All Members wishing to place a hold on any legislation or executive calendar business shall notify the sponsor of the legislation and the committee of jurisdiction of their concern. Further written notification should be provided to respective leaders stating their intentions regarding their bill or nomination. Holds placed on items by a member of a personal or committee staff will not be honored unless accompanied by a written notification from the objecting Senator by the end of the following business day.

Suffice it to say, colleagues, I suspect there are a few sponsors of legislation here in the Senate who have not been notified that there is a hold on their legislation.

I hope as we move towards the last hours of this session all Senators, Democrats and Republicans, will honor the policy set out by Senators LOTT and DASCHLE. The secret holds are a breach of all that the Senate is supposed to stand for in terms of openness and public accountability.

I hope Senators will comply with that new policy set out by Senators LOTT and DASCHLE.

I yield the floor.

DAKOTA WATER RESOURCES ACT

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I would like the opportunity to respond to statements that have been made about the Dakota Water Resources Act over the last several days by the Senator from Missouri. Yesterday we were told that North Dakota is seeking somehow to steal water from our neighbors to the south. That is factually incorrect. It is untrue. We are not making any claim on anybody's water but our own.

Under the current law, North Dakota has a right to water flowing through the Missouri River. That is in the law today. In the law today there is authorized a very large water project for North Dakota called the Garrison Diversion Project. The reason it is authorized is because North Dakota accepted the permanent flood of 550,000 acres of the richest farmland in North Dakota—permanently inundated to provide flood protection to downstream States, including Missouri. We have saved billions of dollars of flood damage in those States because North Dakota has accepted this permanent flood of over half a million acres. That is the fact.

The new legislation before us is designed to substantially alter what is currently authorized in the law to reduce its costs by $1 billion to reduce dramatically the number of irrigated acres, and instead to have water supply projects for cities and towns that desperately need it.

The assertion has been made that this would somehow deplete the water going to Missouri.

The fact is, the flow of the Missouri River in Missouri is 50,000 CFS. We are talking about 100 CFS to meet the legitimate water needs of the State of North Dakota, water needs that are already recognized in the law.

Today, in order to respond to the legitimate concerns of the Senators from Missouri, we offered to go even further and to put into law an assurance that they would not lose water at their key navigation time, during this key period when they are concerned with losing even half an inch. That is what this translates into: A reduction of one half an inch, the water level of the Missouri River in the State of Missouri. We are prepared to assure them they don't even lose that half an inch. This is in response to the documented need for water that is so desperately required in my State. We have people who are turning on their tap right now in North Dakota and what comes out looks filthy. It looks filthy because it is filthy.

North Dakota was made a promise that, if you accept the permanent flood to provide flood protection for downstream States, we will compensate you by allowing you to improve the water supply for your citizens. That is what this bill is about. It is not designed in any way to hurt the State of Missouri. We are prepared to make changes in the legislation to make that clear.

Let me conclude by saying we received a letter today that totally confuses this project with the Devil's Lake outlet which is required to solve another problem in another part of the State. These two projects are not the same. We hope officials in Missouri will get it straightened out in their own minds that these are two totally distinct projects. An outlet from Devil's Lake has nothing whatever to do with the Dakota Water Resources Act Project.

I thank my colleagues for their patience, and I yield the floor.

BANKRUPTCY REFORM ACT OF 1999—Continued

AMENDMENT NO. 2532, AS MODIFIED

The PRESIDING OFFICER. There are 15 minutes equally divided on the Dodd amendment.

Mr. DODD. I yield myself 4 minutes under the agreement.

This chart explains the amendment I am offering. As most of my colleagues are aware, there is $43 billion in uncollected child support in this country. If we could collect a fraction of the child support that is outstanding, we could make a huge difference in the lives of children and families all across this country.

Despite the good efforts of those who have authored this bill on bankruptcy, there is a major gap in this bill. The major gap affects the very people this number reflects for child support recipients. This bill places at a significant disadvantage women and children who may get caught up in the turmoil of a bankruptcy proceeding and leaves them at a significant disadvantage with respect to meeting the basic necessities in their lives.

This morning's Washington Post made the case abundantly clear in the lead editorial. It said that the Congress should make sure that in the name of financial responsibility it does not unduly squeeze people who, because of job loss, family breakup, medical bills, et cetera, can't help themselves. These are the people affected by this amendment Senator LANDRIEU and I have offered and on which we will ask for your votes shortly.

Children and families are the most vulnerable. The median income of a person who files for bankruptcy is around $17,000 a year; for a woman filing for bankruptcy, that number is a lot lower than $17,000 a year.

Unfortunately, this bill does not appear to treat these people as we have for almost 100 years. Since the first bankruptcy law was passed in 1903, women and children came first in the line of distributable assets in bankruptcy. They are going to be protected no matter what other tragedy has befallen. No matter what other rights creditors may have, they will not be allowed to disadvantage innocent children and women who have to depend upon some income in order to provide for their families. Unfortunately, this bill leaves gaping holes in this area.

The amendment we have offered has been endorsed by 180 organizations, every imaginable family organization in this country. It does the following four things:

First, we say creditors can't seize or threaten to seize bona fide household goods, such as books, games, microwave ovens, and toys. As written today, S. 625 provides no protection against repossession of operations of business, coming into a home and removing such items from a family. Needless to say, that would be an unsettling, intimidating occurrence for families and children. I don't think this body wants to go on record ratifying these kinds of scare tactics. I appreciate Senator GRASSLEY's support for this provision.

Second, we say if people in bankruptcy are put on a budget and they cannot repay some of their debts, it ought to be a realistic budget. The bill puts them on a budget based on IRS guidelines for people who owe back taxes. Unfortunately, those guidelines ignore obligations such as child care, school supplies, and church tithes. We say the bankruptcy judge ought to be allowed to at least consider these kinds of valid, often necessary expenses when it comes to family needs.

Third, we say money for kids should go to kids, not creditors. We mean that funds a parent receives for the benefit of children—like child support payments or earned income tax refunds—should not be divvied up among creditors. They ought to be reserved for the children.

I want the manager of the bill to have a chance to make his argument against the amendment, and then I will respond.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, this bill, the original bill, contains many

provisions to help collect past due child support. This is not just the authors saying this. These provisions are endorsed by the prosecutors who actually enforce child support laws.

On another point, in response to what the Senator from Connecticut has said, if one is under the median income, the means test doesn't even apply to that person. The people Senator DODD is worried about won't be affected.

In a more broad sense, this amendment should be defeated. First, the means test we now have in the bill is very flexible. The charge has been that we are not flexible enough. I will point out that flexibility. If a bankrupt is in a unique or special situation, our bill, the means test, allows that person to explain his or her situation to the judge or to the trustee and thus get out of paying these debts if there are special expenses. If these special expenses are both reasonable and necessary and this reduces repayment ability, the debtor doesn't have to repay his or her debts.

The way we determine living expenses in this bill is to use a template established by the Internal Revenue Service for repayment plans involving back taxes.

I have a chart and a study of the bill which was done by the General Accounting Office. The General Accounting Office noted in its June 1999 report, which was to Congress, and a report about bankruptcy reform, that this template includes a provision allowing a debtor to claim child care expenses, dependent care expenses, health care expenses, or other expenses which are necessary living expenses. Tell me, with all these things included, and with the General Accounting Office backing up the intent of our legislation, that this bill is not flexible, that this bill does not take into consideration the living expenses and needs of the potential person in bankruptcy.

This is, frankly, as flexible as you can get. According to the General Accounting Office and the Internal Revenue Service, living standards in the bill now provide that any necessary expense can be taken into account. The only living expenses not allowed under this bill are unnecessary and unreasonable expenses. What is wrong with not allowing unreasonable and unnecessary expenses? The only people who oppose the means test as currently written are people who want deadbeats looking to stiff their creditors to dine on fancy meals and to live in extravagant homes and to take posh vacations.

On the issue of household goods, this might by a surprise to the Senator from Connecticut, but I tend to agree with some of what he said now and last night. If Senator DODD were to modify his amendment, just to deal with household goods, I will be pleased to work with him on that, to get the amendment accepted. But his amendment does much more than just deal with the household goods issues. I simply cannot accept these other changes.

Finally, this amendment by the Senator from Connecticut makes fraud much easier because the problem we must address in doing bankruptcy reform is that some people load up on debts on the eve of bankruptcy and then try to wipe out those debts, wipe them all away, by getting a discharge. Obviously, this is a type of fraud which Congress needs to protect against. The bill now says that debts for luxury items purchased within 90 days of bankruptcy in excess of $250, and cash advances on credit cards made within 70 days in excess of $750, are presumed to be nondischargeable. This is pretty flexible on its face. Under the bill now, you can buy $249 worth of luxury items such as caviar the day before you declare bankruptcy and still walk away scot-free. Under the bill, you can get $749 worth of cash advances minutes before you declare bankruptcy and still walk away scot-free.

But this is not enough for the people proposing this amendment. So the question we have to answer is how much fraud do we want to tolerate? This amendment is way off base. If you want to crack down on out-and-out fraud, and that is what we are talking about, you should support the bill and you should be against this amendment because by supporting the amendment, you make it easier for crooks to game the bankruptcy system and get a free ride at everyone else's expense. Consequently, if you do not want to do that, you will not support the Dodd amendment. I oppose the amendment and I ask my colleagues to do the same.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, crooks and scam artists there may be, but in our appetite, to go after the scam artist, we should not make women and children pay the price. To suggest somehow that someone is scamming the system because they buy $251 worth of goods and services they may need for their children, that they are somehow ripping off the system, is to approach being ludicrous when it comes to this.

I have great respect for prosecutors, and the General Accounting Office. But when 180 organizations representing every family group in this country from the right to the left, if you will, strongly support this amendment because it tries to do something to protect these families, then we have achieved a new low when it comes to speaking about families and children with one voice and then turning around and doing violence to them.

The IRS schedule is not terribly flexible. I ask unanimous consent it be printed in the RECORD.

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

COLLECTION FINANCIAL STANDARDS—ALLOWABLE LIVING EXPENSES FOR FOOD, CLOTHING AND OTHER ITEMS; TOTAL MONTHLY NATIONAL STANDARDS (EXCEPT ALASKA AND HAWAII)

Total gross monthly income	Number of persons				
	One	Two	Three	Four	Over four
Less than $830	345	466	579	726	+125
$831 to $1,249	391	525	646	762	+135
$1,250 to $1,669	433	630	737	800	+145
$1,670 to $2,499	527	685	781	830	+155
$2,500 to $3,329	554	769	863	924	+165
$3,330 to $4,169	620	830	948	1,063	+175
$4,170 to $5,829	773	957	1,018	1,170	+185
$5,830 and over	991	1,235	1,399	1,473	+195

MONTHLY NATIONAL STANDARDS

Item	Gross Monthly Income							
	Less than $830	$831 to $1,249	$1,250 to $1,669	$1,670 to $2,499	$2,500 to $3,329	$3,330 to $4,169	$4,170 to $5,829	$5,830 and over
One Person:								
Food	170	198	214	257	270	325	428	456
Housekeeping supplies	18	20	21	26	27	29	35	43
Apparel & services	43	52	75	120	127	129	168	334
Personal care products & services	14	21	23	24	30	37	42	58
Miscellaneous	100	100	100	100	100	100	100	100
Total	345	391	433	527	554	620	773	991
Two Persons:								
Food	228	227	351	365	424	438	515	635
Housekeeping supplies	23	27	28	40	46	51	57	74
Apparel & services	71	72	98	121	128	167	202	335
Personal care products & services	18	24	28	34	46	49	58	66
Miscellaneous	125	125	125	125	125	125	125	125

MONTHLY NATIONAL STANDARDS—Continued

Item	Gross Monthly Income							
	Less than $830	$831 to $1,249	$1,250 to $1,669	$1,670 to $2,499	$2,500 to $3,329	$3,330 to $4,169	$4,170 to $5,829	$5,830 and over
Total	466	525	630	665	769	830	957	1,235
Three Persons:								
Food	272	326	390	406	444	488	545	
Housekeeping supplies	24	28	29	41	47	55	58	
Apparel & services	110	114	134	143	175	205	206	
Personal care products & services	23	28	34	41	47	50	59	
Miscellaneous	150	150	150	150	150	150	150	
Total	579	646	737	781	863	948	1,018	
Four Persons:								
Food	374	376	406	416	472	574	629	
Housekeeping supplies	36	37	38	46	49	57	60	
Apparel & services	114	145	146	147	179	206	244	
Personal care products & services	27	29	35	46	49	51	62	
Miscellaneous	175	175	175	175	175	175	175	
Total	726	762	800	830	924	1,063	1,170	
More Than Four Persons: For each additional person, add to four-person total allowance	125	135	145	155	165	175	185	

Mr. DODD. Find for me the word ''children'' anywhere in this schedule. It does not show up, not once. There is no flexibility at all. It is very rigid in terms of how it applies. There is no consideration for the regions of the country where people live, whether you live in New York City or Iowa or Connecticut or the State of Ohio. It is a one-fix system, across the board.

I appreciate the Chairman and others who have tried to do something on the means test. If you think it is so flexible, then merely adopt this amendment. What you have also left out, of course, is that you still allow for funds that a parent receives to the benefit of children to be dissipated. Things like child support payments and earned-income tax credits, which you do get if you are making $17,000 a year, should not be divided up among creditors. As the bill presently reads, that can happen. That is why 180 organizations are vehemently opposed to the present language of this bill.

Let me go on. With regard to the seizing of household goods, again there is nothing in this bill, nor the managers' amendment that prohibits these repossession operations from coming in and taking toys and books and VCRs that may be necessary for the education of children.

Lastly, the bill says if a consumer buys food, clothing, medicine, and similar items on credit within 90 days of a bankruptcy filing, and if the value of those items exceeds $250, then they are presumed to be luxuries and the person filing the bankruptcy has to hire a lawyer to defend such purchases, make the case they were not luxury items. That is what the bill says. That goes far beyond anything we have ever done in 100 years in bankruptcy law, to turn around and say the present law says $1,075 over 60 days. Our amendment says $400 per item or service in 60 days. The bill provides for a total of $250 in 90 days, while mine provides a more rational and reasonable itemized sum—per item or service—in 60 days. The managers' amendment does not say anything about that at all.

This would be a travesty, an absolute travesty to say we are going to make families go into court and prove, when they went to Kmart and bought $251 worth of goods in the last 60 days, that they are not scam artists. Maybe there are some out there, but let's not let the millions of people who get caught in a bankruptcy proceeding because someone is sick and they lose a job, that somehow they are going to have to hire a lawyer and defend themselves for $250. This amendment is critical.

Mr. President, I ask unanimous consent for 1 additional minute?

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

Mr. DODD. This amendment is as critical as it gets to this bill. We are doing a lot to help the credit card companies. This is going to reduce the number of bankruptcies. But in our zeal to do that, do not allow this to happen. This would really be a major setback. Since 1903, we have put children and families in the exalted position of not allowing them to be brought in and damaged in bankruptcy proceedings.

They are not going to get off scot-free. They have obligations to pay. But to say, somehow, we are putting families first because we have a flexible means test, disregarding all the other things that are in this bill, would be a major setback of significant proportions.

The Washington Post editorial this morning is right on point. This is the amendment they were talking about. We urge our colleagues to support it.

Mr. BIDEN addressed the Chair.

Mr. GRASSLEY. I yield the Senator from Delaware 1 minute.

Mr. BIDEN. Mr. President, under the present law there are nondischargeable items with cash advances. It is a little over $1,000. This goes down to $750. There is a difference, but it is not what the Senator from Connecticut makes it out to be.

No. 2, in the means test in terms of ''other necessary expenses,'' it includes such expenses as charitable contributions, child care, dependent care, health care, payroll deductions—that is taxes, union dues, and life insurance. It is not true they are not able to be viewed as ''other expenses'' to be considered within bankruptcy.

I understand the Senator's point. I think he doth protest too loudly. It is not $1,000; it is $750. That is true. It is a $250 difference. That is what we are arguing about.

I have no more time, so I yield the floor.

Mr. HATCH. Mr. President, I rise in opposition to the amendment offered by Mr. DODD and others, which has many components that undermine the kind of bankruptcy reform we are seeking to accomplish in this bill. The amendment creates new windfalls for debtors in bankruptcy. It imposes an artificial definition of gross income which excludes major sources of income. This would undermine both the means test and the obligation that debtors pay all their disposable income to creditors in chapter 13 plans. Furthermore, the amendment undercuts the bill's definition of household goods, allowing virtually any frivolous item a debtor owns to qualify as a ''household good''.

The amendment claims to be ''pro-family'', but it takes a tremendous step backward with respect to families—particularly those who work hard to pay their bills every month. I have worked very hard, along with Senator TORRICELLI, provision by provision, to ensure that this bill is an important for families over current bankruptcy law. I described in considerable detail last week the particular provisions in the bankruptcy bill that are designed to help families, along with the amendment Senator TORRICELLI and I developed to further enhance these provisions. Therefore, I am deeply concerned by the fact that this amendment inexplicably allows debtors to discharge debts without being responsible to repay what they can afford.

A practical effect of this amendment is to allow rich debtors to defraud their creditors. Debtors with high income who are receiving child support could subtract child support from the calculation of their ability to repay. Thus, a debtor who earns $100,000 per year and receives an additional $25,000 in child support, and who has mortgage, car, and household expenses equaling $100,000, can go bankrupt in chapter 7 and walk away with $25,000 a year. This windfall to the debtor is passed on the hardworking families that end up subsidizing the cost of bankruptcies of others.

Furthermore, the definition of household goods in the amendment allows debtors to avoid a security interest in expensive items like $2,000 stereo systems. I am mystified by why windfalls to debtors of this kind are viewed as pro-family. I have been reminded many times during the course of this debate that bankruptcies end up costing every American family at least $400 per year. When these windfalls are incorporated into our bankruptcy laws, hardworking American families end up paying for them.

Mr. GRASSLEY. Mr. President, I ask unanimous consent for 1 minute so I can have the same 1 minute the other side had.

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

Mr. GRASSLEY. Mr. President, I want to point out the big deal the Senator from Connecticut made about the IRS regulations and the guidelines not mentioning the word ''children.''

The point is very clear, from the General Accounting Office, but in their study of the IRS guidelines, under a category ''other necessary expenses,'' if it does not mention children, if it does not take the needs of children into consideration, what in the heck do the words ''child care'' mean? What does ''dependent care'' mean, if the needs of children are not taken into consideration? It may not be mentioned in the IRS guidelines per se, but under ''other necessary expenses,'' it is very clear that the needs of every child will be taken care of.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2532, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Arizona (Mr. MCCAIN) and the Senator from Pennsylvania (Mr. SANTORUM) are necessarily absent.

Mr. REID. I announce that the Senator from California (Mrs. BOXER) is necessarily absent.

The result was announced—yeas 45, nays 51, as follows:

[Rollcall Vote No. 365 Leg.]

YEAS—45

Akaka	Conrad	Harkin
Baucus	Daschle	Hollings
Bayh	Dodd	Inouye
Bingaman	Dorgan	Jeffords
Breaux	Durbin	Johnson
Brownback	Edwards	Kennedy
Bryan	Feingold	Kerrey
Byrd	Feinstein	Kerry
Cleland	Graham	Kohl
Landrieu	Mikulski	Sarbanes
Lautenberg	Moynihan	Schumer
Leahy	Murray	Torricelli
Levin	Reed	Voinovich
Lieberman	Reid	Wellstone
Lincoln	Rockefeller	Wyden

NAYS—51

Abraham	Enzi	McConnell
Allard	Frist	Murkowski
Ashcroft	Gorton	Nickles
Bennett	Gramm	Robb
Biden	Grams	Roberts
Bond	Grassley	Roth
Bunning	Gregg	Sessions
Burns	Hagel	Shelby
Campbell	Hatch	Smith (NH)
Chafee, L.	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Hutchison	Specter
Coverdell	Inhofe	Stevens
Craig	Kyl	Thomas
Crapo	Lott	Thompson
DeWine	Lugar	Thurmond
Domenici	Mack	Warner

ANSWERED ''PRESENT''—1

Fitzgerald

NOT VOTING—3

Boxer	McCain	Santorum

The amendment (No. 2532) was rejected.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 2752

Mr. WELLSTONE. Mr. President, could I have order in the Chamber?

Mr. President, we are now dealing with amendment 2752. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WELLSTONE. I thank the Chair.

Mr. President, we will start this debate tonight, and we will conclude the debate on Wednesday. There will be an hour of debate on Wednesday as well. I want to give this a little bit of context. Mr. President, could I have order in the Chamber? Would Senators please take their conversation outside the Chamber?

I thank the Chair.

Mr. President, I will start out with some narrative that was written by Jodi Niehoff, who works with me, and who is the daughter of dairy farmers, Jane and Loren Niehoff, in Minnesota from Melrose, MN, and close thereby.

Grove Township is 6 miles by 6 miles. It is a typical Midwest township. Fields of wheat, corn, some oats, and alfalfa span across the township line. In Grove Township, as in surrounding townships, the biggest topic of conversation is the economic farm crisis.

There are fewer and fewer folks attending to local board meetings. It is not because fewer folks care. It is because there are fewer farmers around.

In Grove Township, regardless of which gravel road one chooses to travel along, one will inevitably drive by an abandoned farm. Let me begin by illustrating how the farm crisis affects rural communities. I'll use Grove Township as an example.

Sometimes we have these debates, and we never talk about it in terms of people.

Reuban Schwieters—Reuban just recently quit farming. Reuban and his wife Paula and their young boys sold half of the farm. Reuban is now pouring cement at a local construction company.

The PRESIDING OFFICER. The Senate will be in order. Senators will please take their conversations elsewhere.

Mr. WELLSTONE. Mr. President, I will just keep speaking, and if you can't get order, I will get order.

Mr. President, I would say to colleagues that we could have had a 4-hour debate tonight. Colleagues wanted to go home. So I was accommodating because I think all of us want to get back for Veterans Day. We start this debate tonight about agriculture. It is taken me probably about 8 weeks to get this amendment on the floor.

I would appreciate it if colleagues would take their conversations in the back of the room outside. If we would have order in the Chamber, I am not going to speak until we do.

Mr. President, I thank the Chair.

I don't like reading about people's lives, many of whom have lost their farms, and have Senators out here on the floor and others speaking as if it makes no difference.

Reuban Schwieters—as I said, Reuban just recently quit farming. He and his wife Paula and three young boys sold half their farm. Reuben is now pouring cement at a local construction company. Bear again in mind, these loss of farms is just in Grove Township in my State of Minnesota.

Steve and Lori Sand lived about 3 miles from Reuben and Paula. Steve and Reuben went to school together. Steve began farming next to his father's farm since at that time his father Wally was not ready to retire. Steve and Lori, their three daughters, and son could not hang on to the farm. The prices were too low to maintain a household of six and still run the family farm. They moved to Cottage Grove, MN, where Steve does construction and his wife Lori is now a computer technician. Incidentally, Steve's father Wally has retired, but none of his children or grandchildren has taken over the family farm.

These are Minnesotans willing to let their names be used so I can tell their story, which is the story of what is happening in agriculture.

Allen Nathe closed down his farm and is now doing small engine repairs. Gloria Schneider sold the farm to her son Glen. Glen and his wife farmed only a few years before they sold their family farm and he and his wife and small daughter moved to Minneapolis.

Dave Feldewerd sold his farm and is also driving a truck. Mike Ellering recently sold his farm and is working construction. Danny Frieler and his family quit farming. They still live on the farm, but the barns stand hollow. Marcy Wochnik recently retired and sold her farm to her son, and her son tried for a few years before he threw in the towel. Marcy moved into a house only a mile from a farm. No one has yet purchased the farm.

I am going through the story of farmers and farm families who have quit farming in Grove Township, one township in the State of Minnesota, a small story that tells a large story of what is happening to agriculture and the ''why'' of the amendment I introduced tonight with Senators DORGAN, DASCHLE, JOHNSON, LEAHY, and other Senators.

Alvin and Mary Hoppe also recently sold their farm and moved off the farm. Mary commutes to St. Cloud, and her husband has been doing mechanical jobs. Their son Jason is 12 years old, but he has always been by his father's side eager to learn farming. Despite Jason's enthusiasm and interest to farm, given the current conditions in agriculture, it is difficult for his parents to recommend this occupation.

This is only a corner of Grove Township in my State. If one crosses the water, one will be in Oak Township, where I could go through another list of farmers who have also had to quit farming. About a quarter of a mile from the Grove and Oak Township line lies the small town of New Munich. Since 1996, New Munich has also declined in residents. The effects of the farm crisis are apparent just walking along Main Street. Ostendorf Grocery closed. Marvin, who is known as Bud, and his wife Rosie have moved on. Rosie commutes to St. Cloud and sells retail clothes, and Bud works at a factory. Ostendorf Grocery was a practical general store. After Sunday mass, folks from the congregation would make quick stops for any last-minute items or simply visit with Rosie and Bud. During the week, farmers often would run into town to pick up a needed ingredient or item at the store. As in most towns, Ostendorf Grocery also served as the news and information center. Rosie always knew of the current events in the area, and folks enjoyed spending a few minutes to talk to her and Bud. Gone.

Since 1996, the elementary school closed. The school closing affected the local businesses. The school also has been used for community events. Schoolchildren, particularly farm kids, now face much longer bus rides to school.

Thielen Meats will close by the end of this year. Thielen Meats was a little mom-and-pop meat shop located across from the J.C. Park. Many farmers would bring a hog or a cow to be butchered by their family. The larger shipments of livestock delivered to Thielen Meats were sold directly to residents in the town or in the surrounding area.

Kenny and Rita Revermann may also be closing the True Value Hardware store. After the school closing, the grocery store closing, and the recent news of the meat shop closing, the trips made by farmers to New Munich will grow fewer and fewer.

I have letters from farmers from Minnesota, Kentucky, Iowa, Kansas, Montana, and Missouri. Over and over again, if I had to summarize, these farmers say: We have record low prices, we have record low income, we are not going to be able to make it, it doesn't matter whether we work 19 hours a day, it doesn't matter how good a manager we are, there are economic forces that are destroying our lives.

So far, Senators have not helped. So far, we have acted as if this crisis didn't exist. This amendment tonight, which calls for a moratorium on all of these mergers and acquisitions of the huge conglomerates makes it hard for our family farmers and producers to have any leverage when they are only dealing with three buyers. If you are at an auction and you have three buyers for a product, what kind of price do you get?

This is just the first amendment. The first vote next week will be the beginning of a major floor fight over and over again until we change farm policy in the country. It is not just a question of people losing their farms, it is a question of our rural communities. When people lose their farms, it is more than just a family. We are seeing a rising incidence of divorce. We are seeing all kinds of tensions within families. We have too many suicide lines that are being used now. We have too much depression. We have too many farmers without any life insurance, too many farmers without any health insurance, too many farmers without any health and dental care, too many farmers with too little self-esteem.

Mr. LOTT. Will the Senator yield?

Mr. WELLSTONE. I am happy to yield to the majority leader.

Mr. LOTT. Mr. President, I appreciate the cooperation of the Senator from Minnesota. He has been waiting a long time to get this opportunity. We told him he would get it, and he has it.

For the information of all Senators, the Senate will now debate the pending Wellstone agriculture amendment. However, no further votes will occur this evening. I want to make that clear. We will hotline both sides so our Members will know there are no further votes this evening.

The Senate will not be in session on Veterans Day, and we will convene next on Tuesday, November 16. On Tuesday, I expect the Senate to debate and possibly complete action on any number of items arriving from the House of Representatives relative to the appropriations process and perhaps other conference reports. I will be discussing the specifics of what the schedule will be with Senator DASCHLE, and we will keep Members informed of the subject matter.

By a previous order, the Senate will conduct a vote relative to the Wellstone agriculture amendment on Wednesday of next week. I suspect additional votes will be required in order to finish the necessary items pending between the two Houses of Congress. The continuing resolution we passed will expire at midnight on Wednesday. I think that will give the Senate more than enough time for final negotiations to be completed, for the House to act, for the package to be received in the Senate, and complete action on Wednesday. However, that is a deadline I believe we can meet, and we should work to complete our work for the year by then.

We will let Senators know, of course, if there is to be a big package of votes during the day on Wednesday. We will notify Senators exactly what time that will be. Senators should be prepared for the voting to begin as early as 10 o'clock on Wednesday on the Wellstone amendment.

I urge all Senators to be patient and accommodating during the next few days of the session. I thank all Members in advance for their cooperation.

We have a number of nominations we have been working assiduously to clear on both sides of the aisle. These are judicial nominations and other nominations. We have a couple more issues we have to check on to confirm everything we agreed to has been worked out. Also, Senator DASCHLE and I have talked at great length about how to handle the judicial calendar. I think we have a fair arrangement.

I ask unanimous consent a colloquy between the two of us be printed in the RECORD.

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

Mr. DASCHLE. Mr. President, it's my understanding that the majority leader has committed to proceeding to the nominations of Richard Paez and Marsha Berzon to the ninth circuit court of appeals no later than March 15, 2000. Is that correct?

Mr. LOTT. That is correct. I will move to proceed to each of these nominations no later than March 15 of next year.

Mr. DASCHLE. It is also my understanding that the majority leader will work to clear the remaining judges left on the executive calendar this year, and if they can't be cleared, he will move to proceed to each of the remaining judicial nominees no later than March 15 of next year. Is that also correct?

Mr. LOTT. That is my hope. In addition I do not believe that filibusters of judicial nominations are appropriate and, if they occur, I will file cloture and I will support cloture on the nominees.

Mr. DASCHLE. It's my understanding that Senator HATCH supports your view of cloture on these nominations. Is that correct?

Mr. LOTT. Senator HATCH will have to speak for himself but it is my understanding that he supports all of these nominations and will support cloture if necessary.

Mr. DASCHLE. I thank the majority leader.

Mr. LOTT. I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, tonight I speak, Wednesday I speak, and Wednesday we debate a crisis that is

ravaging rural America. I started out speaking about this crisis in personal terms, in human terms. On present course, the conservative estimate is we will lose 7,000 farmers this next year, but it could be more in Minnesota. On present course, over the next couple of years we are going to lose a whole generation of producers, if we do not change our course of policy.

I do not believe family farmers in my State of Minnesota, or family farmers in America, will be able to continue to farm or will their children be able to farm, unless we change the structure of agriculture. Bob Bergland, who was Secretary of Agriculture in the late 1970s, commissioned a report called ''The Structure of Agriculture.'' He now lives in northwest Minnesota. It was prophetic.

In the past decade and a half, we have seen an explosion of mergers and acquisitions and anticompetitive practices that have raised concentration in agriculture to record levels. Everywhere family farmers look, whether it is who they buy from or who they sell to, it is but a few firms that dominate the market.

The top four pork producers have increased their market share from 36 percent to 57 percent. The top four beef packers have expanded their market share from 32 percent to 80 percent. The top four flour millers have increased their market share from 40 percent to 62 percent. The market share of the top four soybean crushers has jumped from 54 percent to 80 percent.

The top four turkey processors now control 42 percent of production. Mr. President, 49 percent of all chicken broilers are now slaughtered by the four largest firms. The top four firms now control 67 percent of ethanol production. The top four sheep, poultry, wet corn, and dry corn processors now control 73 percent, 55 percent, 74 percent and 57 percent of the market, respectively. The four largest grain buyers control nearly 40 percent of elevator operators.

The effect of this concentration has basically been to squeeze our producers out. Our family farmers no longer have the leverage or the power in the marketplace to get a decent price. This amendment is a cry from the countryside. Everywhere I go in Minnesota and other States, farmers say: We cannot get a decent price because of this concentration of power, because of this monopoly power. We are not able to survive. When we look at the packers and we look at the grain companies and we look at the exporters and we look at the processors, they are making good profits, sometimes record profits, but we cannot get a decent price.

Farmers say to me: Where is the competition in the food industry? This amendment is an effort to put some competition back into the food industry. We are talking about an 18-month moratorium.

We are saying what we need to do is take some time out. Something is not working. We passed the Sherman Act. We passed the Clayton Act. Estes Kefauver was a great Senator who talked about antitrust action. But we have had this wave of mergers and acquisitions that have led to precious little competition. Again, these conglomerates have exercised their power over our producers and our producers cannot get a decent price.

This amendment is not the be-all or the end-all, but I say to my colleagues, if you believe in competition and if you believe family farmers ought to have a chance in the marketplace, then the very least we can do is pass an amendment that says when it comes to these large agribusinesses, these large conglomerates with $100 million and over revenue buying up a company with at least $10 million, we ought to say we are going to have a moratorium on this.

For 18 months, we set up a review commission and then we come up with recommendations and we pass some legislation that gives our producers a fair chance in the marketplace. If we pass that legislation in 2 months or 3 months, then this moratorium is no longer operative.

Built into this amendment I introduced with Senator DORGAN and other colleagues is the opportunity, if you will, the waiver that any business can file with the Justice Department, where a business can say: We have to merge or we have to buy because we are facing financial insolvency. We allow for that. But we have to pass this kind of amendment now because over and over again, every single day, we are seeing these acquisitions and mergers; more and more concentrated power, more and more concentrated power which is harmful to our producers and harmful to our consumers and harmful to America.

On present course, we are going to see a few large conglomerates that are going to control every phase of the food industry from the seed to the supermarket or grocery shelf. We are going to have a few landowners. Somebody is going to own the land and somebody is going to own the animals, but it is going to be just a few conglomerates.

That is dangerous for our country. Thomas Jefferson told us it was dangerous; Andrew Jackson told us it was dangerous; Abraham Lincoln told us it was dangerous; Teddy Roosevelt, later on, told us it was dangerous. Why are we not, in the Senate and House of Representatives, willing to pass some legislation which will promote competition, which will protect consumers, and which will give our farmers and our producers who are going under some leverage in the marketplace? This legislation is also important to the environment, to our rural communities, and to democracy.

Just yesterday the Wall Street Journal reported that Novartis and Monsanto, two of the biggest agribusiness giants, may be merging. The Wall Street Journal accurately states:

The industry landscape seems to be changing every day.

In fact, the ground is constantly shifting beneath our feet and it soon may be too late to do anything about it. That is why we need a time out. That is exactly what this amendment calls for.

Too many corporate agribusinesses are growing fat and too many farmers are facing extinction and very lean times. Clearly, we cannot count on the current antitrust statutes and antitrust authorities to address this rapid consolidation. We are going to have to do better. We are going to have to change our laws to enable someone like Joel Klein, who is so skillful and so gifted, to be representing family farmers. Whether or not our antitrust agencies have the authority, we need to move forward. We have to develop a new farm policy and we know it is going to take some time. But we do not have much time left.

The question for Senators is, Whose side are we on? Whose side are we on? Are we on the side of the packers and the grain companies, or are we on the side of family farmers? I mean this. I mean this very sincerely. I know, because I have heard from other Senators, that you have a lot of these big companies and they are sending in faxes and letters and they are lobbying hard.

But aren't we going to be for the producers? Aren't we going to be for the family farmers in our States? For Senators who are not from the farm States, who do you want to control agriculture? Isn't food a precious item? Should we not give these producers a fair shot? Wouldn't it be better for the environment to have family farmers? Wouldn't it be better for our rural communities? Wouldn't it enable us to continue to count on being able to purchase food at a reasonable price? Why in the world would we want to move to a corporatized, industrialized agriculture, where a few conglomerates control the whole food industry?

That is not competition. That is not Adam Smith's invisible hand. That is not the United States of America. I offer this amendment tonight with my colleagues. We will have the debate again next week, and then we will have the vote because we need to take some action.

We have to act now, otherwise there are going to be more mergers and it is going to be too late, and we are going to lose, as I said earlier, a whole generation of family farms.

I have seen some of these faxes and letters that have come in. I do not even have this in writing before me, but I can almost remember it. Some of them say: Oh, my gosh, this is a threat to co-ops.

Co-ops are not covered.

Some of these letters say: But if you want to sell your farm, then you can't sell your farm.

This does not apply to farms, it applies to these agribusinesses.

Then some say: This is going to stop all mergers and acquisitions.

That is not true either. We set up a test. There is a Hart-Scott-Rodino test right now where, if you have a big company, the Justice Department has to take a look at you to see whether or not you are in violation of antitrust laws. We are applying this to the large conglomerates and large agribusinesses.

Then there is the argument, if a company is going under this, this would prohibit them from selling or buying. That is not true either. There is a waiver with the Justice Department for companies faced with financial insolvency.

The question is whether or not the Senate is willing to take some action right now that will make a difference. I cannot think, I say to every single colleague, of any vote that we will cast when it comes to family farms and agriculture that is more telling in terms of what the Senate is about.

We have a few conglomerates. My case is compelling. They control well over 50 percent of the market. When farmers look to from whom they buy and to whom they sell, it is monopoly or oligopoly at best. They cannot get a decent price.

This amendment to the bankruptcy bill—by the way, on present course, more and more farmers will be faced with bankruptcy—let us have at least a moratorium on these mergers of these large conglomerates. Let's at least step back for 18 months, set up a commission, study this, and come up with legislation that will provide some protection for family farmers so they can get a decent price in the marketplace. If we pass that legislation in January or February, then this moratorium is no longer operative.

I come from a remarkable State. I want to quote a remarkable Minnesotan, Ignatius Donnelly. I want to quote from a speech he gave at the People's Party Convention in 1892. It reads as if it could have been written yesterday. He was an implacable foe of monopoly power. Donnelly in his speech affirmed that the interests of rural and urban labor are the same. He called for a return to America's egalitarian principles. He said:

> We seek to restore the Government of the Republic to the hands of the plain people with whom it originated.

We should do no less. If we want to sustain a vibrant rural economy and a thriving democracy, we need urgently to reform our farm and antitrust laws, and we have to act now. Time is not neutral. Time rushes on, and if we are not willing to take this action next week, time will leave many farmers behind. Now is the time to act.

Next week, I will read from letters of support from any number of different farm organizations, and I will start out with the Farmers Union, which has been so helpful in this whole effort. I especially thank Tom Buis for all of his policy work.

This may be the final vote of this session this year. This vote will be very telling for Senators who value a family farm structure of agriculture, for Senators who have seen the anguish of farmers in our rural communities, and for Senators who have seen in personal terms what record low farm prices and record low farm income means. It is important to come to the floor and fight for people.

Tonight is the first speech. Wednesday we come back with 1 hour more of debate. Between now and Wednesday, I am going to do everything I can as a Senator to make sure a lot of grassroots people in our farm States and in other States contact Senators because this is a tough fight. A lot of these large companies and a lot of their associations that represent these large companies—and I will read the names of the different organizations that are opposed to this legislation—pour in the faxes and pour in the letters. By the way, I say to my colleagues, a good part of what they are saying is not accurate.

I understand there are certain interests who give a lot of money and are heavy hitters, who are well connected and who are the players and investors, maybe too much so in both parties. I understand that a call for antitrust action or at least to call for a moratorium on these mergers and acquisitions of these large companies goes directly at that power. But the truth is—and I conclude on this note—this is but a glimpse of what is to come.

In some ways, our country today reminds me a little bit of the gilded age of the 1890s, moving into the next century. We moved into the 20th century. As we went through the 1890s, we had a tremendous consolidation of power which gave rise to the populist movement, gave rise to progressives, gave rise to Teddy Roosevelt, the Sherman Act in 1890, the Clayton Act in the teens, and then the Stockyard Act of 1921 or 1922. This feels the same way.

We have CBS being bought by Viacom. We have banks merging, a few banks, a few large insurance companies, a few airlines—concentration of power in telecommunications, concentration of power in agriculture—the list goes on and on.

I am a Senator from a farm State. I am a Senator from an agricultural State. I am a Senator from the Midwest. I am a Senator from the State of Minnesota, and when I look at the need to do something about this monopoly power and I look at the need to do something that will give our producers, our family farmers a fair shake, I cannot think of any more important action we can take than to at least have this temporary moratorium on these mergers.

Mr. President, I ask how much time I have left this evening.

The PRESIDING OFFICER (Mr. ALLARD). The Senator has 55 minutes.

Mr. WELLSTONE. Mr. President, I yield the rest of the time I have this evening to Senator HARKIN. I was going to suggest the absence of a quorum, but if my colleague from Oregon is going to speak, I will not do so. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SMITH of Oregon. Mr. President, I rise to respond to Senator WELLSTONE, not with any personal animus at all, but to give a perspective on this issue that perhaps I uniquely can give because, I say to Senator WELLSTONE, before I came into politics, I was a pea processor.

I say to the Senator, his amendment covers everybody I know in the industry, save those who are in farm cooperatives.

Mr. WELLSTONE. Mr. President, will the Senator yield for a quick question? I have to leave to try to get back to Minnesota to mark Veterans Day, but I want to ask my colleague, is he talking about a cooperative with which he was involved?

Mr. SMITH of Oregon. I ran a stock company, a food processing company. But its ownership was not by farmers but by stockbrokers.

Mr. WELLSTONE. I see. I thank my colleague.

Mr. SMITH of Oregon. I come to the floor, I say to Senator WELLSTONE, with the same interest that he has in farmers. I care very deeply about the rural economy. I note, with great concern, what is happening to my farmer friends and the rural economy. And I simply come here, in respect, and say, while as well-motivated as I believe the Senator from Minnesota is with his amendment, it is too broad and too wrong when it comes to what we believe in in this country, which is a free market.

I look at what has affected the farmers in my area and much of rural Oregon. I know in Oregon the Asian flu had a great deal to do with a loss of markets and low commodity prices. I have watched, in horror, as this administration has attacked the grazing industry in my State, going after their grazing rights, making sure the little guy can't utilize public lands anymore. I have watched, with amazement, that in the Columbia Basin there is actually serious talk about taking out transportation systems provided by hydroelectric dams that are able to transport hundreds of millions of tons of wheat and grain inland from Idaho all the way to the Port of Portland and out into the Pacific rim. What happens to those farmers? This bill does not help at all.

I look at the Food Quality Protection Act being administered by the Environmental Protection Agency. While I support the Food Quality Protection Act, I have been one who has pled with this administration to employ good science as they review chemical tolerances. As they take away the pesticides, the herbicides that these farmers have depended upon—which have greatly contributed to their ability to be good

farmers and to produce high-quality crops with low production costs—they leave farmers with no effective alternatives. This bill does not address these farmers' concerns.

I have to say that the way the Senator from Minnesota has described this day of decision with respect to farmers, I think he has forgotten that we in this Congress have already voted out $8.7 billion in emergency assistance to farmers to help tide them through this very desperate season.

Many of us have gone to the U.S. Trade Representative and pled that this time, in Seattle at the WTO meetings, agriculture not be left out. One of the predicates of the Freedom To Farm Act was that we would increase markets and we would decrease regulations. We have not done either of those things. We have diminished markets, and we have increased regulation. We have, I am afraid, perhaps cut the farmer too short a deal. That is in part why we had to send another $8.7 billion in assistance this year.

In addition to that, I have tried to help farmers with the whole issue of immigrant labor, trying to reform the H–2A program. I am amazed at the things that are said about those of us who actually believe immigrant workers should have some legal stature to be here, to do labor that they want to do and that agricultural employers need them to do if they are going to have a harvest. I have been amazed at the way that we, who are trying to improve their legal standing, are characterized by those who are in the labor shortage business.

If you want to hurt a farmer, just make sure he does not have the ability to have his crops harvested. The amendment of the Senator from Minnesota does nothing for these farmer's concerns.

I want him to know, and anyone else interested in this issue, that Senator HATCH, of the Judiciary Committee, has announced that there will be hearings on agricultural concentration so we can examine the instances where perhaps the Federal light ought to be put on a few mergers and acquisitions. We have laws to take care of those things. They need to be enforced. Perhaps they are not being enforced to the extent some would prefer. Senator HATCH's hearings I believe will get at that issue.

But the thing I would really to impress upon my colleagues in the Senate is that Senator WELLSTONE's amendment exempts farm cooperatives. I have nothing against farm cooperatives. They do a lot of business in my State, and they do a lot of good in my State. They play a very important role in agriculture. About one-third of the farmers in this country have a farm cooperative for the outlet of their production. How about the other two-thirds? The other two-thirds grow their products for stock-owned companies.

What the Senator's amendment is proposing to do is to say that in this 18-month moratorium, no market conduct, no mergers, no acquisitions can occur among stock-held companies. However, this same activity, among farm cooperatives, is no problem. That makes no sense to me. In fact, a lot of farm cooperatives buy stock companies. To me, this is just patently unfair. If we should do something this un-American, this countermarket, we should do it to all. But, frankly, let's not do it to any.

There are many ways to help the farm community without this kind of market intrusion by the Government. This really is an amendment that will ask every Senator what they believe about the free market system, not what they believe about helping farmers.

My Heavens, there is almost nothing you could bring to this floor that would actually help a farmer that I would not vote for or have tried to vote for and have taken a lot of heat for because I have voted for things that really do help a farmer to survive. But to go in and say one class of farm processors is exempt but two-thirds of you cannot participate in the free market, frankly, strikes me as strange.

I will tell you another thing that really is troubling based on my experience. I have seen many farm cooperatives be very good at producing lots of food, lots of surplus. In some instances, some have not been as good at marketing that surplus. So in a backhanded way, what we are saying is, if you organize yourself in this way, you get the benefit of the free market, but if you organize yourself as a stock company, you are limited as to how you can merge, sell, and acquire.

What does that mean to two-thirds of the farmers in this country? What does that mean to them, if their output goes to a stock food processor? It means the food processor, if he or she is in trouble, has one option because they can't sell. They can't merge. They could go bankrupt. So what have you done to help the two-thirds of the farmers in this country, if you put their outlet of production in that kind of jeopardy?

This amendment is a shotgun blast at the marketplace. I plead with my colleagues, I appeal to their commitment to free enterprise not to interfere in the marketplace in this way. This does not work. This is not fair. This is not the American way.

If there are antitrust problems, we have laws for that. If there is illegal conduct, we have laws to go after crooks. But why penalize all of the agricultural community that organizes themselves in stock companies as opposed to farm cooperatives? It makes no sense. I, frankly, don't know of a precedent for that in our Nation's history. Perhaps someone can show me one. This is not the way to help farmers. This is wrong. This penalizes hundreds and thousands of food processors who are trying to deliver to the farmer a good outlet for their product and to pay them a fair price.

I am aware of one farm cooperative this year that has said to their growers, the dollar you put in for a crop, we are going to pay you 75 cents this year. And, in this instance, all of the stock food processors are paying 100 cents on a dollar, plus the profit that they guaranteed by the contract. So we are going to punish the processor that is delivering 100 cents and more on the dollar? We are going to advantage those who are delivering less than that?

This amendment is misguided and must not pass, or we will be punishing farmers and food processors that simply do not deserve this kind of treatment from the Senate.

I rise in opposition to the amendment being brought forward by the Senator from Minnesota. While I recognize the concern among farmers in his state and mine over agribusiness concentration, I believe we would be making a profound mistake if we were to respond to the current situation by adopting this amendment today.

I, too, am concerned about the future of family farmers and American agriculture. Agriculture is one of the largest industries in Oregon. It represents more than 140,000 jobs including on-farm employment, food processing, marketing, and all the other factors that go into bringing fine Oregon produce to restaurants, grocery stores, and dining room tables around the country. It is the dominant industry in many Oregon counties, and it flourishes just a short drive from the urban centers of Portland and Eugene. So when farmers are concerned about something, I am too.

I am well aware that many people in farm country are suffering these days from another year of low commodity prices. Most of the farmers that have spoken to me about this current farm crisis believe it is mainly due to the lack of overseas market access, expensive environmental and labor regulatory burdens, and in some areas, natural disasters. For a state like Oregon that exports much of its produce across the Pacific, the recent Asian financial crisis has had a devastating impact on farmer's bottom lines. Moreover, in the Northwest especially, I have been witness to an Administration that has not been particularly friendly towards the interests of rural communities by continuously threatening long-standing grazing rights and the essential grain transportation network afforded by the lower Snake River dams.

So I have tried to be very sensitive and responsive to the needs of farmers in rural America that have fallen into something of a mini-depression while watching their urban counterparts enjoy an economic boom. Here in the Congress, we have decided to direct billions of taxpayer dollars in assistance to help tide farmers over during these lean years—another $8.7 billion was sent out to farm country this fall. I have voted for these assistance packages knowing that they are short-term

fixes and that much work remains to be done to improve the long-term outlook. Part of this is improving the demand side of the equation through the expansion of trade opportunities. I have been very supportive of unilateral sanctions reform, tearing down agriculture trade barriers through the WTO, and full funding for the promotion of American commodities overseas utilizing the Market Access Program. These efforts are all vital to induce a rebound in world demand, and, eventually, a rebound for our farmer's prices here at home. An equally important part of the equation is to reduce costs of production for farmers that come in the form of excessive federally-mandated regulations. I have worked hard to overhaul the currently impractical H2A guest worker program and free farmers from INS and Social Security Administration intimidation by giving them a legal workforce. I have consistently pushed for a science-based implementation of the Food Quality Protection Act, and an even-handed review of pesticide tolerances. I believe that continued work to open market opportunities for farmers while fulfilling our promises to ease regulatory burdens—in other words keeping the Congress' promises under the Freedom to Farm bill—will be necessary in order to get the farm economy back on track.

With that said, I am also aware that many farmers in my state and around the country have reservations about the pace of change and consolidation underway in certain agriculture sectors. The meat packing and grain processing industries have seen a number of headline-grabbing mergers and acquisitions in recent years. Critics of these mergers often cite the 3% rise in consumer food prices that has come over the last 15 years while the farmer's percentage of the food dollar has simultaneously dropped 36%. Others note the high profits attained by large agribusinesses at a time when many farmers continue to suffer from historically low commodity prices. Certainly, the pace of the concentration and how it affects the bargaining power of average producers and the overall future of family farming warrant careful review by appropriate federal agencies and continued study by the Congress. I note that this issue of concentration and competitiveness in agriculture was the subject of a recent hearing in the House Judiciary Committee just a few weeks ago. In addition, Chairman HATCH just announced last week that his Judiciary Committee will be looking into this issue in a comprehensive way early next year. I also want to point out that we in the Congress, largely in response to concerns about the competitiveness within the meat packing industry, just passed a provision to the FY 2000 Agriculture Appropriations bill that requires mandatory price reporting for meat packers. So I want farmers to know that the issue of agribusinesses concentration has not gone unnoticed by the Congress.

I concur with the Senator from Minnesota that this is an important issue. However, I must respectfully disagree with his conclusion that an outright moratorium on agribusiness mergers is the right response.

His amendment would impose a moratorium on mergers and acquisitions among agribusinesses with annual net revenue or assets of more than $100 million for one party, and $10 million for the other. This would affect agriculture brokers, commission merchants, commodity dealers, agricultural suppliers such as seed and chemical producers, and food processors. This moratorium would remain in effect for 18 months or until Congressional legislation on this issue is enacted. In addition, this amendment would create a new 12 person federal panel to investigate the issue and report back to the Congress and the President. I find it remarkable that one week after tearing down barriers to mergers and increased efficiencies in the financial sector, we are now considering doing the opposite for agribusiness, an industry in part responsible for delivering the safest and most economical food supply in the world. What kind of message for American competitiveness would we be sending to the business world by placing such an arbitrary 18 month moratorium on only certain actors within a particular industry?

Unlike most people here in the Senate, I have actually run a food processing business. I have had to meet a payroll, efficiently produce a high quality product, endure all of the bureaucratic government regulations—and do it all at a competitive price the consumer was willing to pay. I had to go out there and compete in the marketplace. From my experience, I can tell you that it is a lot more competitive, at least in the frozen vegetable business, than proponents of this amendment would have you believe. I am afraid that the Wellstone amendment, which has not been subject to Senate hearings or markup in committee is overreaching and blatantly unfair to many honest business people in the agriculture sector.

We all know that revolutionary innovations have developed in technology, marketing, and food production and processing over the last one hundred years. Our country has shifted from an agrarian economy to an industrial economy to an information technology and service economy. Today American agriculture has become part of a global marketplace. This is a far cry from the turn of the century when many if not most Americans were directly employed in food production and many producers distributed their goods largely within their own local area. The agribusiness sector—from processors and brokers to suppliers and grocers—has changed with the times as well; just like the small farmer buying land from his neighbor to add production acreage, many food processors and agribusinesses have found it helpful, if not imperative, to band together to meet the challenges of the new economy and, ultimately, the demands of the consumer.

It is demand of the consumer that I believe is a large reason for the growing disparity between the food dollar paid at the retail level and the cash received by farmers for their crops. Today's consumer is demanding greater convenience, enhanced nutritional value, choices in packaging, low fat and nonfat products, faster and easier to prepare items—all values usually added to the product after it leaves the farm. In addition, all of these new products have to be marketed in some way so that the customer knows they are available and attaches values to the brand names. And, of course, these products must be offered at a price the consumer is willing to pay.

There are a host of reasons why companies find it in their best interest to merge or why one company agrees to be acquired by another. Certainly, any of my colleagues that have experience in the business world understand that there are occasions when businesses, searching for the greatest efficiencies and competitive advantage, find the need to sell an underperforming or unprofitable division. There may be another business out there with the right mix to take these divisions on and make them efficient and profitable. In some instances, businesses that are failing would have to close their doors altogether if there is no willing buyer to come in and restructure the company. If there is no buyer for these businesses, the alternative is simply to see these jobs lost. This ability to adjust to the market and the changing demand of consumers is a fundamental component of our free enterprise system. Now, I am aware that a provision of the Wellstone amendment might allow businesses in severe financial distress to request a waiver from Janet Reno, but that option strikes me as especially bureaucratic and time-consuming.

Despite their portrayal as the oppressor of family farmers, many agribusinesses are family-owned operations or small businesses. Although $10 million in assets or annual sales sounds like a lot, when considering the capital-intensive nature of many of these food processing and support businesses, it is not an uncommon threshold to surpass. Many of these business-owners and entrepreneurs are depending on their businesses to serve as their nest egg for retirement. The Wellstone proposal would prevent an unknown number of families in these circumstances from selling their business to whom they pleased.

Even worse, the Wellstone proposal only applies to certain agribusinesses—it specifically exempts agriculture cooperatives. Many co-ops are large agribusinesses in their own right that have also acquired smaller companies in recent years. Yet, under the Wellstone

amendment, they would be in direct competition with other agriculture businesses and free from the requirements of this moratorium.

Mr. President, with this proposal, you would be led to believe that the Justice Department has failed to uphold our federal antitrust laws. However, that has not been the case. In the case that set off much of the concern in the first place, the Cargill-Continental Grain acquisition, the Department of Justice allowed the deal to go through only after the companies divested four port elevators, four river elevators, a rail terminal, and made a number of other concessions to enhance competition. The Justice Department intervened and required similar divestiture before approving the Monsanto Corporation's acquisition of DeKalb Genetics Corporation, ensuring continued competitiveness in the genetically-modified seed industry. Another announcement came just last week with respect to the merger of New Holland and Case Corporations, major farm equipment suppliers. I know the definition of supplier in this amendment exempted farm equipment, but many farmers were concerned about the potential implications of this merger, nonetheless. In this case, the Justice Department again required divestitures on the part of both companies. So, so I think the evidence is clear that the administration is looking at these merger proposals, and looking fairly carefully at what impacts they may have in the market, and enforcing federal antitrust law. Coming on the heals of last Friday's well-publicized victory for the Antitrust Division, I find it astounding that there are those that would imply this is an agency that is sleeping on the job.

In closing, I believe the matter at hand is a simple one. Mr. President, the Wellstone amendment is the wrong answer to the wrong question. This isn't the key to farm recovery—that lies with expanding trade opportunities, government regulatory relief, and fulfilling our promises under Freedom to Farm. And this is not even the way to solve any flaws that may exist with our current antitrust laws. Those solutions must be developed with the scrutiny and public hearings of the Judiciary and Agriculture Committees. Do we want to set a precedent today by placing this kind of moratorium on business activity for one particular industry and treat them differently than all other businesses? Do we want to take a sweeping and unprecedented step of pushing a merger moratorium on an unknown number of businesses that play key roles in our food chain? I hope my colleagues will agree with me that the correct answer to both questions is no and that the prudent step to take here is to accept Chairman HATCH's offer to have comprehensive hearings on the matter early next year and take subsequent appropriate action in a way that is fair to our farmers, our businesspeople, and our consumers, alike. I urge my colleagues to join me in opposition to the Wellstone amendment.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, the face of American agriculture is being changed dramatically by the quickening pace of mergers, buyouts, takeovers and vertical integration. Over the years, farm families have survived bad weather and ups and downs in the markets. They have adapted to new technologies, new ways of buying production inputs and new ways of marketing what they produce.

But today farm families are being hit by a tidal wave of economic concentration and consolidation that is threatening their survival in a way that is unlike anything in the past. The pace of consolidation is being driven even faster by the disastrously low commodity prices of the past couple of years. These are deeply troubling times for anyone concerned about the future of the family farm—and we are quickly running out of time to turn things around.

Senator WELLSTONE's amendment, of which I am a cosponsor, is vitally necessary because I believe that we need a time-out from the headlong rush towards ever greater economic concentration and consolidation in agriculture. All this amendment does is put a hold on mergers and acquisitions involving large agribusiness firms for a period of 18 months or until legislation is in effect addressing market concentration in the agricultural sector, whichever comes first. So it can't be longer than 18 months.

All this amendment is saying is that we have to take a pause to get a handle on the mergers and acquisitions in agriculture that I believe have gotten out of hand and out of control. Some will say the amendment goes too far, as my friend from Oregon just said. But I think the merger mania in agriculture has gone way too far already. We must act before the family farm is driven to total extinction.

I tell my colleagues, there is no more critical issue to the farm families of America than the rapid and sweeping changes taking place in the economic structure of agriculture. It is an issue that I believe overshadows even the record low commodity prices that are devastating rural America. Farm families and their communities have their backs against the wall, and they are fighting for survival. They are being overrun by economic forces far more powerful than they are. The least we can do is to provide a time-out before it is too late.

Far too little attention has been paid to the tremendous consequences of transforming American agriculture from a system of independent family farms to one based on the corporate industrial model. Ever greater economic concentration in the food and agricultural sector affects not only farm families and rural communities. Everyone eats. Consumers ought to ask whether they will enjoy the same high-quality food at reasonable cost if our food supply is in the hands of a few corporate giants instead of many thousands of family farms.

Make no mistake about it, the sweeping consolidation in the food and agricultural sector is not about productive efficiency. When it comes to efficiency, nobody beats the independent family farm. What is taking place is about the corporate bottom line: stock deals, positioning in the market, and capitalizing on economic power. Is it in the best interests of this country to have a food and agricultural system dominated by the principles and standard operating procedures of Wall Street? Does it make any sense to continue down a path of ever increasing economic power and consolidation among agribusiness firms while family farmers are driven off the land?

The underlying principle of our Nation's antitrust laws is that we are all better off with a system of full, free, and fair competition in the markets. The rapidly growing economic concentration in the food and agricultural sector stands this principle on its head. We have to ask why the antitrust laws on the books are not working to stem the tide of economic concentration in agriculture.

Now, the speaker before me—I listened carefully—said over and over again that we shouldn't be interfering in the marketplace. Well, there are times when we must interfere in the marketplace because unbridled exploitation of the marketplace leads to concentration, undue economic power, and monopoly practices. If you don't believe me, look what has happened with Microsoft. Why did we have the Clayton and Sherman Antitrust Acts in the first place? Because unbridled economic power led to more and more concentration, more and more monopolies, and less and less competition.

I believe in the marketplace, but the marketplace must be tempered. The marketplace must be tempered by adequate rules and regulations and laws that keep one party from becoming so big it can squash out all effective competition. So to say we shouldn't interfere in the marketplace is to fly in the face of what our stated policy has been for the last century in America.

We do interfere in the market. We interfere in the market to try to keep it a free and open and fair and competitive market. Otherwise, let the big get bigger, let them buy out everybody else, and let them squash competition. Why bring a case against Microsoft? Because I think it is being shown that Microsoft is engaging in anticompetitive behavior to squash out competition so that they can charge the consumers what they want to charge for what they offer, not what competition in an open market would bring to the consumers of software, but whatever

Microsoft wants to charge for what they choose to sell because they can effectively squeeze out everyone else.

I don't buy the argument that we have to keep our hands off of the market. We tried that in the past, and it brought us to the brink of ruination. So you have to have interventions periodically. I think where we are in agriculture now begs us for that kind of intervention.

Now, there is one other important aspect of this amendment. It sets up an Agriculture Concentration and Market Power Review Commission to take a close look at economic concentration in agriculture and to make recommendations on changes in antitrust laws and other Federal laws and regulations in order to ensure that there is a fair and competitive marketplace for family farmers and rural communities.

Again, in that connection, I want to say that the present Justice Department has been the most active in the area of antitrust enforcement in agriculture of any Justice Department in my experience in Washington. So I commend the Attorney General and especially commend assistant Attorney General Joel Klein for bringing new life to antitrust enforcement in agriculture and elsewhere. Incidentally, I congratulate Mr. Klein for his wisdom and judgment in taking on the Microsoft case, because I believe if this case had not been pursued, Microsoft would have gotten even bigger and bigger, and more and more of any competition would have been snuffed out. I think this case is going to help consumers.

But the Justice Department can only do so much under the present state of our antitrust laws. We must keep in mind that the antitrust laws on the books were written around the close of the 19th century, and we are now at the beginning of the 21st century. The economic structure of agriculture and agricultural businesses has changed dramatically in the intervening years. In addition, there have been many court decisions interpreting and applying the general language of the Sherman and Clayton Acts. Those decisions, quite frankly, have not all been favorable to the strong antitrust enforcement that I believe we need in the area of our food and agriculture system.

So, at the end of this century, almost 100 years after the Sherman and Clayton Acts and after court decisions that I believe have interpreted these laws in ways that are inimical to the best interests of family farms, this amendment will put a brake on the category of large agribusiness mergers and acquisitions for a period of time, 18 months, so we can have a careful review of economic concentration in agriculture and of what need we have for changes in the law to ensure a fair and competitive marketplace in agriculture.

There is a lot of rhetoric flying around about sustaining the family farm in this body. This amendment allows us to address the greatest threat to the survival of family farms now existing. This amendment provides for a pause, a breathing spell, so family farms are not driven to extinction before we can even get a handle on what has happened.

I urge my colleagues to support the amendment.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

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

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

Mr. DASCHLE. Mr. President, I wanted to come to the floor for just a moment to express my support for the Wellstone amendment, as well. I commend the distinguished senior Senator from Minnesota, as well as the Senator from Iowa, for their work and for the effort that this amendment represents.

Basically, this amendment has a very simple purpose. It is simply to take a deep breath, take a close look, and to give careful thought to what is happening in agriculture today. We all espouse the free enterprise system. We all say that we are enthusiastic advocates of real competition, which is really the essence of the free enterprise system—competition. We all express our grave concern when we find circumstances within the economy that are not competitive. Yet, as we look at agriculture today, as we look at the tremendous economic power now represented in fewer and fewer companies, with more and more mergers underway almost weekly, one has to ask, how much is enough? When do we undermine the very tenets of free enterprise by continuing to look the other way when these mergers are announced? We see it especially in livestock. The latest announcement that Smithfield Corporation will be acquiring Murphy Farms illustrates the point. There are fewer buyers. There are fewer processors. There are fewer options. There are fewer and fewer competitors.

Mr. President, when that happens, we reach a point where there is no competition. I am not one who is prepared today to say that there is collusion in the market, that there is something illegal going on in the market; but I am prepared to say today that what is happening in the market is not healthy for agriculture. What is happening in the market goes the wrong way from competition. What is happening in the market today precludes real opportunities for producers to be able to ensure a fair price, a real opportunity in the marketplace, a real sense of competition.

I was just told again last week that in many places in South Dakota, a buyer will tell you that he will be in a location for one day for as little as one-half hour, and if you want to be able to sell your cattle to that buyer, you have to be there in that half hour's time, on that appointed day, or you don't sell cattle that week. I don't know how that is competition. I don't know how we can say today this is the free enterprise system that we all defend and espouse. What is free enterprise when you have one buyer and all these producers lined up to sell, almost supplicating themselves to that buyer? That isn't free enterprise. That isn't what we say agriculture is supposed to be. Most important, that isn't ever going to allow us the confidence that we need as we look to the future and encourage young people and encourage rural people to stay where they are. They need more confidence and more assurances than what we are giving them today.

So this amendment is really pretty simple. It just says, let's take a deep breath, let's not do anymore until we have had a chance to analyze whether or not our fears are being realized, whether or not we really have any legitimate basis for concern, whether or not the situation is going from bad to worse. That is all we are saying. Once it happens, it can never be undone. I doubt very much that we will ever go back and say, OK, we are going to break up these companies, because that is the only way it is going to assure that we have the kind of competitive environment that we need. I don't think that is in the offing in the short term. So while we still have a chance to put everything on hold, to analyze whether or not this is good, why not simply say, let's take a deep breath.

I personally don't believe that we ought to be content with just this. I really worry about whether or not vertical integration in agriculture ultimately is going to destroy the young family farmer, or the livestock producer. Once you have the processor in charge of every step from to table, then you really don't have competition. More and more, that seems to be the approach the large processors are taking—get involved in production, get involved in transportation, get involved in wholesaling, get involved in retailing, get involved in every single aspect from top to bottom. I am concerned about vertical integration.

It seems to me that when we made the decision to break up the old telephone company back in the early 1980's we created a competitive explosion the likes of which we never imagined, and from which we are still benefiting today. We see things that are happening today that make other countries' heads spin. We broke up a large company, and we made progress the likes of which we could have never have anticipated. I would love to see the kind of competition, the kind of excitement, the kind of enthusiasm in agriculture as we now see in telecommunications.

Mr. President, I am hopeful that we will send the right message. I am hopeful that we can simply say, Look. At the very least, let's stop before we allow this to go any further for just a

few months—18 months. Let's make some good decisions, and calculate whether or not this is good for the country and good for the agriculture industry.

I think it is a good amendment. I support it.

I yield the floor.

I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2648

(Purpose: To protect the citizens of the State of Vermont from the impacts of the bankruptcy of electric utilities in the State)

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the pending amendment be laid aside, and I call up amendment No. 2648, and ask that the amendment be agreed to, and the motion to reconsider be laid upon the table.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa (Mr. GRASSLEY), for Mr. JEFFORDS, proposes an amendment numbered 2648.

The amendment is as follows:

At the end, add the following:

TITLE ____—PROTECTION FROM THE IMPACT OF BANKRUPTCY OF CERTAIN ELECTRIC UTILITIES

SECTION ___01. SHORT TITLE.

This title may be cited as the ''Emergency Imported Electric Power Price Reduction Act of 1999''.

SEC. ___02. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) the protection of the public health and welfare, the preservation of national security, and the regulation of interstate and foreign commerce require that electric power imported into the United States be priced fairly and competitively;

(2) the importation of electric power into the United States is a matter vested with the public interest that—

(A) involves an essential and extensively regulated infrastructure industry; and

(B) affects consumers, the cost of goods manufactured and services rendered, and the economic well-being and livelihood of individuals and society;

(3) it is essential that imported electric power be priced—

(A) in a manner that is competitive with domestic electric power and thereby contribute to robust and sound national and regional economies; and

(B) not at a rate that is so high as to result in the imminent bankruptcy of electric utilities in a State; and

(4) the purchase of imported electric power by the Vermont Joint Owners under the Firm Power and Energy Contract with Hydro-Quebec dated December 4, 1987—

(A) is not consistent with the findings stated in paragraphs (1), (2), and (3); and

(B) threatens the economic well-being of the States and regions in which the imported electric power is provided contrary to the public policy of the United States as set forth in the findings stated in paragraphs (1), (2), and (3).

(b) PURPOSES.—The purposes of this title are—

(1) to facilitate the public policy of the United States as set forth in the findings stated in paragraphs (1), (2), and (3) of subsection (a);

(2) to remove a serious threat to the economic well-being of the States and regions in which imported electric power is provided under the contract referred to in section ___02(a)(4); and

(3) to facilitate revisions to the price elements of the contract referred to in section ___02(a)(4) by declaring and making unlawful, effective 180 days after the date of enactment of this Act, the contract as it exists on the date of enactment of this Act.

SEC. ___03. UNLAWFUL CONTRACT AND AMENDED CONTRACT.

(a) IN GENERAL.—Effective on the date that is 180 days after the date of enactment of this Act, the contract referred to in section ___02(a)(4), as the contract exists on the date of enactment of this Act, shall be void.

(b) AMENDMENT OF CONTRACT.—This title does not preclude the parties to the contract referred to in section ___02(a)(4) from amending the contract or entering into a new contract after the date of enactment of this Act in a manner that is consistent with the findings and purposes of this title.

SEC. ___04. EXCLUSIVE ENFORCEMENT.

(a) IN GENERAL.—Only the Attorney General of a State in which electric power is provided under the contract referred to in section ___02(a)(4), as the contract may be amended after the date of enactment of this Act, may bring a civil action in United States district court for an order that—

(1) declares the amended contract not consistent with the findings and purposes of this title and is therefore void;

(2) enjoins performance of the amended contract; and

(3) relieves the electric utilities that are party to the amended contract of any liability under the contract.

(b) TIMING.—A civil action under subsection (a) shall be brought not later than 1 year after the date of the amended contract or new contract.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 2648) was agreed to.

Mr. LEAHY. Mr. President, in reference to the bankruptcy bill, I am pleased that the Senate has offered the managers' amendment. It greatly improves the underlying bill and will improve the suggestion from both sides of the aisle.

I am pleased we passed the Kohl-Sessions-Grassley-Harkin amendment on homestead exemption.

I wish the drug amendment, which was adopted by a 50–49 vote earlier this afternoon, had not been agreed to. I think it was the wrong direction to go. But the Senate voted.

I regret that the Senate rejected the Dodd amendment. But I note that with the efforts of the Senator from Iowa and the Senator from Utah, the Senator from New Jersey, Mr. TORRICELLI, and myself, we narrowed the number of amendments from over 300 to approximately 30. We are working through them.

I should note just for the schedule that we have a number of Democrats who have offered short time agreements on their amendments to expedite getting their votes.

I thank Senators FEINSTEIN, SCHUMER, and DODD for their cooperation in getting very short time agreements on their amendments. I compliment the Senator from Iowa. He and his staff worked with me and my staff, as well as Senator HATCH and Senator TORRICELLI. We have cleared out an awful lot of what looked to be a totally unmanageable bill with the number of items we had before us.

I yield the floor.

Mr. HELMS. Mr. President, protecting America's children, our most vulnerable future leaders, is one of the highest obligations of government. Foremost among the reasons for waging a war on illegal drugs is the threat drugs pose and the damage they inflict on the children of America.

At the core, it has always been understood that drug policy is primarily a federal responsibility. The vast majority of illegal drugs consumed in the United States are produced outside of our borders, smuggled into the country, transported across state lines, and distributed via a complex multi-faceted criminal network. If we hope to combat the spread of this cancer effectively, the federal government simply must take the lead role.

The able Senator from Georgia, Mr. COVERDELL, expressed that view well when he said:

> [W]hile our schools are the responsibility of states and local communities, the federal government has a responsibility to lead. . . . We must act now to ensure that every child has the opportunity to learn in a safe and drug-free school. . . . The message we send our children on drugs is a real problem. When the message is anything short of zero tolerance for drugs, we encourage drug usage by kids.

Mr. President, I agree absolutely. This recognition led me, along with several other Senators, to introduce a bill in the past two Congresses to extend the provisions of the Gun-Free Schools Act to illegal drugs. A modified version of that bill was also introduced as an amendment to S. 254 earlier this year; that version was unanimously agreed to by the Senate.

Today, I am reintroducing that amendment as part of the Hatch-Ashcroft-Abraham drug amendment, of which I am a proud cosponsor.

I am thankful for the opportunity once again to allow Senators to go on record in support of the eradication of illegal drugs from our classrooms. Simply put, my amendment conditions receipt of federal education funds on state adoption of a policy of ''zero tolerance'' for student drug dealers. By zero tolerance, my amendment would require that drug traffickers be expelled from school for not less than one year.

Anyone who thinks this policy unduly harsh should consult the 1998 CASA National Survey of Teens, Teachers and Principals. Prepared by the National Center on Addiction and Substance Abuse at Columbia University under the direction of President Carter's former HEW Secretary, Joseph

Califano, the report states under the heading ''Drug Dealing in Our Schools'':

For too many kids, school has become not primarily a place for study and learning, but a haven for booze and drugs. . . . Parents should shutter when they learn that 22% of 12- to 14-year-olds and 51% of 15- to 17-year-olds know a fellow student at their school who sells drugs. . . . Indeed, not only do many of them know student drug dealers; often the drug deals take place at school itself. Principals and teachers may claim their schools are drug-free, but a significant percentage of the students have seen drugs sold on school grounds with their own eyes. . . . In fact, more teenagers report seeing drugs sold at school (27%) than in their own neighborhoods (21%).

The report goes on to detail that students consider drugs to be the number one problem they face, that illegal drugs are readily available to students of all ages, and that illegal drugs are now cheaper and more potent than ever before. According to CASA, ''one in four teenagers can get acid, cocaine or heroin within 24 hours, and given enough time, almost half (46%) would be able to purchase such drugs.'' Clearly, eliminating illegal drugs from America's classrooms is a required first step to restore order.

Impossible to calculate—the ill effects, disruptions, and violence associated with the drug trade are not limited to those who are active participants. The lives and futures of children who want to learn are often sacrificed by those disruptive students who seek to victimize their classmates.

A clear link between school violence and drugs was found by the PRIDE survey, conducted by the National Parents' Resource Institute for Drug Education, when it reported that:

Gun-toting students were 23 times more likely to use cocaine; gang members were 12 times more likely to use cocaine; and students who threatened others were 6 times more likely to use cocaine than others.

The connection between drugs and school violence is apparent.

Mr. President, the devastation wrought by illegal drugs crosses all geographic, political and economic boundaries. It is not confined to a region of the country or a class of individuals. As one example, according to the North Carolina State University's Center for the Prevention of School Violence (a remarkable organization that tracks the incidence of school crime in North Carolina and suggests preventative measures), ''possession of a controlled substance'' has been either the first or second most reported category of school crime in my home state for the past four years. Regrettably, I suspect that many other states share that dubious distinction as well.

In recognition of the federal obligation to foster safe schools, the Congress passed and the President signed the Gun-Free Schools Act in 1994. Many commentators have, at least in part, credited that act with reducing the number of guns brought to our schools.

It is time to provide a logical and common sense extension of that act by focusing not merely on the gun but on why students take guns to school in the first place. We must acknowledge that many children take guns to school either because they are involved in illegal activity or because they seek to protect themselves from those who are. A comprehensive effort to rid our schools of weapons must eliminate the reasons why students arm themselves not merely prohibit the possession of weapons.

This realization is not lost on those who are on the ''front lines'' of our war on drugs. When surveyed, students, teachers, and parents express overwhelming support for the adoption of a zero tolerance policy for drugs at schools. In fact, the closer they are to the problem, the more enthusiastic they are in support of zero tolerance.

For example, the CASA study that I mentioned earlier found that 80% of principals, 79% of teachers, 73% of teenagers and 69% of parents support zero tolerance. Additionally, 85% of principals, 79% of teachers, and 82% of students believe this policy effective at keeping drugs out of schools and believe that adoption of the policy would actually reduce drugs on their campus. In conclusion, the CASA report stated:

If these students believe them [zero tolerance policies] so effective, these policies must make an impact on their decisions to not bring drugs on campus. Given this, it seems that schools . . . should implement and strictly enforce zero tolerance policies.

Mr. President, this policy is firm but fair. The drug trade and its violence have no place in America's schoolhouses. Schools should be a safe haven for our children, fostering an environment that is conducive to learning and supportive of the vast majority of students who are eager to learn. At the very least, our children and teachers deserve a school free of fear and violence.

President Clinton, in his 1997 State of the Union address, stated ''[W]e must continue to promote order and discipline, supporting communities that remove disruptive students from the classroom, and have zero tolerance for guns and drugs in schools.'' Echoing that view, Texas Governor George W. Bush, in a major education speech last week, called for zero tolerance policies for disruptive students, stronger enforcement of federal laws on bringing guns into schools and greater accountability from schools that receive federal money for drug and safety programs.

Mr. President, it is obvious that the need to set high standards to protect our children from the scourge of illegal drugs should be a subject of broad bipartisan consensus. I hope that the Congress will heed President Clinton and Governor Bush's calls and that the Senate will once again send a strong signal to all that we intend to give our children the support they need to grow up safe and drug-free.

• Mr. McCAIN. Mr. President, I regret that I was unable to be here for the votes yesterday on the minimum wage.

In the past, I have opposed increases in the minimum wage because of my concern about the impact on small businesses, as well as the combined effects of the 1996 minimum wage increase on jobs and the economy. Many small enterprises operate on a very thin margin, and the imposition of additional costs could result in the closure of businesses and the loss of jobs. Such an outcome would serve only to hurt the very people we are trying to assist.

I understand how difficult it is to make ends meet in today's economy. Many families are struggling and many small business people who create the vast majority of new jobs are clinging to solvency. I believe Congress must work to enact measures to strengthen the small business sector, bolster job creation, and enhance job security, including further responsible tax and regulatory relief.

I oppose the Kennedy amendment because it combines a minimum wage increase with an additional tax burden on the very businesses that will face higher personnel costs. I support the Domenici amendment to incrementally increase the minimum wage because it also provides real tax and regulatory relief for small business owners who may be adversely affected by the additional costs they will incur.

The Domenici amendment allows minimum-wage workers to earn a better living. At the same time, it provides $18.4 billion in tax relief over five years to small business people across America to help them offset the increased employee costs of this minimum wage increase. Small businesses will now be allowed to increase their expensing to $30,000, and benefit from a permanent extension of the Work Opportunity Tax Credit and a repeal of the temporary Federal Unemployment Tax Act surtax. Furthermore, this amendment allows 100-percent deduction for self-employed health insurance, phases in health-insurance and long-term care above-the-line deductions, and makes pension reform proposals to increase employees' financial security. This tax relief is entirely paid for by closing corporate tax loopholes in the first year and then using a small portion of the projected non-Social Security surplus in the ensuing years, without dipping into the Social Security Trust Fund.

One aspect of the Domenici amendment that troubles me is the increased deductibility of business meals and entertainment costs. I have always opposed allowing a tax deduction for the so-called ''three-martini power lunch'' for corporate executives, although this amendment limits the benefits of this tax deduction to small businesses and self-employed individuals. I question whether this tax deduction is the highest priority of small businesses, or whether there are other more broadly

beneficial tax breaks that could have been included in this bill to assist those businesses most likely to be affected by the minimum wage increase.

Mr. President, because the Domenici amendment combines a $1.00 increase in the minimum wage with tax and regulatory relief to offset the negative impact of increased personnel costs on small businesses and the economy as a whole, I would have voted for the amendment.●

MORNING BUSINESS

Mr. GRASSLEY. Mr. President, for the leader, I ask unanimous consent that there be a period for the transaction of routine morning business with Senators permitted to speak up to 10 minutes each.

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

HONORING VETERANS DAY

Mr. BYRD. Mr. President, as daylight hours shorten and brightly colored leaves fall from the tree branches, we gradually descend into the winter season. The master hand of nature, after painting the hills glorious colors, leaves us with a chilly palette of greyer skies, leafless trees, and a long wait before the spring blossoms emerge from their underground bulbs. Although we may feel the bounce in our step that a crystal clear, crisp-aired fall day can bring, with the sun shining brightly as it makes its low arc across the sky, we are reminded during this time of the year of the cycles of the natural world. We are reminded that all too soon, we will be in the quarter of the year naturally suited for hibernation—a season, despite festive gatherings, associated with the death needed for renewal. During this season we celebrate Veterans Day to honor veterans who, with their death and sacrifice, have renewed and sustained the freedom and promise of our great republic.

Each year at the eleventh hour of the eleventh day of the eleventh month we celebrate the end of the fighting in Europe in 1918 that ended the Great War. When I was a boy, we called this day Armistice Day in honor of the Armistice between the Allies and the Central Powers that ended the horrible trench warfare that had torn Europe apart. In 1926, Congress proclaimed that Armistice Day would be celebrated yearly with an annual observance of ''thanksgiving and prayer and exercises designed to perpetuate peace through good will and mutual understanding between nations.''

After World War II, on June 1, 1954, Congress approved the Veterans Day Act that changed the name of Armistice Day to Veterans Day. I am the only Member of Congress who was serving in Congress at that time who is still serving today. Officially, on Veterans Day, we celebrate and recognize the sacrifices of our nation's soldiers, sailors, and airmen to protect our freedoms during all of the wars and conflicts involving the United States. That same year, President Eisenhower declared that on Veterans Day, Americans should ''solemnly remember the sacrifices of all those who fought so valiantly, on the seas, in the air, and on foreign shores, to preserve our heritage of freedom, and let us reconsecrate ourselves to the task of promoting an enduring peace so their efforts shall not have been in vain.''

From the beginning of our nation, America's sons and daughters have been ready to answer a call to duty. In particular, West Virginians have a proud enviable record of service to this country in the perilous times of war and conflict. Of the twenty-five million living veterans, one-hundred-ninety-thousand reside in the great State of West Virginia. More than ten-percent of the people of West Virginia are veterans who have served our nation proudly—that is more than ten of every one-hundred West Virginians. This tradition of dedication to serving is something I am proud of as a West Virginian. Through the turmoil and change of the twentieth century, one thing has remained constant—the dedication and commitment of our veterans to the survival and strength of this nation.

Largely through the might of our Armed Forces, the United States enjoys an unprecedented position of international leadership. Yet, the promise of lifelong health care that this country made to our men and women in uniform has been threatened, not by the aggression of a foreign power, but by inadequate funding. Caring for America's veterans is an ongoing cost of war. As America's veterans grow older, they require increased dependence on health care services. But, the Department of Veterans Affairs cannot be expected to provide the necessary care which veterans will need in Fiscal Year 2000, at the Fiscal Year 1999 level for veterans health care services. Veterans should not be expected to wait in longer lines, and travel farther for services. They must be provided quality service. If we fail in this obligation, how can we justify sending more and more young service members into harm's way? How can we expect our children and grandchildren to volunteer for military service in the future, if we are not prepared to keep promises to veterans today?

This year the budget came dangerously close to failing to provide for health care that veterans need and deserve. The Department of Veterans Affairs warned many veterans that they might not be eligible for veterans medical care services in Fiscal Year 2000. The strong need for quality medical care for veterans, and a sense of duty to these men and women who valiantly served, caused me to work very hard to meet the funding level for veterans' medical care recommended by the Senate Committee on Veterans Affairs—some $1.7 billion above the Administration's budget request. I would like to thank my colleagues who supported my efforts to raise the funding level for veterans medical care to $19 billion for Fiscal Year 2000. This level of funding will enable the VA to continue to provide quality health care to veterans, and will prevent the kinds of cuts in services that many veterans feared would place their eligibility for care in question.

As a nation, we are good about honoring our war dead, with memorial days such as Veterans Day, and with memorials of stone that dot our capital and other towns and cities across the country. We need to be as good to our living veterans. Today, many of our veterans are still affected by the time they spent in service. We can best honor them by continuing to provide a high quality of medical care. We can also honor our veterans by continuing to search for answers to questions of service-related injury, and by providing for those who have experienced such injuries. We must also work to prevent such injuries from recurring. For instance, we must remain committed to pin-pointing the cause of the illness of Gulf War Syndrome. Recent reports issued by the Department of Defense indicate that certain substances our military men and women were directed to take during their service in the Gulf War cannot be ruled out as causes for this syndrome. We must continue to focus our attention on narrowing in on the cause of the symptoms experienced by more than one-hundred thousand Gulf War Veterans.

So, this year on Veterans Day, let us reflect on the men and women who have valiantly served our Nation, both living and dead. Upon reflection, we should realize the need to recommit ourselves to honoring veterans, not only with unfurled flags and patriotic up-tempo marches but also by serving them as they have served our nation. As the leaves fall from the trees, and our veterans age and pass on, we must remember that what has always kept the tree of liberty safe and strong through the frost and chill of many brutal winters is the commitment of our veterans to nourish the roots of freedom.

Mr. DOMENICI. Mr. President, I rise today to salute the selfless men and women who have sacrificed so much in order to secure and protect the freedoms that we, as Americans, enjoy today. Volunteering one's body and mind without thought of consequence in order to safeguard the ideologies our country holds dear, is the utmost act of patriotism. Today we recognize the importance of the hardships endured by our Nation's veterans to preserve peace and freedom.

As a Senator from New Mexico, I take great pride in the fact that New Mexico has among the top ten highest per capita military retiree populations in the Nation and honor the prominent contributions they have made towards the preservation of our great Nation.