to review the proposed agreement (or amendment) with regard to matters in the areas of the Secretary's expertise and to provide the Secretary's views on the proposed agreement (or amendment) to the Administrator. The Administrator may waive the requirement of this paragraph with respect to an agreement (or amendment to an agreement) under title II if the Administrator determines, after consultation with the Secretary, that an emergency exists that requires such waiver.

"(d) CONSULTATION WITH SECRETARY OF STATE.—

(1) TITLE I PROGRAMS.—The Secretary shall consult with the Secretary of State to ensure that agreements under title I are not inconsistent with United States foreign policy.

"(2) TITLE II AND TITLE III PROGRAMS.—The Administrator shall consult with the Secretary of State to ensure that agreements under title II and title III are not inconsistent with United States foreign policy.

"(e) SAFEGUARDING USUAL MARKETINGS.—Prior to the beginning of each fiscal year, the Secretary shall determine, for each foreign country that is an anticipated recipient of agricultural commodities under this Act during that fiscal year, the maximum quantities of agricultural commodities that can be made available during that fiscal year under this Act consistent with the requirements of section 103(1), section 210, and section 301(g)(1). During the fiscal year, the Secretary may increase such maximum quantity with respect to a country because of changed circumstances and may determine such maximum quantities with respect to additional countries.

"(e) ACQUISITION OF COMMODITIES FOR TITLE II AND TITLE III PROGRAMS.—

"(1) USE OF COMMODITY CREDIT CORPORATION.—Subject to the approval of the Secretary, the Commodity Credit Corporation shall acquire and make available to the Administrator such agricultural commodities (that have been determined to be available under section 401(a)) as the Administrator may request to carry out agreements under title II and title III.

"(2) DIRECT ACQUISITION.—If the Administrator is unable to obtain agricultural commodities through the Commodity Credit Corporation pursuant to paragraph (1), the Administrator may use funds made available to carry out title II or title III (as the case may be) for the acquisition of agricultural commodities (that have been determined to be available under section 401(a)) for use in carrying out agreements under that title.".

(2) CONFORMING AMENDMENT.—Section 201(a) (7 U.S.C. 1721(a)) is amended by striking the last sentence.

SEC. 1210. FOOD FOR PEACE OFFICERS.

The Administrator of the Agency for International Development shall increase the number and the expertise of the personnel of the Agency for International Development at the agency's headquarters and its missions abroad who carry out the programs authorized by title II and title III of the Agricultural Trade Development and Assistance Act of 1954.

SEC. 1211. REVISION OF REGULATIONS.

(a) IN GENERAL.—The President shall provide for the issuance of regulations to revise the existing regulations to implement the Agricultural Trade Development and Assistance Act of 1954, including all provisions necessary or appropriate to implement the amendments made by this subtitle.

(b) DEADLINES.—The regulations specified in subsection (a) shall be issued in proposed form no later than 6 months after the date of enactment of this Act and in final form no later than one year after the date of enactment of this Act.

SEC. 1212. INDEPENDENT EVALUATION OF PUBLIC LAW 480 PROGRAMS.

(a) REQUIREMENT FOR PERIODIC GAO EVALUATIONS.—Not later than 2 years after the date of enactment of this Act and 2 years thereafter, the Comptroller General of the

United States shall evaluate the assistance provided under the Agricultural Trade Development and Assistance Act of 1954 as follows:

(1) SELECTION OF COUNTRIES.—The Comptroller General shall select—

(A) 5 countries that receive assistance under title I,

(B) 5 countries that receive assistance under title II, and

(C) 5 countries that receive assistance under title III.

The countries selected shall be countries that are representative of the countries that receive such assistance in each of the three following regions: Africa, Asia/Near East, and Latin America.

(2) TITLE I PROGRAM EVALUATIONS.—For each country selected under paragraph (1)(A), the Comptroller General shall evaluate the uses of the local currencies deposited in a special account pursuant to section 104 with respect to—

(A) their impact on agricultural trade development, and

(B) the financial management of those currencies, including the personnel requirements for managing those currencies.

(3) TITLE II PROGRAM EVALUATIONS.—For each country selected under paragraph (1)(B), the Comptroller General shall evaluate the uses of the assistance provided under that title, including an evaluation of—

(A) the impact of such assistance on enhancing food security (including nutrition),

(B) the uses for economic development of any local currencies proceeds generated by such assistance, and

(C) the financial management of those local currencies, including the personnel requirements for managing those currencies.

(4) TITLE III PROGRAM EVALUATIONS.—For each country selected under paragraph (1)(C), the Comptroller General shall evaluate—

(A) the uses of the agricultural commodities provided under section 301(d)(1) with respect to their impact on enhancing food security (including nutrition); and

(B) the uses of local currencies pursuant to section 301(f) with respect to—

(i) their impact on enhancing food security (including nutrition), and

(ii) the financial management of those currencies, including the personnel requirements for managing those currencies.

(b) REPORTS TO CONGRESS.—The Comptroller General shall submit a report on each evaluation conducted pursuant to subsection (a) to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1213. AMENDMENT TO SECTION 416(b) OF 1949 ACT.

Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended by adding at the end the following:

"(13) A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this subsection during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this paragraph, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(14) No purchase of agricultural commodities from private stocks or purchase of ocean transportation services shall be financed under this subsection unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(15) No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this subsection may be paid in excess of an amount determined appropriate by the President.

"(16) The President shall attempt to ensure that agricultural commodities made available under this subsection are distributed within the recipient country in a manner that does not discriminate on the basis of political affiliation, geographic location, ethnic, tribal, or religious identity, or other extraneous factors.

"(17)(A) Except as provided in subparagraph (B), the President shall not enter into any agreement to provide agricultural commodities under this subsection that provides for the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(B) Notwithstanding subparagraph (A), the President may authorize the handling or distribution of agricultural commodities by a country's military forces in exceptional circumstances in which—

"(i) nonmilitary channels are not available,

"(ii) such action is consistent with paragraph (16), and

"(iii) the President determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(C) The President shall report any authorization under subparagraph (B) to the Congress within 30 days. Any such report shall specify the reason for the authorization, including an explanation of why no alternatives were available to the handling or distribution by the country's military forces.

"(18) When entering into agreements under this subsection which involve areas experiencing protracted warfare or civil strife, the President shall, to the extent practicable, encourage—

"(A) all parties to the conflict to permit safe passage for the commodities and other relief supplies; and

"(B) the creation of safe zones for medical and humanitarian treatment and evacuation.".

SEC. 1214. FOOD FOR PROGRESS.

The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (b)—

(A) by striking "countries that" and inserting "developing countries, and countries that are emerging democracies, that", and

(B) by striking "developing countries" and inserting "the governments of such countries, or with private voluntary organizations, nonprofit agricultural organizations, or cooperatives,";

(2) in subsection (d) by striking "with countries";

(3) in subsection (e)(3)—

(A) by striking "to a developing country", and

(B) by striking "by a developing country";

(4) in subsection (e)(4) by striking "to a developing country" both places it appears;

(5) in subsection (f)(1) by striking "to developing countries";

(6) in subsection (g) by striking "1990" and inserting "1995";

(7) in subsection (j) by striking "entered into with a country", and by inserting "with respect to a country" after "effect";

(8) in subsection (k) by striking "recipient countries" and inserting "the recipient";

(9) in subsection (l) by striking "1990" and inserting "1995"; and

(10) by adding at the end the following:

"(m) A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this section during a fiscal year in which such person acts as an agent, broker, consultant, or other representative of a person engaged in providing ocean transportation or transportation-related services for such commodities. For the purposes of this subsection, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(n) No purchase of agricultural commodities from private stocks or purchase of ocean transportation services shall be financed under this section unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the President.

"(o) No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this section may be paid in excess of an amount determined appropriate by the President.

"(p) The President shall attempt to ensure that agricultural commodities made available on a grant basis under this section are distributed within the recipient country in a manner that does not discriminate on the basis of political affiliation, geographic location, ethnic, tribal, or religious identity, or other extraneous factors.

"(r)(1) Except as provided in paragraph (2), the President shall not enter into any agreement to provide agricultural commodities on a grant basis under this subsection that provides for the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(2) Notwithstanding paragraph (1), the President may authorize the handling or distribution of agricultural commodities by a country's military forces in exceptional circumstances in which—

"(A) nonmilitary channels are not available,

"(B) such action is consistent with subsection (p), and

"(C) the President determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(3) The President shall report any authorization under paragraph (2) to the Congress within 30 days. Any such report shall specify the reason for the authorization, including an explanation of why no alternatives were available to the handling or distribution by the country's military forces.

"(s) When entering into grant agreements under this section which involve areas experiencing protracted warfare or civil strife,

the President shall, to the extent practicable, encourage—

"(1) all parties to the conflict to permit safe passage for the commodities and other relief supplies; and

"(2) the creation of safe zones for medical and humanitarian treatment and evacuation.

"(u) As used in this section—

"(1) the term 'cooperative' means a private sector organization whose members own and control the organization and share in its services and its profits and that provides business services and outreach in cooperative development for its membership;

"(2) the term 'emerging democracy' means a country that is taking steps toward—

"(A) political pluralism, based on progress toward free and fair elections and a multiparty political system;

"(B) economic reform, based on progress toward a market-oriented economy;

"(C) respect for internationally recognized human rights; and

"(D) a willingness to build a friendly relationship with the United States.

"(3) the term 'nonprofit agricultural organization' means a not-for-profit organization of agribusinesses, a not-for-profit farm association, a not-for-profit cooperator organization, or a similar not-for-profit organization; and

"(4) the term 'private voluntary organization' means a not-for-profit, nongovernmental organization (in the case of a United States organization, an organization that is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1986) that receives funds from private sources, that receives voluntary contributions of money, staff time, or in-kind support from the public, and that is engaged in or is planning to engage in voluntary, charitable, or development assistance activities (other than religious activities).".

SEC. 1215. EXTENSION OF FOOD SECURITY WHEAT RESERVE.

Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1(i)) is amended by striking "1990" both places it appears and inserting "1995".

Subtitle B—Export Promotion

SEC. 1221. AMENDMENT TO THE AGRICULTURAL TRADE ACT OF 1978.

(a) GENERAL PROVISIONS.—Titles I through IV of the Agricultural Trade Act of 1978 (7 U.S.C. 1761 et seq.) are amended to read as follows:

"TITLE I—GENERAL PROVISIONS

"SEC. 101. DEFINITIONS.

"As used in this Act—

"(1) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity, food, feed, or fiber, and any product thereof.

"(2) DEVELOPING COUNTRY.—The term 'developing country' means a country that—

"(A) has a shortage of foreign exchange earnings and has difficulty accessing sufficient commercial credit to meet all of its food needs, as determined by the Secretary; and

"(B) has the potential to become a commercial market for agricultural commodities.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(4) UNFAIR TRADE PRACTICE.—(A) Subject to subparagraph (B), the term 'unfair trade practice' means any act, policy, or practice of a foreign country that—

"(i) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement to which the United States is a party; or

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce.

"(B) Nothing in this Act may be construed to authorize the Secretary to make any determination regarding an unfair trade practice that is inconsistent with section 301 of the Trade Act of 1974.

"(5) UNITED STATES.—The term 'United States' includes each of the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

"(6) UNITED STATES AGRICULTURAL COMMODITY.—The term 'United States agricultural commodity' means—

"(A) with respect to any agricultural commodity other than a product of an agricultural commodity, an agricultural commodity entirely produced in the United States; and

"(B) with respect to a product of an agricultural commodity—

"(i) a product all of the agricultural components of which are entirely produced in the United States; or

"(ii) any other product the Secretary may designate that contains any agricultural component that is not entirely produced in the United States if—

"(I) such component is an added, de minimis component,

"(II) such component is not commercially produced in the United States, and

"(III) there is no acceptable substitute for such component that is entirely produced in the United States.

For purposes of this paragraph, fish entirely produced in the United States include fish harvested by a documented fishing vessel as defined in title 46, United States Code, in waters that are not waters (including the territorial sea) of a foreign country.

"SEC. 102. CERTIFICATION OF COMPLIANCE.

"The Secretary shall obtain certification with respect to commodities provided, or for which financing or credit guarantees are provided, under any commercial export promotion program of the Department of Agriculture or Commodity Credit Corporation—

"(1) from countries, or importers in countries, that were the intended destination of agricultural commodities under such program, that such commodities were received in that country; and

"(2) from the seller or exporter of record of such commodities, that there were no corrupt bonuses, extra sales services, or other items than those so provided, financed, or guaranteed in connection with the transaction, and that the transaction complied with applicable United States law.

"SEC. 103. DEPARTMENTAL ADMINISTRATION SYSTEM.

"(a) IN GENERAL.—With respect to each commercial export promotion program of the Department of Agriculture or the Commodity Credit Corporation, the Secretary shall—

"(1) specify by regulation the criteria used to evaluate and approve proposals for that program;

"(2) monitor the progress of each proposal, specifying in a central system—

"(A) the origin of the proposal;

"(B) arguments supporting the proposal;

"(C) arguments against the proposal;

"(D) recommended action at the various stages of consideration; and

"(E) the disposition of the proposal;

"(3) provide for regular audits of program transactions to determine compliance with program objectives and requirements; and

"(4) in the event any audit discloses noncompliance with program objectives or requirements, determine promptly whether in light of such noncompliance to suspend or debar the noncomplying party from further participation in 1 or more of the programs under this title, affording the alleged noncomplying party opportunity for an agency hearing.

"(b) ACCESSIBILITY OF INFORMATION.—Information pertaining to a particular proposal shall be retrievable within the central system by country, commodity, proposal, and other appropriate categories, including participating financing institutions.

"(c) INDEPENDENT STUDY OF WAYS TO IMPROVE IMPLEMENTATION OF SYSTEM AND IMPROVE MANAGEMENT.—The Secretary shall contract with an appropriate management consulting firm to obtain from that firm detailed recommendations on how to improve the implementation of this section and, generally, the management information systems of the Department of Agriculture and the Commodity Credit Corporation with respect to the commercial export promotion programs of such department and agency.

"SEC. 104. POLICY.

"The Congress finds that the agricultural export policy of the United States should provide for increased emphasis on sales abroad of United States processed, value-added agricultural products due to the multiple benefits from such sales to United States producers, processors, and exporters, and the national workforce.

"SEC. 105. DEVELOPMENT OF AGRICULTURAL TRADE STRATEGY.

"(a) IN GENERAL.—

"(1) DEVELOPMENT OF MULTIYEAR STRATEGY.—The Secretary shall develop, for the 3-fiscal year period beginning with fiscal year 1992, and for each 3-fiscal year period occurring thereafter, a long-term agricultural trade strategy for the United States to guide the Secretary in the implementation of United States Government programs designed to promote the export of United States agricultural commodities. In preparing such a strategy, the Secretary shall consult with the United States Trade Representative to ensure that the strategy is coordinated with the annual national trade policy agenda under section 163 of the Trade Act of 1974.

"(2) GOALS.—The long-term agricultural trade strategy established under paragraph (1) shall be designed to ensure—

"(A) the efficient, coordinated use of United States Government programs designed to promote the export of United States agricultural commodities;

"(B) the improvement in the commercial potential of markets in developing countries for United States agricultural commodities;

"(C) the growth of exports of United States agricultural commodities; and

"(D) the maintenance of traditional markets for United States agricultural commodities.

"(b) CONTENTS.—In the long-term agricultural trade strategy developed under subsection (a), the Secretary shall include—

"(1) findings with respect to trends in the comparative position of the United States and other countries in the export of agricultural commodities, organized by major commodity group and including a comparative analysis of the cost of production of such commodities;

"(2) the agricultural trade goals for all agricultural commodities, expressed in both physical volume and monetary value, over not less than the 3-year period for which the strategy is developed;

"(3) the agricultural trade goals for each agricultural commodity, expressed in both physical volume and monetary value, over not less than such 3-year period;

"(4) the agricultural trade goals for high-value, processed agricultural commodities, expressed in both physical volume and monetary value, over not less than such 3-year period;

"(5) multiyear plans for the implementation and coordination of United States export assistance programs and foreign food assistance programs to meet all such agricultural trade goals;

"(6) findings and recommendations with respect to the movement of United States agricultural commodities in nonmarket economies;

"(7) recommended long-term strategies for growth in agricultural trade and exports, taking into account United States competitiveness and trade negotiations, and considering the effects of exchange rate fluctuations and unfair trading practices on the competitiveness and availability of exports of United States agricultural commodities;

"(8) strategies designed to make the United States a primary and dependable supplier of agricultural commodities on the world market;

"(9) an analysis of the differences in the markets of developed and developing countries (including the debt load of particular countries), and a strategy to increase exports of United States agricultural commodities to such markets; and

"(10) an estimate of the expected impact of United States Government programs designed to promote the export of United States agricultural commodities on earnings or market share, in the priority markets identified under subsection (d), of exports of United States agricultural commodities.

"(c) DESIGNATION OF GROWTH MARKETS.—The Secretary shall establish, for inclusion in the long-term agricultural trade strategy developed under subsection (a), a list of not less than 15 countries (or groups of countries) that are most likely to emerge as growth markets for United States agricultural commodities during the 3- and 6-fiscal year periods beginning with the first fiscal year for which the strategy is developed.

"(d) DESIGNATION OF PRIORITY MARKETS.—The Secretary shall designate countries identified on the list developed under subsection (c) as priority markets for United States Government programs designed to promote the export of United States agricultural commodities (other than those programs designed to provide food assistance and those programs under the Export Enhancement Program under section 201).

"(e) ESTABLISHMENT OF MARKET PLANS.—The Secretary shall develop individual market plans for each country (or group of countries) designated as a priority market under subsection (d). Each such market plan shall set forth—

"(1) specific plans to assist exports of United States agricultural commodities to and market development in the specific country or group of countries through United States Government programs designed to promote the export of United States agricultural commodities; and

"(2) the agricultural trade goals for the United States for that specific country or group of countries over at least the 3-year period for which the agricultural trade strategy under this section is developed.

"(f) CONFIDENTIALITY.—The Secretary may designate any portion of the agricultural trade strategy prepared under this section as confidential and not to be released to the general public if—

"(i) the Secretary determines that the release of the information involved would disadvantage the United States with respect to its competitors in specific foreign markets; or

"(ii) any of such information is determined to be confidential business information.

Nothing in this section shall be construed to authorize the withholding of information from the Congress.

"SEC. 106. RELIEF FROM UNFAIR TRADE PRACTICES.

"(a) USE OF PROGRAMS.—

"(1) IN GENERAL.—The Secretary may, for each article described in paragraph (2), make available some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice serving as the basis for the proceeding described in paragraph (2).

"(2) COMMODITIES SPECIFIED.—Paragraph (1) shall apply in the case of articles for which the United States has instituted, under any international trade agreement, any dispute settlement proceeding based on an unfair trade practice if such proceeding has been prevented from progressing to a decision by the refusal of the party maintaining the unfair trade practice to permit the proceeding to progress.

"(b) CONSULTATIONS REQUIRED.—For any article described in subsection (a)(2), the Secretary shall—

"(1) promptly consult with representatives of the industry producing such articles and other allied groups or individuals regarding specific actions or the development of an integrated marketing strategy utilizing some or all of the commercial export programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the unfair trade practice identified in subsection (a)(2); and

"(2) ascertain and take into account the industry preference for the practical use of available commercial export promotion programs in implementing subsection (a)(1).

"SEC. 107. PRESERVATION OF TRADITIONAL MARKETS.

"The Secretary shall, in implementing programs of the Department of Agriculture intended to encourage or assist exports of agricultural commodities, seek to preserve traditional markets for United States agricultural commodities.

"SEC. 108. INDEPENDENCE OF AUTHORITIES.

"Each authority granted under this Act shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

"SEC. 109. PROGRAM EXPENDITURES.

"Expenditures for programs under this Act shall be considered to be expenditures for export promotion and not expenditures for any price support program.

"TITLE II—SPECIFIC EXPORT PROMOTION PROGRAMS

"SEC. 201. EXPORT ENHANCEMENT PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall carry out in accordance with this section a program to discourage unfair trade practices by making United States agricultural commodities competitive.

"(b) EXPORT BONUS.—

"(1) IN GENERAL.—In carrying out the program established under this section, the Commodity Credit Corporation may—

"(A) make agricultural commodities, acquired by the Commodity Credit Corporation, available to exporters, users, processors, or foreign purchasers at no cost either directly or through the issuance of commodity certificates; and

"(B) make cash payments to exporters, users, and processors.

"(2) CALCULATION OF BONUS LEVELS.—The Commodity Credit Corporation shall—

"(A) maintain an established procedure for evaluating program bonus requests, with guidelines for determining prevailing market prices for targeted commodities and destinations to be used in the calculation of acceptable bonus levels;

"(B) use a clear set of established procedures for measuring transportation and incidental costs to be used in the calculation of acceptable bonus levels and for determining the amount of such costs actually incurred;

"(C) in the case of livestock and livestock products, develop a methodology to determine the world price and gather and analyze appropriate price and cost of production information in foreign countries for the purpose of price discovery and to aid sales in foreign markets, and publish such information periodically; and

"(D) maintain consistent and effective controls and procedures for auditing and reviewing payment of bonuses and for securing refunds where appropriate.

"(3) DISCLOSURE OF INFORMATION.—The Secretary may, notwithstanding the provisions of section 552 of title 5, United States Code, provide for withholding from the public the procedures and guidelines established under paragraphs (2)(A) and (B) if the Secretary determines that release of such information would adversely affect the operation of the program. Nothing in this paragraph shall be construed to authorize the withholding of information, including such procedures and guidelines, from the Congress.

"(4) DIVERSION OF CARGO.—

"(A) IN GENERAL.—The Secretary shall ensure that commodities exported under the program established under this section arrive at the specified destination country. The Secretary may provide for an exception if such arrival does not occur due to force majeure.

"(B) ENFORCEMENT.—The Secretary shall provide that if commodities exported under the program established under this section fail to arrive at the specified destination country, except as provided under subparagraph (A)—

"(i) any person receiving, or who otherwise would receive, a bonus under this section in connection with such commodities shall be liable for the amount of such bonus and shall be ineligible for participation in the program established under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

"(ii) if such failure is attributable in whole or in part to the specified destination country, no bonus is made available for exports to such country for a period of at least 1 year.

"(C) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this paragraph shall

be ineligible to participate in the program established under this section for a period of up to 5 years. The Secretary shall provide that no bonus is made available, for a period of at least 1 year, under the program established under this section for exports to any country that engages in any scheme or device to circumvent the provisions of this paragraph.

"(D) OTHER REMEDIES UNAFFECTED.—The remedies provided under this paragraph are in addition to any remedy available under any other provision of law.

"(5) COMPETITIVE DISADVANTAGE.—The Secretary shall take such action as is necessary to ensure that equal treatment is provided to domestic and foreign purchasers and users of agricultural commodities in any case in which the importation of a manufactured product made, in whole or in part, from a commodity made available for export under this section would place domestic users of the commodity at a competitive disadvantage.

"(6) DIFFERENT COMMODITIES.—The Commodity Credit Corporation may provide to a United States exporter, user, or processor, or foreign purchaser, under the program established under this section, agricultural commodities of a kind different than the agricultural commodity involved in the transaction for which assistance under this section is being provided.

"(7) OTHER EXPORT PROGRAMS.—The Commodity Credit Corporation may provide bonuses under this section in conjunction with other export promotion programs conducted by the Secretary or the Commodity Credit Corporation.

"(c) PRIORITY IN THE CASE OF LIVESTOCK.—In the case of proposals for bonuses for dairy cattle or other appropriate livestock, the Commodity Credit Corporation shall give priority to proposals that include, in connection with the purchase of the livestock, appropriate herd management training, veterinary services, nutritional training, and other technical assistance necessary for the adaptation of the livestock to foreign environments.

"(d) INAPPLICABILITY OF PRICE RESTRICTIONS.—Any price restrictions that otherwise may be applicable to dispositions of agricultural commodities owned by the Commodity Credit Corporation shall not apply to agricultural commodities provided under this section.

"(e) RECORDS.—

"(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require, by rule, each exporter, user, or processor who receives a bonus under the program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, exporters, users, or processors participating in the program to make available, for a period of 5 years after completion of a program transaction, books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(3) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this subsection shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this paragraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this subsection shall be construed to authorize the withholding of information from the Congress.

"(4) CONDUCT OF RULEMAKING.—Final rules under paragraphs (1) and (2) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.

"(f) FUNDING LEVELS.—

"(1) IN GENERAL.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $500,000,000 of the funds or commodities of the Commodity Credit Corporation to carry out the program established under this section.

"(2) LIMITATION.—Not more than 10 percent of the funds and commodities made available for a fiscal year to carry out the program established under this section may be made available to promote the export of agricultural commodities described in section 101(6)(B)(ii).

"(g) IN GENERAL.—It is not the purpose of the program established under this section to affect adversely the exports of agricultural commodities of countries, as determined by the Secretary, that are not engaged in unfairly subsidizing their exports of agricultural commodities. The program shall be implemented in a manner necessary to minimize external and unintended effects damaging to the earnings of such countries from exports of agricultural commodities.

"SEC. 202. MARKET PROMOTION PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall establish and carry out a program to encourage the development, maintenance, and expansion of commercial export markets for agricultural commodities through cost-share assistance to eligible trade organizations that implement a foreign market development program.

"(b) TYPE OF ASSISTANCE.—Assistance under this section shall be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.

"(c) REQUIREMENTS FOR PARTICIPATION.—

"(1) IN GENERAL.—To be eligible for assistance under this section, an organization shall—

"(A) be an eligible trade organization;

"(B) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such plans established by the Secretary; and

"(C) meet any other requirements established by the Secretary.

"(2) PRIORITY BASIS FOR EXPORT ASSISTANCE.—The Secretary shall provide assistance under this section on a priority basis in the case of an unfair trade practice.

"(d) ELIGIBLE TRADE ORGANIZATIONS.—An eligible trade organization shall be—

"(1) an organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities;

"(2) a cooperative organization or State agency that promotes the sale of agricultural commodities; or

"(3) a private organization that promotes the export and sale of agricultural commodities if the Secretary determines that such organization would significantly contribute to United States export market development.

"(e) APPROVED MARKETING PLAN.—

"(1) IN GENERAL.—A marketing plan submitted by an eligible trade organization under this section shall describe the advertising and other export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this section is being requested.

"(2) REQUIREMENTS.—To be approved by the Secretary, a marketing plan submitted under this subsection shall—

"(A) specifically describe the manner in which assistance received by the eligible trade organization in conjunction with funds and services provided by the eligible trade organization will be expended in implementing the marketing plan;

"(B) establish specific market goals to be achieved as a result of the marketing promotion program; and

"(C) contain whatever additional requirements are determined by the Secretary to be necessary.

"(3) AMENDMENTS.—A marketing plan may be amended by the eligible trade organization at any time, with the approval of the Secretary.

"(4) BRANDED PROMOTION.—An agreement entered into under this section may provide for the use of branded advertising to promote the sale of agricultural commodities in a foreign country under such terms and conditions as may be established by the Secretary.

"(f) OTHER TERMS AND CONDITIONS.—

"(1) MULTIYEAR BASIS.—The Secretary may provide assistance under this section on a multiyear basis, subject to annual review by the Secretary for compliance with the approved marketing plan.

"(2) TERMINATION OF ASSISTANCE.—The Secretary may terminate any assistance made, or to be made, available under this section if the Secretary determines that—

"(A) the eligible trade organization is not adhering to the terms and conditions of the program established under this section;

"(B) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the marketing promotion program;

"(C) the eligible trade organization is not adequately contributing its own resources to the marketing promotion program;

"(D) the unfair trade practice that was the basis of the provision of assistance has been stopped and marketing assistance is no longer required to offset its effect; or

"(E) the Secretary determines that termination of assistance in a particular instance is in the best interest of the program.

"(3) EVALUATIONS.—The Secretary shall monitor the expenditure of funds received under this section by recipients of such funds. The Secretary shall make evaluations of such expenditure, including—

"(A) an evaluation of the effectiveness of the program in developing or maintaining markets for United States agricultural commodities;

"(B) an evaluation of whether assistance provided under this section is necessary to maintain such markets; and

"(C) a thorough accounting of the expenditure of such funds by the recipient.

The Secretary shall make an initial evaluation of expenditures of a recipient not later than 15 months after the initial provision of funds to the recipient.

"(4) AVAILABILITY OF RECORDS.—

"(A) IN GENERAL.—In the administration of the program established by this section, the Secretary shall require, by rule, each eligi-

ble trade organization that receives assistance under the program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(B) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, eligible trade organizations participating in the program to make available, for a period of 5 years after completion of a program transaction, books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(C) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this paragraph shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this subparagraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this paragraph shall be construed to authorize the withholding of information from the Congress.

"(D) CONDUCT OF RULEMAKING.—Final rules under subparagraphs (A) and (B) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.

"(5) LEVEL OF MARKETING ASSISTANCE.—

"(A) IN GENERAL.—The Secretary shall justify in writing the level of assistance provided to an eligible trade organization under the program and the level of cost-sharing required of such organization.

"(B) LIMITATION.—Assistance provided under this section to private organizations for activities described in subsection (e)(4) shall not exceed 50 percent of the cost of implementing the marketing plan. Criteria for determining that cost shall be consistent and such cost shall be documented.

"(g) PROGRAM LEVEL.—The Commodity Credit Corporation shall make available assistance under this section at a level not less than $325,000,000 for each of the fiscal years 1991 through 1995.

"(h) REGIONAL TRADE CENTER SET-ASIDE.—

"(1) IN GENERAL.—The Secretary shall establish as an objective the reservation of an amount of assistance provided under this section for the benefit of applicants whose applications have been forwarded to the Secretary by the 4 regional nonprofit export trade associations that have been established by a number of States in cooperation with the Foreign Agricultural Service of the Department of Agriculture, and for the benefit of the National Association of State Departments of Agriculture, for purposes such as the conduct of export promotion trade fairs and other export promotional activities.

"(2) DESIRED LEVEL OF SET-ASIDE.—The desired amounts of such assistance should be provided at levels no less than—

"(A) 10 percent in fiscal year 1991,

"(B) 11 percent in fiscal year 1992,

"(C) 12 percent in fiscal year 1993,

"(D) 13 percent in fiscal year 1994, and

"(E) 14 percent in fiscal year 1995,

as the Secretary may determine will best effectuate the goals of this section.

"SEC. 203. EQUITABLE TREATMENT OF HIGH-VALUE AND VALUE-ADDED UNITED STATES AGRICULTURAL COMMODITIES.

"In the case of any program, such as that established under section 201, operated by the Secretary or the Commodity Credit Corporation during the fiscal years 1991 through 1995, for the purpose of discouraging unfair trade practices, the Secretary shall establish as an objective to expend annually at least 25 percent of the total funds available (or 25 percent of the value of any commodities employed) for program activities involving the export sales of high-value agricultural commodities and value-added products of United States agricultural commodities.

"TITLE III—TRADE REPORTING

"SEC. 301. EXPORT REPORTING AND CONTRACT SANCTITY.

"(a) EXPORT SALES REPORTS.—

"(1) IN GENERAL.—All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities that the Secretary may designate as produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period:

"(A) type, class, and quantity of the commodity sought to be exported;

"(B) the marketing year of shipment; and

"(C) destination, if known.

"(2) CONFIDENTIALITY AND COMPILATION OF REPORTS.—Individual reports shall remain confidential in accordance with subsection (c) but shall be compiled by the Secretary and published in compilation form each week following the week of reporting.

"(3) IMMEDIATE REPORTING.—All exporters of agricultural commodities produced in the United States shall, upon request of the Secretary, immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as the Secretary may request. When the Secretary requires that such information be reported by exporters on a daily basis, the information compiled from individual reports shall be made available to the public daily.

"(4) MONTHLY REPORTING PERMITTED.—The Secretary may, with respect to any commodity or type or class thereof during any period in which the Secretary determines that—

"(A) there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements,

"(B) total supplies of such commodity in the exporting countries are estimated to be in surplus,

"(C) anticipated exports will not result in excessive drain on domestic supplies, and

"(D) to require the reports to be made will unduly hamper export sales,

provide for such reports by exporters and publishing of such data to be on a monthly basis rather than on a weekly basis.

"(b) REPORT ON ORIGIN OF COMMODITIES.—

"(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary shall require each person making a commercial export of any agricultural commodity or product thereof (hereinafter in this section referred to as a 'good') that is determined by the Secretary to be of commercial significance, before or upon that exportation, to report the quantity of such good so exported, and the percentage of the agricultural components produced in the United States and percentage produced in a foreign country by value and weight, and shall also report such percentages by crop year and type, if necessary or appropriate to determine the identity of the United States and foreign agricultural components of the good exported.

"(2) EXEMPTION.—A person shall not be required to report any information under paragraph (1) that cannot be obtained from records maintained in the ordinary course of business.

"(3) REPORTS FOR HIGH-VALUE PROCESSED PRODUCTS.—With respect to exports of any good that is a high value, complex, processed product (as determined by the Secretary), a report under paragraph (1) need only be made for exports of that good over a period of not more than 1 year, and the information required under paragraph (1) may be aggregated for the period covered by the report.

"(4) CODES.—The Secretary may establish codes to identify the type and characteristics of each commodity for the purposes of reports under paragraph (1).

"(5) COMPILATION OF REPORTS.—Individual reports under this subsection shall remain confidential in accordance with subsection (c) but may be compiled by the Secretary and published in compilation form on a quarterly basis.

"(c) CONFIDENTIALITY.—The individually identifiable information contained in reports under this section shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this subsection shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this section shall be construed to authorize the withholding of information from the Congress.

"(d) FAILURE TO REPORT.—Any person who knowingly fails to make any report required under this section shall be fined not more than $25,000 or imprisoned for not more than 1 year, or both.

"(e) CONTRACT SANCTITY.—Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity under an export sales contract—

"(1) that is entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity, and

"(2) the terms of which require delivery of the commodity within 270 days after the date of the suspension of trade is imposed,

except that the President may prohibit or curtail the export of any agricultural commodity during a period for which the President has declared a national emergency or for which the Congress has declared war.

"TITLE IV—REPORTS

"SEC. 401. NONGOVERNMENTAL SUBSIDIES.

"(a) IN GENERAL.—The Secretary shall submit a report to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate specifying any nongovernmental agricultural subsidies provided in any foreign country. In compiling such report, the Secretary shall give priority to specifying those nongovernmental subsidies provided to livestock and commodities for which there is a price support program

or marketing agreement or order in effect in the United States.

"(b) DEADLINES.—The Secretary shall submit the report specified in subsection (a) no later than 180 days after the date of enactment of the Food and Agricultural Resources Act of 1990, and shall submit additional reports at 1 year intervals for each of the next 5 years after the submission of the first report.

"SEC. 402. LONG-TERM AGRICULTURAL TRADE STRATEGY REPORT.

"(a) IN GENERAL.—The Secretary of Agriculture shall every 3 years prepare a long-term agricultural trade strategy report on the long-term agricultural trade strategy developed by the Secretary under section 105. The first such report shall be submitted under subsection (e) before the beginning of fiscal year 1992. Each subsequent report shall be submitted under subsection (e) before the beginning of each third fiscal year occurring after fiscal year 1992.

"(b) CONTENTS.—

"(1) IN GENERAL.—Each report prepared under subsection (a) shall describe in detail each aspect of the long-term agricultural trade strategy prepared under section 105.

"(2) REVIEW OF IMPLEMENTATION.—In each report submitted after the first report, the Secretary shall—

"(A) review the agricultural trade performance of the United States during the fiscal years ending since submission of the preceding report, in light of the long-term agricultural trade strategy and trade goals developed by the Secretary for such fiscal-year period under this Act;

"(B) determine whether and to what extent individual market plans developed under section 105(e) were successfully implemented during such fiscal-year period;

"(C) determine whether the use of any United States Government programs designed to promote exports of United States agricultural commodities resulted in such agricultural exports or increased agricultural exports or market share in the priority markets during such fiscal-year period; and

"(D) conduct a country-by-country analysis of expenditures made under United States Government programs designed to promote exports of United States agricultural commodities and the export performance of the United States in such market during such fiscal-year period.

"(c) CONSULTATION.—In preparing each report under subsection (a), the Secretary shall consult with the United States Trade Representative to ensure that the report is coordinated with the annual national trade policy agenda included in the annual report for the relevant fiscal year prepared under section 163 of the Trade Act of 1974.

"(d) UPDATE.—The Secretary shall prepare an annual update to the report required under subsection (a) that shall contain a description of any revisions to the long-term agricultural trade strategy made by the Secretary, any changes in law that are required to meet the goals of the long-term agricultural trade strategy, and such other information as may be specified in this section or determined appropriate by the Secretary.

"(e) TREATMENT AS ANNUAL BUDGET SUBMISSION.—The long-term agricultural trade strategy report under subsection (a) shall be submitted with the annual budget submission of the President to the Congress for fiscal year 1992 and for each third fiscal year thereafter. The annual updates under subsection (d) of each such report shall be submitted, respectively, with the annual budget submission of the President to the Congress for the 2 fiscal years after submission of such report. Any provision of the long-term agricultural trade strategy report or annual update that relates to recommended levels of spending on international activities of the Department of Agriculture shall be treated as the annual budget submission of the President to the Congress for such activities for the fiscal year beginning in the year in which the report is submitted, and shall be submitted together with the budget request for other programs of the Department of Agriculture for such fiscal year.

"(f) AVAILABILITY OF REPORT.—

"(1) SUBMISSION TO CONGRESS.—The Secretary shall submit each report required under subsection (a) (and the updates to such report under subsection (d)) to the Committee on Agriculture, the Committee on Foreign Affairs, and the Committee on Ways and Means of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

"(2) AVAILABILITY TO PUBLIC.—Except as provided in paragraph (3), the Secretary may make the report required under subsection (a) available to the general public, including the department of agriculture of any State.

"(3) CONFIDENTIALITY.—The Secretary may designate portions of the report required under subsection (a) or any update prepared under subsection (d) as confidential and not to be released to the general public if—

"(A) the Secretary determines that the release of such information would disadvantage the United States with respect to its competitors in specific foreign markets; or

"(B) any of such information is determined to be confidential business information.".

(b) CONFORMING AMENDMENTS.—(1) Section 1113(c)(9) of the Food Security Act of 1985 (7 U.S.C. 1736-1(c)(9)) is amended—

(A) in subparagraph (A) by adding "and" after the semicolon;

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B).

(2) Section 4201 of the Agricultural Competitiveness and Trade Act of 1988, and the item relating to section 4201 in the table of contents for the Omnibus Trade and Competitiveness Act of 1988, are repealed.

SEC. 1222. AMENDMENTS RELATING TO EXPORT CREDIT PROGRAMS.

(a) GUARANTEES FOR WOOD AND FISH.—Section 4(b)(1) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(1)) is amended by adding at the end the following new sentence: "In making available any assistance under this paragraph with respect to wood and processed wood products or fish and processed fish products, the Secretary of Agriculture shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products.".

(b) CRITERIA FOR USE OF AUTHORITY.—Section 4(b)(2) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(2)) is amended by inserting "directly benefit United States agricultural producers and will" after "that the sale will".

(c) PROGRAM LEVEL.—Section 4(b)(10) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(10)) is amended by striking "available—" and all that follows through the end of the paragraph and inserting "available not less than $500,000,000 for each of fiscal years 1991 through 1995.".

(d) CREDIT GUARANTEES.—Section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) is amended by adding at the end the following:

"(e) RESTRICTION.—The Corporation shall not make credit guarantees available to any country which the Secretary determines cannot adequately service the debt associated with the guarantee.

"(f) FRAUD.—If the Corporation finds that any exporter or assignee has engaged in fraud or in any scheme, trick, or device to misuse or misappropriate any credit guarantee made available under this section, the relevant export credit guarantee issued under this section is no longer valid.

"(g) DIVERSION OF CARGO.—

"(1) IN GENERAL.—The Secretary shall ensure that commodities exported under any program under this section arrive at the specified destination country. The Secretary may provide for an exception if such arrival does not occur due to force majeure.

"(2) ENFORCEMENT.—The Secretary shall provide that in the case commodities exported under any program under this section fail to arrive at the specified destination country, except as provided under paragraph (1)—

"(A) any person receiving a credit guarantee under this section in connection with such commodities shall be liable for the amount of any amounts paid under such guarantee and shall be ineligible for participation in any program under this section for a period of up to 5 years, unless such failure was beyond the control of such person and without negligence or acquiescence on the part of such person; and

"(B) if such failure is attributable in whole or in part to the specified destination country, no credit or guarantee is made available under any program under this section for exports to such country for a period of at least 1 year.

"(3) SCHEME OR DEVICE.—Any person who engages in any scheme or device to circumvent the provisions of this subsection shall be ineligible to participate in any program under this section for a period of up to 5 years. The Secretary shall provide that, for a period of at least 1 year, no credit or guarantee is made available under any program under this section for exports to any country that engages in any scheme or device to circumvent the provisions of this subsection.

"(4) OTHER REMEDIES UNAFFECTED.—The remedies provided under this subsection are in addition to any remedy available under any other provision of law.

"(h) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign agricultural component.

"(i) RECORDS.—

"(1) IN GENERAL.—In the administration of the program established under this section, the Secretary shall require, by rule, each exporter under the program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, exporters participating in the program to make available, for a period of 5 years after completion of a program transaction, books and other

records concerning transactions other than program transactions for purposes of program oversight and administration.

"(3) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this subsection shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this paragraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this subsection shall be construed to authorize the withholding of information from the Congress.

"(4) CONDUCT OF RULEMAKING.—Final rules under paragraphs (1) and (2) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.".

(e) USE OF PROGRAM.—Section 4(b)(5) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)(5)) is amended by inserting ", foreign policy," after "foreign aid".

(f) SHORT-TERM EXPORT CREDIT GUARANTEES.—Section 1125 of the Food Security Act of 1985 (7 U.S.C. 1736t) is amended—

(1) in subsection (b) by striking "1990" and inserting "1995";

(2) in subsection (d)—

(A) by inserting "(1)" after "(d)"; and

(B) by adding at the end the following:

"(2) In making available any guarantees under subsection (b) with respect to wood and processed wood products or fish and processed fish products, the Corporation shall make such guarantees available under terms and conditions comparable to terms and conditions that apply to other agricultural products."; and

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

"(e) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall guarantee under any program conducted under this section only United States agricultural commodities, as defined in section 101(6) of the Agricultural Trade Act of 1978. The Commodity Credit Corporation shall not guarantee under this section the value of any foreign agricultural component.

"(f) RECORDS.—

"(1) IN GENERAL.—In the administration of the program described in this section, the Secretary shall require, by rule, each exporter under the program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require, by rule, exporters participating in the program to make available, for a period of 5 years after completion of a program transaction, books and other records concerning transactions other than program transactions for purposes of program oversight and administration.

"(3) CONFIDENTIALITY.—The individually identifiable information contained in books and records subject to this subsection shall be considered confidential by the Secretary and by the Department of Agriculture and is not subject to disclosure under section 552 of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses information made confidential by this paragraph shall be fined under title 18, United States Code, or imprisoned for not more than 1 year, or both. Nothing in this subsection shall be construed to authorize the withholding of information from the Congress.

"(4) CONDUCT OF RULEMAKING.—Final rules under paragraphs (1) and (2) shall be issued not later than 90 days after the date of enactment of the Food and Agricultural Resources Act of 1990.".

SEC. 1223. MARKET DEVELOPMENT TASK FORCE.

(a) ESTABLISHMENT.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall establish a task force, to be known as the "Market Development Task Force" (hereinafter in this section referred to as the "Task Force"), to help develop the long-term agricultural trade strategy required by section 105 of the Agricultural Trade Act of 1978, and to coordinate and disseminate information, and provide advice and education to entities, concerning agricultural export markets and domestic agricultural trade programs.

(b) COMPOSITION.—The Task Force shall be composed of 12 members, of which—

(1) 1 member shall be the Administrator of the Foreign Agricultural Service, or such Administrator's designee;

(2) 1 member shall be the Secretary of Commerce, or such Secretary's designee;

(3) 1 member shall be the United States Trade Representative, or such Representative's designee;

(4) 1 member shall be the Administrator of the Small Business Administration, or such Administrator's designee;

(5) 1 member shall be the Administrator of the Extension Service, or such Administrator's designee;

(6) 1 member shall be the Administrator of the Agricultural Stabilization and Conservation Service, or such Administrator's designee;

(7) 1 member shall be a representative of the National Association of State Departments of Agriculture (NASDA);

(8) 1 member shall be the special assistant to the President appointed under section 1113 of the Food Security Act of 1985 (7 U.S.C. 1736-1), or such assistant's designee; and

(9) 4 members shall be from the private sector who represent different interests in the agriculture sector of the United States economy.

(c) CHAIRPERSON.—The Administrator of the Foreign Agricultural Service shall serve as the Chairperson of the Task Force.

(d) VACANCIES.—A vacancy occurring on the Task Force among the members described in subsections (b)(7) and (b)(9) shall be filled in the same manner in which the original appointment was made.

(e) EQUIPMENT AND STAFF.—

(1) PERSONNEL.—The Secretary shall make available to the Task Force office facilities and equipment necessary to enable the Task Force to effectively carry out its functions.

(2) STAFF.—The members of the Task Force identified in paragraphs (1) through (6) of subsection (b) shall make available to the Task Force such personnel, and the Secretary shall employ such additional staff, as are necessary to enable the Task Force to effectively carry out its functions.

(f) FUNCTIONS.—The Task Force shall—

(1) participate in—

(A) the development of the long-term agricultural trade strategy required by section 105 of the Agricultural Trade Act of 1978, placing particular emphasis on developing a strategy through which the Federal Government can support the export of value-added or high-value United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978); and

(B) the preparation of the report to the Congress on the long-term agricultural trade strategy and the annual revisions to that strategy required by section 402 of the Agricultural Trade Act of 1978;

(2) coordinate the information available concerning—

(A) the locations of existing and potential export markets for United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978);

(B) the types of commodities and products desirable in such markets;

(C) the existence of trade barriers applicable to such markets;

(D) the existence of Federal trade program opportunities that are available to domestic exporters; and

(E) any other information related to such markets;

(3) disseminate information relating to the long term agricultural trade strategy required by section 105 of the Agricultural Trade Act of 1978;

(4) annually produce, publish, and disseminate throughout the United States through the Extension Service and through regional trade organizations, a catalog containing information available through the Federal Government concerning such markets;

(5) act as an advisor to and consult with State governments to promote the establishment and use of such markets; and

(6) perform any other functions determined appropriate by the Task Force.

(g) CONSULTATION WITH PARTICIPANTS IN PROGRAMS.—The Task Force shall consult with participants in agricultural trade programs, including regional trade organizations, in carrying out the functions of the Task Force.

(h) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall prepare and submit, to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, proposed regulations necessary to establish and administer the Task Force.

(i) RELATIONSHIP TO USTR FUNCTIONS.—The functions and responsibilities of the Task Force may not conflict with, or supercede, any authority of the United States Trade Representative to determine the existence of trade barriers or unfair trade practices under the Trade Act of 1974, or to develop or coordinate the trade policy of the United States.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

(k) TERMINATION.—The Task Force shall cease to exist 5 years after the date of enactment of this Act.

Subtitle C—Agricultural Trade With and Fellowships for Emerging Democracies and Middle-Income Countries

SEC. 1231. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING DEMOCRACIES.

(a) GUARANTEES TO BE MADE AVAILABLE.—(1) The Commodity Credit Corporation, for each of fiscal years 1991 through 1995—

(A) shall make available not less than $225,000,000 of export credit guarantees for exports to emerging democracies under the program described in section 1125(b) of the Food Security Act of 1985 (7 U.S.C.

1736t(b)), in addition to the amounts required under that section;

(B) shall make available $50,000,000 to guarantee financing, on terms of not less than 3 years nor more than 10 years, for the establishment or improvement by United States persons of facilities in emerging democracies to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products thereof if the Secretary of Agriculture determines that such guarantees will primarily promote the export of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978); and

(C) is encouraged to make available guarantees under section 4(b) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)), in addition to the amounts otherwise available under that section, for exports to emerging democracies.

The Commodity Credit Corporation shall give priority under subparagraph (B) to opportunities or projects identified under subsection (b).

(2) Before the authority under paragraph (1)(B) is exercised, the Secretary of Agriculture shall consult with exporters of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978), nongovernmental experts, and other Federal Government agencies in order to ensure that facilities in an emerging democracy for which financing is guaranteed under paragraph (1)(B) do not primarily benefit countries which are in close geographic proximity to that emerging democracy.

(b) SHARING UNITED STATES AGRICULTURAL EXPERTISE.—

(1) IN GENERAL.—

(A) ESTABLISHMENT OF PROGRAM.—For each of the fiscal years 1991 through 1995, the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary"), in order to develop, maintain, or expand markets for United States agricultural exports, is directed to make available to emerging democracies the expertise of the United States to make assessments of the food and rural business systems needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of those systems, and identify specific opportunities and projects to enhance the effectiveness of those systems.

(B) EXTENT OF PROGRAM.—The Secretary shall implement this subsection with respect to at least 3 emerging democracies in each fiscal year.

(2) EXPERTS FROM THE UNITED STATES.—The Secretary shall implement the requirements of paragraph (1)—

(A) by providing assistance to teams consisting primarily of agricultural consultants and government officials expert in assessing the food and rural business systems of other countries to enable such teams to conduct the assessments, make the recommendations, and identify the opportunities and projects specified in paragraph (1) in emerging democracies; and

(B) by providing necessary subsistence expenses in the United States and necessary transportation expenses by individuals designated by emerging democracies to enable such individuals to consult with food and rural business system experts in the United States to enhance such systems of such emerging democracies.

(3) COST-SHARING.—The Secretary shall encourage the nongovernmental experts described in paragraph (2)(B) to share the costs of, and otherwise assist in, the participation of such experts in the program under this subsection.

(4) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide technical assistance to implement the recommendations, or in connection with the opportunities or projects identified, under paragraph (1).

(5) REPORTS TO SECRETARY.—A team that receives assistance under paragraph (2)(A) shall prepare such reports as the Secretary may designate.

(6) REPORT TO CONGRESS.—The Secretary shall annually submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, a report summarizing the activities carried out under this subsection, including a summary of the assessments and recommendations prepared under this subsection, and the Secretary shall also make the assessments and recommendations available to the public.

(7) ADVISORY COMMITTEE.—To provide the Secretary with information that may be useful to the Secretary in carrying out the provisions of this subsection, the Secretary shall establish an advisory committee composed of representatives of the various sectors of the food and rural business systems of the United States.

(8) USE OF CCC.—The Secretary shall implement this subsection through the funds and facilities of the Commodity Credit Corporation. The authority provided under this subsection shall be in addition to and not in place of any other authority of the Secretary or the Commodity Credit Corporation.

(9) LEVEL OF ASSISTANCE.—The Secretary shall provide assistance under this subsection of not more than $10,000,000 in any fiscal year.

(c) FOREIGN DEBT BURDENS.—(1) In carrying out the program described in subsection (a), the Secretary of Agriculture shall ensure that the credits for which repayment is guaranteed under subsection (a) do not negatively affect the political and economic situation in emerging democracies by excessively adding to the foreign debt burdens of such countries.

(2) Not later than 6 months after the effective date of this title, and not later than the end of each 6-month period occurring thereafter, the Secretary of Agriculture, in consultation with other appropriate Federal departments, shall prepare and transmit to the Speaker of the House of Representatives, the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report to assist the Congress in assessing the extent to which credits for which repayment is guaranteed under subsection (a) meet the requirements of paragraph (1). The report shall include—

(A) the amount and allocation, by country, of credit guarantees issued under subsection (a);

(B) the aggregate foreign debt burdens of countries receiving commodities or facilities under such credit guarantees, expressed in terms of debt on account of agricultural commodities or products thereof, or facilities for which guarantees may be made under subsection (a)(1)(B), and all other debt;

(C) the activities of creditor governments and private creditors to reschedule or reduce payments due on existing debt owed to such creditors by a country in cases where such country has been unable to fully meet its debt obligations; and

(D) an analysis of—

(i) the economic effects of the foreign debt burden of each recipient country, and in particular the economic effects on each recipient country of the credits for which repayment is guaranteed under subsection (a); and

(ii) the relationship between any negative economic effects on any recipient country caused by its overall foreign debt burden and debt incurred under subsection (a) and such country's political stability.

(d) EMERGING DEMOCRACY.—As used in this section, the term "emerging democracy" means any country that, as determined by the President, is taking steps toward—

(1) political pluralism, based on progress toward free and fair elections and a multiparty political system;

(2) economic reform, based on progress toward a market-oriented economy;

(3) respect for internationally recognized human rights; and

(4) a willingness to build a friendly relationship with the United States.

SEC. 1232. AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE-INCOME COUNTRIES AND EMERGING DEMOCRACIES.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a fellowship program for middle-income countries and emerging democracies to provide fellowships to persons from eligible countries who specialize in agriculture for study in the United States.

(b) ELIGIBLE COUNTRIES.—

(1) IN GENERAL.—Any country that is a middle income country or is an emerging democracy as defined in section 1231(d) shall be eligible to participate in the program established under this section.

(2) MIDDLE INCOME COUNTRY.—For purposes of this section, a "middle income country" means a country that—

(A) has developed economically to the point where it no longer qualifies for bilateral foreign assistance programs from the United States because its per capita income level exceeds the eligibility requirements of such programs; or

(B) has never qualified for bilateral foreign assistance programs from the United States, but an ongoing relationship between the country and the United States, including technical assistance and training, would provide mutual benefits to that country and the United States.

(c) PURPOSE OF THE FELLOWSHIPS.—Fellowships under this section shall be provided in order to allow the recipients to gain knowledge and skills that will—

(1) assist eligible countries to develop agricultural systems necessary to meet the food needs of their domestic populations; and

(2) strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.

(d) INDIVIDUALS WHO MAY RECEIVE FELLOWSHIPS.—The Secretary shall utilize the expertise of United States agricultural counselors, trade officers, and commodity trade promotion groups working in participating countries to help identify candidates, from both the public and private sectors of those countries, for the program established under this section.

(e) PROGRAM IMPLEMENTATION.—The Secretary shall consult with other United States Government agencies, United States universities, and the private agribusiness sector, as appropriate, to design and administer training programs to accomplish the objectives of the program established under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated without fiscal year limitation such sums as may be necessary to provide funding to carry out the program established under this section, except that the amount of such funds shall not exceed—

(1) for middle income countries described in subsection (b)(2)(A), $3,000,000;

(2) for middle income countries described in subsection (b)(2)(B), $2,000,000; and

(3) for emerging democracies, $5,000,000.

(g) COMPLEMENTARY FUNDS.—When the Secretary of Agriculture determines that it is advisable in furtherance of the purposes of the program established under this section, the Secretary may accept money, funds, property, and services of every kind by gift, devise, bequest, grant, or otherwise, and may, in any manner, dispose of all such holdings and use the receipts generated from such disposition as general program funds under this section. All funds so designated for the program established under this section shall remain available until expended.

Subtitle D—Studies, Reports, and Other Provisions

SEC. 1241. STUDY OF NORTH AMERICAN FREE TRADE AREA.

The Secretary of Agriculture shall study the effects on the United States agricultural economy of the creation of a North American free trade area, including the creation of a United States-Mexico free trade area. The Secretary shall submit a report on the results of such study to the Congress not later than May 31, 1991.

SEC. 1242. REPORT ON WOOD AND FISH EXPORT PROMOTION.

Not later than 180 days after the date of enactment of this Act, and annually thereafter for a period of 5 years, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report concerning the promotion and participation of wood and processed wood products, and fish and processed fish products, in the programs conducted under the Agricultural Trade Development and Assistance Act of 1954, section 1125 of the Food Security Act of 1985, and section 4 of the Food for Peace Act of 1966.

SEC. 1243. ROSE AND FLOWER STUDY.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the impact of consignment sales of foreign roses and fresh cut flowers on the domestic rose and fresh cut flower industry, taking into account the findings in the report issued in April 1989 entitled "Competitive Conditions in the U.S. and World Markets for Fresh Cut Roses" by the United States International Trade Commission.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary shall report the results of the study conducted under subsection (a) to the Congress, together with any recommendation of the Secretary on how the domestic rose and fresh cut flower industry can compete fairly with the practice of consignment sales.

SEC. 1244. COMMODITY TRANSPORTATION AND TECHNOLOGY ASSESSMENT AND REPORT.

(a) ASSESSMENT.—The Secretary of Agriculture shall conduct an assessment of the impact upon prices received by producers, costs to consumers, and the overall effect upon the ability of the United States to fulfill export goals and expand foreign markets for domestic commodities, of the current agricultural transportation situation, focusing especially on rail transportation capabilities including rail abandonments, periodic shortages of adequate rail car equipment suitable for transporting agricultural commodities, and the practice of rail carriers selling in advance certificates of transportation.

(b) ADDITIONAL REQUIREMENTS.—In preparing the assessment required by this section, the Secretary shall consult with rail, truck, and waterborne carriers who have experience in the transportation of agricultural commodities, and shall also examine the feasibility of—

(1) providing technical and financial assistance to producers, marketers, and exporters in the design and construction of alternatives (such as freight containers which could be carried aboard flatbed trucks, flatbed rail cars, river barges, and oceangoing container vessels) to covered rail hopper cars for the purpose of transporting bulk commodities to appropriate terminal market facilities; and

(2) encouraging the establishment of a computerized network which would assist producers, marketers, exporters, and carriers in identifying, matching, and coordinating potential loads of agricultural commodities with carriers having proper capabilities and equipment in an effort to expedite transportation needs.

(c) REPORT.—Within 240 days after the date of enactment of this Act, the Secretary of Agriculture shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives the results of the assessment conducted under this section, and any recommendations the Secretary may have as a result of such assessment.

(d) EXPENDITURES.—For the purpose of preparing the assessment and report required by this section, the Secretary of Agriculture is authorized to expend such sums as may be necessary from any unobligated funds appropriated to the Department of Agriculture, and may, without the necessity of advertising for bids, contract with any appropriate private sector businesses which have expertise and experience in transporting agricultural commodities, or with experience in operating a computerized network of load and equipment matching between shippers and carriers, if the work or consultation performed under such contract is deemed necessary by the Secretary to fully comply with the scope of the assessment, and complete the report, required by this section.

SEC. 1245. RED TART CHERRY STUDY.

(a) STUDY.—Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture shall, in consultation with the United States International Trade Commission, complete a study to determine—

(1) the competitive factors affecting the domestic red tart cherry industry, including competition from imports;

(2) the effect that the European Community's restriction on imported red tart cherries has had, and may continue to have, on world trade of red tart cherries;

(3) the extent to which unfair trade practices and barriers to trade by other competing countries are impeding the marketing abroad of domestically produced red tart cherries; and

(4) the extent to which imported red tart cherry concentrate has been sold, and is being sold, in the United States at prices below the world market price.

(b) REPORT TO CONGRESS.—The Secretary shall submit a report containing the results of the study conducted under subsection (a) to the Congress.

(c) SENSE OF CONGRESS.—It is the sense of the Congress that the Secretary of Agriculture should use all available remedies, programs, and policies within the Secretary's jurisdiction to assist the domestic red tart cherry industry to maintain and enhance its ability to compete in the domestic and world market for red tart cherries.

SEC. 1246. REPORT ON SECTION 22 SUSPENSION OR TERMINATION.

(a) REQUIREMENT OF REPORT.—If section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is repealed or all measures proclaimed under such section are suspended, the Secretary of Agriculture shall, prior to the effective date of the suspension or termination of any quantitative limitation or fee in effect under that section, report to the Congress.

(b) CONTENTS OF REPORT.—The report under subsection (a) shall assess each material consequence of the lifting of such limitation or fee, including the impact on—

(1) the Farmers Home Administration and agricultural credit in general;

(2) the prices paid to farmers generally for the affected commodity; and

(3) United States food security needs.

SEC. 1247. AGRICULTURAL EXPORTS TO THE EUROPEAN COMMUNITY.

(a) FINDINGS.—The Congress finds that—

(1) the European Community has established a system, as part of its Europe 1992 economic integration plan, to set product standards and requirements, including those related to agricultural commodities and products thereof, and that system has not been transparent insofar as the European Community has refused reasonable requests to allow United States Government or industry experts to observe meetings of European standards-setting institutions;

(2) the European Community is also currently writing the rules by which United States exporters of agricultural commodities and products thereof will be able to show compliance with European Community product standards and requirements, and has refused to guarantee that such United States exporters will be able to show compliance with European Community product standards and requirements by using United States laboratories or through self-certification;

(3) the United States maintains an open, transparent system to set standards and requirements for agricultural commodities and products thereof, and many reciprocal arrangements currently in place allow European Community exporters of agricultural commodities and products thereof to show compliance with United States product standards and requirements by using European Community laboratories or through self-certification;

(4) the value of United States exports of agricultural commodities and products thereof to the European Community in 1989 was $6,600,000,000, constituting 17 percent of all United States exports of agricultural commodities and products thereof; and

(5) the product standards and testing policies of the European Community are consequently unfair and discriminatory, and have great potential to reduce significantly exports from the United States of agricultural commodities and products thereof.

(b) STATEMENTS OF POLICY.—

(1) The Congress denounces the European Community's nontransparent process of setting standards and requirements for agricultural commodities and products thereof, and the Congress further denounces the refusal by the European Community to guarantee that United States exporters of such commodities and products will be able to show compliance with European Community standards and requirements by using United States laboratories or through self-certification.

(2) The Congress deplores the adverse consequences of the standards and testing policies of the European Community on the bilateral agricultural trade relationship between the United States and the European Community.

(3) The Congress urges the President to use all available means to bring about significant and far-reaching changes in the standards and testing policies of the European Community in order to protect and maintain United States access to the European Community market for agricultural commodities and products thereof.

SEC. 1248. LANGUAGE PROFICIENCY AND EVALUATION OF FOREIGN AGRICULTURAL SERVICE OFFICERS.

(a) ASSESSMENT OF FOREIGN LANGUAGE COMPETENCE.—The Foreign Agricultural Service shall revise its evaluation reports for its Foreign Service officers so as to require in a separate entry an assessment of the officer's effectiveness in using, in his or her work, a foreign language or foreign languages tested at the General Professional Speaking Proficiency level or above, in cases where the supervisor is capable of making such an assessment.

(b) PRECEDENCE IN PROMOTION.—The Director of Personnel of the Foreign Agricultural Service shall instruct promotion panels to take account of language ability and, all criteria for promotion otherwise being equal, to give precedence in promotions to officers who have achieved at least the General Professional Speaking Proficiency level in 1 or more foreign languages over officers who lack that level of proficiency.

(c) REPORT TO CONGRESS.—Within 6 months after the effective date of this title, the Administrator of the Foreign Agricultural Service shall submit a report to the Committee on Foreign Affairs, the Committee on Agriculture, and the Committee on Post Office and Civil Service of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, which—

(1) details the extent to which, in the 3 years before the effective date of this title, Foreign Service officers of the Foreign Agricultural Service achieved General Professional Speaking Proficiency level in the primary foreign language of the host countries in which they served before arriving in such countries or within 1 year after such arrival; and

(2) makes specific, new proposals to the Congress on how to ensure that at least 75 percent of Foreign Service officers of the Foreign Agricultural Service have achieved General Professional Speaking Proficiency level in the primary foreign language of the host countries in which they serve before arriving in such countries or within 1 year after such arrival.

SEC. 1249. PROHIBITION OF USE OF PROGRAMS WITH RESPECT TO THE EXPORT OF CERTAIN COMMODITIES AND PRODUCTS.

No program authorized or extended by this title shall be used to assist or encourage the export of tobacco in its raw or processed form.

SUBTITLE E—FOREIGN AFFAIRS PROVISION

SEC. 1261. USE OF ECONOMIC ASSISTANCE FUNDS FOR AGRICULTURAL AND INDUSTRIAL ALTERNATIVES TO NARCOTICS PRODUCTION IN MAJOR COCA PRODUCING COUNTRIES.

(a) WAIVER OF CERTAIN RESTRICTIONS.—For the purpose of reducing dependence upon the production of crops from which narcotic and psychotropic drugs are derived, the President may provide economic assistance for a country which, because of its coca production, is a major illicit drug producing country (as defined in section 481(i)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(i)(2))) to promote the production, processing, or the marketing of products which can be economically produced in such country, notwithstanding the provisions of law described in subsection (b) of this section.

(b) DESCRIPTION OF RESTRICTIONS WAIVED.—The provisions of law made inapplicable by subsection (a) are any other provisions of law that would otherwise restrict the use of economic assistance funds with respect to the production, processing, or marketing of agricultural commodities (or the products thereof) or other products, including sections 521, 546, and 547 (but excluding section 510) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, and comparable provisions of subsequent Acts appropriating funds for foreign operations, export financing, and related programs.

(c) DEFINITION OF ECONOMIC ASSISTANCE.—As used in this section, the term "economic assistance" means assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following; relating to development assistance) and assistance under chapter 4 of part II of that Act (22 U.S.C. 2346 and following; relating to the economic support fund).

Subtitle F—Effective Dates and Conforming Changes

SEC. 1271. EFFECTIVE DATES.

(a) IN GENERAL.—Subject to subsection (b), this title and the amendments made by this title shall take effect on October 1, 1990, and shall be effective only for fiscal year 1991 and thereafter.

(b) SECTION 103 OF 1978 AGRICULTURAL TRADE ACT.—The provisions of section 103 of the Agricultural Trade Act of 1978 (as amended by section 1221 of this Act) shall apply to proposals pending or received on or after the date of enactment of this Act.

(c) SECTION 301 REGULATIONS.—The Secretary shall promulgate regulations to implement section 301 of the Agricultural Trade Act of 1978 (as amended by this title) no later than 180 days after the date of enactment of this Act.

SEC. 1272. CONFORMING CHANGES.

(a) REPEAL OF EXPORT SALES REPORTING.—Section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c-3) is repealed, effective upon the effective date of regulations promulgated under section 1271(c) of this Act.

(b) REPEAL OF OBSOLETE LAWS.—Sections 1124 and 1127 of the Food Security Act of 1985 (7 U.S.C. 1736s and 1736v) are repealed.

(c) REPEAL OF SENSE OF CONGRESS.—Section 1165 of the Food Security Act of 1985 is repealed.

Strike all of section 1109 that precedes proposed new subparagraph (B) of subsection (b)(2) of section 302 of the Food Security Wheat Reserve Act of 1980 (page 277, line 3 through line 13) and insert the following:

SEC. 1109. REPLENISHMENT OF THE FOOD SECURITY WHEAT RESERVE.

Section 302(b)(2) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1(b)(2)) is amended—

(1) by inserting "(A)" after "(2)";

(2) by striking "(A)" and "(B)" and inserting "(i)" and "(ii)", respectively; and

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

In section 1109, in proposed new subparagraph (B) of subsection (b)(2) of section 302 of the Food Security Wheat Reserve Act of 1980, strike "(A)" (page 277, line 17) and insert "(i)" and strike "(B)" (page 277, line 20) and insert "(ii)"; and strike "; and" at the end of proposed new subparagraph (B) (page 278, line 5) and all that follows through the end of section 1109 (page 278, line 7) and insert a period.

Conform the table of contents of the bill.

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PARLIAMENTARY INQUIRY

Mr. GEJDENSON (during the reading). Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GEJDENSON. We have some confusion. This is the language that is as a result of the Committee on Rules suggestion for an agreement between Agriculture and Foreign Affairs that we adopt to replace this title XII. It is our intention, once offered, to replace title XII, to accept two friendly amendments, and then leave it open for the amendments of controversy for tomorrow.

Is that procedurally possible, I ask as a parliamentary question?

The CHAIRMAN. As long as the Chair does not put the question on the Gejdenson amendment and the Committee rises, discussion and amendments hereto, amendments offered to the Gejdenson amendment, can, indeed, be offered.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I am happy to yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, our interest is that we might conclude any agreements that we have up to this point. It is not our intention to preclude any other amendments to title XII, and if we can consider this amendment with the understanding that we would not cut off any other amendments to title XII, and that we might have a unanimous-consent request to again bring up title XI and title XII at the next meeting for consideration of this legislation.

Mr. MADIGAN. Mr. Chairman, reserving the right to object, if a unanimous-consent request is pending, I am going to have to reserve the right to object. I do not have any idea what is going on here, and I am not sure that anyone else does.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The gentleman will suspend.

The Chair is entertaining a parliamentary inquiry. The Chair would suggest to the gentleman from Connecticut and the gentleman from Texas and the gentleman from Illinois that it would, indeed, be in order for the gentleman from Connecticut and the gentleman from Texas to introduce the amendment that the gentleman from Connecticut wishes to debate, and to have it completed and read. Then it would be in order, the gentleman should know, to have unanimous consent to set that aside and move to other amendments in title XII if, indeed, that is the wish of the gentleman from Texas and the gentleman from Illinois.

PARLIAMENTARY INQUIRY

Mr. MADIGAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MADIGAN. If we are going to set it aside, why is it necessary to have it introduced and read tonight?

The CHAIRMAN. The gentleman has already offered his amendment, and it is being read at this particular point.

Does the gentleman have a parliamentary inquiry?

Mr. GEJDENSON. Mr. Chairman, taking the Chair's time if I could for one moment, our intention is to accept several noncontroversial amendments where there is agreement on both sides.

Mr. MADIGAN. To the amendment?

Mr. GEJDENSON. To the amendment. Then put it aside so we do not take up the time of the House tomorrow leaving that time for amendments of controversy.

I believe the gentleman from Nebraska [Mr. BEREUTER] has an amendment that is generally agreed upon, and I believe that the gentleman from Illinois [Mr. DURBIN] has an amendment.

Mr. MADIGAN. Further reserving the right to object, we think that is a very orderly procedure, but we think it would have been very nice if somebody would have let us know what you were doing over there.

Mr. GEJDENSON. We apologize for not getting that information over to your side. We thought it had been transmitted to that side.

Mr. DE LA GARZA. Mr. Chairman, if the gentleman would yield, he includes himself in the apology to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I withdraw my reservation of objection.

Mr. Chairman, the gentleman from Illinois accepts the apology.

The CHAIRMAN. The gentleman from Illinois accepts the apology.

The Clerk will read.

The Clerk continued with the reading of the amendment.

The GEJDENSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GEJDENSON. Mr. Chairman, the amendment before the House reflects a compromise reached between the Committee on Foreign Affairs and the Committee on Agriculture on Food for Peace and Agricultural Export Promotion Programs.

I am offering this amendment on the behalf of the chairmen of those two committees and I am pleased to say that it constitutes a meaningful reform of the Food for Peace Act as well as an extension of the export promotion programs for another 5 years.

With respect to Food for Peace, we have succeeded in narrowing the number of agencies running the program from six to two and we have clearly delineated the lines responsibility between USDA and AID. There has been, as many of my colleagues are aware, a great deal of frustration with the way Food for Peace has been managed. Five, sometimes six agencies have been involved in the interagency process known as the DCC. At least 20 people meet on a weekly basis to go over each and every food agreement. The waste in personnel hours is mind-boggling. Moreover, since the DCC operates on basis of 100 percent consensus, each of the six agencies has an effective veto over every food aid agreement, a power that is regularly exercised in the DCC. The end result of all of this interagency bureaucratic haggling is delay after delay in getting food out to needy people.

The reform of Public Law 480 that the House has before it today will obviate the need for an interagency process by establishing clear lines of authority between the two agencies that currently run the food aid programs: AID and USDA. In this legislation the Secretary of Agriculture will have the primary responsibility for title I concessional credit sales while the Administrator of AID will have primary responsibility for titles II and III grant food aid. With this specific delegation of authorities the DCC should no longer be necessary.

Another important reform made by this legislation is in the policy statement governing Food for Peace Programs. Our legislation replaces the confusing and often conflicting goals in current law with a policy statement that makes food security the overriding objective of all food aid. This means that all other policy objectives, including economic development, trade expansion, and democratic participation shall be focused on enhancing food security. It is our express intent that food aid, whether in the form of concessional sales or grants, not be directed toward countries that do not need assistance in improving their food security.

In particular, food aid should not be used as a reward for good behavior and should not be handed out as a last resort when all other sources of foreign aid are depleted. Clearly, since the United States has a limited supply of food aid to give, it must be given to those countries most in need. And to more specifically guide USDA and AID in the allocation of this assistance, the reform legislation establishes new country eligibility criteria for all Public Law 480 programs.

With respect to title I, the legislation requires that sales agreements be concluded with those developing countries that have the greatest need for food and that have the demonstrated potential to become commercial markets for U.S. agricultural commodities. USDA is authorized to make the determination of countries eligible for title I. It is a task that USDA is fully capable of undertaking, just as it has in recent years in carrying out similar provisions in the 1978 Agricultural Trade Act and the 1988 Omnibus Trade and Competitiveness Act.

For title II, eligibility will continue to be based on a need for emergency food assistance, as it is in current law eligibility for receipt of food aid under the new Title III Grant Program will be based on food deficit indicators. AID is expected to give priority to countries that have the greatest need for food and that have demonstrated a commitment to policies to increase food security.

This reform legislation also specifies the uses of local currencies in a way that current law does not. Local currencies that are collected as repayment on title I concessional credit sales must be deposited in a special account and then spent by USDA on market development activities outlined in section 104 of the legislation. Agricultural development activities are also authorized under this section, but it should be noted that it is not the authors' intent that USDA programs in this regard overlap or duplicate agricultural development already being undertaken by AID. AID is our country's overseas development administration and shall remain so. USDA may assist and share its expertise and its title I local currencies with AID in the area of agricultural development, but it should not seek to supplant the agency.

Title II contains only limited authorization for in-country resale of donated commodities by PVO's and cooperatives. Any local currencies that are generated by such monetization are to be spent on storage, transportation,

and local hire costs directly associated with the distribution of the food.

Local currencies that are generated from the resale of title III commodities are also to be deposited in a special account and then jointly programmed by AID and the recipient country for economic development activities that are specified in section 301.

Title IV of the amendment contains a number of provisions applicable to the entire act, including revisions of the Secretary of Agriculture's docket authority. Section 401, for example, makes modifications to the Secretary's docket authority by requiring an annual determination of commodity availability to be made prior to the beginning of the fiscal year. Presently, docket determinations often come so late in the fiscal year that food shipments are delayed for months. This new requirement is expected to reduce the delays in getting food programs started.

Additionally, a reference in the docket to "commodities and quantities thereof which may be included in the negotiations with each country" was stricken with the purpose of ending USDA's practice of using the docket to micromanage Food for Peace Programs by making country-by-country docket determinations. While I recognize that the purpose of the docket authority is to safeguard the supply of commodities for domestic needs and for normal commercial exports, I believe that the docket authority has also been used as a means for USDA to second guess AID on the merits of particular food aid agreements to particular countries. The deletion of negotiations with each country is meant to halt this type of intrusion, while still protecting domestic concerns.

The Secretary is permitted to modify the docket determination during the fiscal year, but is required to provide Congress with prior notification together with the reasons for the modification in the docket. The executive branch may be assured that any modifications to the docket will be closely examined by Congress to determine that the reasons for the change are truly domestic in nature. It is our hope that once made, the docket will not need to fluctuate over the course of a single year. Repeated changes in the types and quantities of commodities available for Public Law 480 programs has an extremely disruptive effect on our country's efforts to carry out feeding programs and economic development activities overseas.

The amendment before us today also has a provision on usual marketing requirements that will also have to be carefully monitored as it too seeks to balance legitimate domestic interests with the need for stability in Food for Peace Programs. This provision, section 417(e), permits the Secretary of Agriculture to safeguard usual marketings on an aggregate annual basis for Public Law 480 countries. Again, it is not our intention to allow the Secretary to delay, disrupt or to prevent food and aid agreements on the basis of anything other than legitimate domestic concerns.

Title IV has a new section on interagency cooperation—section 417(b)—that is designed to allow USDA and AID to review each other's programs, to ensure that they will not conflict. Comments and objections are to be limited to each agency's areas of expertise. AID, for example, shall be consulted on proposed title I agreements to ensure that those agreements will not conflict with AID's development assistance and objectives for that country. USDA, for its part, will be given up to 30 days to review proposed title II and title III agreements with respect to USDA's areas of expertise. The Secretary, for example, shall seek to ensure that grants of food aid do not discourage or compete with U.S. commercial agricultural sales or that food aid does not unduly disrupt world prices for those commodities. However, comments by the Secretary regarding the effect of food aid on development or on the merits of a proposed use of local currencies in a title II or III program would not be warranted. It is our expectation that the full 30-day review period would be consumed on very few occasions.

Other provisions in title IV also affect the entire act. Multiyear programming—section 413—for example, is made mandatory for all Public Law 480 programs unless extraordinary circumstances exist making it unworkable. Earlier efforts by Congress, notably in 1985, to strongly encourage the executive branch to program commodities on a multi-year basis were not entirely successful and single year programming is still common in Public Law 480. But single year programming creates too much uncertainty in food aid programs. It is the intent of the author's of this legislation that single year programming become the exception rather than the norm.

Likewise, the use of military forces to distribute food aid should be the exception rather than the rule. The possibility of abuse and discriminatory distribution is too high when there is military involvement. Congress can be expected to closely review any waivers of this restriction.

The two committees have worked long and hard to craft this reform of Food for Peace and I think the outcome is a solid piece of legislation that we can all support. I think that the Agriculture Committee is happy with the way we have sought to protect their domestic interests and the Foreign Affairs Committee is satisfied that food aid under this legislation will be a more effective overseas development tool in the future.

Mr. DE LA GARZA. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, all of the interested parties, the majority, minority of both committees were to the fullest extent consulted, and we recommend the approval of the amendment.

Mr. Chairman, the Committee on Agriculture made significant improvements in the operations of our food aid—subtitle A—and trade promotion—subtitle B—programs in title XII of H.R. 3950. The Foreign Affairs Committee, which received sequential referral of the bill, accepted many of the Agriculture Committee provisions in subtitle A and virtually all of subtitle B. However, because the Foreign Affairs Committee made additional changes to subtitle A this necessitated a compromise amendment.

While I prefer the Agriculture Committee's approach to Public Law 480, I nonetheless respect the opinions of my friends at the Foreign Affairs Committee and am pleased that Chairman FASCELL and subcommittee Chairman GEJDENSON and I were able to come to a satisfactory conclusion in this matter. I thank them for their usual fine cooperation. Subcommittee Chairman GEJDENSON has worked very diligently in an effort to improve the Public Law 480 program, and he is to be commended for his dedication to this effort.

The Public Law 480 Food for Peace Program has been successful in benefiting millions of people in developing countries over the last 35 years. It has remained important to the U.S. agricultural community not only as an expression of humanitarian concern for problems of world hunger, food security, and market development purposes, but also as an important stimulus to economic development in Third World countries.

The program has not been without its problems, however, most of which have been centered in bureaucratic morass within our Federal agencies. While it is entirely possible that some of the problems can never be eliminated, the compromise is designed to reduce interagency delays and improve program operations significantly through provision of clear directives such as agency responsibility, deadlines for country agreements, multiyear availability of commodities, and timing of shipments.

The U.S. Department of Agriculture will have primary responsibility for administering title I, the concessional sales program. The Secretary of Agriculture decides whether sales will be made for dollars on credit terms or for local currencies, and local currency proceeds from sales in the recipient country can be used for trade and agriculture development purposes.

Because title I is a concessional sales program with the goal of long-term market development and development of the recipient country's agricultural sector, the compromise amendment includes self-help provisions. These requirements can be met through economic policy reform in the recipient country as outlined in the compromise amendment.

Title I also contains a debt foregiveness provision for least developed countries if the

countries are undergoing structural adjustments or pursuing economic policy reforms that would provide democratic, market-oriented and long-term economic development. Debt for nature swaps for Latin America and the Caribbean is also contained in the compromise.

The compromise amendment provides for increases in the title II minimum and subminimum availability of commodities if sufficient funding is provided for such increases, and dollar funding for private voluntary organizations and cooperatives, which was contained in both the Agriculture and Foreign Affairs bills, is retained.

The compromise provides a new Title III: Food for Development Government-to-Government Grant Assistance Program, and the agency with primary responsibility for administration of this program is the Agency for International Development. Countries eligible for grant assistance are those that meet the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference or those considered a food deficit country and characterized by high levels of malnutrition among a majority of its population. Self-help measures outlined in title I are also applicable to title III.

Under title III, local currency proceeds from the sale of agricultural commodities in the recipient countries are to be used for economic development purposes to enhance food security. Proceeds can be used for the purchase of agricultural commodities produced in the recipient country to meet relief requirements or develop emergency food reserves. However, with regard to the establishment of any food reserves, the Agency for International Development, taking into account the expertise of the U.S. Department of Agriculture, should evaluate very carefully, on a country-by-country basis, the effects of such reserves on the prices of agricultural commodities in the recipient country and the country's ability to maintain sufficient safeguards and provide adequate storage of such reserves.

The Department of Agriculture has responsibility for U.S. domestic commodity supply decisions, including assessing the food supply of this country and ensuring that domestic needs, domestic price levels, commercial exports and adequate carryover needs are met. Thus, the compromise amendment maintains the Secretary's authority over the availability of commodities for all our food aid programs.

However, because of past problems with the annual determinations on the types and quantities of available agricultural commodities for the Public Law 480 Program—commonly referred to as the docket—the compromise amendment incorporates a number of changes to the docket. First, the Secretary of Agriculture is required to announce the docket prior to the beginning of each fiscal year. Second, the Secretary is provided authority to modify the docket if he first provides information to the Congress. This provision gives the Secretary flexibility after his initial announcement to either increase or decrease the amount of commodities or to add a new commodity or withdraw a commodity to the docket if, based on the expertise of the Department of Agriculture, there is valid reason for such action. For example, the Secretary could increase commodity levels in a drought year when data collection at time of harvest indicates damage to a particular crop is not as severe as forecasted.

Also, the compromise provides that the President must consider time of harvest in the recipient country when timing shipments of agricultural commodities, and he is required, to the extent practicable, to maintain a stable level of requested commodities and seek to make such commodities available to fulfill multiyear agreements.

The compromise amendment retains provisions contained in both the Agriculture and Foreign Affairs bills regarding agents and brokers involved in the purchasing and transporting of food aid through the Public Law 480 Program, the Section 416 Program, and the Food for Progress Program.

Provisions prohibiting discrimination in the distribution of food aid in the recipient countries are included as well as a provision to prohibit distribution of food aid by recipient country military personnel except under exceptional circumstances.

Local currencies from sales of commodities under the program are prohibited from use in the production of commodities for export that would compete in world markets with similar U.S. commodities and cause substantial injury to U.S. producers, but an exception is provided for crop substitution or other alternative development activities undertaken for narcotics control objectives.

As specified above, the compromise provides that the Secretary of Agriculture is primarily responsible for administering title I and the Administrator of the Agency for International Development, for administering titles II and III. The compromise calls for full cooperation between the two officials with respect to each agency's expertise. The Secretary must consult with the Administrator on agricultural development projects only to ensure that any title I agreement is not inconsistent with U.S. development assistance objectives for the recipient country and the overall development strategy of the country. Conversely, the Administrator of AID must allow the Secretary of Agriculture to comment on proposed agreements only with regard to the expertise of the USDA. Since the type of information provided by the Secretary may not be readily available, he is allowed up to 30 days to review the proposed agreement. However, this time period is not meant to provide a delay in action by the Secretary, and it is anticipated that in almost all cases comment can be provided well within the specified time.

The Secretary's review of an AID proposal will not involve the specifics of a proposed project but will involve the department's expertise in assessing usual marketing requirements, whether there are commercial and concessional sales in the recipient country and if so the effect of the proposed project, effect on discentives to agricultural production, acceptability of the commodity to be supplied—for example, class of wheat—and so forth.

The consultation between the two agencies will also serve to avoid any overlapping agricultural projects being conducted under either title I or title III.

The compromise provides that, of the funds made available for implementation of titles I and III, funding for one title cannot be greater than twice the amount made available to carry out the other title. Although transfer authority is provided among titles of Public Law 480, such a transfer cannot take place if funding for either title I or title III falls below that stipulated above.

To determine the effectiveness of the Public Law 480 program and the revisions made to the program by the compromise amendment, the General Accounting Office is required to provide the Congress with independent evaluations of the program within 2 years after the date of enactment of this act and 2 years thereafter.

The Food for Progress Program is maintained in the compromise amendment with eligibility not only for developing countries but also for emerging democracies. In addition to being able to enter into agreements with governments of these countries, the President is authorized to enter into agreements with private voluntary organizations, nonprofit agricultural organizations or cooperatives.

With regard to subtitle B, the compromise amendment retains all the trade language approved by the Committee on Agriculture and accepted by the Foreign Affairs Committee. These provisions include 5-year authorizations for U.S. Department of Agriculture export trade programs, improvements in program administration and accountability, and new efforts to assist emerging democracies. The compromise also includes provisions of the Foreign Affairs Committee bill which provide for a long-term agriculture trade strategy, increase in foreign language proficiency in the U.S. Department of Agriculture's Foreign Agricultural Service, equity to fish products in export promotion programs, and a provision mandating that the Secretary of Agriculture ensure that guaranteed loans to emerging democracies do not negatively affect the political and economic situation in the countries.

AMENDMENT OFFERED BY MR. DURBIN TO THE AMENDMENT OFFERED BY MR. GEJDENSON

Mr. DURBIN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. DURBIN to the amendment offered by Mr. GEJDENSON: Strike section 1249 and insert the following:

SEC. 1249. PROHIBITION ON USE OF PROGRAMS WITH RESPECT TO THE EXPORT OF CERTAIN COMMODITIES AND PRODUCTS.

No program authorized or extended by this title or the amendments made by this title shall be used—

(1) for the specific purpose of assisting or encouraging the export, advertising, or promotion of cigarettes, snuff, chewing tobacco products, pipe tobacco, cigars, or little cigars; or

(2) for the purpose of encouraging importing countries to alter policies relating to the advertising, labeling, importation, or distribution of any product described in paragraph (1).

Mr. DURBIN. Mr. Chairman, this farm bill has considered many important issues today. It has been a long day of debate and consideration, and I will not prolong it. I will try to make

my comments as brief and concise as possible.

Among the agricultural commodities which we have considered is one of great controversy in our Nation and around the world, and that commodity, of course, is tobacco.

There is a fundamental policy inconsistency in the United States between our health and our trade policy. While our health policy discourages the use of tobacco and encourages Americans to consider those health consequences, our trade policy, even under the programs considered in this legislation, promotes the export of tobacco overseas.

The original amendment which I offered would have, in effect, eliminated all subsidies for tobacco exports overseas. I have come to learn that those are primarily for leaf tobacco rather than processed tobacco. After some consideration and consultation with the gentleman from North Carolina and others, this amendment has been offered in its stead.

What this amendment attempts to do is to address the question of our export subsidies for tobacco from a different perspective, trying to make certain that we have a consistent health and trade policy when it comes to this commodity. The reason for this new amendment, I think, is that inconsistency and contradiction which has been found time and again.

What this amendment says, in a clear statement, is that the export subsidy programs for tobacco cannot be used for processed tobacco, and we enumerate the various forms and, second, that none of the export subsidies for tobacco can be used in contravention of the health policy of importing nations.

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We have had some embarrassing episodes where some nations have complained that the U.S. Trade Representative and other agencies of this Government has been forcing American tobacco into their market in contravention of their own health policies.

What we are attempting to do with this amendment is to make it clear that under the export trade programs included in this bill, that that cannot happen in the future. That is the reason why I offered this amendment.

Mr. Chairman, at this point I would like to yield to the cosponsor of the amendment, the gentleman from Massachusetts [Mr. ATKINS].

Mr. ATKINS. Mr. Chairman, this amendment makes a very pertinent statement in terms of U.S. trade policy. It assures on the one hand fairness to American farmers, and on the other hand it assures that our trade policies do not do things abroad that would contradict the basic health principles that we have established in this country.

Mr. Chairman, I think this is an important amendment. It is one that I am very pleased to have worked out with all the parties. I hope it passes.

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from North Carolina.

Mr. ROSE. Mr. Chairman, I want to sincerely thank the gentleman from Illinois [Mr. DURBIN] and the gentleman from Massachusetts [Mr. ATKINS] for working closely with us, to explain to us their concerns and place the word in the bill as they have described them. I have no objection to the amendment, and I recommend that it pass.

Mr. DURBIN. Mr. Chairman, I thank the gentleman from North Carolina [Mr. ROSE].

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, do I understand the amendment of the gentleman from Illinois [Mr. DURBIN] now to not apply to leaf tobacco, raw leaf tobacco, but only to processed tobacco in the form of a manufactured product?

Mr. DURBIN. Mr. Chairman, reclaiming my time, that is correct.

Mr. ROGERS. And it it does not apply to leaf tobacco?

Mr. DURBIN. It does not.

Mr. ROTH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have looked at the Durbin amendment and we accept the amendment. I would like to say that the amendment being offered as a substitute has strong bipartisan support between the Committee on Foreign Affairs and the Committee on Agriculture. The compromise we put together in this amendment will make our Nation's food aid programs more efficient in the delivery of food to hungry people, more effective in meeting the multiple objectives of our food aid policies, and more accountable to the American people.

Mr. Chairman, basically that is what we have been searching for. The amendment focuses our Nation's food aid program on those truly in need and helps to alleviate some of the ongoing nutrition problems in the developing world.

It seeks to fine-tune our food aid machine and make it more efficient, not only in providing food, but also in creating incentives for development programs that will provide long-term solutions to the problems dealing with hunger.

Mr. Chairman, this compromise will also help the U.S. competitiveness in international trade by promoting U.S. agricultural exports and developing new markets for American agricultural products.

I urge my colleagues to support the bipartisan effort to improve the effectiveness and efficiency of American programs to feed the hungry people around the world.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DURBIN] to the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON].

The amendment to the amendment was agreed to.

The CHAIRMAN. Are there further amendments to the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON], as amended?

AMENDMENT OFFERED BY MR. BEREUTER TO THE AMENDMENT OFFERED BY MR. GEJDENSON, AS AMENDED

Mr. BEREUTER. Mr. Chairman, I offer an amendment to the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. BEREUTER to the amendment offered by Mr. GEJDENSON, as amended:

In section 1206(d)—

(1) in the subsection heading, strike out "DEBT-FOR-NATURE" (page 10, line 5, and 6) and insert in lieu thereof "DEBT";

(2) at the end of proposed section 105A, strike out the closing quotation marks and the second period (page 15, line 12); and

(3) after proposed section 105A (page 15, after line 12) insert the following:

"SEC. 105B. DEBT-FOR-DEVELOPMENT AND AGRICULTURAL SWAPS FOR LATIN AMERICAN AND THE CARIBBEAN.

"(a) DEBT CONVERSION.—To the extent provided for in an agreement meeting the requirements of subsection (b), the President may reduce the debt obligations of an eligible country owed to the Commodity Credit Corporation under sales agreements under this title.

"(b) DEBT REDUCTION AGREEMENT.—The agreement referred to in subsection (a) is an agreement between the United States Government and the government of the eligible country which includes the following requirements:

"(1) REPAYMENT OF INTEREST IN LOCAL CURRENCY.—Interest payments due on the principal remaining following the reduction of debt obligations under subsection (a) shall be made in local currency at an agreed rate.

"(2) TRUST.—A trust shall be established by the United States Government to receive the interest payments described in paragraph (1).

"(3) USE OF FUNDS FOR AGRICULTURAL DEVELOPMENT AND POVERTY REDUCTION PURPOSES.—Amounts paid to the trust shall be made available by the trustee (in accordance with the agreement) to indigenous charitable, educational, scientific, cooperative, or other appropriate nongovernmental organizations, or to other appropriate entities, for use in—

"(A) projects for the development of, research on, and the study of agriculture-related activities, and projects for the control or eradication of animal and plant pests and diseases in the eligible country, and

"(B) increasing educational opportunities or improving the nutrition, health, or income-producing abilities of the poorer of the eligible country.

"(c) CRITERIA FOR SELECTING COUNTRIES.—In determining the countries with respect to which the authority of this section will be exercised, the President shall take into account—

"(1) the needs for financial resources for use in the activities referred to in subsection (b)(3);

"(2) the commitment of the government of that country to the long-term viability of activities undertaken through debt-for-development and agricultural swaps under this section; and

"(3) the commitment of the government of that country measurably to increase access to educational opportunity, improve agricultural productivity, and improve the nutrition, health, and income-producing abilities of the poor.

"(d) ELIGIBLE COUNTRIES.—For purposes of this section, the term 'eligible country' means a country in Latin American or the Caribbean that the President determines—

"(1) is operating under a heavy debt burden;

"(2) has adopted a strong economic reform program in conjunction with multilateral agencies such as the International Monetary Fund, the International Bank for Reconstruction and Development and the International Development Association, and the Inter-American Development Bank; and

"(3) as appropriate, has concluded a financing package with commercial banks including debt and debt service reduction.

"(e) CONSULTATION REQUIREMENTS.—The President should consult with international organizations, domestic or foreign nongovernmental organizations, and colleges and universities, that have expertise with respect to agriculture and development matters—

"(1) in identifying countries and projects with respect to which the authority of this section should be exercised,

"(2) in identifying countries and projects that are in particular need of immediate assistance in order to support and promote the control or eradication of animal and plant pests and diseases that are imminent threat to agriculture within the Western Hemisphere;

"(3) during the negotiation of an agreement pursuant to subsection (b) with respect to the uses of funds pursuant to subsection (b)(3); and

"(4) with respect to whether funds paid to the trust are being used for the intended purpose.

"(f) ANNUAL REPORTS.—Each year, the President shall submit to the Congress a report which describes the agreements entered into under this section during the preceding fiscal year.

"(g) APPROPRIATIONS ACTION REQUIRED.—The authority of subsection (a) may exercised only to such extent or in such amounts as are provided in advance in Acts appropriating funds to carry out this Act.

"(h) RELATION TO SECTION 105.—This section should not be construed to limit the authority of the President to provide debt forgiveness under section 105 of this Act for eligible countries (as defined in this section).

"(i) APPLICABILITY—The authority of this section applies only with respect to sales agreements entered into before the date of enactment of the Food and Agricultural Resources Act of 1990.".

Mr. BEREUTER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment, as amended, be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Mr. Chairman, this amendment has been worked out with the chairman of the Agriculture Committee. I especially appreciate his interest and leadership on this matter. My amendment takes into account his proposed initiatives on debt for agricultural development. The amendment deals with the subject of debt for development and agriculture swaps. This amendment parallels the section in the Gejdenson amendment giving discretionary authority to the President to provide debt reduction on Public Law 480 debt to countries in Latin America and the Caribbean in exchange for environmental protection activities. It is important to grant a similar authority to the President to do swap agreements that will help development and agriculture, particularly in programs that help the nutrition of the poorest people and the development of local agriculture and combatting plant and animal pests and diseases in this hemisphere. Both the language in the bill and this amendment limit such debt reduction authority to use in countries that are also undertaking serious economic reform measures.

I feel it is important to supplement the important provisions in the legislation dealing with debt-for-nature swaps because it is recognized by environmental and development groups that the welfare of natural resources and of people, particularly poor people, are intimately intertwined. In this legislation, which is concerned especially with food assistance, we need to take the broad view of development if we are going to make real progress against environmental degradation and hunger. Our President should be authorized to agree on debt reduction swaps for past Public Law 480 debts to countries in Latin America and the Caribbean for whatever projects he deems will best promote and preserve the future health of the environment, agriculture, nutrition, and people of those countries.

Mr. Chairman, I would like to say that this amendment is endorsed by a wide variety of groups: the national cooperatives, the agricultural cooperatives involved in international affairs, an organization called InterAction, which is a coalition of 115 major U.S. private voluntary organizations, including CARE, Save the Children, the land grant colleges and universities of the country, the World Council on Credit Unions, the National Rural Electric Cooperative Association.

Mr. Chairman, USDA has reviewed this and has no objection. State and Treasury have reviewed this for technical correctness and offer no position on it.

Mr. Chairman, I encourage Members to support the amendment to the amendment as amended.

Mr. DE LA GARZA. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Texas.

Mr. DE LA GARZA. Mr. Chairman, I am happy to inform the gentleman from Nebraska [Mr. BEREUTER] that from the work done by staff and our perusal of the amendment, we will be happy to accept it on behalf of the Committee on Agriculture.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I am pleased to yield to the gentleman from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Chairman, let me say, as often is the case, the gentleman from Nebraska [Mr. BEREUTER] has made a very positive addition to the amendment. Both the gentleman from Nebraska and the gentleman from Wisconsin [Mr. ROTH] are excellent members of the committee. Oftentimes our constituents back home see us fighting in partisan battles. I would just like to say that in our committee, working together with the gentleman from Wisconsin [Mr. ROTH] and the gentleman from Nebraska [Mr. BEREUTER] has been a real pleasure. Both gentlemen have made a tremendous contribution to this legislation. I would like to thank both of them and support the amendment by the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, reclaiming my time, I thank the gentleman from Connecticut [Mr. GEJDENSON] for his kind words.

Mr. Chairman, I would end by expressing my appreciation to both the minority and majority staff on the Committee on Agriculture for assisting us on this effort.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have already had it indicated by both sides that this is a bipartisan agreement. It is a compromise. The amendment offered by the gentleman from Connecticut [Mr. GEJDENSON] to title XII of the farm bill represents a compromise between the Committee on Agriculture and the Committee on Foreign Affairs, more especially in regard to Public Law 480, the Food for Peace Program. There is bipartisan support for this compromise.

However, Mr. Chairman, I would like to note the following for the record:

The administration has expressed its strong objection to various congressional efforts to bypass presidential authority and establish the executive branch structure for administering the

Public Law 480 program. The administration believes it imperative that the authority to direct, manage, and delegate responsibilities for food aid programs be maintained by the President. The amendment offered by the gentleman from Connecticut [Mr. GEDJENSON] is an improvement, in this regard, over the language reported by the Foreign Affairs Committee. It grants authority for administering the Public Law 480 program to the President who, in turn, must designate officials with "primary" responsibility for each title. I view this language, in sum, as an unnecessary and undesirable intrusion into executive prerogative. Nonetheless, I read the language as clearly granting the authority to the President, who in turn, maintains significant flexibility in delegating that authority.

The amendment states it is U.S. policy to use our abundant agricultural productivity to promote the foreign policy of the United States. He must ensure that as this legislation is considered by Congress, the President is provided adequate flexibility to do just that.

Mr. Chairman, I have a full explanation of the Public Law 480 program, the Food for Peace Program.

The primary program used by the United States to provide food to developing countries is the Food for Peace Program, also known as Public Law 480. The United States is the world's largest food aid donor, providing over one-half of all types of food aid. Almost 36 years ago the Food for Peace legislation was enacted to provide for urgent humanitarian needs through the effective use of the agriculture commodities of the United States. Donations of food make a life or death difference for victims of natural disasters, civil wars, or poor local production. Since 1954, the United States has donated more than $10 billion in food to over 110 countries—and millions of people have been helped. Concessional sales of almost $30 billion of agricultural commodities have also been provided, to promote economic growth and development.

The overall growth and development of countries is one of the major goals of Public Law 480; the ultimate hope is to feed people and allow them to strengthen their countries so that they may eventually become our economic and political partners. Countries may start out as recipients of food aid, but eventually become trading partners such as Brazil, Chile, Korea, and Spain. It is my hope that we do not lose sight of this objective through what may be perceived as short-term goals, which ultimately become long term problems. The flexibility of Public Law 480 to allow the progression of a country from a recipient to a trading partner must be maintained.

Public Law 480 was established with a multitude of goals in mind: to provide U.S. agricultural commodities to combat hunger and malnutrition and encourage economic development in developing countries; to increase the consumption of U.S. commodities in foreign countries; and, to improve the foreign relations of the United States. As with any program with established goals, balances must be achieved among the multiple purposes of the program. Each goal is a shared goal—those interested in the development of a country must be interested in feeding poor people and promoting the agricultural base of the country. No one goal is mutually exclusive. This may not be a perfect process; but it is one that we must promote if we are to continue the wide basis of support we have in this country for food assistance to foreign countries. To abandon it, I believe, is to abandon the developing countries we want to help.

I am often asked why we in the United States allow situations such and those that exist in the world to continue. We have an abundance of food here. I respond that it is not a matter of our letting things happen; it is a matter of natural disasters, circumstances of the country in need and civil wars that enter into the picture and hamper our ability to deliver food. We are a generous country and certainly we can improve upon the situations presented to us.

Nevertheless we must keep in mind that the solutions to the problems of world hunger are not easy ones and that we must always recognize what can be done and the role of the United States to improve the situations in other countries and the lives of their people.

Public Law 480 is one means by which we can accomplish this.

The amendment offered by Mr. GEJDENSON to title XII of H.R. 3950 represents a compromise between the Committee on Agriculture and the Committee on Foreign Affairs concerning Public Law 480, the Food for Peace Program.

Both title XII reported by the Committee on Agriculture and the title reported by the Committee on Foreign Affairs improved the existing Public Law 480, the Food for Peace Program in the following manner:

Additional grant authority is provided to assist countries with food deficit and significant malnutrition.

Debt forgiveness authority is provided for those countries with economic restructuring problems.

$10 million to $13.5 million is provided for administrative expenses of private voluntary organizations overseas who may have curtailed activities in Africa or could not participate in Africa because of lack of funds.

Announcement of commodity availabilities and quantities are required at the beginning of each fiscal year.

Consideration must be given to the time of harvest of competing commodities in the recipient country when making commodities available.

Agreements with recipient countries must be signed by November 30 of each year, except in extenuating circumstances.

A stable level of commodities must be provided.

Multiyear agreements are provided.

Expansion of the farmer-to-farmer program is provided.

All of the above elements are retained and the compromise offered by Mr. GEJDENSON also provides:

Title XII of H.R. 3950 will be named the Mickey Leland Food for Peace Act.

Three titles will govern provision of food to developing countries. Title I provides for concessional sales and agricultural development; title II provides for grants for famine relief and other assistance; and the new title III provides grants for development.

USDA is given primary responsibility for title I and aid is given primary responsibility for titles II and III. Each agency is required to ensure full cooperation with the other agency with respect to that other agency's area of expertise.

USDA continues its authority over the Commodity Credit Corporation and over all determinations of commodity availability

Increases in commodities are provided for the title II grant program, subject to availability of funding.

The Food for Progress Act is amended to restate the availability of assistance for emerging democracies.

Economic assistance funds can be used for agricultural alternatives to drug production.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I am happy to yield to my friend the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, the gentleman from Kansas [Mr. ROBERTS] is making some legislative history here. It is true that this is a compromise that still upsets a few people in the executive branch, but we have an arrangement now where we have a consensual kind of decisionmaking process that seems not to be responsive to opportunities when they come along.

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And yes, the gentleman is quite right, it does retain the President's total authority to delegate responsibility to AID or USDA or whoever and whatever agencies he might choose. But it does move away, as I think the gentleman would agree, from the current consensual decisionmaking process sometimes involving five or six agencies, and that is our intent.

Mr. ROBERTS. I thank the gentleman for his clarification, and more especially for his contribution to this compromise bill.

Again I thank the gentleman and yield back the balance of my time.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I certainly do not want to object in any way to the language which is being put before us this evening. But I do want to take this time to make a few observations, because I see some problems developing with respect to the entire debt question, debt forgiveness authority and the lack of coordination in arriving at a rational national policy on the subject.

We have had the effort made by the gentleman from Connecticut [Mr. GEJDENSON] and others. We have had the effort made by the gentleman

from Nebraska [Mr. BEREUTER]. There are very few Members of this House for whom I have more respect than the gentleman from Nebraska.

But we also have in H.R. 5153, the Banking Committee bill, a number of approaches which are at variance with the approaches being laid out here this evening. In addition, my own Foreign Operations Appropriations Subcommittee has also provided authority to the President with respect to recognizing the uncollectibility of large portions of Polish debt. The administration on June 10 announced a Latin American and Caribbean debt forgiveness proposal that will require legislation. The budget summit has a credit task force which is dealing with this issue looking at how new loan programs ought to be scored, how debt rescheduling and restructuring and forgiveness ought to be accounted in the budget.

Clearly there are many proposals which relate to the problem. My only point at this time is that I think that these proposals need to be much better coordinated. I am concerned for instance, about the suggestion or the concept of per capita external debt relief for countries who have debt in excess of $1,500 per capita. I question whether or not that is really an accurate gauging of creditworthiness of a country or the ability of a country to pay its foreign debts. It just seems to me that there are other measurements which can be used, which have a far greater relationship to reality than that.

I am not going to object to the specific language before us, but I do think that there are a number of problems associated with it, and I do think that sometime before we reach a final resolution we are going to have to have a pulling together of all of these threads, because otherwise we are going to wind up with a very ad hoc policy which makes not very much sense.

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as chairman of the subcommittee of the Agriculture Committee that deals with the subject matter of this title, I feel that the CONGRESSIONAL RECORD would be seriously deficient if it did not include some well chosen remarks from me.

Mr. MADIGAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, title XII, agricultural trade and assistance, contains two provisions that I offered. They are the expansion of the Farmer-to-Farmer Program and the Middle Income Country Fellowship Program. These are two extremely worthwhile programs and I am pleased that they are a part of the farm bill.

I know the gentleman from Nebraska, Mr. BEREUTER, is also vitally interested in these programs, especially the Farmer-to-Farmer Program. The Farmer-to-Farmer Program is broadened so that middle income countries and emerging democracies are now included and the funding is doubled. The Farmer-to-Farmer Program sends American volunteers to help farmers in developing countries—and will be able to send them to middle income countries and emerging democracies. The purpose of the program is to increase agricultural production through the adoption of U.S. practices and techniques. This hands-on technical assistance is beneficial to countries and to American agriculture.

Under the support for Eastern European Democracy Act the Farmer-to-Farmer Program is operating in Poland to assist in the development of private agriculture. The provision of this bill will enable that work to continue in Poland and to expand to other Eastern European countries.

The Middle Income Country Fellowship Program is a good match with the Farmer-to-Farmer Program. The fellowship program provides training opportunities and study tours for people involved in agriculture from middle income countries. The program provides training opportunities aimed at increasing trade and market development between the United States and countries involved in the fellowship program. These countries include Singapore, Poland, South Korea, and many others. I have firsthand knowledge of the value of this program and am pleased to see it included in the bill before us today.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. MADIGAN. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman very much for yielding and want to commend him for the additional work he has done on the Farmer-to-Farmer Program, particularly as it relates to the reemerging democracies in Eastern and central Europe and the changes that he has made as a result of the effort of the Agriculture Committee. I think they are highly appropriate, and I commend him for it.

Mr. Chairman. When traveling in Central America several years ago, the members saw the opportunity to send the best American farmers to provide hands-on training and technical assistance to help poor farmers to bootstrap their way to prosperity. In these war-torn countries, these farmers and campesinos needed agricultural development to increase their income and economic development to make stable democracies possible.

Today, that idea is a reality in the Farmer-to-Farmer Program in H.R. 3950 which the members sponsored 5 years ago in the farm bill. It is both helping farmers and strengthening democracy in developing countries.

American farmers have the expertise in the entire range of agricultural activities all the way from the farm to the marketplace. I was sure that if asked, American farmers would be willing to share their experience and donate their time and talent as volunteers. That has come true.

The Farmer-to-Farmer Program is one of the most successful assistance efforts and certainly among the least costly. This has been attested to in numerous evaluations and from firsthand reports from returning volunteers.

The program is administered by volunteers in Overseas Cooperative Assistance [VOCA] which has sent 800 volunteers to 87 developing countries to provide short-term technical assistance. The program received the Presidential End Hunger Award in 1989. At the White House ceremony, President George Bush cited VOCA as having the "vision, initiative, and leadership in the effort to achieve a world without hunger."

Why is the Farmer-to-Farmer Program successful?

First, the quality of assistance is excellent. VOCA typically only sends very experienced farmers and agriculturalists who usually have decades of firsthand experience to provide local farmers.

Second, projects are carefully screened to assure that short-term technical advice can make a critical difference.

Third, receiving organizations must request the assistance, express their willingness to adopt the recommendations and share the costs of the volunteer.

Fourth, volunteers directly reach those who need and want the information, advice and training in the field.

Fifth, it is a volunteer program where our farmers are motivated to provide impartial advice and to help without any monetary considerations.

Permit me to thank my colleague EDWARD MADIGAN, the ranking member of the House Agriculture Committee. My amendment 5 years ago took a dormant provision in the Food for Peace Act and provided only one tenth of 1 percent of Public Law 480 funding to initiate the Committees, my colleague and the Members have sponored a revision of the basic legislation to reflect how it is currently being successfully implemented.

The Congress has chosen to expand the coverage of the program to include middle income countries and Eastern European democracies which are important to U.S. agricultural markets. However, in expanding the program, we have not lost sight of its primary importance to the really poor countries. Funding has been increased to 0.2 percent of Public Law 480 in order to maintain current programs and allow for expansion. We should slacken our efforts to address dire hunger in order to meet new needs for agricultural expertise in Eastern Europe.

This Member strongly encourages his colleagues to support the Farmer-to-Farmer Program in title XII of H.R. 3950.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON], as amended.

The amendment to the amendment, as amended, was agreed to.

Mr. DE LA GARZA. Mr. Chairman, I continue again my unanimous-consent request that title VI be deferred for further consideration and that titles XI and XII remain open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PANETTA. Mr. Chairman, I rise today to speak in support of H.R. 3950, the Food and Agricultural Resources Act of 1990. Let me begin by saying that I believe that the House Agriculture Committee has done an outstanding job on the 1990 farm bill. The success of the 1985 farm bill will be continued under the measure reported by the House Agriculture Committee.

The American consumer will be guaranteed an affordable, wholesome, and safe food supply. In addition, people all over the world who depend on U.S. agricultural products will continue to have access to these products. Our U.S. farmers will continue to be able to operate their farms and to receive good prices for their crops. Agricultural research will continue to improve agricultural techniques. This bill marks a significant step toward preserving our natural resources for future generations. And finally, the bill provides the most significant changes to the food stamp and other nutrition programs administered by USDA to come before the House in nearly a decade.

I would like to take just a moment to discuss the nutrition title of the bill, which is of particular importance to me. Title XVII contains my legislation, H.R. 4110, the Mickey Leland Memorial Domestic Hunger Relief Act. This is a very special piece of legislation which was named in honor of our late colleague, Mickey Leland. The title addresses the continuing problem of domestic hunger. I am pleased that this title has been a bipartisan effort, thanks to the efforts of BILL EMERSON, the ranking Republican on the Domestic Marketing, Consumer Relations, and Nutrition Subcommittee. CHARLIE HATCHER, Chairman of the Subcommittee.

Recent date indicate that 2 to 5 million children do not have adequate food and that millions more may be at risk of hunger. The U.S. Public Health Service has reported that the Surgeon General's goal of eliminating growth retardation of infants and children caused by inadequate diet cannot be met under present circumstances. Recent research show that hungry children have significantly impaired abilities to learn and are more likely to suffer from health problems. Clearly, proper nutrition for all of our Nation's children must be a top national priority.

The centerpiece of the bill is a pair of provisions designed to alleviate hunger among the homeless and near-homeless. HUD and Census Bureau data show that 45 percent of all poor renters spend at least 70 percent of their incomes on shelter costs. Households that are forced to devote this much of their income to shelter costs will almost by definition be at severe risk of hunger. Moreover, the high cost of shelter for low-income Americans is forcing more and more of them to double-up in housing. Unfortunately, current food stamp rules do not properly recognize the needs of these households.

The nutrition title of the farm bill would allow households with children to deduct high shelter costs in the same way that elderly and disable households do at present. Under current law, households may deduct shelter expenses that exceed 50 percent of their incomes, but only up to $177 a month. The cap does not apply to elderly and disabled households.

In addition, this legislation would simplify the current food stamp household definition. It would require that persons purchasing and preparing food together apply for food stamps as a single household. Adults who buy and cook food on their own could do so as separate households from their relatives. The bill would still require parents and their minor children to be in the same household. The current household definition discourages low-income people from doubling-up in the homes of relatives. This is extremely counterproductive at a time of rising homelessness.

The bill also addresses many other real issues facing families and individuals who need nutrition assistance. I know that some of my colleagues are cncerned about the cost associated with the changes proposed in the Mickey Leland Act. I, along with my colleagues who have been working on this legislation, remain committed to our commitment to ensure that this initiative is paid for in the budget resolution and the Gramm-Rudman targets. For this reason, the bill as being considered today meets the House passed budget resolution numbers and the final bill will conform with the cost provided for in the budget summit agreement when it is reached.

Clearly our Nation is facing a severe budget deficit, but we need to set spending priorities for our Federal dollars. I believe that no greater priority exists than feeding our Nation's children. This bill will provide more assistance, so that families will not have to choose between eating and paying the rent. I urge my colleagues to support the nutrition provisions as reported by the House Agriculture Committee.

I am also pleased that H.R. 3950 contains a provision providing for the establishment of a Mushroom Research and Promotion Program. This program would be industry funded and would provide a much needed coordinated research program for the mushroom industry. I believe that this program will lead to increased growth in the mushroom industry through greater consumer acceptance and improved growing methods.

I will also be joining my colleagues MIKE SYNAR and DAN GLICKMAN in offering an amendment to ban the export of certain pesticides. This amendment represents a compromise that was reached between the sponsors of this measure and others with interest in this issue. I believe that it addresses a very real concern about the use of pesticides that are illegal for use in the United States and that come back into our country on foods imported from abroad. This circle of poison must be controlled. The amendment to be offered by myself and Representatives SYNAR and GLICKMAN addresses this very real problem.

I urge my colleagues to support H.R. 3950 as reported by the House Agriculture Committee. This bill represents the continued success of American agriculture and the abundant food supply that Americans and many people all over the world rely on for the food needs.

Mr. HALL of Ohio. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Connecticut [Mr. GEJDENSON] to title XII of H.R. 3950. This amendment, which reflects a compromise between the Committees on Agriculture and Foreign Affairs, improves our food aid programs under subtitle A. The gentleman from Florida, chairman of the Committee on Foreign Affairs [Mr. FASCELL], and the gentleman from Texas, chairman of the Committee on Agriculture [Mr. DE LA GARZA], are to be complimented for their attention to the needs of the poorest people in the poorest countries of the world. On the Foreign Affairs Committee, the gentleman from Connecticut [Mr. GEJDENSON], chairman of the Subcommittee on International Economic Policies and Trade, and the ranking minority member of that subcommittee, the gentleman from Nebraska [Mr. BEREUTER] have done exemplary work. I am particularly pleased that the gentleman from Nebraska [Mr. BEREUTER], whose work has been critical to the success of this reform effort, is also a distinguished member of the Select Committee on Hunger.

As a member of the Select Committee on Hunger since its inception in 1984, and now as its chairman, I pay special attention to the use of American food to feed people in need and promote food security in poor countries around the world. I have traveled to evaluate our food aid programs in countries in Asia, Africa, and Latin America. Through my personal observations and Hunger Committee hearings on Public Law 480, it became clear to me that some of our food aid programs are very effective, but, sadly, others no longer work well.

In particular, I saw too many instances of American food given to countries that have done political favors for us, regardless of their food needs. This illegitimate use of food aid, unfortunately, is much too common in our programs across the developing world.

The present compromise should go a long way to stopping this inappropriate use of our food. This compromise states clearly, in section 2 of subtitle A, that the purpose of food aid is "to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of agricultural commodities, and local currencies generated by the sale of such commodities * * *." The critical concept of food security is defined in the bill as "access by all people at all times to sufficient food and nutrition for a healthy and productive life." These are the correct standards to guide our food aid programs.

The second major problem with our food aid programs has been a lack of accountability. Title I has had no clear "chief," and so there has been much too much bureaucratic infighting among the executive branch agencies and departments and offices over the details of these programs. By making it clear that USDA has the primary responsibility for title I market development programs and that AID has primary responsibility for title III food and food security programs, this unnecessary infighting

will be brought to an end. I pledge that the Select Committee on Hunger will study with great care the implementation of these programs to ensure that the wisdom in this compromise is executed by the responsible officials in the executive branch.

I urge all Members to support this amendment, and the entire Food and Agriculture Resources Act of 1990.

Mr. MILLER of California. Mr. Chairman, few bills considered by this House have disturbed me more than the one we are currently considering.

The current Federal agriculture program is overly expensive, poorly administered, and difficult to justify.

The runaway spending and subsidies in the Federal farm program are costing the American taxpayer an estimated $40 billion this year. There are only 320,000 full-time farmers in the United States, and their average net income was $168,000 in 1988.

Taxpayers are therefore spending about $100,000 per farmer to subsidize the income of people making $168,000 a year. That's about 200 times the average assistance given to food stamp recipients.

I support farmers and rural America. However, in these days of skyrocketing deficit and Federal costs, I find it hard to justify spending this kind of money, year after year, on the farm program.

From 1972 to 1986, according to the General Accounting Office, farm spending has been 78 percent higher than originally predicted.

Perhaps these extraordinarily high costs could be justified if they fixed the farm mess; but they don't. Year after year, costs escalate and farm problems remain unresolved. We are paying to sustain the farm crisis, not to remedy it.

This year alone the Federal Government will spend over $8 billion in direct payments to farmers, in addition to $6 billion in price support loans—which have been defaulted on as much as 90 percent in recent years.

This year we will spend half a billion dollars to sell Americans crops overseas—at a loss.

More than $1 billion will go to the Food for Peace Program that destabilizes foreign agriculture by dumping our surplus on overseas markets.

The Agriculture Department is also dispersing $200 million a year under the Targeted Export Assistance Program to underwrite foreign advertising by U.S. companies like Gallo and McDonalds.

Add to this marketing orders—that are nothing more than federally sanctioned price-fixing agreements—FHA loans and loan guarantees, $3 billion; crop insurance, $1.2 billion; agricultural research, $1 billion; conservation and set-aside assistance, $3.3 billion; and one of my personal favorites, water subsidies, including hundreds of millions to farmers who are using the subsidies to grow price-supported surplus crops, and you have a classic program in which the profits are privatized and the losses are socialized.

That isn't traditional farming, and it isn't free enterprise.

It's bad farm policy, and it's bad fiscal policy for the U.S. taxpayer.

At the recent economic summit, President Bush vigorously called for an end to agricultural subsidies. Today, we have an opportunity to make good on that promise by imposing some fiscal controls and budgetary reality on a program that is not only expensive, but a wholesale failure as well.

I know that farmers argue that without these Federal supports food shortages and trade deficits will follow. Most of that rhetoric is nonsense. Some farmers will go out of business, just like some automobile companies, aircraft manufacturers, and fast food restaurants have gone out of business. That is the nature of our economic system.

The time has come to end operating our agricultural program like a socialist program awash in taxpayer subsidies. Bankrolling waste, inefficiency, and duplication has to stop.

There may be some pain and readjustment, but at least it won't cost us $40 billion a year—money we don't have and cannot afford to squander.

If that means some farmers go out of business, or that some must pay for formerly free services, or that food companies have to pay their own costs to promote exports, then that is the cost of getting this program back to reality.

I, for one, am fed up with those who rail against "wasteful spending" and "government involvement" for children, working families, the sick, and the disabled.

If this were the Food Stamp Program and not the farm program, many of those who are lobbying hard for this bill would instead be demanding massive cutbacks and investigations in light of these abuses and cost overruns.

Because this is the farm program, we are told that our obligation is to throw more and more money at problems that do not change and finance solutions that have utterly failed.

If all our promises to control the budget and reduce the deficit are anything more than hot air, then let's show it here by slashing the costs of this outrageously costly and ineffective program.

Mr. HOCHBRUECKNER. Mr. Chairman, I rise in strong support of the 1990 farm bill, H.R. 3950, and I would like to call to the attention of the House one particular provision on the bill, section 1384, which concerns composting. This provision is identical to the Composting Research Act of 1990 (H.R. 4490), which I introduced on April 4.

As members know, the United States faces a serious and worsening garbage disposal crisis. Americans generate over 160 million tons of trash each year. Only about 11 percent of this garbage is being recycled, while 76 percent is entombed in landfills and 13 percent is incinerated. Since 1978, 70 percent of all U.S. landfills—14,000 facilities—have been closed. In my own district, all landfills must close permanently this December under a New York State law intended to protect our groundwater. More and more jurisdictions in this Nation are running out of places to hide their waste, and they have seen little leadership from Washington in addressing the problem.

One important strategy in addressing the waste disposal crisis is composting, which reduces waste to a mulch-type material through natural decomposition. Composting is an ancient technology that holds great promise for modern society. When one considers the contribution of yard waste, food waste, and nonrecyclable paper, between 30 and 60 percent of the solid waste stream is potentially compostable. Other compostable materials include food processing wastes, municipal sewage sludges, animal manures, and dead poultry. The latter two groups can cause serious water quality problems for farmers if they are not managed properly. This is why composting can be so important to the agricultural community.

Composting of agricultural wastes can help prevent contamination of water supplies and lessen waste removal burdens on farmers. Following recovery and reuse of valuable elements such as starches, fats, and oils, composting can transform crop and and livestock wastes into a useful soil additive. Application of finished compost can help to stabilize and enrich soil, suppress plant diseases, and reduce the use of chemical fertilizers.

By composting organic materials rather than letting them decompose slowly inside landfills, there will be a reduction in methane gas releases. This has important benefits in combatting the greenhouse effect.

I believe that the USDA is uniquely qualified to evaluate agricultural composting methods and uses for compost. The agency studied composting during the 1970's, but its research was discontinued under the Reagan administration. The legislation we are considering today would have USDA revisit this subject and help to identify markets for compost and facilitate on-farm composting.

Section 1384 of the 1990 farm bill establishes a Compost Task Force, whose 15 members shall be selected from the following groups: officials from States with laws on composting; representatives of livestock, forestry, fishing, nursery, horticulture, vineyard, and orchard interests; landscapers and builders; the composting industry; microbiological scientists; food and fiber processors; food service industries; public interest groups; and manufacturers of consumer product packaging.

The legislation directs the USDA, in consultation with the Compost Task Force, to research potential uses for compost and identify domestic and international markets. The agency's research must include evaluation of the application of compost derived from various wastes on soil, plants, and food and fiber crops.

The USDA is also directed by the legislation to assemble a catalogue of laws, regulations, and programs adopted by State and local governments, and by foreign countries, that establish standards for compost quality, set definitions for processing, handling, or using compost, or otherwise affect the production or use of compost. This catalog will be of use to the Congress in evaluating the need for any further legislation at the Federal level.

The legislation also directs the USDA to initiate extension efforts including seminars, demonstration projects, and dissemination of materials, to inform the agricultural community about the desirability and safety of compost, about on-farm composting techniques, and

about procedures for applying finished compost. It also requires USDA to consider designating composting as a farm conservation practice eligible for cost-sharing.

Finally, the Department is directed to initiate interagency agreements to identify opportunities for applying compost on Federal lands.

I would like to express my great appreciation to Congressman GEORGE BROWN, the chairman of the Agriculture Subcommittee on Department Operations, Research, and Foreign Agriculture, for his introduction of the composting legislation at the subcommittee level. I would also like to recognize the efforts of Dr. Kathy Hudson and Mr. William Stiles of the subcommittee staff. Their many hours of work have allowed us to take a significant step toward protecting the environment and helping farmers to better manage agricultural wastes.

Mr. HAMILTON. Mr. Chairman, today, I would like to bring to the attention of my colleagues a small but significant provision in H.R. 3950 which exemplifies the best America has to offer the developing world. I am referring to the Farmer-to-Farmer Program which was initiated in the 1985 farm bill. The program is continued and expanded to include Eastern European democracies in H.R. 3950.

The purpose of the Farmer-to-Farmer Program is to increase farm production and raise the standard of living of the rural people in developing countries through providing experienced, senior volunteers for short-term technical assistance. This nongovernmental program provides people-to-people, self-help at very little cost to the American public.

The Farmer-to-Farmer Program is administered by Volunteers in Overseas Cooperative Assistance [VOCA] which recruits American farmers and agriculturalists to work hand-in-hand with farmers and farmer organizations overseas. VOCA taps volunteers from land grant universities, private agribusiness and nonprofit farm organizations. In providing for the transfer of this broad array of agricultural knowledge, the program encourages the democratic process by supporting agricultural organizations and cooperatives to strengthen local farmer control over their own livelihood. The requesting organizations which want to understand and implement American agricultural practices must share the costs of a volunteer through their own cash and in-kind services.

Through the Farmer-to-Farmer provision and support from the U.S. Agency for International Development, our farmers can offer our know-how and "can do" spirit. Since 1970, VOCA has sent 800 U.S. farmers to 87 developing countries. In recognition of its outstanding achievements, VOCA received the 1989 Presidential End Hunger Award.

From my district, Mr. and Mrs. Robert Fischer of Corydon went to assist a small scale farmer's credit program in Ghana. I discussed his assignment at the 20th anniversary celebration of VOCA at which more than 200 volunteers participated.

Under H.R. 3950, the Farmer-to-Farmer Program is expanded to send farmer volunteers to emerging democracies in Eastern Europe and middle income countries which do not qualify for United States bilateral foreign assistance programs.

Under the Support for Eastern Europe Democracy Act (Public Law 101-179), VOCA has already initiated a Farmer-to-Farmer Program in Poland. Twenty-three volunteers have provided Polish farmers with advice in the transition of their agricultural economy to a market-oriented system. Another 100 volunteers will be providing assistance over the next 18 months. While 80 percent of Polish agriculture remains in private farm holdings, all of the supplies, marketing and processing of agricultural commodities has been controlled by government enterprises. VOCA is helping Polish farmers take over these enterprises as well as creating new member-controlled cooperatives.

The provision in title XII of H.R. 3950 will continue these efforts in Poland and expand the program to eligible Eastern European democracies. In contrast to Poland, agriculture was collectivized in other Eastern European countries. VOCA volunteers will help turn these collectives back to private farmers, for example, through the creation of genuine, farmer-owned cooperatives. In these countries, there is even a greater need to assist farmers in the transition to individual ownership and private cooperatives, while maintaining sufficient scales of production to make farming profitable.

To initiate this new program, the provision provides that two-tenths of 1 percent of the amounts provided for the Food for Peace Program in fiscal years 1991 through 1995 shall be provided for the Farmer-to-Farmer Program. Within this total, not less than one-tenth of 1 percent shall be provided to developing countries to maintain the current programs. The additional tenth of a percent shall be provided to assist farmers in emerging democracies in Eastern Europe as well as middle income countries. Both Eastern Europe and middle income countries represent future markets for American agriculture. Through better understanding and the adoption of U.S. agricultural know-how, our agriculture is strengthened through sending volunteer farmers to open up these new markets.

I encourage my colleagues to support the farmer-to-farmer provision in H.R. 3950.

Mr. JONES of North Carolina. Mr. Chairman, I rise at this point in the debate of H.R. 3950, the 1990 farm bill, to express my disapproval of amendments being offered which would have a disastrous effect on the tobacco industry. Of specific concern to me is the Machtley amendment which would basically do away with the current tobacco program.

The tobacco industry has been a mainstay in my congressional district for centuries. Without tobacco as a money crop, North Carolina could never have become such a successful State economically. Accordingly, without the present tobacco program, North Carolina would have lost numerous farmers who depend on tobacco as a reliable and stable money crop.

The tobacco program must be considered a successful commodity program. As a result of the No Net Cost Tobacco Act of 1982, the program has proved little economic burden on the Federal Government. Farmers who participate in the program pay an assessment to ensure no losses to the tobacco program occur. Before each season, the U.S. Department of Agriculture calculates the sum needed to cover any potential losses. This estimated sum is then collected from participating farmers. In short, the farmers participating in the tobacco program are paying for the program through yearly assessments. Tobacco farmers were the first farmers to personally insure against any losses to their commodity price support program.

I am not here today to debate the moral or health aspects of using tobacco products. I am here to fight for a program that is financially critical to my State. Tobacco is a legal product and it is up to the individual to decide whether or not to use tobacco products—the program itself does not encourage individuals to use these products. The tobacco growers do not decide who uses tobacco products either. However, it is up to the farmer to decide how best to provide for his or her family and to improve on or maintain an adequate standard of living. In eastern North Carolina, tobacco has proven to be a stable, reliable, and durable crop that grows well in the climate. I cannot overemphasize the importance of the industry to my State. However, maybe the following figures will help my colleagues here in the House of Representatives understand the importance of tobacco to North Carolina.

These figures were gathered from the U.S. Departments of Agriculture, Commerce, Labor, and Treasury and audited by Price Waterhouse for the Tobacco Institute.

Total value of leaf grown in N.C. in 1989	$890,000,000
Total amount earned by 49,622 tobacco growers in N.C. in 1989	253,000,000
Total amount earned by employees of the 2,962 warehouses in N.C. in 1989	33,944,000
Total amount earned by 24,256 employees of cigarette manufacturing facilities in N.C. in 1989	1,024,858,000
Total amount earned by 15,256 jobs in related industries (cardboard supplies, packaging, wrapping, etc.) in N.C. in 1989	412,000,000
Total amount earned by 5,098 employees involved in the retailing of tobacco products in N.C. in 1989	56,000,000
In 1986, the tobacco in N.C. accounted for the following taxes:	
Federal taxes	1,390,684,000
North Carolina State taxes	142,889,000

It is important to note that the tobacco program is no longer a specific title within the farm bill. Therefore, I question why the commodity is even being discussed and debated at this time. For those Members of the House of Representatives who are on a moral crusade against tobacco, now is not the appropriate time to bring your moral arguments to the floor. Now is the time to support the Agriculture Committee in passing a farm bill, not engage in rhetoric against a legal product.

Mr. Chairman, I hope I have made my point clear to my colleagues who are considering supporting either the Machtley, Durbin, or any other amendments which would adversely

effect the tobacco program. It is vital to tobacco producing States that the program remain strong and intact for the future. If the tobacco program is erased or hurt, the economic fallout in tobacco producing States could be astronomical. The tobacco program has proven to be a reliable and cost effective program that helps tobacco farmers survive. I urge my colleagues to support the tobacco program and cast the appropriate votes to ensure the program remains intact.

Mr. ANTHONY. Mr. Chairman, I rise today in general support of H.R. 3950. Recent events around the world should remind us of our responsibility to protect our infrastructure of agricultural production and to protect those men and women who work to provide this Nation and much of the world with necessary supplies of food and fiber.

I represent an area rich in agricultural resources. From the fertile Mississippi Delta of southeast Arkansas to the Red River Valley in the southwest part of the State and through all the timber and pasture lands in between, the health of the agricultural economy is directly related to the economy and well-being of the entire region.

I know that everyone in this Chamber has concerns related to the budget impact of this legislation. I believe that the Agriculture Committee has done an excellent job of balancing budget considerations against the necessary objectives of providing income support to our producers, price support for our commodities, and special attention to environmental protection.

During the debate of this farm bill, we will hear calls to restructure the payment mechanisms. We will hear about means tests and other procedures to redirect Federal participation in the farm sector. I would like to make just a few remarks concerning those efforts.

Federal farm programs seek to maintain stability of farm production and consumer prices. During an earlier period of our history, agricultural production was subject to wild swings of production and wild periods of boom and bust. When the rural economies collapsed because of distorted markets, the economy of the entire Nation collapsed with them. The Great Depression reached every pocket of our country, but was first sown on the rocky ground of an unstable farm system.

The Federal answer, those 50 plus years ago, was to design a program to encourage producers' participation in voluntary efforts to match targeted production with projected demand. Although not an exact science, these Federal programs have been largely responsible for keeping our people fed during the crisis of world war and unpredictable natural disasters. Even with the tremendous losses due to the droughts of the past 2 years, grocery store prices have remained relatively stable. As we have seen in recent months, similar problems in other parts of the world have resulted in toppled governments.

Federal farm programs are not an absolute guarantee of protection to the farmer. The last 10 years have witnessed the worst economic problems in farm country since the Great Depression. However, the total desolation of the rural economy did not occur and the great migrations of rural populations to urban centers was prevented. I assure each one of you, that is something we must forever avoid.

Yet, today, we hear from certain Members of this body who suggest we put at risk the very Federal programs that protected urban centers from critical food shortages and surpluses of rural refugees. It is easy to tell voters that you are going to cut farm programs when those voters do not live on farms. But if we allow the farms to fail, and the infrastructure to disassemble, then what are we going to tell those voters when they ask why they are without food and their children are hungry. Federal farm programs do work.

Certain Members of this body appear to suggest that Federal farm programs are a large part of the Federal deficit. They argue that if we would cut farm spending then we would have enough money to cure the rest of the Nation's ills. The truth is that farm spending represents less than 1 percent of the Federal budget. Less than 1 percent of the budget is used to protect an industry relied on by 100 percent of the population.

What if we curtail farm spending? What if we curtail program participation of the so-called large producers? What if we destroy the incentives for farmers to enroll the majority of American farmland into Federal stabilization programs? Do you want to be responsible for going back to the boom and bust days of an earlier time? Do you want to put at risk the food security of our Nation? Do you want to put in question the ability of our Nation's leaders to ensure that our people are not in want of fiber for our products and food for our families?

The media has reported cases of farm program abuse. As responsible stewards of the national trust, we must not allow the abuses of a few to wreck the food and fiber structure of an entire nation. I am sure that we would not do that any more than we would stop building Federal highways because of a few contractors engaged in kickback schemes or Federal housing projects because a few ineligible families took advantage of the programs.

For these reasons, I believe that this Congress will not turn back the clock of reason in Federal farm policy. If there are abuses in the system, our job is to penalize those who prey on the good intentions of our public servants and public programs. In 1987, this Congress worked hard to correct flaws in farm program law to curtail the likelihood of abuse. We must not, at this time, turn our back on this country's farmers. We must keep in place the incentives to keep them enrolled in Federal farm programs.

This farm bill is not just about payments to farmers. This farm bill is about the environment. I applaud the work of the committee on the development of a conservation title that clarifies and enhances the work done in 1985. In Arkansas, and in many other parts of the country, landowners and farmers in particular are concerned about wetland regulations. I feel that the committee has done an admirable job of working with environmental and conservation interests to provide a proper balance of wetland protection and landowner protection.

I am further encouraged by steps taken to enhance Federal efforts to prevent further degradation of highly erodible soils and related impairments to water quality. The Conservation Reserve Program has proven to be a successful means by which to encourage conservation of resources. Although we must be cautious not to impair rural economies by curtailing large scale production, the Conservation Reserve Program, as continued by the committee, does provide a well balanced means of resource conservation and levels of production.

Yes, this farm bill is about the environment. That is another important reason that we must not discourage participation in Federal farm programs. Farm programs serve as a contract between the farmer and the Government. The farmer promises to maintain certain land use practices and to hand over to the Government certain management decisionmaking in return for income and price support protection. If the terms of that contract are not favorable to the farmer, he will not enter into it. We cannot expect him to. If the farmer does not participate, the contract is never executed and the benefit to the Government—which means to the American people—is never realized. I truly do not believe that is in the best interest of the environment or any of us.

As a member of the House Ways and Means Subcommittee on Trade, I am very aware of the importance American agriculture plays in our balance of trade formula. H.R. 3950 continues important programs to enhance our role in world economies and an expansion of the marketing loan concept will help assure that foreign competitors cannot use our price support programs as a shield against our own producers' ability to compete for a proper market share of world trade.

H.R. 3950 also contains a strong research title. As our farmers must become more and more aware of environmental concerns, it is vitally important that they be armed with appropriate technology and information in order to make prudent management decisions. Continued research is also important to protect our producers and rural communities from disease and pests that infect livestock and decimate crops.

In Arkansas, and across the entire southern tier of States, the red imported fire ant is reason for alarming concern. I am therefore pleased that the research title of H.R. 3590 contains language to combat exotic pests such as the fire ant. Economic losses will continue unless this pest is contained and controlled. What is worse, loss of life—especially among the young and old—is at risk as long as these pests continue to spread. That condition is totally unacceptable.

I wish to thank Chairman DE LA GARZA and the entire membership of the House Agriculture Committee for their work on this important legislation. I hope that the full Congress will protect this legislation from being torn by amendments that will strip our farmers of the ability to produce the commodities we need to continue the standards of living to which we have all become accustomed.

Mr. McDADE. Mr. Chairman, I rise today in support of a provision of H.R. 3950, the Food and Agricultural Resources Act, which deals with the establishment of trusts to protect milk

producers from large losses due to the bankruptcy or mismanagement of a dairy handler.

I can personally testify on the importance of this type of measure. In my congressional district in northeastern Pennsylvania, dairymen were stuck with multithousand dollar IOU's when the Scheps Cheese Dairy went into bankruptcy in the mid-1980's.

I introduced legislation, the Milk Producers Payment Act, in the 98th, 99th, and 100th Congresses in order to protect the financial interests of dairy producers. The legislation would have established, at no cost to the taxpayer, a mechanism to reduce the amount of exposure of the dairyman. Had my legislation, which is supported by major farm groups in Pennsylvania, been in place prior to this bankruptcy, individual losses to dairymen would have been significantly lower.

The milk producers trust provision in the 5-year farm bill before us today was offered in committee by my colleague, Mr. GUNDERSON of Wisconsin. Like my legislation, this provision would establish a statutory trust for the benefit of unpaid milk producers, and it would require producers of milk to have their payment claims satisfied from a handler's assets before any secured interest is satisfied.

I was proud to join Mr. GUNDERSON as an original cosponsor of legislation, H.R. 4813, introduced on May 15 of this year as a response to the growing nationwide problem of dairy bankruptices. The legislation would amend the Packers and Stockyards Act to provide that milk purchased by handlers from milk producers, and the proceeds and products of such milk, be held in trust by the handlers for the benefit of such producers until full payment is received.

Mr. Chairman, the Gunderson-McDade provision is an important contribution to the soundness of the farm bill. I urge the support of my colleagues, those from urban and suburban areas as well as those who represent farm districts. Our hard-working dairymen have provided this Nation with abundant and affordable supply of dairy products, and I believe we owe it to them to protect them from the financial devastation that can result from the bankruptcy of a milk handler.

Mr. DICKINSON. Mr. Chairman, I rise in support of H.R. 3950, the Food and Agriculture Resources Act of 1990, and want to thank the able leadership of the House Agriculture Committee for crafting what I believe to be a fair and comprehensive farm bill.

Specifically, let me reiterate my strong support for title 8 which reauthorizes the current peanut program for the next 5 years. Mr. Chairman, the district I represent in southeast Alabama is the second largest peanut producing region in the Nation. Together with Georgia and north Florida, the Southeastern United States grows 65 percent of the Nation's edible peanut supply.

In the past few weeks, we have heard a lot of talk about consumers paying high prices just to support the peanut program. I have even been amused to see recent articles telling us how many farmers are getting rich off the program. Let me assure you that those farmers, wherever they may be, are certainly not in my district. I am confident that I speak for my colleagues from other peanut producing regions as well.

As a model for successful supply-management, the peanut program has proven to be an excellent return investment for the taxpayer and the consumer. Peanut farmers in the Southeast, Texas-Oklahoma and Virginia-Carolina regions have been able to have a chance at receiving a fair share for their efforts. The plain truth is that the peanut program ensures a quality product on the domestic market while remaining competitive on the world market.

There is a famous saying that there are lies and then statistics. Allow me to put to rest some of the misconceptions about the peanut program that have been raised in the media:

American consumers are getting a good bargain from the peanut program. In the United States, an 18-ounce jar of peanut butter sells for $2.03. In Canada, our next door neighbor, it sells for $2.88. In Japan and South Korea, it sells for around $4.70.

Peanut farmers are not getting rich off the program. On a jar of peanut butter, the farmer receives roughly 46 cents. For a candy bar, he receives 1 cent!

Contrary to rising costs, the farmers price support for peanuts has declined over a 10 year period when you account for inflation.

These are just a few examples of facts to counter the rhetoric we have heard in the past few weeks.

To reject the peanut program while it is working would not only affect consumer prices, it would deprive 45,000 U.S. farmers of their main source of income. Since 1977, this bipartisan program has eliminated the Government's need to purchase costly surpluses. Producers from the three main regions pool their profits to offset any losses that may exist. This makes the peanut programs' annual expenditures less than one-tenth of 1 percent for the U.S. Department of Agriculture. How many programs do we vote on in Congress which have that kind of successful track record?

With subsidized competition from abroad, the vitality of our peanut industry is essential for the well being of America's agricultural economy. Over the past two decades, the peanut program has been adjusted to ensure the possibility of a fair return for growers, manufacturers, and consumers alike. Because the program is successful, our Nation continues to enjoy a first-rate product that has one of the best export records for all major commodities. Let us not change horses in midstream on a program that works well.

I urge my colleagues to approve title 8 as reported by the Agriculture Committee, and hope we will agree to stay the course with policies that have put American agriculture back on the road to a solid recovery.

Mr. THOMAS of Wyoming. Mr. Speaker, I rise in support of title II of the farm bill, as reported by the Agriculture Committee, and in opposition to efforts to hurt the sugar producers of this country.

Sugar is the No. 1 cash crop in the State of Wyoming. The sugar and corn sweetener industry generates over 5,500 jobs, and generates $225 million in economic activity each year. Over 530 farmers produce on more than 56,000 acres of land. More than 1,100 workers are employed by the 3 processing facilities in the State, generating $10 million in payroll taxes.

I understand the position taken by some in this Chamber that the sugar programs is somehow not economically sound or in the best interests of this country. I would agree with them that if we had a perfect, free-market world, these supports would not be necessary. But this isn't a perfect world, and our trading partners grant extensive supports to their agricultural communities, and we have a responsibility to guarantee the success of our sugar industry.

The Agriculture Committee has decided to take the existng sugar program and extend it for another 5 years. By law, the program is to operate at no cost to the American taxpayer. Opponents of the program have argued that there is no such thing as a "free lunch," and that the taxpayer does pick up the cost at the market through increased prices. In fact, the cost of raw sugar and sugar sweeteners accounts for very little of the final cost of the products on the shelves in the markets.

The program, as it currently exists, also results in the use of more than 570 million bushels of corn annually for sweeteners. This means the reduced need for the Government to acquire surplus corn, and saves the taxpayer $500–$700 million each year in deficiency payments.

The sugar program is not a perfect program. I can think of very few in this country that could be considered perfect. But it is a vitally important one to the agriculture community. The opponents of this program are, for the most part, opposed to some aspect of every title of this bill. They never seem to make the connection with the cost of funding these programs with the relatively low cost and abundant supply of groceries in our supermarkets.

The agriculture community, together with Messrs. DE LA GARZA and MADIGAN and the Agriculture Committee, have gotten together to work out a bill that represents and protects the farmers of this country. The sugar provision recognizes the importance of this crop to this country, the current economic condition of the industry, and the concerns of the taxpayers. We should support the committee's efforts and this bill.

Mr. SCHUETTE. Mr. Chairman, I strongly oppose the payment limits or means testing for program eligibility as proposed by the Armey-Schumer amendments. These amendments attempt to arbitrarily establish $100,000 adjusted gross income for the taxable year as the level at which producers will be ineligible for the programs. The U.S. Agricultural Alliance, an alliance representing a diverse group of agriculture organizations, stated that this "amendment would destroy the effectiveness of U.S. farm programs and the economy leading to negative impacts on American society."

The negative impacts would be numerous if this amendment were adopted. With fewer farmers eligible to participate, the balance of supply and demand will be more difficult to maintain. The result will even go deeper in disrupting sound farm policy. To accommodate lower prices and higher stock levels the acreage reduction requirements will increase and deficiency payments will be larger. This

amendment will result in a higher cost, less effective farm program.

The environment will sustain a set-back. The conservation provisions in the Food Security Act of 1985 are tied to the current farm program. Making farmers ineligible for farm program benefits removes the incentive to continue conservation practices. Soil erosion will once again escalate to astronomical portions, wetlands will be converted to cropland and highly erodible land will be broken-out and cropped if this amendment is adopted.

As the larger producer increases production to offset lower grain prices, the supply of grain will fluctuate dramatically. This production volatility will cause the United States to become an unreliable supplier of farm exports to the world. Meeting humanitarian food needs will not be met and the security of world food will be undermined.

Mr. Chairman, any further limits on the program payments as offered by Armey-Schumer would severely disrupt the national economy. Agricultural spending would not be reduced by $900 million as the authors have made in the past, but would actually increase spending. Farmers benefit from this supply control system and beyond that consumers receive the safest, most reliable and lowest cost food and fiber supply in the world.

Mr. DE LA GARZA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. OBEY) having assumed the chair, Mr. BONIOR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3950) entitled the "Food and Agricultural Resources Act of 1990," had come to no resolution thereon.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on today's consideration of H.R. 3950.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON FORESTS, FAMILY FARMS AND ENERGY OF THE COMMITTEE ON AGRICULTURE TO SIT ON THURSDAY, JULY 26 AND FRIDAY, JULY 27, 1990 DURING THE 5-MINUTE RULE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the Subcommittee on Forests, Family Farms and Energy of the Committee on Agriculture be permitted to sit on Thursday, July 26, and Friday, July 27, 1990, while the House is in session during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 2040

H.R. 5353, SAVINGS AND LOAN REFORM ACT

The SPEAKER pro tempore (Mr. OBEY). Under a previous order of the House, the gentleman from New Hampshire [Mr. DOUGLAS] is recognized for 5 minutes.

Mr. DOUGLAS. Mr. Speaker, this morning I had the opportunity to discuss briefly in a 1-minute the introduction of H.R. 5353, which is the Savings and Loan Reform Act, that creates a lot of criminal provisions and a number of tightening amendments to prevent the kind of mess that we have had with prosecuting savings and loan violators.

One of the key parts of that bill, however, is the creation of the special counsel appointed by the President, with the advice and consent of the Senate, who will have duties to supervise and coordinate the antifraud efforts at the Justice Department.

This prosecutor will also ensure that Federal law involving civil enforcement and asset retrieval will be enforced to the fullest.

Now, as this was going through the Committee on the Judiciary in a different form, in the form of an amendment to the crime bill, I got to thinking, "Gee, this is the very committee in which half of the Democrats on that committee had already signed a letter urging a special prosecutor to investigate the President's son. They obviously would want the same even-handed approach to getting records in the Jim Wright case and the Keating Five case and the St Germain case out on the table and over into the hands of the special counsel," in this case.

So in the Judiciary Committee I offered an amendment, and it was a very simple amendment. It merely said that there would be a fourth duty given to this special prosecutor, known as the special counsel under what has now been marked up and approved by the Subcommittee on Financial Institutions, Supervision, Regulation and Insurance of the Committee on Banking, Finance and Urban Affairs. It has been approved by the full Judiciary Committee. It has been introduced here as H.R. 5353, and it reads as follows:

> * * * that the special counsel will request from the House Committee on Official Standards as well as the Senate Select Committee on Ethics all transcripts, documents, files or other information relating to ethical violations by any Senator or Representative relating to financial institutions to determine if criminal violations were committed and said committees are ordered to turn over such records or documents.

Very simple. The prosecutor, the special counsel, must ask, and our committee and the Senate committee must turn the records over.

I thought that was in keeping with full disclosure so that even folks in this building, people who formerly served here who might have had transcripts; in the case of the former Speaker of this House, the special counsel's report, Mr. Phelan revealed there were 24 individuals whose depositions were taken. Now, those are excellent transcripts. Maybe there is no criminal involvement in any of those 24 transcripts. But if I were the special counsel and if I had to look at this savings and loan mess, I would want that information.

So I figured the Committee on the Judiciary would want that information because obviously we would not want to be in a position where any of our Members could be accused of hypocrisy.

So I offered my amendment, and it was, in fact, defeated on a rollcall vote in committee.

Mr. Speaker, I offer that rollcall vote for insertion in the RECORD.

ROLLCALL VOTE OF THE COMMITTEE ON THE JUDICIARY

Mr. Kastenmeier, nay.
Mr. Edwards, nay.
Mr. Conyers, nay.
Mr. Mazzoli, nay.
Mr. Hughes, nay.
Mr. Synar, nay.
Mrs. Schroeder, nay.
Mr. Glickman, nay.
Mr. Frank, present.
Mr. Crockett, nay.
Mr. Schumer, nay.
Mr. Morrison, nay.
Mr. Feighan, nay.
Mr. Smith of Florida, nay.
Mr. Berman, nay.
Mr. Boucher, nay.
Mr. Staggers, nay.
Mr. Bryant, nay.
Mr. Levine, nay.
Mr. Sangmeister, nay.
Mr. Washington, nay.
Mr. Fish, aye.
Mr. Moorhead, aye.
Mr. Hyde, aye.
Mr. Sensenbrenner, aye.
Mr. McCollum, aye.
Mr. Gekas, aye.
Mr. DeWine, aye.
Mr. Dannemeyer, aye.
Mr. Coble, aye.
Mr. Slaughter, aye.
Mr. Smith of Texas, aye.
Mr. Douglas, aye.
Mr. James, nay.
Mr. Campbell, aye.
Mr. Brooks, Chairman, nay.

Total votes, 13 ayes, 22 nays, and 1 present.

I then offered another amendment.

Mr. Speaker, I yield to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. I think the record should reflect, and I was in the committee, that what the gentleman proposed was that any request, any request, reasonable, unreasonable, justi-

fied, unjustified, from this special counsel that we created in the Schumer bill, the savings and loan enforcement bill, that went to the House Ethics Committee for a document, any request for documents would be turned over. It did not matter what the substantive nature of it was, did not matter what type of documents they were.

So the reason why the gentleman's amendment was voted down is it gave absolutely no discretion to the House Ethics Committee to determine whether a request was valid or not, whether it would cause trouble or not.

Clearly, the gentleman being the good lawyer that he is, knows it would create serious constitutional problems with respect to the separation of powers.

Mr. DOUGLAS. Reclaiming my time, the gentleman is right, he voted against it. In fact, the rollcall will reveal that not a single member of his party voted for my amendment.

Mr. GLICKMAN. That is because those people who voted "no" have respect for the separation-of-powers clause of the Constitution, which the gentleman did not.

Mr. DOUGLAS. If I may reclaim my time. That was a totally specious argument. This is a bill enacted by the House, hopefully, and the Senate, hopefully, that would become the law of the land.

SEC. 42. APPOINTMENT RESPONSIBILITIES AND COMPENSATION OF THE SPECIAL COUNSEL.

(a) APPOINTMENT.—The Special Counsel shall be appointed by the President, by and with the advice and consent of the Senate.

(b) RESPONSIBILITIES.—The Special Counsel shall—

(1) supervise and coordinate investigations and prosecutions within the Department of Justice of fraud and other criminal activity in and against the financial services industry;

(2) ensure that Federal law relating to civil enforcement, asset seizure and forfeiture, money laundering, and racketeering are used to the fullest extent authorized to recover the proceeds of unlawful activities from persons who have committed crimes in and against the financial services industry; and

(3) ensure that adequate resources are made available for the investigation and prosecution of fraud and other criminal activity in and against the financial services industry.

AMENDMENT TO SCHUMER AMENDMENT TO H.R. 5269 OFFERED BY MR. DOUGLAS OF NEW HAMPSHIRE

On page 36 after line 23 insert the following:

"(4) request from the House Committee on Official Conduct as well as the Senate Select Committee on Ethics all transcripts, documents, files or other information relating to ethical violations by any Senator or Representative relating to financial institutions to determine if criminal violations were committed; and said committees are ordered to turn over such records or documents."

Mr. DOUGLAS. Mr. Speaker, may I request, in light of the gentleman's questions, 2 additional minutes? I ask unanimous consent for 2 additional minutes because I did yield to two questions and was willing to do so, but they were rather long.

The SPEAKER pro tempore. The Chair will continue to call the 5-minute special orders in the order previously announced. Other Members would be able to yield to the gentleman, but we are required to call according to the previously announced schedule.

ANNUNZIO OPPOSES ADDITIONAL FLIGHTS AT O'HARE AIRPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, there is a move in the Congress to add to the noise pollution emanating from O'Hare International Airport in Chicago. The legislation, known as the Airline Competition Equity Act of 1990, would, among other things, increase traffic at the four most busiest airports in the United States, including O'Hare. In opposing the legislation, the Transportation Department testified recently that changes in current rules would significantly affect congestion, delays, safety, and noise at the airports, in addition to the environment.

I, too, am opposed to changing the FAA's high density traffic airports rule now currently in force at O'Hare. The other airports covered by the measure are Kennedy International and La Guardia in New York and National in Washington, DC.

Mr. Speaker, since 1969, the Federal Aviation Administration has limited the number of scheduled passenger jet flights at the four heavily used airports to prevent excessive delays. The limits have changed over the years and now vary from 37 flights per hour at National to an average of 120 per hour at O'Hare.

According to Jeffrey Shane, an Assistant Secretary of Transportation, the justification for the rule today is largely the same as in 1969: the capacity of these airports, measured primarily by calculation of engineered performance standards, will not support additional operations without an increase in airport noise, an unacceptable level of delays, and an adverse impact on the flying public. He also testified that the rule provides a systematic way of constraining air traffic demand to the capacity of the subject airports by limiting the number of landing and takeoff slots during certain time periods and their distribution by hourly or half-hourly period to the available capacity for each airport.

The bill would eliminate the slot limits over 18 months, and during that time, would add more slots for new entrants and prohibit airlines from buying and selling slots.

Under the legislation, the number of operations at each of the four airports would increase by up to 5 percent within several months and could require the removal of all operational limits within 18 months. The Federal Aviation Administration believes this increase would immediately and noticeably worsen air traffic delays at O'Hare, La Guardia, and Kennedy. For the record, La Guardia is first, O'Hare is second, and Kennedy is fourth on the list as the worst airports for operating delays among all major U.S. airports; 30 percent of the air traffic delay at all U.S. airports occurs at these three airports even though they account for only 4 percent of total system operations. O'Hare alone accounts for over 16 percent of all air traffic delays nationally, although delays at O'Hare, following efforts by the FAA, have decreased by 15 percent for the last 6 months of this year. Shane told the committee that we should not lose the ground we have gained by eliminating the rule or increasing the number of slots without believing that we are equipped to handle the resulting increases in traffic. He also said that each of these airports is a key facility in the national airspace system. As an example, he said, if departures are delayed at O'Hare, those flights will arrive late at destination airports, delaying connecting flights and continuing flights out of those airports.

Mr. Speaker, even a 5-percent increase in operations at these airports, including O'Hare, will exacerbate the already high level of delays and generate additional delays and flight cancellations at other major airports by the ripple effect of the original delays cascading through the system, according to Shane.

The Transportation Department's simulations indicate that even under ideal weather conditions, a 5-percent increase in operations would generate increases in delays of 13 to 18 percent. Poor weather would raise the delay increase to 37 percent.

It is also important to recognize that the removal or easing of the high-density rule would increase airport noise at the airports, including O'Hare which is located in my district. Shane said the high-density rule effectively places an upper limit on aircraft noise at the affected airports by limiting the total number of aircraft operations. He said, in Chicago, aircraft noise and the number of operations at O'Hare are highly sensitive issues.

Mr. Speaker, I wholeheartedly support that statement and can say, with no hesitation, it is right on the mark with my constituents.

Shane also told the committee that the Federal Aviation Administration would need to comply with the National Environmental Policy Act with respect to the environmental impacts of altering the high-density rule. He said the need to assess both noise and air quality impacts can be anticipated from increasing the number of flights. A 5-percent increase in air carrier operations could have a significant environmental impact.

According to newspaper reports, this legislation would be especially helpful to airlines in the West which want to get a bigger share of the Washington and New York markets. I am for competition, but not at the expense of those who live in the area of O'Hare. And this legislation would have an extremely damaging impact on the residential area around O'Hare Airport. That is why I oppose it.

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present I would have voted "aye" on rollcall No. 262, No. 264 and "nay" on rollcall No. 263, No. 265, and No. 266.

H.R. 5353, SAVINGS AND LOAN REFORM ACT—CONTINUED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

Mr. WALKER. Mr. Speaker, I yield to the gentleman from New Hampshire.

Mr. DOUGLAS. As I was saying, the rollcall will reveal that not a single Democrat, not a single one, voted for my amendment, and I would point out that all but one Republican on the committee voted for it.

I think the reason is very clear. The separation of powers argument, as I think the gentleman from Pennsylvania knows, is totally specious. If the House is saying to Members of the House and the Senate, if the bill goes to the President's desk, we as the legislative branch are directing our ethics committees to turn these files over, we should not have anything to hide. Any request, all requests, any files, that is. As the gentleman from Kansas knows, it is impossible for a special counsel to know what is in the files. The files are sealed.

Mr. WALKER. Reclaiming my time, the reason why I have somewhat of a problem with this idea of the separation of powers issue always coming into play whenever Congress stands to be investigated by the Justice Department is because we constantly investigate the executive branch up here.

We subpoena their records into our committees. We go down and issue subpoenas to literally rummage through their files. I have served on the Committee on Government Operations subcommittee where we ask the agency involved to allow us to come down and rummage through their files to see whether or not we can find anything.

Now, under the separation of powers, if that were in fact a real way in which we operate, we would not be doing those kinds of things. The fact is we do it all the time.

But whenever Congress appears to be in jeopardy of the Justice Department looking at things that may have taken place on Capitol Hill that were illegal, we all of a sudden find separation of powers.

We ought not allow any Justice Department investigators to take a look at our internal files.

We do not even cover ourselves under the Freedom of Information Act. We say flatly that does not apply to us.

Mr. Speaker, I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Speaker, we all want to get at the savings and loan scam, the scandal. It is a disgrace. All of us want to get it investigated.

I think the gentleman ought to be aware of what the gentleman's amendment was.

The gentleman's amendment was any request, for any information, any documents contained by the House Ethics Committee, relevant, not relevant, valid, not valid, would be available to the Justice Department.

Mr. WALKER. Let me say to the gentleman I have been a part of committee actions where we have made exactly that kind of request of the executive department.

Mr. GLICKMAN. Except the doctrine of executive privilege does protect the President and the things that he does.

Mr. WALKER. On many occasions in this House we have abandoned executive privilege and said that the President has no right to claim executive privilege on documents. We have upheld that in committees of the House and held people in contempt for having claimed executive privilege.

Mr. GLICKMAN. On other occasions the courts have upheld the doctine of executive privilege.

Mr. WALKER. No. I will say to the gentleman, I will say that on many occasions the courts have said, "We won't touch that because that does involve the separation of powers issue. So it is a political issue between the bodies involved, so therefore we don't want to get into it."

Mr. GLICKMAN. That is my point.

Mr. WALKER. That is what has protected—protected the Congress on many occasions, when the executive branch really wanted documents from Capitol Hill and where we have denied them the courts have said, "We won't touch that." So thereby what we have done is protected Congress' ability to hold secret things that they think may be damaging to it. We do that all the time.

Yet on the other hand we will leap into the executive department's executive privileges without any hesitation at all in many of our committee actions.

□ 2050

Mr. DOUGLAS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from New Hampshire.

Mr. DOUGLAS. Is there not a distinction, then, between if the Presient or an executive branch official asks for these files, such as the Jim Wright file, versus Congress in a law saying "We authorize you ask, and we will tell our committee to give." That does not violate the separation of powers. It is Congress doing it to itself. It is not an order for another branch. Does the gentleman feel that that is the distinction that makes this amendment proper?

Mr. WALKER. It seems to me we have the right to say we are willing to have ourselves investigated as a part of all this.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I do not have any objection to having ourselves investigated. The gentleman is the ranking member of the Committee on Science, Space, and Technology and a very valuable member. If somebody, no matter who, went on a fishing expedition and told the committee to turn over all documents, records, personnel records, legislative records, to the Justice Department without the committee even meeting and talking about this, if it was relevant to some investigation, the committee would say no and the gentlemen would say no.

Mr. WALKER. Let me say I think the gentleman's amendment, though, referred specifically to the acts that special prosecutor was involved in. The gentleman was specifying a particular mandate for the special prosecutor, and all he was saying was that this special prosecutor would have the right to request files that might be important to his case here on Capitol Hill.

REPEAL THE GRAMM-RUDMAN-HOLLINGS ACT

The SPEAKER pro tempore (Mr. COSTELLO). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I am reintroducing a bill today that would repeal the Gramm-Rudman-Hollings Act. I have opposed this ill-advised law since it was first proposed—it is a dangerous and irresponsible farce, conceived in a spate of political expedience, and perfected in an atmosphere of panic and coercion. It has caused the current budget stalemate because it assumes that if you cut spending, you will balance the budget. Well, we have cut spending, and the budget is far from balanced. As long as the administration and others remain opposed to the reality that significant tax increases are needed in addition to spending cuts, the stalemate will continue. It is time to return to true fiscal accountability and to repeal the Gramm-Rudman budget obfuscation law.

There have been many bizarre and irrational effects of this law—it requires activities that are self-supporting and profitable to be cut, even though the result actually has been to increase the deficit; while it protects certain entitlements, it reduces administrative resources necessary to implement those entitlements;

although it treats some retirees generously, it denies fair treatment to others. Our experience with Gramm-Rudman over the past few years confirms the fears of those of us who opposed it. It has not brought us closer to a balanced budget, but has only created secrecy in government and budget by misrepresentation—where reason and full disclosure of the true nature of the Government's assets and liabilities have been replaced by gimmickry and "cooked books."

The Gramm-Rudman Act was a bad idea because it established a system where appropriations acts are undone by acts that are less than laws, acts that themselves are of dubious constitutionality. Further, it was passed by Congress and enacted into law without public hearings being held, which is a complete subversion of the American Government process. It is bad policy because it does not distinguish in any way between activities that are worthwhile, essential, and even basic to Government function, as opposed to activities that may be of less value, virtue or soundness; it replaces judgment with rigid formulations; it undermines even such basic functions as law enforcement and tax compliance, because cuts it requires can be made in no other way. It is bad policy because it undermines and undercuts the whole of the defense establishment, without regard to national security or any other consideration. This year, particularly, since the issuance of the January 29 hit list for the Department of Defense, we are seeing more than ever the devastating effects on national security of the Gramm-Rudman Act, where cuts are being made helter-skelter without open debate and reasoned basis for action—compromising our national security. Gramm-Rudman repeals the process of reason, judgment, and responsibility, and replaces them with a rigid, unreasoned, and unyielding economic fantasy—a fantasy that assumes the long discredited fairy tale of voodoo economics is true after all. This leads me to believe that the bill was drafted in bad faith because it promises what cannot be delivered, at least on the terms its authors and supporters claimed—a fact that they knew but denied.

The last two administrations have changed their budget estimates to hide the impact of Gramm-Rudman. We have seen that the arithmetic does not work, while the administrations steadfastly denied this basic reality. The administrations continued to deny both their own responsibility and to refuse to provide leadership, even to their own partisans. The Budget Office has redoubled its usual smoke and mirrors effort to disguise the failures of the administrations' fiscal programs, and rationalize away the real cause—which is voodoo economics.

Following the first cuts under the act, Congress set out to exempt various programs from potential across-the-board sequestration. Such actions may have served to correct some particularly bizarre or inequitable results. However, they have provided no solution to Gramm-Rudman's unreasoning rigidity, because ultimately the burden of cutting the deficit falls even more heavily on the remaining nonexempt programs, regardless of their merit.

Even without problems regarding the allocation of cuts, slavish adherence to Gramm-Rudman's compulsory deficit ceilings is unwise, if not impossible. During the fall of 1986, Congress and the administration nominally followed the act's fall-back procedures to comply with Gramm-Rudman's fiscal year 1987 deficit of nearly $170 billion—and even then it was necessary to utilize several nonrecurrent sources of revenue, such as Federal asset sales and a 1-year revenue hike resulting from the enactment of the Tax Reform Act of 1986, to reach the deficit level that was achieved. Later on, even such outspoken proponents of deficit reduction as former Federal Reserve Board Chairman Paul Volcker and the current Federal Reserve Board Chairman Alan Greenspan expressed concern that Gramm-Rudman's deficit targets may be unreachable and foolish.

We in Congress cannot evade our responsibility to establish a responsible and workable national policy. Neither can the President, but Gramm-Rudman seeks to do that by substituting dogma for thought, formula for policy, and providing mass suicide for all who are blind enough to embrace it. This law does not serve the American people; it undermines their most basic needs, from health to highways, law enforcement to urgent scientific research, from education to air traffic control. This law does not create responsibility, it abdicates responsibility. It ought to be repealed.

The Federal budget plays a critical role in the country's social, military, and economic health, serving as a kind of balance wheel. When inflation threatens, the budget should be close to balanced; but when recession occurs, Federal spending can help stimulate the economy. Gramm-Rudman has badly warped that balance wheel. It is time to repeal Gramm-Rudman and return to rational, if difficult, methods of establishing a responsible Federal budget. It is time to repeal that law and restore the procedural flexibility that is essential to the development of a responsible Federal budget. That is what my bill will do.

THROWING STILL MORE AWAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BENTLEY] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, last week I told you of a hearing which I chaired on the 7th of last month which delved into the issue of the Japanese patent system. Through the testimony of representatives from Therma Systems & Fusion Systems Corp., it was demonstrated that Japan's patent process is not a means of protection for inventors. Rather, it serves as a data base where the elite of Japan's mega-corporations siphon off the talents of others for future competitive advantage.

Recall Therma Systems, who, after a concerted and initially successful penetration of the Japanese market, found itself cut off from the market that they had developed. The apparent reason for this cutoff was that the Japanese company that first assisted in Therma Systems market entry, AIM, part of the giant Mitsui Sogo Sosha—trading company—was simultaneously furnishing another of Mitsui's companies with the information necessary to engineer a virtually identical product.

The end result, not surprisingly, was the termination of the business relationship.

I also related the story of Fusion Systems and its experiences with sashimi patents. Ms. Nancy Chasen, the witness who testified on behalf of this company spoke about the frustrations that occur when one tries to disturb the natural order of big business domination in Japan. Simply having a better product or being a pioneer in your given field is no guarantee of success. In Japan, you also must be willing to sacrifice large amounts of time and effort defending your product from a deluge of patents. These patents either encircle technology or copy it outright, while at the same time maintaining that they were the result of independent research and development.

Americans should know that outside competition does not translate well into Japanese.

Today I would like to finish my summary of this hearing by presenting portions of the testimony from two other corporate representatives who appeared at this June 7 session—Mr. R. Terren Dunlap of Go-Video Inc. and Ken Cole, the vice president for government relations of Allied-Signal Inc. Both firms also have experienced significant difficulty with many of the Japan's business practices.

Go-Video, Inc., has come face to face with Japan's industrial monster. As some may remember, I have spoken about Go-Video on previous occasions. A recap of its story is very useful, however, in examining the environment that exists for American companies which challenge Japan on what it perceives as its turf. In the case of Go-Video, the industry is electronics. America is fortunate that this independent producer has had the tenacity to take on Japan's giants and the courage to speak publicly about trade frustrations. As a guest of the committee hearing on the seventh, Mr. R. Terren Dunlap, Go-Video's chief executive officer, related the story of his company to many eager listeners. Let me read some excerpts from his testimony.

The U.S. electronics industry is in trouble. BIG trouble.

In the past decade Americans have purchased 80 million VCRs, and for the past five years have been snapping them up at the rate of one million per month, or 33,000 per day. Thirty-three thousand VCRs per day . . . and not one of them designed, engineered, or manufactured in the United States. Not one! Not even any VCR components. Yet this is one product—the VCR—is

responsible for $5 billion of the U.S. trade deficit every year.

Did you know that VCR technology was invented in the United States? It's a fact! in the 1960s, DuPont invented Mylar polyester film, what we call videocassette tape . . . then Ampex developed the videotape recorder. But in 1975, VCR technology was completely taken over and exploited by Japanese manufacturers. . . .

Whatever happened to all the American consumer electronics companies, companies that made products you and your families grew up with? Remember Admiral? Ceased manufacturing. And Emerson? Ceased manufacturing. Quasar? Sold out to a Japanese company, Matsushita. Magnavox? Sold out to another Japanese company, Phillips, Sylvania and Philco? Sold to the same company, Phillips. And here's one for you, RCA . . . sold to GE in '86, then in '87 it and GE Consumer Electronics were sold to Thomson of France. [Phillips is European.]

And who's doing the manufacturing these days? Japanese companies every one, that's who! Toshiba and Hitachi for Sears. Matsushita for Penneys. Sanyo for Fisher. Are there ANY major manufacturers of VCRs, TVs, radios, fax machines, telephones and cameras in the U.S.? No. Almost 100% are foreign made, virtually ALL Japanese. . . .

It's a fact that not one single videocassette recorded is currently manufactured in the U.S. How did this happen? Through an open arms policy of free exchange of technology and ideas, American inventors gave Japanese companies such as Sony and JVC access to the videotape recorder. Now they own it!

The good news is, Go-Video, a publicly owned American company, has developed an invention that will revolutionize private television communications, can provide thousands of jobs in the U.S., and put America back into the billion-dollar consumer electronics market. Go-Video, based in Scottsdale, Arizona, has been granted a U.S. patent on a dual-deck videocassette recording system. The applications for business, education, government and home entertainment are astounding.

The bad news is, Go-Video has had to run a terrible gauntlet to get our product, the VCR-2*, to market.

This is the VCR-2*, the first significant American-designed and engineered consumer electronics invention over the past 15 years. The plot to stop the dual-deck VCR is a case study in Japanese domination of an industry through illegal activities. The so-called "Japanese Miracle" has been accomplished over and over by the reformation of the Japan pre-war zaibatsu, which secure advanced technology from American companies under the guise of cooperation—then eliminate all competition through patent pooling, dumping, and complete disregard for antitrust laws in both countries. Time does not permit my detailing all the schemes that the zaibatsu have employed over the past seven years to block the introduction of the dual-deck VCR, but let me give you a brief history.

In 1984, after exhaustive research and development, we filed for patents in the U.S. and Japan on the dual-deck system. At that time we learned that no VCRs were made in the U.S. and that all companies are dependent upon the zaibatsu for manufacturing. Invited by NEC, we went to Tokyo to meet with company executives in January of 1985. We believed it was a "good faith" business meeting, but later discovered from news reports that NEC apparently had other intents and purposes. As members of the Electronics Industry Association of Japan, they had entered a "voluntary restraint agreement" not to manufacture or sell component parts, and, collectively, to boycott our dual-deck, VCR, the VCR-2*, and prevent it from being offered for sale in our own country. Thus ringleaders of the E.I.A.J.—NEC, Sony, Panasonic, Sanyo, JVC, and Sharp—effectively denied Americans the "choice" of what VCR features they could purchase. The "Samurai Six" simply siad "No" to dual-deck VCRs for American consumers.

Yes, in trying to introduce a new electronics product to the American marketplace, Go-Video learned first-hand the insidious threat of the Japanese cartels, and thanks to ever-increasing publicity in national publications like Time, Newsweek, the Wall Street Journal, the Washington Post and many others, more and more Americans are waking up to just how dangerous and pervasive the threat really is. But important as public awareness is, only you, the Congress—by cracking down on the illegal Japanese cartels—can squash the threat.

You see, the American electronics industry, like others around the world, has fallen prey to such Japanese cartel practices as price-fixing, patent and technology pooling and other illegal trade practices. The cartel meets regularly to decide collectively what products American consumers will be allowed to have. ALLOWED to have. In these secret meetings, they and they alone choose which companies in Japan will make those products for American households. Your households, and those of your constituents. Their intent is to eliminate all competition (a basic American freedom!), to destroy our pride and independence, to control our freedom of choice and to eradicate American industry's pioneering spirit. . . .

□ 2100

That is the end of Mr. Dunlop's statement. I might add, Mr. Speaker, that Go-Video has fought heroically, but the fight is not yet won. What is plain to see, however, is that the Government of Japan, has, in collusion with its large business interests, done whatever it can to ensure success for Japan. Mr. Speaker, this Government should adopt a similar attitude. Japan is aware of what it at stake. We, for the most part, remain unaware. America must step forward and call these tactics of delay, multiple patenting and economic extortion to account.

This final company whose testimony was received that day was Allied-Signal. Many of us are familiar with the battles that Allied-Signal has fought. In February I recounted to you the story of Allied-Signal as it launched its fight against unfair trade practices in Japan. I would like to share with you just a few of the statements that were offered by the company's vice president for government relations, Mr. Ken W. Cole.

His remarks place this entire issue in the proper perspective. When speaking specifically about the Allied-Signal product that is so much in question, metglas, he states very succinctly,

Unless Japanese markets are opened to Metglas alloys now, a familiar pattern will have been established that will be impossible to break. We must establish the rules now or, for American companies that invest to compete in the global market with advanced technologies, the game will be over before it ever began.

These remarks need not apply to Allied-Signal or to amorphous metal alloys such as Metglas. They are universal in application. This country must compete, and succeed if there is to be a meaningful future for all Americans. As a nation we must achieve a consensus in industrial policy and move forward to develop effective means of meeting the challenges from abroad that threaten America's economic well-being. We can, and must, meet these challenges.

The theme that rings true in all of these issues is corporate courage.

The world of international business as we know, is often ruthless. Companies are engaged in a struggle for market share and as anyone involved in this struggle will tell you, the stakes are high, not only in terms of financial costs, but in human terms as well. Across the world, millions of jobs are dependent on the success or failure of international ventures. Understanding all of this, whistleblowers like Allied-Signal or any of the others should be commended for their efforts to bring the cloak and dagger world of business in Japan to light.

I might point out at this juncture that, if Japan had allowed the filing of the patent of Metglas when it was filed in all of the other countries around the world, that the Japanese consumers would have saved a total of some $675 million a year on their electrical bills, and Japan would not have had to have built 2,750 megawatt nuclear powerplants, but their consumers continue to get ripped off because of that country's apparent desire to control everything. I also want to point out that it is about time, now that the time is expired, the deadline has expired of the Special Trade Representative's office of this country, giving Japan time to take some action to purchase the amorphous metals alloy or not to hold down Allied Signal over there anymore. We will have to check on that later this week.

On many occasions, I have reminded this body of indiscretions in Japan's business practices. Therefore, in the context of the structural barriers in Japan that I have been discussing, I would like to highlight a very recent squabble between the Mid-Atlantic Toyota Distributors, Inc. and Toyota Motor Sales USA Inc., which, although not specifically related to the issue of intellectual properties, is a classic example of questionable business practices which have been artfully exposed.

I might note that Mid-Atlantic is a Maryland company located in the district of the gentleman from Maryland

[Mr. McMILLEN], and this action that we are going to discuss here also relates how this country allows a foreign company like Toyota to come in here and to vertically integrate in what we would consider an antitrust violation while we do not allow American companies to do the same.

□ 2110

Toyota has become an everyday fixture in American life. But it was not always this way. Many of us remember when Toyota vehicles were simply an afterthought in the minds of automotive enthusiasts. What was the key that freed Toyota from the land of the second rate vehicles? It was the work of American distributors who, through their long hours and hard work brought Toyota into the mainstream of automobile sales.

Toyota's reward for this dedication; a systematic effort to eliminate these distributors from its sales network. For Mid-Atlantic, this day of reckoning has arrived. As part of an agreement in 1987, Toyota is moving to Japanize its United States operations. I would like to submit an article today which explains this situation in great detail and points to the injustices which are being performed.

Mr. Speaker, I would like to submit an article today which explains the situation in great detail and point to the injustices which are being performed.

This article notes, and I will just read a little part of it, that Mid-Atlantic wants to take its battle against the California based Toyota Motor Sales to the Halls of Congress; however, Toyota forced this company to sign an agreement 2 years ago which said that they cannot do that. The Glen Burnie, MD, company says that Toyota is violating the Maryland company's first amendment rights.

The suit seeks to nullify a so-called gag clause in a 1987 distributorship agreement between the two companies that bars MAT, that is the Mid-Atlantic Co., the American company, from attempting to obtain, directly or indirectly, any political or legislative actions—Federal, State, or local—contrary to any business objectives of Toyota.

It says,

In effect, Toyota has taken the alarming step of forbidding American citizens from informing elected representatives about Toyota, said Birch Bayh, a former U.S. senator from Indiana who is now a partner with the Washington law firm of Rivkin, Radler, Dunne & Bayh and represents MAT.

I would specifically emphasize what I believe to be the unconstitutionality of Toyota's activities. It is very clear that Toyota wishes to do nothing other than eliminate the American stake in their operations. Is it too much for them to accept that Americans might be receiving even a small percentage of the billions in Toyota sales in this country every year?

I am particularly concerned by the so-called gag order which takes away Mid-Atlantic's right to seek assistance from the legislators which represent them. What this agreement reminds me of is a hostage being forced to sign a list of admitting to crimes that were not committed while a terrorist holds a gun to his head. Let us all look at this case with great interest and hope for a positive outcome. America should not accept this form of extortion.

Mr. Speaker, corporate courage will become more evident in the future. The pioneers of this courage are those who, in the face of serious consequences have the will to bring the stories of their frustrations to light. These companies, Therma-Systems, Go-Video, Allied-Signal, Fusion-Systems, and Mid-Atlantic Toyota Distributors, have hit upon a vital consideration for all American business that works in or with Japan; that all the competitive ability in the world is sometimes no match for the inherent biases of a given system of government working hand in hand with business and controlling what they do.

Those of us in the U.S. Government have an obligation to repay the sacrifices that these firms are willing to make. We must not let these sacrifices go unremembered. This Government really must come together on trade and economic policy. We must stand up for America's economic interests. We must ensure that future generations may glimpse the light of prosperity that we have enjoyed for so long.

Mr. Speaker, I will Include this entire news article on Toyota, as follows:

[From the Baltimore (MD) Sun, July 6, 1990]

MARYLAND IMPORTER SAYS TOYOTA VIOLATES ITS RIGHTS

(By Ted Shelsby)

Mid-Atlantic Toyota Distributors Inc., a big distributor of imported cars, wants to take its battle against being taken over by California-based Toyota Motor Sales U.S.A. Inc. to the halls of Congress.

MAT, as the Glen Burnie company is commonly called, announced yesterday that it had filed suit in U.S. District Court in Los Angeles charging Toyota with violating MAT's First Amendment rights in its attempt to take over the Glen Burnie company.

The suit seeks to nullify a so-called gag clause in a 1987 distributorship agreement between the two companies that bars MAT from attempting to obtain, directly or indirectly, any political or legislative actions—federal, state or local—contrary to any business objectives of Toyota.

"In effect, Toyota has taken the alarming step of forbidding American citizens from informing elected representatives about Toyota," said Birch Bayh, a former U.S. senator from Indiana who is now a partner with the Washington law firm of Rivkin, Radler, Dunne & Bayh and represents MAT.

MAT's lawyers contend that Toyota coerced MAT into signing the 1987 agreement.

Among other things, the agreement called on MAT to take good-faith efforts to counter the negative impact of political and legislative activities at the time, including House Bill 1399, which proposed requiring that all Japanese automakers distribute their cars through U.S. distributors such as MAT.

That bill was defeated, said Paul F. Strain, another attorney representing MAT, when the Maryland company withdrew its support for the legislation.

The MAT suit is the second in as many weeks for the company, which was started about 20 years ago by its current chairman, Frederick R. Weisman, MAT also went to Baltimore federal court last week in an effort to stop the takeover.

Mr. Strain said he, other lawyers and MAT officials are limited by the 1987 agreement's gag order in discussing any strategy to fight Toyota's takeover bid. "All I can say is that when we win the right to go to Congress and tell them what has been happening, we plan to do it effectively," he said.

Mr. Strain, who is with Venable, Baetjer & Howard, said MAT was in the position of having to sign the 1987 agreement or face the risk of shutting down.

He explained that the company was faced at the time with an existing agreement that was to expire in six months, "and if it was not renewed, they [MAT] would be finished."

Mindy Geller, a spokeswoman for Toyota Motor Sales U.S.A., which has its headquarters in Torrance, Calif., said yesterday afternoon that she was not aware of MAT's latest legal action and that she could not comment.

The new lawsuit came on the same day that Toyota released a short statement saying MAT had confirmed in writing that it would cooperate and work with Toyota in implementing its acquisition of the Glen Burnie concern.

In the release, Toyota said it expects to complete its acquisition of MAT by Oct. 1.

MAT's legal action against the giant Japanese car manufacturer comes as leaders from Japan and six other industrialized nations convene in Houston for an economic summit at which they will discuss trade and other issues.

In last week's legal action, MAT sought to stop the takeover and charged Toyota with willingly, intentionally and deliberately defrauding it of profits to which it was entitled. MAT also charged Toyota with fraud and false sales-reporting practices and is seeking damages of more than $400 million. Earlier this week, that suit was moved to a federal court in Los Angeles.

MAT distributes cars to dealers in Maryland, Delaware, Virginia, Pennsylvania, West Virginia and the District of Columbia.

It identifies itself as one of Maryland's 10 largest companies. The privately owned company posted sales of more than $1.2 billion last year and has about 500 workers.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEREUTER) to revise and

extend their remarks and include extraneous material:)

Mr. DOUGLAS, for 5 minutes, today.

Mr. WALKER, for 5 minutes, today.

(The following Members (at the request of Mr. STENHOLM) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BROWN of California prior to the introduction of the Gejdenson amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. BEREUTER) and to include extraneous matter:

Mr. CLINGER.

Mr. PORTER in four instances.

Mr. ROS-LEHTINEN in two instances.

Mr. MCCOLLUM.

Mr. ARCHER.

Mr. STANGELAND.

Mr. SUNDQUIST.

Mr. WYLIE.

Mr. MILLER of Washington.

(The following Members (at the request of Mr. STENHOLM) and to include extraneous matter:)

Mr. MCNULTY.

Mr. HAMILTON.

Mr. MCHUGH.

Mr. HALL of Ohio.

Mr. MONTGOMERY.

Mr. MRAZEK.

Mr. PALLONE.

Mr. KANJORSKI.

Mr. MORRISON of Connecticut.

Mr. TRAFICANT.

Mr. FROST.

Mr. NELSON of Florida.

Mr. ROSTENKOWSKI in three instances.

Mr. MATSUI.

Mr. BATES.

Mr. THOMAS A. LUKEN.

Mr. FASCELL.

Mr. SKELTON.

Ms. PELOSI.

Mr. TALLON.

Ms. OAKAR.

Mr. BARNARD.

Mr. TORRES.

Mr. CARDIN.

Mr. NOWAK.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2606. An act for the relief of Conwell F. Robinson and Gerald R. Robinson; to the Committee on Interior and Insular Affairs.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2843. An act to establish the Tumacacori National Historical Park in the State of Arizona.

ADJOURNMENT

Mrs. BENTLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to: accordingly (at 9 o'clock and 16 minutes p.m.), the House adjourned until tomorrow, Thursday, July 26, 1990, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the first and second quarters of 1990, as well as the calendar year 1989 report for a miscellaneous group of the the U.S. House of Representatives, in connection with foreign travel pursuant to Public Law 95-384, are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1990

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Charles Hilty	1/25	1/28	Hong Kong	4,919.70	630.00						630.00
	1/28	2/3	India	11,519.20	680.00						680.00
	2/3	2/5	Sri Lanka		162.70						162.70
	2/5	2/7	Hong Kong	3,280.60	420.00						420.00
Staff delegation other expenses									46.76		46.76
Commercial transportation							3,453.47				3,453.47
Anita R. Brown	1/27	1/28	Hong Kong	1,640.10	210.00						210.00
	1/28	2/1	India	6,945.40	410.00						410.00
	2/1	2/4	India		320.00						320.00
	2/4	2/7	Indonesia	916.655	507.00						507.00
	2/7	2/8	Hong Kong	1,640.10	210.00						210.00
Commercial transportation							3,549.00				3,549.00
Hon. Edward R. Madigan	1/3	1/7	Singapore	1,242.06	657.00						657.00
Codel Madigan	1/7	1/11	Thailand	17,401	680.00						680.00
	1/11	1/13	Hong Kong	4,921.60	630.00						630.00
Commercial transportation							3,231.54				3,231.54
Hon. Robert F. Smith	1/3	1/7	Singapore	1,242.06	657.00						657.00
	1/7	1/11	Thailand	17,401	680.00						680.00
	1/11	1/13	Hong Kong	4,921.60	630.00						630.00
Commercial transportation							2,735.26				2,735.26
Diane Liesman	1/3	1/7	Singapore	1,242.06	657.00						657.00
	1/7	1/11	Thailand	17,401	680.00						680.00
	1/11	1/13	Hong Kong	4,921.60	630.00						630.00
Commercial transportation							3,232.00				3,232.00
Jacqueline Parke	1/3	1/7	Singapore	1,242.06	657.00						657.00
	1/7	1/11	Thailand	17,401	680.00						680.00
	1/11	1/13	Hong Kong	4,921.60	630.00						630.00
Commercial transportation							3,232.54				3,232.54
Codel Madigan other expenditures			Hong Kong			14,132	1,809.24				1,809.24
Hon. E de la Garza	1/14	1/17	Mexico		304.00						304.00
Military transportation							1,094.71				1,094.71
Marshall Livingston	1/14	1/17	Mexico		304.00						304.00
Military transportation							1,094.71				1,904.71
Xavier Equihua	1/14	1/17	Mexico		304.00						304.00
Military transportation							1,094.71				1,094.71
Hon. E. Thomas Coleman	1/5	1/11	United Kingdon		1,156.00						1,156.00
	1/11	1/13	Czechoslovakia		392.00						392.00
	1/13	1/17	Austria		748.00						748.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1990—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Military transportation							5,055.38				5,055.38
Hon. Tom Lewis	1/12	1/14	Switzerland		616.25						616.25
Commercial transportation							2,647.00				2,647.00
Daniel Brinza	1/12	1/14	Switzerland		616.25						616.25
Commercial transportation							2,420.00				2,420.00
Committee total					15,858.20		34,649.56		46.76		50,554.52

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

E de la GARZA, Chairman, June 29, 1990.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1990

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Mark Constantine	3/31	4/4	Montreal, Canada		508.00		202.40				710.40
Gary Parker	3/31	4/4	Montreal, Canada		[3] 508.00		202.40				689.57
Robert Browne	4/30	5/5	New Delhi, India		765.00		3,524.00				4,289.00
Steve Horblitt	5/20	5/24	Port au Prince, Haiti		505.00		461.00				966.00
Gary Parker	5/24	6/2	Abidjan, Ivory Coast		[4] 1,971.00		2,410.00				4,392.00
Robert Browne	5/25	6/1	Abidjan, Ivory Coast		1,533.00		2,859.00				3,286.00
Dennis Kane	5/29	6/2	Abidjan, Ivory Coast		876.00		2,410.00				4,161.00
Committee total					6,425.17		12,068.80				18,493.97

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Per diem returned, $20.83.
[4] Per diem returned, $220.

HENRY B. GONZALEZ, Chairman, July 10, 1990.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON POST OFFICE AND CIVIL SERVICE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1990

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Paul E. Kanjorski	4/7	4/16	West Germany	3,051.40	1,796.00		139.29				1,935.29
Commercial transportation							532.00				532.00
W. Robert Hall	4/7	4/14	West Germany	2,324.23	1,368.00		139.29				1,507.29
Commercial transportation							592.00				592.00
Karen M. Feather	4/7	4/16	West Germany	3,051.40	1,796.00		139.29				1,935.29
Commercial transportation							532.00				532.00
Alex Rogers	4/7	4/16	West Germany	3,051.40	1,796.00		139.29				1,935.29
Commercial transportation							532.00				532.00
Jeff Schaffner	4/7	4/16	West Germany	3,051.40	1,796.00		139.29				1,935.29
Commercial transportation							532.00				532.00
Kristin Gilbert	4/7	4/13	West Germany	1,996.33	1,175.00		139.29				1,314.29
Commercial transportation							602.00				602.00
Committee total					9,727.00		4,157.74				13,884.74

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

WILLIAM D. FORD, Chairman, July 5, 1990.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MENS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1990

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Bill Archer	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
Commercial transportation							245.00				245.00
Military Transportation							2,133.24				2,133.24
Hon. Thomas Downey	4/13	4/17	Barbados	2,399.04	1,176.00		245.11		196.35		1,617.46
Commercial transportation							398.00				398.00
Military transportation							465.32				465.32
Hon. Bill Frenzel	4/5	4/6	Canada		89.95						89.95
	4/6	4/11	United Kingdom		1,115.00						1,115.00
	4/11	4/13	Greece		528.00		84.64		178.16		790.80
	4/13	4/17	Marrakesh		588.00						588.00
Military transportation							3,485.31				3,485.31
Hon. Barbara Kennelly	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,399.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Hon. Raymond McGrath	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,399.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Hon. Jim Moody	4/9	4/11	Yugoslavia		275.00						275.00
	4/12	4/13	Bulgaria		402.00						402.00
Commercial transportation							2,672.00				2,672.00
Hon. Jim Moody	4/4	4/6	Turkey		366.00						366.00
Commercial transportation							675.00				675.00
Hon. Dan Rostenkowski	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,399.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Hon. Dan Rostenkowski	4/8	4/9	Switzerland	321.30	275.00						275.00
	4/9	4/13	Poland		693.58						693.58
	4/13	4/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
Hon. Marty Russo	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Hon. Richard Schulze	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,399.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Hon. Fortney H. Stark	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		894.23
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,462.84				2,462.84
Commercial transportation							736.80				736.80
Hon. Guy Vander Jagt	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Charles M. Brain	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Meredith Broadbent	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
James Clark	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Virginia Fletcher	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/8	4/11	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Virginia Fletcher	6/8	6/9	Switzerland	321.30	275.00						275.00
	6/9	6/13	Poland		693.58						693.58
	6/13	6/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
Robert J. Leonard	6/8	6/9	Switzerland	321.30	275.00						275.00
	6/9	6/13	Poland		693.58						693.58
	6/13	6/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
Janice Mays	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Charles Mellody	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
Charles Mellody	6/8	6/9	Switzerland	321.30	275.00						275.00
	6/9	6/13	Poland		693.58						693.58

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1990—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	6/13	6/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
Thomas Sneeringer	6/8	6/9	Switzerland	321.30	275.00						275.00
	6/9	6/13	Poland		693.58						693.58
	6/13	6/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
George Weise	4/5	4/8	Brazil	39.999	727.25						727.25
	4/8	4/11	Argentina	2,176,200	468.00		155.55		270.68		365.28
	4/11	4/13	Costa Rica	28,191.60	328.00				37.28		365.28
	4/13	4/17	Barbados	2,339.04	1,176.00		245.11		196.35		1,617.46
Military transportation							2,928.16				2,928.16
George Weise	6/8	6/9	Switzerland	321.30	275.00						275.00
	6/9	6/13	Poland		693.58						693.58
	6/13	6/14	Czechoslovakia		146.00						146.00
Military transportation							15,405.83				15,405.83
Mary Jane Wignot	4/1	4/7	Switzerland	1,940.80	1,290.00		2,501.80				3,791.80
Committee total					51,830.18		152,370.91		7,742.81		211,943.90

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAN ROSTENKOWSKI, Chairman, July 18, 1990.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, U.S. EUROPEAN PARLIAMENT INTERPARLIMENTARY EXCHANGE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1989

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. William Clinger	9/22	9/24	Los Angeles		360.00		692.16		24.30		1,076.46
Hon. Dr. James D. Ford (chaplain)	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Bill Frenzel	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Sam Gibbons (cochairman)	9/22	9/24	Los Angeles		180.00		692.16				872.16
Hon. Benjamin A. Gilman (cochairman)	9/22	9/24	Los Angeles		180.00		692.16		19.80		891.96
Hon. Robert J. Lagomarsino	9/22	9/24	Los Angeles		360.00		692.16		10.75		1,062.91
Hon. Tom Lantos (chairman)	9/22	9/24	Los Angeles		180.00		692.16		14.70		886.96
Hon. Bob McEwen	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Donald Pease	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Thomas C. Sawyer	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Bill Richardson	9/22	9/24	Los Angeles		360.00		692.16		15.16		1,067.32
Hon. William Thomas	9/22	9/24	Los Angeles		120.00		692.16				812.16
Hon. Esteban E. Torres	9/22	9/24	Los Angeles		360.00		692.16		82.51		1,134.67
Hon. Guy Vander Jagt	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Hon. Julie Armstrong	9/22	9/24	Los Angeles		360.00		692.16		26.51		1,078.67
Hon. Robert K. Boyer	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Elizabeth Daoust	5/2	5/5	Los Angeles		614.51		[3] 472.80				1,087.31
	8/4	8/5	Chatauqua		46.00		[3] 199.00				245.00
	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Michael Ennis	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Beth Ford	9/22	9/24	Los Angeles		360.00		692.16		13.72		1,065.88
Frank Phifer	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Katherine Wilkens	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Russell Wilson	9/22	9/24	Los Angeles		360.00		692.16				1,052.16
Interpretation expenses									5,750.09		5,750.09
Ground transportation									5,603.48		5,603.48
Official delegation function									29,185.39		29,185.39
Official delegation expenses, 32d meeting (Paris, Jan. 6–10, 1989).									457.59		457.59
Committee total					7,800.51		15,227.52		41,204.00		64,903.83

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Commercial.

TOM LANTOS, Chairman, Apr. 26, 1990.

EXECUTIVE COMMUNICATIONS, ETC.

3620. Under clause 2 of rule XXIV, a letter from the Administrator, General Services Administration, transmitting a copy of a construction prospectus for the Federal Bureau of Investigation, Washington Field Office in Washington, DC, pursuant to 40 U.S.C. 606(a), was taken from the Speakers table and referred to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of California: Select Committee on Children, Youth, and Families. Children's Well-Being: An International Comparison. (Rept. 101-628.) Referred to the Committees on Education and Labor and Foreign Affairs and ordered to be printed.

Mr. HALL of Ohio: Committee on Rules. H. Res. 441, a resolution waiving certain

points of order during consideration of the bill (H.R. 5313) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes (Rept. 101-629). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. H.J. Res. 7. Joint resolution to repeal an obsolete joint rule of Congress (section 132 of the Legislative Reorganization Act of 1946, as amended) relating to sine die adjournment of Congress (Rept. 101-630). Referred to the House Calendar.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

H.R. 4115. A bill to authorize appropriations for certain ocean and coastal programs of the National Oceanic and Atmospheric Administration; referral to the Committee on Science, Space, and Technology extended for a period ending not later than August 31, 1990.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. BENTLEY (for herself, Mr. GAYDOS, Mr. TORRICELLI, and Mr. HUNTER):

H.R. 5361. A bill to remedy the serious injury to the U.S. shipbuilding and repair industry caused by subsidized foreign ships; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

By Mr. CHANDLER (for himself and Mr. ARCHER):

H.R. 5362. A bill to amend the Internal Revenue Code of 1986 to simplify the application of the tax laws with respect to employee benefit plans, and for other purposes; to the Committee on Ways and Means.

By Mr. COLEMAN of Texas (for himself and Mr. BUSTAMANTE):

H.R. 5363. A bill to establish an organizational unit within the Department of State to plan, develop, finance, and implement programs that address health and environmental problems along the border of the United States and Mexico; jointly, to the Committees on Energy and Commerce and Foreign Affairs.

By Mr. EDWARDS of Oklahoma:

H.R. 5364. A bill to amend the Internal Revenue Code of 1986 to provide for a maximum long-term capital gains rate of 15 percent and indexing of certain capital assets, and for other purposes; to the Committee on Ways and Means.

By Mr. GEKAS:

H.R. 5365. A bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to cap sequestration at $50,000,000,000 for fiscal year 1991 and $30,000,000,000 for each of fiscal years 1992 through 1995; to the Committee on Government Operations.

By Mr. GONZALEZ:

H.R. 5366. A bill to repeal the Balanced Budget and Emergency Deficit Control Act of 1985; jointly, to the Committees on Government Operations and Rules.

By Mr. HOUGHTON:

H.R. 5367. A bill to provide for the renegotiation of certain leases of the Seneca Nation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. OXLEY:

H.R. 5368. A bill to increase the protection of crime victims; to the Committee on the Judiciary.

By Mr. SCHULZE (for himself, Mr. ANTHONY, Mrs. BOGGS, and Mr. MURTHA):

H.R. 5369. A bill to amend the Internal Revenue Code of 1986 to provide a fixed rate of interest on the postponed estate tax attributable to a reversionary or remainder interest in property included in the estate; to the Committee on Ways and Means.

By Mr. STANGELAND:

H.R. 5370. A bill to provide an environmental mission for the U.S. Army Corps of Engineers, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BROOMFIELD (for himself, Mr. HYDE, Mr. COURTER, Mr. MCCOLLUM, and Mr. DEWINE):

H.R. 5371. A bill to amend title 28, United States Code, with respect to the termination of the office of an independent counsel; to the Committee on the Judiciary.

By Mr. THOMAS A. LUKEN (for himself and Mr. SIKORSKI):

H.R. 5372. A bill to amend the Toxic Substances Control Act to reduce the levels of lead in the environment, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MATSUI:

H.R. 5373. A bill to amend the Internal Revenue Code of 1986 to clarify portions of the Code relating to church pension and welfare benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. PENNY:

H.R. 5374. A bill to provide unpaid leave to certain employees and for other purposes; jointly, to the Committees on Education and Labor and House Administration.

By Mr. SCHUMER:

H.R. 5375. A bill to amend the Petroleum Marketing Practices Act to provide consumers with additional information concerning the octane rating of gasoline; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 84: Mr. SAXTON.

H.R. 118: Mr. GEKAS.

H.R. 446: Mr. OBERSTAR, Mr. BILBRAY, Mr. HANSEN, and Mr. ARMEY.

H.R. 1470: Mr. CONDIT.

H.R. 1674: Mrs. JOHNSON of Connecticut, Mr. BUSTAMANTE, Mr. GOODLING, Mr. RITTER, Mr. COYNE, Mr. SMITH of Vermont, Mrs. LOWEY of New York, Mr. KANJORSKI, Mr. CLINGER, Mr. YATRON, Mr. MAVROULES, and Mr. COUGHLIN.

H.R. 1693: Mr. PALLONE.

H.R. 1875: Mrs. PATTERSON.

H.R. 2545: Mr. SMITH of New Jersey.

H.R. 2816: Mr. BARNARD.

H.R. 2926: Mr. SHARP.

H.R. 3004: Mr. CONDIT, Mr. HENRY, and Mr. VANDER JAGT.

H.R. 3080: Mr. RITTER.

H.R. 3333: Mr. GILLMOR.

H.R. 3732: Mr. SERRANO, Ms. MOLINARI, Mr. SPRATT, Mr. BOSCO, Mr. BOUCHER, Mr. GEJDENSON, Mr. GOODLING, Mr. DICKS, Mr. LEWIS of Georgia, and Mr. ACKERMAN.

H.R. 3933: Mr. GOODLING.

H.R. 3999: Mrs. BOXER and Mr. MORRISON of Connecticut.

H.R. 4059: Mrs. MEYERS of Kansas.

H.R. 4083: Mr. GOODLING.

H.R. 4121: Mr. MADIGAN, Mr. COLEMAN of Missouri, and Mr. PURSELL.

H.R. 4149: Mr. MRAZEK, Mr. SCHAEFER, and Mr. DONALD E. LUKENS.

H.R. 4226: Mr. MCCRERY, Mr. HERGER, Mr. DELAY, Mr. PACKARD, Mr. GUNDERSON, Mr. REGULA, Mr. BAKER, Mr. BLILEY, Mr. BUECHNER, Mr. MCEWEN, and Mr. MCMILLAN of North Carolina.

H.R. 4250: Mr. BUSTAMANTE and Mr. BILIRAKIS.

H.R. 4431: Mr. MCGRATH.

H.R. 4548: Mr. LEWIS of Georgia.

H.R. 4571: Mr. PACKARD.

H.R. 4774: Mr. BATES.

H.R. 4801: Mr. NOWAK.

H.R. 4840: Mr. BEILENSON, Mr. ERDREICH, Mr. NEAL of Massachusetts, Mr. JONES of Georgia, Mr. PALLONE, and Mr. SAWYER.

H.R. 4875: Mr. GOSS, and Mr. SMITH of Florida.

H.R. 4880: Mr. FISH and Mr. SHAW.

H.R. 4914: Mr. BEILENSON, Mr. HANSEN, and Mr. NIELSON of Utah.

H.R. 4915: Mr. BUECHNER and Mr. EMERSON.

H.R. 4942: Mr. JOHNSON of South Dakota and Mr. OWENS of Utah.

H.R. 4958: Mr. FRANK and Mr. LEWIS of Georgia.

H.R. 4994: Mr. POSHARD.

H.R. 5028: Mr. HERGER, Mr. SHUMWAY, and Mr. OWENS of Utah.

H.R. 5050: Mr. VISCLOSKY, Mr. MYERS of Indiana, Mr. MARTINEZ, Mr. BROWN of California, Mr. BEVILL, Mr. HERGER, Mr. GILLMOR, Mr. MCCRERY, Mr. SHAYS, Mr. ROGERS, Mr. REGULA, Mr. APPLEGATE, Mr. GOSS, Mr. FRENZEL, Mr. HOLLOWAY, Mr. WALSH, and Mr. STUMP.

H.R. 5053: Mr. NOWAK, Mr. SIKORSKI, Mr. HUBBARD, Mr. BARNARD, Mr. ENGLISH, Mr. FAZIO, Mr. STOKES, Mr. ROTH, Mr. LEWIS of Georgia, Mr. TORRICELLI, and Mr. GONZALEZ.

H.R. 5086: Mr. PERKINS and Mrs. LLOYD.

H.R. 5108: Mr. BEVILL, Mr. COOPER, Mr. FLIPPO, and Mr. MCEWEN.

H.R. 5185: Mr. STOKES, Mr. SAVAGE, and Mr. LEWIS of Georgia.

H.R. 5188: Mr. MARTINEZ.

H.R. 5201: Mr. SOLOMON, Mr. BRYANT, Mr. VALENTINE, and Mr. JOHNSON of South Dakota.

H.R. 5259: Mr. RANGEL, Mr. FAUNTROY, and Mr. HORTON.

H.R. 5266: Mr. BERMAN, Mr. COLEMAN of Texas, Mr. LAUGHLIN, Mr. MCCLOSKEY, Ms. SCHNEIDER, and Mr. CARR.

H.R. 5284: Mr. ROGERS, Mr. SHUMWAY, and Mr. GILLMOR.

H.R. 5328: Mr. MANTON, Mr. GEREN of Texas, Mr. BEILENSON, and Mr. HUCKABY.

H.R. 5338: Mr. COSTELLO, Mr. OWENS of New York, and Mr. FROST.

H.R. 5351: Mr. BROWN of Colorado.

H.J. Res. 431: Mr. GALLO, Mr. WEISS, Mr. JOHNSTON of Florida, and Mr. PASHAYAN.

H.J. Res. 459: Mr. ARCHER, Mr. PORTER, Mr. MACHTLEY, Mr. DIXON, Mr. HYDE, Mr. TORRICELLI, Mr. RUSSO, and Mr. BEVILL.

H.J. Res. 509: Mr. SABO, Mr. NAGLE, Mr. YATES, and Mr. ROWLAND of Connecticut.

H.J. Res. 515: Mr. PRICE, Mrs. MARTIN of Illinois, Mr. CLAY, Mr. POSHARD, Mr. CARR, Mr. OWENS of Utah, Mr. GINGRICH, Mr.

BRUCE, Mr. HASTERT, Mr. YATRON, Mr. COSTELLO, Mr. STUDDS, Mr. NELSON of Florida, Mr. HUTTO, Mr. HAYES of Illinois, Mr. ATKINS, Mr. JONES of Georgia, Mr. SOLARZ, Mr. HEFNER, Mr. LEVINE of California, Mr. DORGAN of North Dakota, Mr. VISCLOSKY, Mr. FRANK, Mr. OBERSTAR, Mr. SABO, Mr. VOLKMER, Mr. TORRICELLI, Mr. ACKERMAN, Mr. MCHUGH, Mr. SYNAR, Mr. DICKS, Mr. ECKART, Mr. WAXMAN, Mr. PARKER, Mr. MARTINEZ, Mr. MILLER of Washington, Mr. PEASE, Mr. DONNELLY, Mr. SERRANO, Mr. ANDERSON, Mr. SISISKY, Mrs. LOWEY of New York, Ms. LONG, Mr. GEPHARDT, Mr. RAHALL, and Mr. HAMILTON.

H.J. Res. 524: Mr. MCDADE and Mrs. MEYERS of Kansas.

H.J. Res. 551: Mr. MCGRATH, Mr. LEHMAN of Florida, and Mrs. JOHNSON of Connecticut.

H.J. Res. 557: Mr. SKELTON, Mr. ROE, Mr. RICHARDSON, Mr. SKAGGS, Mr. KASTENMEIER, Mr. KLECZKA, Mr. FROST, Mr. LEVIN of Michigan, Mr. LANTOS, Mr. WELDON, Mr. WOLPE, Mr. GEREN, Mr. SCHEUER, Mr. FAUNTROY, Mr. HYDE, Mr. QUILLEN, Mr. RAVENEL, Mr. TALLON, Ms. PELOSI, Mr. DWYER of New Jersey, Mr. SLATTERY, Mr. DORGAN of North Dakota, Mr. HUBBARD, Mr. PAXON, Mr. COSTELLO, Mr. FLAKE, Mr. LEHMAN of Florida, Mr. BUNNING, Mr. HOCHBRUECKNER, Mr. FRENZEL, Mr. PALLONE, Mr. DE LA GARZA, Mr. BOUCHER, Mr. COYNE, Mr. EMERSON, Mr. SHUMWAY, Mr. TAUZIN, and Mr. SPENCE.

H.J. Res. 565: Mr. WALSH, Mr. QUILLEN, Mr. FUSTER, Mr. MINETA, Mr. JONTZ, Mr. TANNER, Mr. GALLO, Mr. ROWLAND of Georgia, Mr. THOMAS of Georgia, Mr. GEJDENSON, Mr. ROBERT F. SMITH, Mrs. LLOYD, Ms. OAKAR, Mr. BLILEY, Mr. JONES of North Carolina, Mr. ROE, Mr. BARTLETT, Mrs. MARTIN of Illinois, Mr. DARDEN, Mr. HASTERT, Mr. LOWERY of California, Ms. PELOSI, Mr. COBLE, Mr. MADIGAN, Mr. STANGELAND, Mr. PETRI, and Mr. NIELSON of Utah.

H.J. Res. 585: Mr. KLECZKA, Mr. DOUGLAS, Mr. GILMAN, Mr. SANGMEISTER, Mr. SABO, Mrs. VUCANOVICH, Mr. ACKERMAN, Mr. ANDERSON, Mr. COSTELLO, Mr. CONYERS, Mr. GAYDOS, Mr. HALL of Texas, Mr. JONES of North Carolina, Mr. DONALD E. LUKENS, Mrs. MARTIN of Illinois, Mr. MAZZOLI, Mr. MFUME, Mr. NATCHER, Mr. PANETTA, Mr. PRICE, and Mr. SAWYER.

H.J. Res. 612: Mr. RAHALL, Mr. HAMILTON, Mr. CLEMENT, and Mr. RINALDO.

H.J. Res. 616: Mr. KAPTUR, Mr. MCNULTY, Mr. PRICE, Mr. STALLINGS, Mr. CALLAHAN, Mrs. COLLINS, and Mr. KASICH.

H.J. Res. 626: Mr. GREEN, Mr. HORTON, Mr. RITTER, Mr. CONYERS, Mr. WYDEN, and Mr. MILLER of Washington.

H. Con. Res. 293: Mr. MCNULTY.

H. Con. Res. 316: Mr. ROWLAND of Georgia.

H. Con. Res. 330: Mr. INHOFE, Mr. KYL, and Mrs. MEYERS of Kansas.

H. Res. 390: Mr. SWIFT.