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Senate

The Senate met at 12 noon, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by guest Chaplain, Rabbi Stuart Weinblatt.

PRAYER

The guest Chaplain, Rabbi Stuart Weinblatt, of Congregation B'Nai, Potomac, MD, offered the following prayer:

As we gather together in this hallowed Hall and sacred institution, we pray dear God for guidance and wisdom, for temperance and prudence.

May this body's quest for justice be tempered by mercy and compassion.

May those who have been chosen to serve this great Nation be imbued with the sense of awe and humility which will enable them to execute their duties with decency, dignity, and sanctity. May their actions, deliberations, and decisions be made with the recognition that all are created in the image of the Almighty. May they be guided by the ethics and ethos of the treasured teachings and eternal words of wisdom which have inspired people throughout the ages.

In that spirit, we note that this time of year is referred to on the Jewish calendar as Tu B'Shevat, the New Year of the Trees.

Since ancient times, this day, in the dead of winter, serves to remind us of the human responsibility to care for the Earth, affirms the importance of planting trees, and thus asserts the intricate relationship between humanity and the environment in which we live.

And so, may we be inspired by the custom of planting trees this season, and of the concept of recognizing the importance of giving back to the Earth. May we be inspired by the work of the Jewish National Fund and by those who have contributed to this effort which has helped to bring this message to people throughout this Nation and who have planted trees and forests throughout the land of Israel.

May we learn to plant at all seasons.

May we plant seeds of goodness and kindness, of virtue and benevolence. In so doing, may we sow the seeds of a just and reverent society. May our deeds be like trees—firmly rooted and giving much nourishment and sustenance.

May we be touched by the Jewish tradition's teachings which likens trees to wisdom and life itself; so too may we bring that message to others.

Let us say amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, there will be a period for morning business until the hour of 12:30 p.m., with Senators permitted to speak for up to 5 minutes each. At the hour of 12:30 there will be the swearing in of Senator RON WYDEN of Oregon.

I now ask unanimous consent that immediately following the swearing in, the Senate stand in recess until the hour of 2:15 today in order for the weekly policy conferences to meet.

The PRESIDING OFFICER (Mr. BURNS). Without objection, it is so ordered.

Mr. DOLE. Mr. President, following the policy conferences, the Senate will resume consideration of the farm bill, in which there will be a cloture vote. I am not certain when, but probably early afternoon. Under the order, the cloture vote is on the Leahy substitute amendment. All Senators have until 12:30 today to file first- and second-degree amendments to that substitute.

We would like to complete action on the farm bill today. It is very important all across America. We have had a real effort to come together in a bipartisan manner. We have not been able to achieve consensus, but I think there is still a lot of bipartisan support for the Leahy substitute. If we need 60 votes, we hope we will have the 60 votes.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ASHCROFT. 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. ASHCROFT. I ask unanimous consent to speak as in morning business.

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

WELFARE

Mr. ASHCROFT. Mr. President, the business of the Senate has been consuming and demanding this year. The debate over the balanced budget amendment and the debate over the achievement of a budget which will protect the fiscal integrity of this country and bring us into balance in the next 7 years has been an important one and it is a necessary one. It has consumed much of our energy and the opportunity of this Senate.

I think it is important for us to understand while this is a task which must compel and will compel our attention, it must not do so to the exclusion of another important agenda that is essential to the progress that the American people sent us here to make. The American people not only sent us here to protect the fiscal health and integrity of the economics of the United States of America, but they expect us

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

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to protect the physical health and the integrity of the people of America, in particular of the people who have been the victims of a welfare system the consequences of which have been tragic, to say the least.

The welfare reform debate is not a debate about a revolution for a change. It is literally a debate about a revolution for survival. If we do not reform the welfare system there are going to be continuing numbers of individuals who simply will not survive in America because our welfare system not only dehumanizes and devalues them, but it literally threatens their continuing existence.

The welfare reform debate is not just about change, it is about restoring hope, restoring dignity to the lives of individuals where hope and dignity have been destroyed. The missing ingredient in the current welfare system is the ingredient of hope, and the recipe for recovery must reinstitute hope. There is a structural problem with the current exclusively governmental system which precludes hope, which must exist if people are to get back on their feet.

This is a matter of human survival and national sustenance and survivability. If our society is to be sustained, to survive to be successful in the next century, we must end the current welfare tragedy. It is tragic, indeed, that the Congress, which has acted to help end this tragedy, has been met with a Presidential tragedy: That is, the President has vetoed the effort of the Congress to stop this human cost of America's greatest tragedy, our welfare system.

The President had the opportunity to reform the system but he vetoed it. Congress acted to stop rewarding illegitimacy, and the President vetoed it. Congress acted to stop penalizing marriage, undermining families, and the President vetoed it. Congress acted to stop the culture of entitlement, where individuals are conditioned to expect from Government rather than to work within themselves to solve problems, and the President vetoed it.

The tragedy of our welfare system is borne out in the lives of the children of America, in the horror stories of opportunities that have been dashed, futures that have been destroyed. I will not burden you with a litany that is all too familiar, but I think of one of the children, little Ariel Hill, who was less than a year old when she died, weighing only 7 pounds at her death. Her mother was an addict sustained by a system which makes no judgment about behavior, but just continues to reinforce behavior regardless of its counterproductivity. Her mother, irritated with Ariel's crying one afternoon, scalded her in a sink of hot water. When the investigators came to the apartment after Ariel's death, they found a list of the children in the household and the amount of welfare that each child brought to the family.

That is the tragedy of the welfare system where children, the most valuable resource of a society, develop a value only in the devaluing checks of an entitlement system. It is time we reform that system. We had an opportunity to do so and the President vetoed it. We cannot leave this task undone because the President vetoed welfare reform measures. We must proceed to change the system.

Our system has been rewarding the wrong values. We have rewarded decadence—the out-of-wedlock birth rate has exploded from 5.3 percent in 1960 to 33 percent in 1995. That is up to 80 percent in some of the cities of this country. We need to replace that system, which values decadence and rewards it with checks, with a system that values and rewards decency.

Our system has rewarded dependence. More than 3 million of the 5 million welfare recipients will be on the rolls for more than 8 years. The average length of time a person is on the welfare system is 13 years. It is a system that rewards dependence rather than discipline. It is time for our system to be changed. The opportunity that we had, and that we capitalized on to reform the system, would have substituted discipline for dependence. It is time for our system to reward discipline.

We have established, as the way of operating in Government, a system of debt. We need to replace that system of debt with a system of dignity, of integrity, of paying for the things we consume rather than displacing the costs of what we consume to the next generation. But the devaluing system of welfare dependence and decadence has been a system which has driven the debt.

We simply have to make a commitment within ourselves that we are not going to let this issue die. We are not going to walk away from the mandate of the American people to wage a war on poverty. We cannot leave in place a system that subsidizes decadence, that subsidizes dependence, that encourages debt—no. Our war on poverty will have to have a fundamental element of hope and will have to replace decadence with decency, replace dependence with integrity, independence and work, and replace debt with discipline.

The welfare reform measure which Congress passed provided us with an opportunity to change our current system—an opportunity that was extinguished at the hand of a President who vetoed welfare reform. We must reform a system which is not only costing children in many cases their lives and their futures, but is undermining a set of values upon which this country must march forward.

We must not turn our backs on this tragedy. We can ill afford to think that because there is a controversy on the budget that we can exclusively focus on it. We must address it. We must continue to be involved. But this war, this opportunity for change, cannot be confined to a single front. The budget is important, but we have an operation on the right, an operation on the left, and we have a revolution to wage in terms of rescuing what we believe is the greatest of all the cultures that have ever graced this planet, the free culture in the United States of America. We cannot turn our backs on the tragedy of welfare.

So, today I rise, grateful for this opportunity to say we must look again to the responsibility that we have, to the call which we have received, to the demand which the American people are making upon us, to the expectation of this culture and to the duty we owe young people. It is a duty to protect, yes, their fiscal integrity and their financial futures, but it is also a duty to protect the very lives and the values and the potentials which they have. When we subsidize decadence as opposed to decency, when we subsidize debt as opposed to dignity, and when we subsidize dependence as opposed to integrity and industry, I believe we have to change that system and change it dramatically.

So, I thank you, Mr. President, for this opportunity to speak, to remind the U.S. Senate that its obligation is substantial, its opportunity is significant, and the consequences of inaction could be as tragic as the system which is the status quo, because, unless we act to reform and to change it, we will have to live with it. And living with it has had deadly consequences.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

OF POLLS, POLITICIANS, PROMISES, AND PRINCIPLES

Mr. GRAMS. Mr. President, I hope my colleagues made time last week to study a poll printed in the Washington Post. It took a close look at the American people and their relationship with the political process, and it was, at the same time, both enlightening and frightening.

Mr. President, 40 percent of those responding to the poll did not know the name of the current Vice President; 40 percent of Americans were not aware that Republicans control both Chambers of Congress; 56 percent of the people surveyed could not name even one of their Representatives in the Senate; and 74 percent were not aware that we serve 6-year terms.

Fully 67 percent of the people who answered the survey did not know that the U.S. Senate had passed a plan to balance the Federal budget.

The newspaper makes the argument that the problem lies in education—that the more knowledge an individual has about the political process, the more likely they are to care about what we are doing here in Washington. But I think an equally compelling case can be made that after decades of broken political promises, the voters have been conditioned to tune us out. They do not care about us because they believe that, deep down, we really do not care about them, either.

We should not be concerned that the people do not know our names or the length of our terms or who controls which Chamber. But we ought to be deeply troubled that so many people seem to have lost faith in us. And we should be especially concerned that the poll reflects these things at a time when Congress has made promises, kept them, and has demonstrated a sincere commitment to turning this Government around.

Mr. President, when the 104th Congress was gaveled into session a year ago, there were high expectations. There had been a dramatic transfer of power. People called it a sea change, a revolution.

There was a radical, new message that had begun to break through the noise of the usual political rhetoric. We talked about new solutions. We talked about Government as a service provider, not our national nanny, or caretaker. We talked about making Washington more accountable to the taxpayers, and a more efficient consumer of taxpayer dollars. We talked about shifting the focus of the Federal Government from advocacy on behalf of tax recipients to advocacy on behalf of the Nation's taxpayers.

We talked every day about our children and grandchildren, and what kind of future we would be leaving them if we turned our backs and did nothing.

One year later, our message has not changed, and we have passed a great deal of legislation in the last year to put real muscle behind our promises. But we did not count on running headlong into an obstructionist President, gunning for reelection, who was willing to deny the people a better tomorrow in order to preserve the status quo.

Mr. President, up until last year, I believed wholeheartedly in a mathematical absolute I first learned in high school geometry—that the shortest distance between two points is a straight line. The idea has been around for so long—since the time of the ancient Greeks, in fact—that I never considered questioning it. But what I learned during the first session of the 104th Congress has forced me to rethink those early geometry lessons.

You see, there is no line more straight than the 16-block stretch of Pennsylvania Avenue that runs between the U.S. Capitol and the front door of the White House. So when the American people elected a new Congress on our pledge to balance the budget, cut taxes, repair the welfare system, and save Medicare, it stood to reason that the road to enacting those fundamental reforms, in the shortest amount of time, would be a straight line as well: Congress would pass the laws, we would send them up Pennsylvania Avenue to the President, and he would sign them.

But this President has managed to distort the laws of mathematics so badly that Pennsylvania Avenue has become not a straight line, but a tangled trail culminating in a dead end. Today, those 16 blocks are littered with legislative casualties that never had a chance against the veto pen of a President who is dead set against even the most basic reforms.

Congress sent the President a balanced budget that acknowledges it is morally wrong to pass the debts of one generation onto the next. He vetoed it.

We sent the President a tax relief package that offers a $500-per-child tax credit—and a lot of hope—to every middle-class, American family. He vetoed it.

We sent the President a bill that delivers on his promise to ''end welfare as we know it.'' He said he liked it. Then he vetoed it anyway.

We sent the President a plan that moves Medicare into the 1990's, rescues it from bankruptcy, and reforms the system by offering seniors something they have never had access to through their Government-provided health care plan and that was real choice. Once again, he killed it with a veto. Given yesterday's troubling news that the Medicare trust fund lost money in 1995 for the first time in 23 years, a full year earlier than expected, and may not survive until 2002, the President's veto appears even more shortsighted and misguided.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. GRAMS. When I am through, I will yield for a question.

Mr. FORD. I am sure it was part A, not part B. The Senator went over it with a broad brush.

Mr. GRAMS. It is part A. Congress delivered tax relief, Medicare and welfare reform, and a balanced budget to the White House just as we promised the American people we would, and they were all returned to us ''V–O–A''—''vetoed on arrival.'' So much for high school geometry.

What I have come to realize, Mr. President, is that sometimes, the shortest distance between two points is not a straight line at all, but the route with the least congestion. What I want to assure my fellow Americans is that from now on, Congress will follow whatever line takes us where we need to go, and if that means bypassing the gridlock on Pennsylvania Avenue at the White House, so be it. We will not be deterred from pursuing the principles of individual freedom and restraint in Government that have already brought us this far. We moved an important step forward recently with the passage of the Balanced Budget Downpayment Act. The President may have vetoed our balanced budget plan, but our downpayment on it moves us $30 billion closer to a balanced budget, and keeps our children from going another $30 billion in debt, by eliminating a host of wasteful Government programs. It was not what the President wanted. In fact, his latest budget does not make any serious reductions in Government spending until the year 2000. But Congress controls the Nation's purse strings and in this political climate, Congress must start taking these small steps in order to reach our larger goals. One of the papers in my home State interviewed a number of Minnesotans last week and asked what they thought about Congress and the President and our accomplishments of the past year. I thought the comments made by the mayor of Woodbury were the most insightful. He said,

> We watch with interest but quite a bit of disappointment. They are more concerned out there with their political one-upmanship, political brinkmanship, political hassle of each other. There is a big gap in quality leadership.

Those are the very same thoughts being reflected in the kind of polls we saw in the Washington Post. Mr. President, if we are going to begin restoring the people's faith in their Government, we are going to have to earn it through quality leadership, and we are going to have to do a better job of communicating our successes. Every American needs to know that this Senate passed a balanced budget. More importantly, every American needs to know that we are not giving up until President Clinton has signed a balanced budget into law.

I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

THE FARM BILL

Mr. CRAIG. Mr. President, this afternoon the Senate will once again attempt to wrestle with one of its key responsibilities to American agriculture, and that is to pass legislation that will craft new farm policy for our country and send the necessary message as to what we expect American agriculture to do in relation to farm programs directed by the U.S. Department of Agriculture.

I found it interesting yesterday that President Clinton has submitted his 1997 budget when we do not even have a 1996 budget, and we find ourselves here on the floor of the Senate today debating agriculture because the President vetoed agriculture. So while the President is now off campaigning across the country waving a 1997 budget, the Government does not have a 1996 budget, and we do not have a farm policy.

The Secretary of Agriculture has just entered the floor. By the 15th of this month, he is going to arrive at a crisis point in having to deal with the implementation of 1949 agricultural policy.

Last Friday on the floor of this Senate, the Democrat leader and his party blocked a farm bill. We offered a bipartisan farm bill, Democrats and Republicans alike. Senator LEAHY of Vermont, who is just about as liberal as I am conservative, came together in a bipartisan bill. Once again we were denied the opportunity to vote on that because we were told it would be blocked.

I hope today that we can deal with a farm bill and send the appropriate message to American agriculture. But yesterday, I think Robert Shapiro, the president of the Progressive Policy Institute, which is a centrist Democrat leadership council arm, said it very clearly: The President's budget is not about dollars; it is about politics. He said we are now in a political season, and the President did this for politics. The politics that is being played on the floor of the U.S. Senate right now may be good for one party or another, but it is not good for American agriculture.

So, Mr. President, pick up the phone and call your people here in the Senate and say let us get an agriculture bill so that the Secretary of Agriculture does not have to deal with the kind of draconian things that he may be forced to do to send a shock wave through American agriculture by implementation of the 1949 farm policy. That is not good government. That is not the kind of government we need to deal with.

So I hope we can arrive at a solution this afternoon. But, Mr. President, in closing, because I know our time is up here at about 12:30, I am told that there are now 240-plus amendments filed at the desk on the Lugar-Leahy-Craig alternative bipartisan farm bill. That sends a very simple message to me. There is not going to be a farm bill today. It is impossible to deal with it after 6½ months of intensive extensive hearings before the Senate Agriculture Committee when American agriculture, almost per organization, said do not simply reinstate farm policy, but reform it and clean it up. And that is what we have done in trying to build this.

I am not sure where we go from here. I hope we can get the 60 votes this afternoon so that we can move forward and get the 1996 work done before our President is off campaigning on 1997 budgets that do not balance while he is President, assuming he might get elected another term. I find it very interesting that his own people are now saying it is not policy; it is all politics. Well, we knew that. He knows that. But it is a very dangerous kind of politics, a very dangerous kind of politics for American agriculture.

Historically, Mr. President, we have always crafted a bipartisan farm bill. I see the Senator from North Dakota on the floor. He has talked about that. I have worked with him. I have worked with other Senators on the floor to craft a bipartisan approach to farm policy. I hope that is what we can accomplish this afternoon before the political season gets so hot that we cannot get any work done.

If that is the case, we probably lose. But someone else loses, and that is the American farmer and American agriculture.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me.

Mr. President, I am stunned listening to my good friend from Idaho talk about the politics of the season. If talking about the politics surrounding the vote this afternoon on a bill that the U.S. Senate Agriculture Committee has never had hearings on, has never passed, when the other party has frozen this side of the aisle totally out of any negotiations relative to meeting our commitment to an agriculture bill for the farmers of this country—they come forward with something known as the freedom-to-farm-bill. The freedom-to-farm bill, Mr. President, frankly, is a bill that the farmers in France should love. Our competitors overseas should love the freedom-to-farm bill because what it is going to mean is that our farmers are going to be unable to compete in the international and world markets. This bill spells doomsday for the farmers of America. It spells doomsday for the agriculture programs in our country that are the envy of the world.

Mr. President, I cannot believe that my friend from Idaho is talking about the politics of the moment when it is his party that has prevented a real debate on the 1996 agriculture bill to take place. This bill was written by budgeteers. It was not written by the Agriculture Committee in the House or in the Senate. It was written by the budget committees, Mr. President. My friend from Idaho knows that.

Mr. DORGAN. Mr. President, will the Senator yield for a question?

Mr. PRYOR. Yes.

Mr. DORGAN. Mr. President, I ask the Senator from Arkansas if we find ourselves in the circumstance that for the first time in history the farm bill was stuck in the budget reconciliation bill last year. So there was no farm bill debate on the floor of the Senate. It was supposed to happen last year, but it did not happen.

I think that it probably is not very important to talk about what happened yesterday. The question is, what happens today and what happens tomorrow? The issue for us is, what about the future of family farming in this country? Will we have family farmers in the future or not? Will we simply have giant agri-factories farming from California to Maine? Do we care about the future of family farmers, or do we not? Is that not the real issue before us?

This is not about politics. It is about policy and who cares about the future of family farmers.

Mr. PRYOR. I will answer my friend from North Dakota by saying that just a few months ago, I went before our farm bureau organization down in Arkansas. I spent about an hour and a half visiting with them. They begged me and they pled with me to oppose the Freedom to Farm Act. Now, suddenly, they have made a reversal. They say, ''Well, maybe it is the best we can do.''

Mr. President, I do not think it is the best we can do. I think that we can do better. I think that we can go back and draft at least an extension of the farm bill of the past 5 years and extend it for a year and make certain that we do not make the gargantuan mistakes that we are likely to make today by enacting the Freedom to Farm Act.

Mr. President, I think the appointed hour has arrived, and I therefore yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. CRAIG addressed the Chair.

Mr. FORD. The time has expired.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. I would note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The VICE PRESIDENT. Without objection, it is so ordered.

ADMINISTRATION OF OATH TO RON WYDEN, SENATOR FROM OREGON

The VICE PRESIDENT. The Chair lays before the Senate the certificate of election of the Honorable RON WYDEN as a Senator from the State of Oregon.

Without objection, it will be placed on file and the certificate of election will be deemed to have been read and printed in the RECORD.

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

CERTIFICATE OF ELECTION FOR UNEXPIRED TERM, UNITED STATES SENATOR, STATE OF OREGON, SECOND POSITION

To the President of the Senate of the United States:

This is to certify that on the 30th day of January, 1996, Ron Wyden was duly chosen by the qualified electors of the State of Oregon a Senator from said State to represent said State in the Senate of the United States for the unexpired term, ending at noon on the 3rd day of January, 1999, to fill the vacancy in the representation from said State in the Senate of the United States caused by the resignation of Bob Packwood.

Witness: His excellency our Governor, John Kitzhaber and our seal hereto affixed at Salem, Oregon this 2nd day of February, in the year of our Lord 1996.

By the governor:

JOHN A. KITZHABER,
Governor.

PHIL KEISLING,
Secretary of State.

The VICE PRESIDENT. If the Senator-elect will present himself at the desk, the Chair will administer the oath of office as required by the Constitution and prescribed by law.

Mr. WYDEN of Oregon, escorted by Mr. HATFIELD of Oregon, advanced to the desk of the Vice President; the oath, prescribed by law, was administered to him by the Vice President; and he subscribed to the oath in the official Oath Book.

[Applause, Senators rising.]

The VICE PRESIDENT. The minority leader.

Mr. DASCHLE. Mr. President, I will be very brief. While Senator WYDEN greets his new colleagues, let me just say how much we appreciate his presence and how delighted we are he has now joined our ranks. My wife, Linda, and I want to congratulate his wife, Laurie Wyden, and his children, Lilly Wyden and Adam Wyden, as they celebrate their father's victory, as well.

We are very enthusiastic about the opportunity to serve with Senator WYDEN. We look forward to a long and productive career for him in the Senate.

Let me thank him for all of his good service in the years he has already served in the House of Representatives, and let me again express our enthusiasm and our congratulations to him personally.

Let me also congratulate the State of Oregon for the fine way with which it conducted the campaign. They may have set a new marker for the rest of us and yet another example of democracy at its finest. We will look with great interest as other States experiment with mail-in balloting. If it will produce the same result as the result in Oregon, let me say, I enthusiastically endorse it.

[Applause, laughter.]

The VICE PRESIDENT. The senior Senator from Oregon.

Mr. HATFIELD. Mr. President, I am not going to be quite as brief. Last week, Oregonians chose RON WYDEN as their new U.S. Senator in a special vote-by-mail election. This was a closely contested election with RON WYDEN prevailing with 48 percent of the vote.

Today, Congressman WYDEN becomes Senator WYDEN. He brings with him almost 16 years of service to Oregon in the House of Representatives and, more important, he brings a keen intellect and an understanding of the important issues facing our State. He also possesses a very gifted and able staff, which I am confident will make the transition from the House of Representatives to the Senate swiftly and with competence.

Senator WYDEN has proven that he is dedicated to the people of Oregon. After spending 2 months campaigning across the State, he has now an even better understanding of the unique, independent spirit that typifies the citizens of our State. My overall goal throughout my entire tenure in the Senate is to improve the quality of life for all Oregonians. This is a goal I know is shared by Oregon's new Senator.

Oregon's independent traditions have often placed our State at the cutting edge of democracy. In 1902, voters created the initiative and referendum. This process allows citizens to propose new laws or change in the State's constitution through an election-ballot measure. This change allowed a sharing of power between the State legislature and the electorate.

From 1902 to 1994, voters put 272 initiatives on the ballot, of which 95 passed and became law. This was a historic change in the political process, and soon many other States followed.

Ninety years later, Oregon continues to take the lead in democratic innovations. The special election for the U.S. Senate in which RON WYDEN was elected was conducted entirely by mail. From the primary to the general, Oregon became the first State to conduct a mail-only election to fill a Federal vacancy. This experiment in democracy was a dramatic success. Sixty-six percent of Oregon's 1.8 million registered voters cast ballots in the general election. By comparison, a 1993 Texas Senate race only saw a 21-percent turnout. By anybody's count, voting by mail has dramatic, positive impact on voter participation.

Voter turnout has reached dismal proportions in this country. People have become disenchanted with the entire political system, and they are declining to become involved. A recent national survey by the Washington Post, Harvard University, and the Kaiser Family Foundation, found a widespread contempt for Government and political leaders. When asked how often do you trust the Government in Washington to do the right thing, only 25 percent responded that they trust the Government a majority of the time.

This conclusion paints a grim picture of the democratic future of this country, and restoring public trust in Government is the greatest challenge confronting each of us who holds elected office. With politicians ranking below dog-catchers in public opinion polls, steps need to be taken to improve the public's perception of our profession.

It is my commitment to restoring public confidence in the political system that undergirds my support for measures that increase voter participation. Citizens will continue to hold our institutions in ill repute as long as they remain disillusioned with the system. It is when people become a part of the process, when they have a stake in the outcome, do they begin to understand and trust their Government.

Oregon's experience in voting by mail was a success because it broadened the base of political participation. The same principle undergirded our support for the national voter registration, commonly known as motor-voter. That became law during the 103d Congress, and the law provides national uniformity in access to the electoral process by allowing voter registration through the mail and at government agencies and at departments of motor vehicles throughout the country. But Oregon preceded this national law. Oregon was one of the first States to experiment with motor-voter, and the success we experienced in the laboratory of our State convinced me that our innovation was worthy of trial on the national level. Motor-voter has increased access to the voter registration process. That increased access has benefited both political parties, not one over the other.

The editorial board of the Washington Post yesterday declared that Oregon's experiment in vote-by-mail elections was a success. The editorial continued stating ''a State with a longstanding reformist tradition may thus have pointed the way toward expanded political participation and at a moment when voters are so widely described as fed up with (and indifferent to) politics.''

Increasing the number of those who take part in the electoral process is critical to ensuring the vitality of democracy. The greatness of our Republic was founded on and rooted in a broad base of voter participation.

We are the Government of the people, by the people, and for the people, and if the people cease to participate, then our system is in danger.

So I take this occasion to congratulate RON WYDEN in his victory and Oregon with experimenting with a new innovation.

[Applause.]

Mr. DOLE. Mr. President, with the oath of office just administered, RON WYDEN becomes the 1,827th person to have served in the U.S. Senate. And on behalf of Senate Republicans, I welcome our newest colleague to the Chamber, and I welcome the many Oregonians who join us in the gallery for this occasion.

Under the Senate rules, Senator WYDEN is now our most junior member—ranking 100th in seniority. That is exactly the same position Senator HATFIELD from Oregon found himself in when he came to the Senate 29 years ago last month.

And I think most of my colleagues would agree with Senator HATFIELD, who said recently that when he came to this Chamber, he thought the seniority system was a bit silly. But the longer he stayed here, the more sense it made.

I know that Senator WYDEN has a great deal of respect for Senator HATFIELD, and no doubt about it, there is no better guide in explaining the Senate rules, procedures, and traditions—many of which are very different from the House, where Senator WYDEN served for the past 15 years.

One of the differences is that in the House there are limits on how long Members can speak, while there is no such limit in the Senate. Senator THURMOND holds the record, speaking on one occasion for 24 hours and 18 minutes. And I would suggest to Senator WYDEN that is one record he might not want to break—especially with all his family and friends present today.

Another tradition here is that for the past many decades, Senators have written their name in the drawer of the desks we are assigned here on the floor.

The desk I occupy, for instance, has served as the desk of the Republican leader for over half a century. In fact, the first Republican leader to sign this

desk was Senator Charles McNary of Oregon.

Senator WYDEN's desk also has a long history. And I note that the last 13 Senators to have occupied it were Republicans, and hope that some of that heritage will rub off on Senator WYDEN.

Finally, let me admit that it is no secret that Senate Republicans were hoping for different results in Oregon's very close election.

But I take heart in the fact that even though Senator WYDEN is the 47th Democrat Senator, he is also the fourth Senator in this Chamber to have been born in Kansas, and certainly that will help him a lot here.

Senators KASSEBAUM, SPECTER, and myself welcome you to the Kansas caucus, Senator WYDEN, and we will get back to you later about the time and place of our next meeting.

[Applause.]

RECESS

The VICE PRESIDENT. The Senate will stand in recess until 2:15 p.m.

Thereupon, the Senate, at 12:53 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COATS].

Mr. PRESSLER. Mr. President, I ask unanimous consent to speak as in morning business.

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

THE FARM BILL

Mr. PRESSLER. Mr. President, I support the freedom-to-farm concept. Most farmers in South Dakota that I have talked to want the freedom-to-farm concept.

The Senate is in a filibuster situation, although the word ''filibuster'' is not being used. We are not being allowed to proceed to the farm bill by the Democrats. We must produce 60 votes in order to proceed. We apparently do not have 60 votes, at least not up to this point.

People should understand that many of us want to pass a farm bill. If we were permitted to proceed to the bill, we could then start offering amendments and begin discussion. However, the other side is not allowing the farm bill to come up.

Mr. President, I urge my colleagues to consider supporting S. 1541, the Agricultural Market Transition Act. Should cloture not be invoked on S. 1541, I urge my colleagues to support the compromise offered by the Senators from Idaho and Vermont, Senator CRAIG and Senator LEAHY. Their amendment incorporates all of S. 1541 and includes a number of other reforms. If we do not have the Freedom to Farm Act, we could have the Leahy-Craig substitute, which has the freedom to farm but includes a number of reforms.

Mr. President, I was recently back home in South Dakota and spent time talking to farmers about what needs to be accomplished in future farm programs. The message was loud and clear: flexibility, certainty, and less Government involvement. Both S. 1541 and the Craig-Leahy compromise would provide all of those things.

Mr. President, S. 1541 would provide greater economic stability to producers. Producers in South Dakota are telling me not to extend the 1990 farm bill, and by all means do not let the underlying 1949 act be the operative act for 1996. After careful review, many producers say, support S. 1541.

There will be a lot of unwarranted criticism expressed over S. 1541. Those opposed to the bill say we need a permanent safety net for farmers. I say there is nothing permanent about Federal farm policy. The past farm bills were not permanent. All generally covered periods of 4 or 5 years.

Mr. President, S. 1541 would provide a 7-year plan. Unless economic conditions warrant an earlier revisitation of Federal farm policy, we will no doubt be putting together a new farm bill in 2002. So S. 1541 does not eliminate the real safety net for farmers, which, frankly, is the Congress itself. Those people who say there will be no farm programs after 7 years simply are not shooting straight. Past farm bills never carried assurance of future farm products except for 1938 and 1949 Agricultural Acts.

Mr. President, let me summarize my position. Congress should pass a farm bill now. We are ready to act. It is my recommendation if we cannot adopt the freedom-to-farm bill, we should adopt the Leahy-Craig substitute, which is the freedom-to-farm bill with amendments. We cannot even adopt amendments to that since there is basically a filibuster going on here. We have to produce 60 votes in order to proceed.

I implore my colleagues to let us proceed on the farm bill, offer amendments, as we have in the past in good faith here, in a bipartisan way. Let us amend the Craig-Leahy substitute. We are ready to go.

Our farmers are ready to go to the fields soon to plant. They are making their plans with their bankers now. They need certainty.

Federal Reserve Board Chairman Alan Greenspan and others have estimated that commodity prices in the next 5 years will be very high because of demand in China and other demand overseas. The biggest farm bill we could adopt is probably a balanced budget, because if we have a balanced budget we will have low-interest rates for farmers and businessmen. We also will have a stable dollar for international trade. I believe we can have a booming agriculture for the next 5 years if we have a balanced budget and if we move toward the concepts in freedom to farm.

Mr. President, our farmers want flexibility—that is to be able to plant new crops and different crops. If we continue to go with a regulated Government system, the Department of Agriculture defines which crops must be planted. Indeed, it is true that wheat and corn are probably best suited to much of our soil. But who is to say that some new crop might not be experimented with and might come forth.

It is said if we have the Freedom to Farm Act that, after 7 years, the farmers will be left on their own. That is not necessarily true. Just like with a 5-year farm bill, the Congress does something new afterward. If the Congress in 7 years finds that the farmers are in need of it, they can pass a farm bill. They can even reinstitute the present farm bill if they wish. So that is not a good argument.

In talking to my farmers in South Dakota, they like freedom to farm. My farmers like the concept of flexibility of crops. The farmers in South Dakota like the concept of doing away with all the paperwork and Government regulation that has built up around this program.

There are those who would say we should not abolish the 1938 and 1949 Agricultural Acts. I disagree. It is time to abolish those acts because they are obsolete. Now is the time for forward thinking reforms. We should not be in a position of carrying forward outdated and ineffective 50-year-old farm policies as the basis for agricultural planning in the 21st century.

Opponents of S. 1541 want to extend existing farm policy for 1 or 2 years. Mr. President, the one thing my producers have made abundantly clear is they do not want the Federal Government telling them what they can or cannot plant, and making other decisions for them. They want, and deserve, full flexibility. An extension of existing policy means that Government will continue to dictate farming practices. This simply is unacceptable.

Under S. 1541, producers would have greater planting flexibility. Producers would have the opportunity to respond to market conditions. This is vital for their economic survival. Opportunities would be endless. Producers would not lose payments if they decided to plant new and innovative crops.

Mr. President, S. 1541 is supported by the South Dakota Farm Bureau, the South Dakota Corn Growers, and many farmers throughout South Dakota. They see great opportunities for them in their operations. A recent study by the Food and Agricultural Policy Research Institute showed that S. 1541 would bring higher prices for corn, soybeans, and all livestock over the next 10 years. Current high prices for wheat also would be maintained.

Under S. 1541, net farm income is estimated to increase from $38 to $50.4 billion in 10 years. In addition, farm program payments would be reduced from $6.4 billion in 1995 to $5.04 billion in 2005. In short, S. 1541 would increase farm incomes while lowering farm program costs to our taxpayers. That is a great deal.

The last point is important if we are to reach our primary goal of a balanced budget. Mr. President, farmers and ranchers are some of the strongest supporters of balancing the Federal budget.

A balanced budget would be great news for South Dakota farmers and ranchers and their families. It would mean lower interest rates and a growing economy. A balanced budget would reduce interest rates by at least 1.5 percent. A reduction in interest rates of that size would help raise farm income by more than $2 billion per year.

So, to conclude and to summarize, I support this Congress going forward on legislation on the farm bill now. I am weary of the filibuster that has kept us from dealing with amendments. If we cannot have the freedom-to-farm bill, let us have a modification of it, which the Leahy-Craig offer encompasses. This will mean more prosperity to farmers and also less costs to the taxpayers. It will mean strengthening our position in international trade, which will help our country in general.

We cannot delay any longer. Our farmers are meeting with their bankers at this hour, trying to work out their financial plans. In the southern part of our country, they are prepared to plant. The Congress seems to be dilly-dallying. Let people understand what is going on here. We, on this side of the aisle, are ready to legislate. We are going to have a cloture vote today. I plead with my colleagues, let us go and legislate and offer amendments and we will have a farm bill worked out. But let there be no misunderstanding out in the country. We are not holding this farm bill up. We are here, ready to legislate. The cloture vote this afternoon, if we fail, it will hold us up again.

I want to make it very clear to my farmers where this delay is coming from. My farmers, generally speaking, want freedom to farm. Let us get the truth out. Let us have a farm bill now.

I yield the floor.

Several Senators addressed the Chair.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. 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. DORGAN. Mr. President, is the Senate now in morning business?

The PRESIDING OFFICER. It requires consent to extend morning business.

Mr. DORGAN. My purpose in seeking recognition was to ask unanimous consent to be able to speak in morning business for 10 minutes. That will take less time if the folks on the majority side need the floor at some point.

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

THE FARM BILL

Mr. DORGAN. Mr. President, I appreciate the indulgence of other Senators. My intention was that if we have some morning business that we have it on both sides. I want to be able to discuss for a bit the subject of agriculture and where we find ourselves. My specific interest in doing so is that I think there is some confusion about exactly where we are.

First of all, the farm bill is not now pending. We are in morning business. The farm bill will be pending when we finish morning business and bring it back to the floor of the Senate. But contrary to previous assertions, no one has prevented the farm bill from coming to the floor. It is on the floor. It is and will be the pending business before the Senate. There is not an effort and there has not been an effort by anyone to prevent the farm bill from coming to the floor. Those who suggest that are misstating where we are.

The farm bill will be on the floor of the Senate this afternoon. It is correct to state we have had a cloture vote and will likely have a second cloture vote this afternoon. To suggest we should invoke cloture so we can get on to amendments, however, is a suggestion that does not conform with the Rules of the Senate.

In fact, in order to offer many of the amendments that have been sent to the desk, you would have to avoid cloture so the amendments would be able to be offered as being germane. After cloture they would not be ruled as being germane.

The farm bill has been on the floor of the Senate a very short amount of time. So, a vote for cloture at this point, would be a vote to cut off the opportunity to offer amendments and have them considered. Many of us feel that would be inappropriate.

Let me emphasize this because it is very important. This is not a debate between those in the U.S. Senate who believe farmers ought to have more planting flexibility and those who believe they should not have more planting flexibility. That is what this debate is being portrayed as. But, that is not the case.

I have offered a couple of amendments that are sitting at the desk. I have previously offered unanimous consent requests about extension of current law. In every case with the amendments that are at the desk and the unanimous-consent requests that I have offered, we suggest that farmers be given planting flexibility on their base acres. Let the farmers decide what they want to plant, not the Federal Government.

When people stand up and say this is a choice between those who want to put you in a straitjacket on planting decisions and those of us who want freedom to farm, where you get flexibility, that is not the fact. It is a false choice.

No farm program proposal that I know of before this body would require that we be in that circumstance. Nobody is offering a choice in which farmers will be required to be told by the Federal Government what their planting decisions might or might not be. Everyone here, myself and others, believes that we ought to have substantial planting flexibility on base acres for farmers.

There is not any differences either, in my judgment, with respect to the issue of repayment of advance deficiency payments for those who suffered crop losses.

Everything I have offered through unanimous-consent requests, as well as the two amendments to the freedom-to-farm bill that are now at the desk, would do basically the same thing. We would forgive advance deficiency payments for those who have suffered crop losses. So, that is not what this debate is about either. If people stand up and say that is what this debate is about, that is a false set of choices.

I just heard a discussion, and I heard it previously, that this is not about whether there should be permanent farm law. They say, ''Of course, there will be a farm program.'' Or they say, ''There will likely be a farm program.'' That is not the case at all.

The freedom-to-farm bill has some attractive features which I hope we can capture and put into compromise and move forward. But it also has something which, in my judgment, is a bad feature for rural America. Most notably this is a bill that pays a severance payment. It gives severance pay to farmers for the purpose of transitioning them away from any sort of farm program at all.

Why do I say that? Because the freedom-to-farm bill itself says there shall be no more permanent farm law. This bill is going to repeal the underlying farm law. Why would they do that? Because they do not want permanent farm law.

They could rectify that easily, if they wanted to modify their proposal. But, they do not intend to modify it. These really are severance payments, paid up front, for the purpose of providing that there will be no further farm programs. That is what it is about. It is very simple and, in my judgment, cannot be misrepresented. I know people try, but it cannot be. There will no longer be a permanent farm law. That is the purpose of repealing it in this proposal.

The reason I care about this, as well as the reason that others care, is that we care whether there is a network of family farm yard lights out in rural America. In my judgment, if a farm bill is not designed to try to help family farmers, then let us not even talk about a farm bill. Then, let us not have a farm bill. Then, let us not have a U.S. Department of Agriculture, which was started under Abe Lincoln with nine

employees and has become this behemoth down there. We do not need USDA and a farm bill if they are not designed to help protect family-sized farmers.

When you have international price depressions and prices drop, family farmers get washed away. They are too small to have much of a financial base to withstand declining international prices over which they have no control.

Will this country be farmed by giant agrifactories from California to Maine? If you think that is fine, then we do not need to debate this farm law. If that is what you decide then we do not need a farm program. However, if you think we ought to encourage and nurture a network of family farms in this country, have yard lights dotting the prairies, and have family farms that become the blood vessels that provide nourishment and economic health to rural areas and small towns, then you would care about the kind of farm program we enact.

Some of what has been suggested in the freedom-to-farm bill makes sense. Some of it makes no sense at all. Where we ought to find ourselves, in my judgment, is in a compromise in which we take the best of what both sides have to offer.

We had a compromise similar to that over the weekend. It has been discussed at some length. It is one that I would support and one that makes sense, in my judgment. It retains current permanent farm law. It substantially changes the up-front payments. It substantially increases flexibility on planning for farmers. It forgives advanced deficiency payments for those who have suffered crop losses. It does a lot of things which together represent the best features of what has been offered from both sides.

Yet we are told by some, ''Either you invoke cloture and cut off debate and cut off amendments on the freedom-to-farm bill or we are not going to play; we will go home, and we will blame it on you all.''

We are way beyond the issue of blame. This is February 1996. In the middle of last year there should have been a debate on the floor of the Senate about a farm bill, and there was not. Everybody in this Chamber knows that. We failed.

Now in February 1996, if we are going to construct farm legislation, let us not do it by holding a club to somebody's head. Let us do it by deciding that we will put together farm legislation the way it has always been put together in the U.S. Senate. That is, let's do it in a bipartisan way, taking the good ideas that come from both sides.

Senator GRASSLEY is on the floor. I expect he will want to speak next. He knows as much about agriculture as almost anybody in this Chamber and cares a lot about it. We may have different views of exactly how these cloture votes work and exactly what we ought to do for the future of family farming. But, we do not disagree, in my judgment, at all about the importance of agriculture in Iowa and North Dakota and the importance of family farmers in Iowa and North Dakota. We need to find a way to provide a bridge over the differences in this farm bill. We need to decide that at the end of today, or at the end of tomorrow, this Senate will have advanced a compromise into a conference committee that will benefit family-sized farms in this country.

I do not have the magic answer on how to do that. But there have been compromise talks over the weekend and last week that make a lot of sense to me. We should take the best features of several different proposals, put them together, and advance a plan that retains permanent farm law. That is very important. It does not pull the safety net out from under family farmers in the long term. It is not a severance pay proposal saying we are going to transition you. Any time somebody from Washington talks about transitioning, it is time to fasten your seatbelt.

I do not want to transition farmers. I want a new family farm program that recognizes the worth and the value of family farmers and this country's future. I want more flexibility. I want up-front advanced payments to help recapitalize family farms. I want all of the things that many of you want in this Chamber. But I want them put in the context of a compact of sorts for the future. I want a compact that says we care about the long-term health of family farms in America.

I took the floor only because I wanted to correct some of the things that have been said. It has been said people have objected to the debate on the farm bill last week and this week. That is not true at all. The farm bill is on the floor. The Senator from Indiana will call it back up. Right now we are in morning business. But the minute the Senator from Indiana or the majority leader comes to the floor, they will call up the farm bill, and it will be pending.

So those who say the farm bill is not before us because people have objected to bringing the bill to the floor do not understand the procedure. The farm bill is pending. The cloture vote is a vote about whether or not we should cut off the amendments that would provide alternatives, including a compromise of the type I have just discussed.

I hope that by the end of today, or tomorrow, no matter what happens on this cloture vote, that all of us, Republicans and Democrats, can do what we have done for 30 or 40 years in this Chamber. I hope we can finish our work by having fashioned a bipartisan compromise. I hope that we have created a farm bill that will work for the advantage and the betterment of family farms and our country's future. If we do that, we will all have done something worthwhile for rural America.

Mr. President, I yield the floor.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

MORNING BUSINESS

Mr. LUGAR. Mr. President, in behalf of the majority leader, I ask unanimous consent that there now be a period for morning business until the hour of 3:15 p.m. with Senators permitted to speak for up to 5 minutes each.

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

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent, if I may, to extend my 5-minute period to a 10-minute period of time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

THE FARM BILL

Mr. GRASSLEY. Mr. President, I hold up two volumes of legislation because when Congress says it does something, the public at large is cynical about our doing anything, particularly anything that is very complicated, and particularly not just when we finish talking about action on a farm bill. I hold up the Balanced Budget Act of 1995, a 1,800-page document that was put together over a period of about 8 months by 13 different committees—those committees are listed here—in the U.S. Senate to fulfill a promise that the majority party, the Republican Party, made to the people in the 1994 election that we would balance the budget.

This document, scored by the nonpartisan Congressional Budget Office, balances the budget—1,800 pages. It includes welfare reform, saving $58 billion. It includes the saving of Medicare—the saving of it, the strengthening of it, giving people choice for the first time in that Government program. It has very good tax programs in here. Just balancing this budget will save agriculture 2 percentage points, and any loan in the United States about 2 percentage points, on interest.

This also includes the agriculture bill that would have been a 7-year agriculture program. If the President had not vetoed this bill in early December last year, we would not be debating farm legislation, and we would not only have a farm bill that would be good for agriculture, but we would also have a lot of other tax policies and interest policies that would be even more beneficial to agriculture—and to the entire country, for that matter—than even maybe the farm bill would be beneficial to agriculture.

So here is last year's product to balance the budget—1,800 pages. The President vetoed it. He has a constitutional right to veto it. But one person stood in the way last year of our having a farm program, and that was the

President who vetoed the Balanced Budget Act of 1995.

I wanted to hold that up because maybe people do not really believe we passed a comprehensive piece of legislation to balance the budget, and maybe the farmers do not know that we passed provisions in here for the Freedom-To-Farm Act so that we would be able to transition farm programs from the Government regulated and dominated environment of the last 50 years to the free trade environment and the export environment that we are going to have under GATT into the next century.

My good friend from North Dakota spoke eloquently about his point of view on the farm bill, and he and I can speak in a friendly fashion about agriculture. We do that all the time. It may not appear on the floor of the Senate that we do that, but we can sit down and discuss farm legislation.

I do not take the floor in opposition to what he said but just to point out to some people, to the public at large, not just to the farmers of America, what sometimes drives legislation in the Congress.

I wish to read from the CONGRESSIONAL RECORD a letter that the Senate minority leader, Mr. DASCHLE, put in during his debate last week. This letter that he inserted lists a lot of organizations that were against the compromise that was worked out.

By the way, we had a compromise worked out last week with what we thought were enough Democrats so we would get enough votes to have cloture and move forward. It happens that we did not get enough Democrat votes to do that. But anyway, quoting from a paragraph which is part of Senator DASCHLE's speech, he says:

> I am very pleased by a letter that we received just this morning from a large number of very reputable organizations including the National Audubon Society, the Environmental Working Group, Henry A. Wallace Institute for Alternative Agriculture, Sustainable Agriculture Coalition, National Resource Defense Council, the National Rural Housing Coalition, who are saying that even with the Leahy improvements—

Those were the amendments that we had accepted last week.

> they are strongly in opposition to passing the so-called freedom to farm.

I would like to read a list of organizations in a letter I did not read last week who are in support of what we are doing, because I think there is an extreme contrast here. A lot of the organizations that the Senator from South Dakota listed are all very reputable organizations. There is nothing I wish to say that detracts from the good work they do in Washington, DC, for the interests they have. But the question I wish to raise as I read a list of organizations supporting what we are trying to do today and what we were trying to do last week, is the extent to which the groups driving the debate on the other side are not solely interested just in agriculture but are having more dominance in the debate than farm organizations like this that support what we are trying to do: the American Farm Bureau, the Cotton Council, the American Cotton Shippers, National Feed and Grain Association, National Grain Sorghum Association, United Egg Producers, the National Barley Growers, National Cattlemen's, National Corn Growers, the Fertilizer Institute, the National Potato Council, the National Pork Producers, National Turkey Federation, the National Broilers Council, the North American Export Grain Association, and the United Fresh Fruits and Vegetables Association. I could name their affiliates in the State of Iowa that are supporting this legislation, and I would imagine most of the State affiliates are supporting it.

So it is probably unfair to say that what groups want in this town drive what individual Members want. But I think there is a stark contrast between the organizations that were listed by Senator DASCHLE and those I just listed. Those listed by Senator DASCHLE mostly lean toward the environmental point of view on agriculture. Although it is legitimate to have environmental groups with an interest in what agricultural legislation is going to be, we ought to ask whether or not these groups ought to have primary consideration in opposition to the changes in the farm program. These changes will direct agricultural policy toward the next century as opposed to keeping the agriculture policy of this century and the last 50 years, which in the new environment we are currently in, is obviously outdated. We ought to be looking to these organizations I just read that support what we are trying to do because they are forward looking, to make sure we are producing for the future and the global trade environment of the future.

I hope that we do spend our time in consideration of what we ought to have for a farm program that is free of Government regulation to the greatest extent possible, even having a safety net, but have that safety net be a cooperative effort between the private sector and the public sector that can guarantee income as well as production and have income support for agriculture.

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

Mr. GRASSLEY. I ask unanimous consent to have 5 more minutes.

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

SAVING MEDICARE FROM BANKRUPTCY

Mr. GRASSLEY. Mr. President, every once in a while, when we take defeat after defeat because of a Presidential veto—and I think the President has vetoed half of the appropriations bills that we have passed this year. Oddly enough, most Presidents veto appropriations bills because the Congress is wasting money. This is the first President I know who is vetoing appropriations bills because we are not spending enough money. And yet he is talking to the Governors' association this morning about how he is going to balance the budget, and he vetoes the appropriations bills that are balancing the budget. But anyway, once in a while we get an opportunity to say we were right. In this particular case, this Balanced Budget Act of 1995 was right because one of the major provisions of this Balanced Budget Act of 1995, which we would have had to do unrelated to balancing the budget or even unrelated to tax decreases, was to save Medicare from bankruptcy. This document not only saved Medicare from bankruptcy, it strengthened Medicare, and it also gave for the first time the elderly people of America, the senior citizens of America, the retired people of America, those who rely upon Medicare as their primary health insurance group, an opportunity to have something different than just a Government-run program.

They could have had medical savings accounts. They could have had continued a union or association plan where they last worked. They could have bought into managed care, and they would be able to go from traditional Medicare to a medical savings account and back next year if they wanted to. They could go from traditional Medicare to a managed care plan and try that for a year and go back and not cost them anything, but have that option through a voucher of having Medicare pay for whatever their option is.

It is the same thing that we have in the Congress. Every December we have what is called—I do not remember the terminology—but we have a season that we can change from one program to another. We are giving them the same thing Congress has, the same thing Federal civil servants have.

Once again, the President vetoed this in early December 1995. So our efforts to save, our efforts to strengthen and our efforts to give seniors choice for the first time went down the drain.

We did it because the trustees in April said Medicare was going to be busted, bankrupt in the year 2002, 7 years from now. That is why we did what we did in this. I do not know why the President vetoed it. Does he want it to go bankrupt, or does he want a political issue? I do not know why, but he did.

Yesterday, we had in the New York Times something that should have probably been released to the public back in October. Why it was not until now I do not know. I hope there was no coverup on the part of the administration to keep it from being published.

We have a report from HCFA's chief actuary that Medicare lost money in 1995 for the first time in 23 years. It is a 29-year-old program. So early on, it had another period of 1 year when it spent more than it took in.

But now for the first time in 24 years, Medicare is spending out more than it is bringing in in taxes, which emphasizes what the trustees said in April of

last year. They pleaded with Congress. They pleaded with the Republican Congress: ''Take action right now because it is going to be easier to do it now than it will be in the year 2001 or 2002 when it is just about ready to go under.'' This had not been anticipated to occur until 1997.

What we learn now through the newspapers, the chief actuary giving this report last year, is the Medicare hospital trust fund lost $35.7 million. In other words, it took in that much less than we had anticipated.

He was not sure when part A would be depleted, but he did say that it could be earlier than 2002.

In any case, according to the actuary, this recent finding does not help the trust fund. It gives more insecurity to the people on Social Security and it, of course, emphasizes what we were trying to say when we passed this Balanced Budget Act of 1995 which saved Medicare.

So I hope that the President comes around to a point of view of cooperating with the Congress to a greater extent than he has on the saving of Medicare, because this is one time the Republican Congress is way ahead of the White House.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Oregon.

FAMILY PLANNING PROGRAM

Mr. HATFIELD. Mr. President, 2 weeks ago, the Senate was compelled to pass H.R. 2880, the Balanced Budget and Downpayment Act, to avert another Governmental shutdown. As I observed on the day of consideration, we did so under great duress, being forced to set aside our right and duty to amend the legislation.

Of particular concern to me remains the harsh treatment given to the Agency for International Development's family planning program. Though it was known at the time that the formulation of this account was nearly calamitous, closer examination of the provision has revealed that the situation is far worse than had been imagined at that time.

The provisions that passed the Senate and the House halts family planning assistance programs until July 1 of this year. Following July 1, funding may be provided at 65 percent of the fiscal year 1995 level, apportioned on a monthly basis for 15 months.

What this means is that only 14 percent of what was available for obligation in fiscal year 1995 for family planning will be available for obligation this entire fiscal year—14 percent. None of us would normally tolerate a cut of this magnitude, made without the benefit of any debate, particularly on a program which enjoys such strong bipartisan support. And yet we did it.

Stated differently, and more important, what we did is bar access to family planning services to approximately 17 million couples, most of them living in unimaginable poverty. We opened the door to the probability of at least 14 million unintended pregnancies every year, tens of thousands of deaths among women and nearly a million deaths among infants and young children annually. Indeed, we embrace the probability of at least 4 million more abortions that could have been averted if access to voluntary family planning services had been maintained. This is what we did.

These numbers, which are calculated through statistics from organizations like UNICEF and the World Health Organization are as disturbing as they are astounding, particularly to those of us who are faithfully and assertively pro-life. To doubt these numbers may bring temporary relief to people of conscience, but doubters should consider the experience of families in the former Soviet Union where family planning services have been unavailable for decades.

The abortion rate in Russia spans from a conservative estimate of 4 abortions per woman to a shocking high of 12 abortions for some women over their reproductive years. Since there have been virtually no, and I suggest that you underscore when you are listening as well as when I speak, no planning services available in Russia, abortion has become the chief method of birth control.

The framers of the family planning language in H.R. 2880 ensured, perhaps unintentionally, that the gruesome experience of Russian women and families will be replicated throughout the world starting now.

In each of the last two foreign operations appropriations bills, I have made sure that adequate money has been devoted to starting family planning programs in Russia. Similar programs in Hungary have shown a 60-percent reduction in the abortion rate there, 8 years after the introduction of family planning. We had hoped for such success in Russia, but now the future is uncertain.

The family planning language in H.R. 2880 is not prolife, it is not prowoman, it is not prochild, it is not prohealth, and it is not profamily planning. It inflicts the harm of a profound misconception on very poor families overseas who only ask for help in spacing their children through contraception, not abortion.

Some of our colleagues appear unaware that the prohibition on funding abortions with U.S. foreign aid money has been in place since 1973. AID's excellent family planning program, widely recognized as the most efficiently run in the world, has taken a strict and conservative interpretation of this prohibition, and seeks instead to prevent abortions by offering alternatives. Demand has always exceeded supply, and unmet needs continue to grow.

We urgently need to correct the mistake we made in H.R. 2880. We need to restore, with rhetoric and with resources, support to AID's family planning program. For those of us who take a prolife position, this is the most effective way to reiterate our profound opposition to the practice of abortion. All the antiabortion speech this Chamber can tolerate will not reduce the number of unintended pregnancies as swiftly or as surely as our support for voluntary family planning.

I intend to do what I can to rectify this situation as soon as possible, and urge my colleagues to join in this effort.

AGRICULTURAL MARKET TRANSITION ACT

Mr. GRAMS. Mr. President, as the Nation's farmers look ahead to the new planting season, I rise today in support of moving forward on much-needed farm bill legislation.

Over the past year, I have met with farmers, businesses, bankers, and community leaders across Minnesota. They have told me of the urgent need to develop a farm bill which will show them the direction farm policy will move over the next couple of years.

Clearly, our farmers and agribusinesses deserve a reasonable and responsible roadmap of the Nation's long-term agricultural policy. If Washington continues to delay action, decisions about planting, equipment purchases, fertilizer and seed sales, and credit hang in the balance. And as a result, our agricultural economy will suffer.

This current predicament is a perfect example of how Government interference in the area of agriculture has taken its toll on the productivity of our farmers, agribusinesses, and the other sectors of our economy which depend on them.

By expanding the role of Government so deeply into the business of farming, Washington has taken much of the decisionmaking authority away from the real experts—those who have planted, plowed, and harvested for generations—and handed it over to bureaucrats, some of whom are thousands of miles away from America's heartland.

I have always said with pride that Minnesota's farmers are among the most productive in the world. Historically, Minnesota agriculture has ranked first in sugarbeet production, third in spring wheat and sunflower production, fourth in barley and oat production, sixth in corn production, third in swine products, and second in turkey processing. Of course, Minnesota has always been among the Nation's leaders in milk and cheese production. It is also quickly becoming a leading exporter of raw and value-added products.

But there is so much more that our farmers can do, if only we would free them from the burdens of inflexible regulations, high taxes, and the overreaching arm of Government. Government should not get in the way of farmers. It should set a level playing field so that farmers from across the country can compete fairly with each other, regardless of geographic region or commodity item. We owe it to our farmers to do nothing less—and nothing more.

We also owe it to the American taxpayers—the people who pay for the jumbled agricultural policy Washington has created—to fix the failed policies of the past and ensure that their tax dollars are put to work most efficiently.

First and foremost, we must provide greater flexibility for our farmers. Current Federal policies dictate decades-old planting patterns set by Washington and require every farmer to visit USDA annually to comply with its seemingly endless paperwork requirements.

Today, the Senate can help alleviate some of those burdens by passing a bold, new approach called the Agricultural Market Transition Act.

This innovative plan, initially crafted by Majority Leader DOLE, Agriculture Committee Chairman LUGAR and other members of the Agriculture Committee, offers farmers the flexibility they will need to remain strong into the next century.

Under this proposal, farmers can plant for what the marketplace demands, not what traditional Government crop subsidies have dictated. It would give farmers in Minnesota additional flexibility in meeting the needs of value-added cooperatives and their customers who use products like ethanol.

This bill also simplifies paperwork requirements for farmers. Instead of the current annual paperwork load they face today, passage of this legislation means many farmers may only need to visit the local CFSA once as part of a 7-year contract.

The Agricultural Marketing Transition Act also gives farmers the needed certainty of a fixed, 7-year payment with fixed parameters. Many farmers in Minnesota, especially in the younger generation, need this certainty for long-term loans and other financial decisions.

For these and other reasons, farm groups in Minnesota, such as the wheat growers, barley growers, corn growers, bean growers, the Minnesota Farm Bureau, and the Minnesota Department of Agriculture have endorsed passage of this bill. They know it will give them the flexibility and the opportunity for long-term growth potential in farm income.

But while I enthusiastically support much of this bill because it helps both Minnesota's farm community and the American taxpayer, I must raise my strong concerns about its failure to enact substantial progress in the area of dairy reform.

Having sought the counsel of Minnesota's dairy industry, I am well aware of the problems caused for milk producers, taxpayers, and consumers by our archaic dairy program. For instance, Federal milk marketing orders have helped cause the loss of thousands of dairy farms in Minnesota alone over the last decade.

Under this troubled business climate, Minnesota continues to lose an average of nearly three dairy farms per day.

In addition, the Minnesota dairy industry is adamantly opposed to the Northeast Dairy Compact. I firmly believe this well-intentioned proposal will lead to a regional balkanization of the dairy industry and threatens to make our dairy program even more unwieldy for the dairy processors and producers that I represent.

Instead of letting protectionism get in the way of our dairy producers, we should begin enacting long-term, common-sense reforms that deregulate the Federal Dairy Program.

I understand that the regional politics currently tying up this bill prevent us from making these long-term dairy reforms. At the very least, however, I believe we should consolidate milk marketing orders, eliminate costly producer assessments, and reduce the price supports for dairy commodities to a reasonable level.

By establishing a level playing field for dairy producers, we can dramatically improve and preserve a vital segment of our agriculture industry as a whole. I hope to have the commitment of the chairman and the ranking member of the Agriculture Committee to work with me in the future on these and other reforms.

Enacting a more productive farm policy must be our goal, and we can begin this process by freeing farmers from Government interference, encouraging the use of market discipline in farm decision-making, while at the same time protecting the American taxpayers.

This bill makes that important first step and gives our farmers, small business owners, and lenders what they need—a roadmap to guide them in the important decisions ahead.

I encourage my colleagues to support this legislation and the cloture motion before us today.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, what is the regular order?

The PRESIDING OFFICER. Senators can speak up to 5 minutes in morning business.

Mrs. HUTCHISON. Thank you, Mr. President.

SUPPORT FOR THE CLOTURE VOTE

Mrs. HUTCHISON. Mr. President, I rise to ask my colleagues to support the cloture vote so we can enact a farm bill not only this year, but in time for farmers to make the decision about what they are going to plant. Right now, our farmers are in a most precarious position. In my State of Texas, it is planting season, and yet they do not know if the freedom-to-farm provisions are going to be available to them, or whether they are going to have a 1949 law to comply with.

Mr. President, that is not reasonable, and it is not responsible for Members of Congress not to take up this bill and offer their amendments, but to refuse to take up the bill is irresponsible. I urge my colleagues not to do that to the farmers of America. Their lives are tough enough. The last thing they need is to make the wrong guess and have a disastrous year.

That is what is going to happen. The bill is very clear. It is a freedom-to-farm bill, so that you will have the ability to make your own decisions based on your soil and what you think is your best ability to farm the commodity that you like the best. That is new and it is very important.

It also eliminates the costly, timely paperwork required to comply with current regulations. It eliminates the need for most of the regulations now necessary to govern current programs. The freedom-to-farm portions contribute to the deficit reduction by reducing agriculture spending by more than $12 billion over 7 years.

What happens, Mr. President, if we do not invoke cloture and pass this bill today? Reversion to the permanent law, which is what will happen if we do not enact this bill, would be disastrous. First, it would give farmers a parity price based on 1914 economic conditions. That would result in domestic prices double or triple the world price, which would, of course, erode our carefully cultivated export markets. We have just passed GATT, which is supposed to break down the barriers in our agriculture exports, and yet this bill would be a reversion. That is, if we do not pass this bill, it will be a reversion to the old ways of doing things which are not best for today.

It would mean that the USDA would have to buy all the excess wheat that was not taken up on the world market. It would obliterate our ability to have a balanced budget. Reversion to permanent law, by USDA's account, would cost taxpayers an additional $2.3 billion in the first year alone.

I share the concerns that my colleague from Minnesota has just stated about the dairy portions of this bill. I do not like it. That Northeast compact is going to hurt other dairy markets around the country. I do not think that is right. We will have a chance to vote on that because amendments will be in order if we invoke cloture.

There is no reason that I can see that a Member of this body can responsibly vote against cloture to allow us to debate this bill and pass something that will give our farmers the ability to plant according to their own needs in

time for them to do it. It would be just like Washington, DC, which is out of touch with everything else, to finally pass this bill in March or April when the planting season has passed for many of the farmers in our country. Mr. President, we cannot do that. It is not responsible. I am speaking for the farmers, the hard-working small business people of my State and all the States for which agriculture is so important for their economies and for their families.

I urge my colleagues, vote for cloture. There is no reason to fear debate on this bill. There is every reason for us to do the responsible thing so that our farmers and ranchers have the ability to make the decisions that they need to make in a responsible way. It is the least they can expect from the U.S. Congress. I yield the floor.

The PRESIDING OFFICER (Mr. COATS). The Senator from New Mexico.

THE PRESIDENT'S BUDGET

Mr. DOMENICI. I will depart from the subject matter and just call to our attention and to the American people's attention a situation with reference to the President's so-called submission of a balanced budget.

First, as chairman of the Budget Committee, I was advised last week by the White House that they were going to submit this kind of document. Of course, I cannot do anything about whether they should submit this 20-page brochure in lieu of a balanced budget, but I suggested that it would not be a budget. The response was that it would be submitted in this manner.

I want everybody to know that the February 5 deadline for the submission of a budget which can be reached—I am not suggesting that it cannot be delayed, but to tell the American people that the President has submitted a balanced budget in compliance with the requirements of the law is just not true. This is 15 pages of political prose and advertisements and 5 pages of technical economic assumptions and the like. It is as if there really is nothing formal and specific about the Nation's budget.

Some may recall in the past when budget directors submitted their budgets, they were more than a few hundred pages. They had supplements to amend. That is because every item in the Federal budget was itemized in terms of expenditure. This budget is 15 pages of prose, 5 pages of tables. It says nothing about how the President proposes to spend the $12.2 trillion he has proposed to expend over the next 7 years.

I want the Senate and the people to know that this is not just a Senator speaking. There is a law about budgets. The law says in 31 U.S.C. 1105 that there are 31 specific requirements for a budget to be a budget. I ask unanimous consent to have printed in the RECORD for anyone who would like to peruse this, the 31 requirements of a budget.

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

§ 1105. Budget contents and submission to Congress

(a) On or after the first Monday in January but not later than the first Monday in February of each year,[1847] the President shall submit a budget of the United States Government for the following fiscal year. Each budget shall include a budget message and summary and supporting information. The President shall include in each budget the following:

(1) information on activities and functions of the Government.

(2) when practicable, information on costs and achievements of Government programs.

(3) other desirable classifications of information.[1848]

(4) a reconciliation of the summary information on expenditures with proposed appropriations.

(5) except as provided in subsection (b) of this section, estimated expenditures and proposed appropriations the President decides are necessary to support the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year.

(6) estimated receipts of the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year under—

(A) laws in effect when the budget is submitted; and

(B) proposals in the budget to increase revenues.

(7) appropriations, expenditures, and receipts of the Government in the prior fiscal year.

(8) estimated expenditures and receipts, and appropriations and proposed appropriations, of the Government for the current fiscal year.

(9) balanced statements of the—

(A) condition of the Treasury at the end of the prior fiscal year;

(B) estimated condition of the Treasury at the end of the current fiscal year; and

(C) estimated condition of the Treasury at the end of the fiscal year for which the budget is submitted of financial proposals in the budget are adopted.

(10) essential information about the debt of the Government.

(11) other financial information the President decides desirable to explain in practicable detail the financial condition of the Government.[1849]

(12) for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing—

(A) the amount proposed in the budget for appropriation and for expenditure because of the proposal in the fiscal year for which the budget is submitted; and

(B) the estimated appropriation required because of the proposal for each of the 4 fiscal years after that year that the proposal will be in effect.

(13) an allowance for additional estimated expenditures and proposed appropriations for the fiscal year for which the budget is submitted.

(14) an allowance for unanticipated uncontrollable expenditures for that year.

(15) a separate statement on each of the items referred to in section 301(a)(1)–(5) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)(1)–(5)).

(16) the level of tax expenditures under existing law in the tax expenditures budget (as defined in section 3(a)(3) of the Congressional Budget Act of 1974 (2 U.S.C. 622(a)(3)) for the fiscal year for which the budget is submitted, considering projected economic factors and changes in the existing levels based on proposals in the budget.

(17) information on estimates of appropriations for the fiscal year following the fiscal year for which the budget is submitted for grants, contracts, and other payments under each program for which there is an authorization of appropriations for that following fiscal year when the appropriations are authorized to be included in an appropriation law for the fiscal year before the fiscal year in which the appropriation is to be available for obligation.

(18) a comparison of the total amount of budget outlays for the prior fiscal year, estimated in the budget submitted for that year, for each major program having relatively uncontrollable outlays with the total amount of outlays for that program in that year.

(19) a comparison of the total amount of receipts for the prior fiscal year, estimated in the budget submitted for that year, with receipts, a comparison of the amount of receipts estimated in that budget with the amount of receipts from that source in that year.

(20) an analysis and explanation of the differences between each amount compared under clauses (18) and (19) of this subsection.

(21) a horizontal budget showing—

(A) the programs for meteorology and of the National Climate Program established under section 5 of the National Climate Program Act (15 U.S.C. 2904);

(B) specific aspects of the program of, and appropriation, for, each agency; and

(C) estimated goals and financial requirements.

(22) a statement of budget authority, proposed budget authority, budget outlays, and proposed budget outlays, and descriptive information in terms of—

(A) a detailed structure of national needs that refers to the missions and programs of agencies (as defined in section 101 of this title); and

(B) the mission and basic programs.

(23) separate appropriation accounts for appropriations under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.)

(24) recommendations on the return of Government capital to the Treasury by a mixed-ownership corporation (as defined in section 9101(2) of this title that the President decides are desirable.

(25) a separate appropriation account for appropriations for each Office of Inspector General of an establishment defined under section 11(2) of the Inspector General Act of 1978.

(26)[1850] a separate statement of the amount of appropriations requested for the Office of National Drug Control Policy and each program of the National Drug Control Program.

(28)[1851] a separate statement of the amount of appropriations requested for the Office of Financial Management.

(b) Estimated expenditures and proposed appropriations for the legislative branch and the judicial branch to be included in each budget under subsection (a)(5) of this section shall be submitted to the President before October 16 of each year and included in the budget by the President without change.

(c) The President shall recommend in the budget appropriate action to meet an estimated deficiency when the estimated receipts for the fiscal year for which the budget is submitted (under laws in effect when the budget is submitted) and the estimated amounts in the Treasury at the end of the current fiscal year available for expenditure in the fiscal year for which the budget is submitted, are less than the estimated expenditures for that year. The President shall

Footnotes at end of article.

make recommendations required by the public interest when the estimated receipts and estimated amounts in the Treasury are more than the estimated expenditures.

(d) When the President submits a budget or supporting information about a budget, the President shall include a statement on all changes about the current fiscal year that were made before the budget or information was submitted.

(e)(1) The President shall submit with materials related to each budget transmitted under subsection (a) on or after January 1, 1985, an analysis for the ensuing fiscal year that shall identify requested appropriations or new obligational authority and outlays for each major program that may be classified as a public civilian capital investment program and for each major program that may be classified as a military capital investment program, and shall contain summaries of the total amount of such appropriations or new obligational authority and outlays for public civilian capital investment programs and summaries of the total amount of such appropriations or new obligational authority and outlays for military capital investment programs. In addition, the analysis under this paragraphs shall contain—

(A) an estimate of the current service levels of public civilian capital investment and of military capital investment and alternative high and low levels of such investments over a period of ten years in current dollars and over a period of five years in constant dollars;

(B) the most recent assessment analysis and summary, in a standard format, of public civilian capital investment needs in each major program area over a period of ten years;

(C) an identification and analysis of the principal policy issues that affect estimated public civilian capital investment needs for each major program; and

(D) an identification and analysis of factors that affect estimated public civilian capital investment needs for each major program, including but not limited to the following factors:

(i) economic assumptions;

(ii) engineering standards;

(iii) estimates of spending for operation and maintenance;

(iv) estimates of expenditures for similar investments by State and local governments; and

(v) estimates of demand for public services derived from such capital investments and estimates of the service capacity of such investments.

To the extent that any analysis required by this paragraph relates to any program for which Federal financial assistance is distributed under a formula prescribed by law, such analysis shall be organized by State and within each State by major metropolitan area if data are available.

(2) For purposes of this subsection, any appropriation, new obligational authority, or outlay shall be classified as a public civilian capital investment to the extent that such appropriation, authority, or outlay will be used for the construction, acquisition, or rehabilitation of any physical asset that is capable of being used to produce services or other benefits for a number of years and is not classified as a military capital investment under paragraph (3). Such assets shall include (but not be limited to)—

(A) roadways or bridges,

(B) airports or airway facilities,

(C) mass transportation systems,

(D) wastewater treatment or related facilities,

(E) water resources projects,

(F) hospitals,

(G) resource recovery facilities,

(H) public buildings,

(I) space or communications facilities,

(J) railroads, and

(K) federally assisted housing.

(3) For purposes of this subsection, any appropriation, new obligational authority, or outlay shall be classified as a military capital investment to the extent that such appropriation, authority, or outlay will be used for the construction, acquisition, or rehabilitation of any physical asset that is capable of being used to produce services or other benefits for purposes of national defense and security for a number of years. Such assets shall include military bases, posts, installations, and facilities.

(4) Criteria and guidelines for use in the identification of public civilian and military capital investments, for distinguishing between public civilian and military capital investments, and for distinguishing between major and nonmajor capital investment programs shall be issued by the Director of the Office of Management and Budget after consultation with the Comptroller General and the Congressional Budget Office. The analysis submitted under this subsection shall be accompanied by an explanation of such criteria and guidelines.

(5) For purposes of this subsection—

(A) the term ''construction'' includes the design, planning, and erection of new structures and facilities, the expansion of existing structures and facilities, the reconstruction of a project at an existing site or adjacent to an existing site, and the installation of initial and replacement equipment for such structures and facilities;

(B) the term ''acquisition'' includes the addition of land, sites, equipment, structures, facilities, or rolling stock by purchase, lease-purchase, trade, or donation; and

(C) there term ''rehabilitation'' includes the alteration of or correction of deficiencies in an existing structure or facility so as to extend the useful life or improve the effectiveness of the structure or facility, the modernization or replacement of equipment at an existing structure or facility, and the modernization of, or replacement of parts for, rolling stock.

(f)[1852] The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared in a manner consistent with the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 that apply to that and subsequent fiscal years.[1853]

§ 1106. Supplemental budget estimates and changes

(a) Before July 16 of each year, the President shall submit to Congress a supplemental summary of the budget for the fiscal year for which the budget is submitted under section 1105(a) of this title. The summary shall include—

(1) for that fiscal year—

(A) substantial in or reappraisals of estimates of expenditures and receipts;

FOOTNOTES

[1847] This period is here in the original. Section 13112(c)(1) of the Budget Enforcement Act struck the words ''On or before the first Monday after January 3 of each year (or on or before February 5 in 1986)'' here and inserted ''On or after the first Monday in January but not later than the first Monday in February of each year.'' *See supra* p. 710.

The statement of managers accompanying the conference report on the Budget Enforcement Act hedges the changes made by that Act:

XI. Presidents Budget Submission

The conference agreement includes a provision permitting the President to delay submission to Congress of The Budget of the United States Government from the present requirement of ''on or before the first Monday after January 3 of each year'' to not later than the first Monday in February. The conferees intended that this increased flexibility be used very rarely to meet only the most pressing exigencies. An orderly and timely budget process requires that Presidential submissions be made on or before the first Monday after January 3 whenever possible. The conferees expect that Presidential submission dates will comply with the January deadline. H.R. CONF. REP. NO. 101–964, 101st Cong., 2d Sess. 1171 (1990), *reprinted in* 1990 U.S.C.C.A.N. 2017, 2876.

[1848] In addition to this broad statutory authority, the President also retains the Constitutional authority to ''recommend to [Congress's] Consideration such Measures as he shall judge necessary and expedient.'' U.S. Const. art. II, §3.

[1849] In addition to this broad statutory authority, the President also retains the Constitutional authority to ''recommend to [Congress's] Consideration such Measures as be shall judge necessary and expedient.'' U.S. Const. art. II, §3.

[1850] Section 1006 of the Anti-Drug Abuse Act of 1988 added this paragraph (26). Pub. L. 100–690, §1006. 102 Stat. 4187 (1988). Section 1009 of that Act provides that this paragraph is repealed ''on the date which is 5 years after the date of enactment,'' or November 18, 1993. *Id.* §1009, 102 Stat. at 4188.

Note that section 5301 of the Omnibus Trade Competitiveness Act of 1988 added another paragraph (26), if temporarily. Pub. L. 100–418, §5301, 102 Stat. 1462 (1988). Section 5303 of the Act provides:

The amendment made by section 5301 shall be effective for fiscal years 1989, 1990, 1991, and 1992, and shall be fully reflected in the budgets submitted by the President as required by section 1105(a) of title 31, United States Code, for each such fiscal year . . .. *Id.* §5303, 102 Stat. at 1463.

The now-former paragraph (26) read:

(26) an analysis, prepared by the Office of Management and Budget after consultation with the chairman of the Council of Economic Advisers, of the budget's impact on the international competitiveness of United States business and the United States balance of payments position and shall include the following projections, based upon the best information available at the time, for the fiscal year for which the budget is submitted—

(A) the amount of borrowing by the Government in private credit markets;

(B) net domestic savings (defined as personal savings, corporate savings, and the fiscal surplus of State and local governments);

(C) net private domestic investment;

(D) the merchandise trade and current accounts ;

(E) the net increase or decrease in foreign indebtedness (defined as net foreign investment); and

(F) the estimated direction and extent of the influence of the Government's borrowing in private credit markets on United States dollar interest rates and on the real effective exchange rate of the United States dollar. Pub. L. 100–418, §5301, 102 Stat. 1462 (1988) (expired).

Compare the parallel requirements for the report to accompany the congressional budget resolution formerly set forth in section 301(e)(10) of the Congressional Budget Act. *See supra* note 190.

[1851] This is so in the original. No paragraph (27) exists. The Chief Financial Officers Act of 1990, Pub. L. No. 101–576, 104 Stat. 2838 (1990), added this paragraph.

[1852] Section 275(b) of Gramm-Rudman-Hollings provides that section 1105(f) of title 31 shall expire September 30, 1995.

[1853] Section 13112(c)(2) of the Budget Enforcement Act amended subsection (f) to read as it does now. *See supra* p. 711. Before enactment of the Budget Enforcement Act, subsection (f) read as follows:

(f)(1) The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared on the basis of the best estimates then available, in such a manner as to ensure that the deficit for such fiscal year shall not exceed the maximum deficit amount for such fiscal year as determined under paragraph (7) of section 3 of the Congressional Budget and Impoundment Control Act of 1974.

(2) The deficit set forth in the budget so transmitted for any fiscal year not exceed the maximum deficit amount for such fiscal year as determined under paragraph (7) of section 3 of the Congressional Budget and Impoundment Control Act of 1974, with budget outlays and Federal revenues at such levels as the President may consider most desirable and feasible.

(3) The budget transmitted pursuant to subsection (a) for a fiscal year shall include a budget baseline estimate made in accordance with section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 and using economic and technical assumptions consistent with the current services budget submitted under section 1109 for the fiscal year. If such budget baseline estimate differs from the estimate in the current services budget, the President shall explain the differences. The budget

transmitted pursuant to subsection (a) for such fiscal year shall include the information required by section 251(a)(2) of such Act (other than account-level detail) assuming that the deficit in such budget baseline were the amount estimated by the Director of the Office of Management and Budget on August 25 of the calendar year in which the fiscal year begins.

(4) Paragraphs (1) and (2) shall not apply with respect to fiscal year 1989 if the budget transmitted for such fiscal year provides for deficit reduction from a budget baseline deficit for such fiscal year (as defined by section 251(a)(6) of the Balanced Budget and Emergency Deficit Control Act of 1985 and based on laws in effect on January 1, 1988) equal to or greater than $36,000,000,000.

(5) Paragraphs (1) and (2) shall not apply if a declaration of war by the Congress is in effect.

Mr. DOMENICI. Mr. President, I submit, and my quick analysis is, that the President has complied with none of them. Again, I repeat, if the President wanted to tell the American people he sent a vision statement up here, or if he wanted to say, ''I sent a sunshine brochure up here''—it is in yellow and looks like sunshine—if he wanted to say that, that is fine. But to suggest that he sent a budget up here is clearly, clearly, a statement without any ability behind the White House to prove it. There is no budget.

Why do I say this and why do I come to the floor? First, some are saying, we should have a budget hearing on the budget. I say to my friend—two are here on the Budget Committee—there is no budget to have a hearing about. We could perhaps have a hearing about the nonbudget if some would like to have that.

Second, it is very easy to submit a budget with bulk numbers if you do not have to tell the public what you are going to do, so that in all the appropriated accounts, you do not have to tell them what you will spend money on and what you will not spend money on. It is another effort on the part of the White House to make everybody feel good and to make sure you feel good about the President's proposals because he has not yet told you what he will and will not do.

I submitted the 31 requirements, and I merely ask the White House and the President to submit a budget at the earliest possible time. I think the public deserves it. I think we deserve it. Again, I say to the White House, you have not submitted one. We understand that perhaps there is a lot of pressure this year and a shortage of time, but it would have been better if you would not have told the public you submitted one when you did not. Make sure when you do submit one that it is a budget, and then we can have hearings on it and let the American people know what is in it.

Mr. BOND. Mr. President, I ask unanimous consent I be permitted to speak up to 5 minutes as in morning business.

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

THE BUDGET

Mr. BOND. I say to my good friend, the distinguished chairman of the Budget Committee, perhaps because of the fact that the President submitted five budgets last year, the White House sent down five budgets—the last one did not even pass the smile test—they may have lost their enthusiasm.

I certainly do share the concerns expressed by the Senator from New Mexico. We had the last budget, I guess it was called No. 5, that purported to reach balance by making somewhere between 90 and 95 percent of the cuts in appropriated accounts in the 6th and 7th years. I traveled around my State the last couple of weeks and asked how many people believed the budget was honest if you said you would get to balance by making all the cuts in the 6th and 7th years. That is one of the best laugh lines around. I should have been using that in one of the roasts we had in town because that, from the commonsense folks I talk to, draws that kind of response.

A NEW FARM BILL

Mr. BOND. Let me move on to another item that was included in that Balanced Budget Act of 1995 that was vetoed by the President and that has been addressed already today on the floor. That is a new farm bill.

During the last several days, when farmers and all the rest of us came inside, I had the opportunity to talk to and hear from and answer a lot of questions from farmers in my State. They said, ''Why don't we have a farm bill?''

I said, simply, the President vetoed the first one and we were unsuccessful in getting the votes to end the filibuster.

They said, ''What are they filibustering?''

I said that is the difficult point. They do not have an alternative.

These people said, ''We cannot go back to the old farm bills. What are we going to do?''

I said, ''Well, we are going to try again to break the filibuster so the farmers of America and the people who depend on and work with the agricultural sector will know what the ground rules are.''

These people who talk to me said, ''We want flexibility. It is a lot better for our land. It is a lot better for the environment. It is a lot better for us if we can rotate our crops and we are not locked in to planting corn to keep our corn base,'' or other crops in which they have a base. They said, ''We need to be able to choose what is right for our farming operation, our land, and what we think is best for the market.''

I said, ''Basically, that is the Freedom To Farm Act.''

I think the Leahy-Craig substitute amendment represents the opportunity that the people of America, certainly the farmers in my State, have been looking for: to move forward in a bipartisan way to shape policy on behalf of our Nation's farmers and consumers. The modified freedom-to-farm legislation offers reform, opportunity, flexibility and predictability in a fiscally responsible way and with the growing support of Members on both sides of the aisle.

I have said farmers in my State have supported the bill. We have reform groups, such as Citizens Against Government Waste, who support this because it does save money. We have the Farm Bureau, corn growers, Cotton Council, cattlemen, pork producers, and the many others who have already been named by my colleagues who have spoken before. I concede we do not have all of the fringe groups who are working to come up with something that fits their particular interest.

I know there is apprehension by some, simply because the reform measure represents change. But I will tell my colleagues, the young farmers, the men and women who are going to be providing food and fiber for the future are ready for change. They want to move away from farming for the mailbox to farming for the marketplace. They want to be able to determine what is best for their operations and get their returns from the marketplace.

We all know this reform package is the only show in town. There have been some good ideas. Others have come up with things. But there is simply no consensus alternative that has been offered by those who are filibustering. There is no constituency for these alternative ideas that spring up and disappear. Neither producers nor farmers that I know of are supporting it.

I must say, I am deeply troubled by one proposal opponents have offered, which would cut farm payments by 60 percent. Some have said on this floor that farmers have high prices, are making money, and having high income. Mr. President, my farmers are not in that situation. My farmers have been hit by flood, by drought, by frost. They have no crop to sell in some instances. They are faced with a refund of last year's advance deficiency payments.

It does not matter if the crops are bringing high prices if you do not have anything to sell. Farmers want and deserve predictability, flexibility, and simplicity associated with a 7-year contract. A known stream of payments will provide certainty to farmers, lenders, and the taxpaying public. It will promote security during difficult economic times, and I think farmers can manage a predictable income stream to mitigate economic risks better than Washington can.

I applaud Senator DOLE, Senator LUGAR, and Senator LEAHY for bringing this bipartisan approach together. We need the votes to end the filibuster. I urge my colleagues to support the cloture motion.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

A COMPROMISE FARM PROGRAM

Mr. COCHRAN. Mr. President, in connection with the issue that is before

the Senate today, I hope Senators will be able to support the petition to invoke cloture so we can have a vote on the merits of amendments to and the farm bill itself, that will put in place a farm program for this and later years. This farm bill that is being presented to the Senate, and which we will reach if we are able to invoke cloture today, is a compromise that has been developed to resolve the current impasse between the Congress and the administration about the content of farm legislation.

As Senators remember, we included in the Balanced Budget Act the provisions of farm legislation that would be in effect over the 7-year period that was covered by the Balanced Budget Act of 1995. The Congress passed that and sent it to the President and he vetoed it.

Because of that veto, we are now forced to go back and reexamine those provisions relating to agriculture and to pull them out and put them together in a freestanding bill so we can pass that legislation. If we do not, laws that have been on the books since 1938—and 1949, in some cases—will govern the agriculture programs that would be in place for this crop year. These provisions are so out of date it is ludicrous. The price support for wheat farmers would go up to about $7-something a bushel. In order to qualify, you would have had to have had allotments that were based on your planting experience prior to 1950.

It is unthinkable that this Congress is dragging its feet and making it difficult to enact farm legislation that would give producers of American agriculture products the certainty of the laws that govern the planting and the production of those crops. But that is what is happening. It is a disgrace. We need to put a stop to it, and to put a stop to it we are going to have to vote for cloture to limit debate of this issue so we can get to votes on the merits of amendments and the bill itself, and to pass the legislation, send it to the House, meet in conference, and get a bill to the President. This has to be done as soon as possible.

Farmers are confronted right now with the inevitability of a planting season that is here, whether we legislate it or not. We cannot slow down the planting season by simply not enacting farm legislation. Lenders are going to have to extend credit based on some idea of what the returns will be in this production year for wheat and corn farmers and others who are covered by these laws.

I am hopeful that the Senate will recognize our solemn responsibility to be fair with farmers and to undertake our obligation to legislate in a serious manner and stop the partisan squabbling back and forth on who has the better program, the Democrats or the Republicans. Forget it. This bill before the Senate is a bipartisan substitute for the previous provisions that were before the Senate last week when the Senate failed to invoke cloture, when only 53 Senators voted for cloture.

Now we have another chance. We need 60 Senators to vote to permit us to reach the amendments and then the merits of this bill. I urge Senators to look at the fact that we have made some fundamental changes to attract a large majority of support here in the Senate. There is a reauthorization of food and nutrition programs in this bill. There is a reauthorization of the Conservation Reserve Program in this bill. There are revisions and a reauthorization of a wetlands reserve program that has support from many sectors of this country. And there are other provisions—an authorization for a compact of New England States to join together to provide for themselves a new dairy program. There are other items in this bill that reflect an effort to reach out and broaden the base of support for this legislation. I hope Senators will vote for cloture so we can get on with the discussion of amendments and the vote on final passage.

If Senators do not like some of these provisions, they can offer amendments to them to strike them, and we can have up-or-down votes on them. But let us get past this point in the debate and vote for cloture on this bill.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I ask unanimous consent to speak for 5 minutes as if in morning business.

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

THE MEDICARE TRUST FUND

Mr. GREGG. Mr. President, I want to continue part of the discussion that occurred earlier which was carried forward by the fine Senator from Iowa, Senator GRASSLEY, and to a certain extent by Senator DOMENICI, the chairman of the Budget Committee, which involves the issue of where we stand in this whole budget process, because a very important fact has been confirmed.

About 6 months ago we on the Republican side said that the Medicare trust fund was in serious trouble, that the senior citizens of this country were at risk for their health insurance because the Medicare trust fund was going broke. Now, we did not arbitrarily come up with that statement. We took that statement from the fact that the Medicare trustees, three of whom are appointed by the President and serve in his Cabinet, stated in their report of April 3, 1995, that the Medicare trust fund was going to go broke in the year 2002 if something was not done to fundamentally repair it. So we made the tough decisions of the party. We stepped forward, and we made proposals which made the Medicare trust fund solvent. Our proposals were included in the Balanced Budget Act, which gave this country for the first time in 25 years a balanced budget and which gave our senior citizens a solvent Medicare system.

What happened? The President of the United States and his legions demagogued that act, claimed that we were attacking senior citizens, and used every scare tactic they could on senior citizens. The fundraising powerhouses here in Washington who scare seniors regularly got their machines of paper cranked up and sent out letters to seniors across this country representing that the Republicans were misrepresenting what was happening with the Medicare trust fund and were trying arbitrarily and inappropriately to take on the Medicare trust fund, when, in fact, what we were proposing would bring solvency to the trust fund.

A couple of days ago, the chickens came home to roost for this administration because now, not only do their trustees have a report filed which says that the trust fund is going to go broke, we find that the track for the trust fund to go broke, to go bankrupt, has been accelerated, and that it is unfortunately ahead of schedule.

A report by the Medicare trust fund actuary states, ''Things turned out a little worse than we expected. We had projected that 1997 would be the first fiscal year with a deficit when, in fact, this year becomes the first fiscal year with a deficit.''

What does that mean? That means, for the first time in the history of the Medicare trust fund, since 1972, this will be the first year when more money goes out of the trust fund than comes into the trust fund. That is a bankruptcy spiral that we have begun.

I have a chart here which we have used before. It looks like a plane crash. In fact, it is called the plane crash chart, which shows what is happening with the Medicare trust fund. This chart assumed what the trustees originally told us, which was the trust fund would go broke in the year 2002, that it would start to run a deficit in the year 1997. We have to change this chart now. The trust fund now has a track that is something like this. It goes to the negative this year, and somewhere out here before the year 2002 it goes broke.

If this administration does not step up and stop demagoging the issue and scaring seniors, what they are going to deliver to seniors is a trust fund that is broke.

What right does this administration have to abuse the senior citizens in this manner? What right do they have to stand in one room at one microphone and say, ''Republicans are harassing and inappropriately attacking the trust fund and Medicare,'' while at the same time the facts show that, if a correction does not occur, the trust fund goes broke?

A higher level of irresponsibility in managing this country and managing the finances and managing the future of our seniors probably has not been seen in recent times than what has

happened over the issue of Medicare over the past 6 months as this administration and this President specifically have consistently misrepresented the Republican position and have failed to step up to the plate to address what is a critical issue for seniors. Basically this administration can no longer hide on the issue. The fact is their trustees have said it is going to happen, and now their actuary has said it is not only going to happen, but it is happening. It is happening in reality. We are now into a bankruptcy spiral in the Medicare trust fund.

So, Mr. President, I suggest you stop running for reelection and that you sit down and do the job you are paid for, which is to come forward with a proposal which puts the Medicare trust fund back in balance or, alternatively, accept ours.

Mr. President, I thank you for your time.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I ask unanimous consent that I might be yielded 5 minutes as if in morning business.

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

Mr. BURNS. I thank the Chair.

THE RETIREMENT OF REPRESENTATIVE PAT WILLIAMS

Mr. BURNS. Mr. President, I rise today to salute my colleague from Montana, Congressman PAT WILLIAMS.

PAT surprised all of us last month when he announced he would not seek his 10th term in the U.S. House of Representatives. PAT says he wants to get back to Montana to do a little fishing and hiking. Well, few people know better than me what it is like to miss Montana, so his annoucement—although unexpected—was understandable.

Mr. President, it is no secret that PAT WILLIAMS and I come down on opposite sides of just about every issue. He is a New Deal liberal and proud of it. While I may not always like where he stands, at least I know where he stands. I respect him for that and I think the people of Montana do too.

Despite the differences between us, I think there is a unique civility in the Montana congressional delegation. Our debates over the years have been passionate and heated, but I believe they have never been personal. PAT has been a worthy adversary during my 7 years in the U.S. Senate, and I will miss that relationship.

This does not mean that PAT and I were not able to come together on some issues. In fact, when outsiders tried to impose there will on Montana, I would bet that PAT and I were on the same side more often than not.

We both agree that fair trade does not always mean that our neighbors to the north can run roughshod over the Montana farmers and businesses. We both agree that NAFTA and GATT are bad news for Montana. Any State that is on the border feels the effect of that. We both agree that our Nation's job-training programs need to be streamlined and consolidated. We both agree in the need to repeal a federally mandated speed limit, of which my State caught a little criticism. And even though he supported his President, he broke ranks with his Democrat colleagues by opposing the Brady bill and the President's crime bill.

So, Mr. President, I commend PAT for his service to my home State of Montana. In addition to his legislative duties, he has been a servant of our constituents. Montanans of all stripes could count on PAT to answer their questions. They might not have liked the answers all of the time, but he always answered them. And when they had problems with the Federal Government, he was there, too. So for 18 years he has traveled one of the largest congressional districts—both the western district when he first came to Congress, and then, of course, the full State in the last two terms. So I think he will be missed by the State of Montana.

This kind of public service can take its toll on a person. PAT would show up at countless meetings, and I can remember them. There might be 5 or 500; it did not make any difference, PAT was always there.

So I wish him the best as he chooses retirement. If you come across him fishing in one of our prized trout streams in Montana or hiking a scenic trail, I hope you tip your hat and say, ''Thanks, PAT, for a job well done here in the House of Representatives of the U.S. Congress.''

THE FARM BILL

Mr. BURNS. Mr. President, I want to talk a little bit about the problem before us; that is, trying to get a farm bill through this Congress. We are not very far away, even though the snowflakes are flying around us in the northern part of the hemisphere, it will be soon that we will see the combines starting to roll in Texas. We are just finishing planting our spring wheat in Montana when the combines start in Texas. We still do not have a farm bill or a farm policy.

A lot more people live in urban areas than farm, but it is pretty important to us in this country because the first obligation of any society is to feed itself. I have always made the speech that the second thing we do every day is eat. I do not know the first thing you do. You have a lot of options the first thing in the morning, but the second thing is you eat. We do a pretty good job of it in this country, but the main challenge for all of us, both in Government and in our commodity groups that represent the livestock industry or the grain industry or the fresh vegetable industry or the nut industry or the fruits and vegetables that are grown in this great and plentiful Nation is to make sure that we get at least a fair share of the consumer dollar back on the land.

Would it surprise you to know that only 3 cents out of every consumer dollar spent for food is all that gets back to the farmer? We are to the point where we cannot hardly make it on 3 cents out of every dollar. There is a little imbalance here—$3.46 a pound for Wheaties in the grocery store, and up until this year we were having a hard time getting $3.46 for a bushel of wheat of which there is 60 pounds. I have a hard time relating $5 T-bone steaks to $60 fat cattle. Maybe I am in the wrong business, or I understand the other business, but it is about time our processors, purveyors, our distributors, and our retailers understand that we have to give something back to the man who produces the raw product.

There are a lot of automobiles and a lot of boats and a lot of vacations that are paid for because we only expend about 16 percent of our expendable income on food in our homes to feed this society. We are truly a blessed Nation, but we still need policy for food and fiber in this country. And, of course, with 1 farmer feeding 120 other folks both in this country and abroad, it makes it a very large industry. This bill changes the direction and the culture of farm programs.

In the Freedom to Farm Act, yes, there are some areas I would like to change. Nobody ever gets a perfect bill. But nonetheless, we have to take a look at it and see what it really does, if it gives our business people who live on our farms and ranches the flexibility to operate their farms and ranches the way they think they should and also at a profitable level.

I know if I had to go back to agriculture, where I was raised—on 160 acres of 2 parts rock and and 1 part dirt in northwest Missouri—I probably could not make a living now, but I know some people are trying to and it is a struggle. This particular bill helps out those folks. It moves us into a marketing mode and takes us away from a program that is dependent on the Government. We are not going to take the full step all at once. And to my critics who say this does not go far enough to eliminate guaranteed subsidies to agriculture, I say we have to take it maybe one step at a time. At least let us change the structure. Let us change the structure in which our farmers and ranches can operate and still provide food and fiber for this Nation.

Foreign market development is a good investment just like education is a good investment. As for ARS, the Agriculture Research Service, I happen to think we must never stop doing research in food production. Maybe a lot of folks do not know this either, but for the first time in the history of agriculture production in this country yields of wheat are declining just a little bit. Why? Because we do not have the plant breeders and the scientists

developing strains that are disease resistant. We have to continue to do that in order to keep our production up. The same thing is true in our corn, soybeans, barley, and some other feedgrains. So we need to make that investment in the Agriculture Research Service.

The Export Enhancement Program, I am not a great fan of that, but it is retained in this bill. That is to ward off unfair competition in the international market. I think those dollars ought to go directly to the people who produce the grain, not the people who handle the grain or the big grain companies. It should get back to the farmer some way or other.

So, no, it is not a perfect bill. On the conservation end of it, the CRP is very successful, taking marginal land out of production, the development of wetlands. I know in Montana our bird population, our wildlife numbers have increased since CRP, the Conservation Reserve Program, has been put into effect. That is very good in taking some marginal land out of production that should never have been in production in the first place. We have noticed that. It has great support.

So here is a program that is supported by agriculture. Farmers are telling me, ''Let's go with it.'' It sends us in a new direction. But we are also talking about a time when agriculture commodities are doing very well with the exception of the cattle business. And there is some room for development here in our part of the country.

So I urge a ''yes'' on this cloture vote. Let us proceed with this bill and debate it like it should be debated and pass those programs that can be passed, but let us at least give agriculture a program to which we can pin our future.

Mr. President, I thank the Chair. I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. We are about to get an agreement on the cloture vote here.

UNANIMOUS-CONSENT AGREEMENT—CLOTURE VOTE

Mr. DOLE. Mr. President, I ask unanimous consent that the cloture vote on the substitute occur at 4:10 today, the time between now and then to be equally divided between the distinguished chairman, Senator LUGAR, and Senator LEAHY, or their designees.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

IN HONOR OF GENE FISCHER

Mr. BAUCUS. Mr. President, the job of a news photographer is not an easy one. For every picture of a child enjoying building a snow man with her parents—there is a picture of a crime scene or a picture of a car wreck. Only the photographers themselves truly understand how tough this job is, with the long hours and never knowing when or where they will have to go to do their job.

I rise today to honor one of the best news photographers our country has—Gene Fischer of the Helena Independent-Record—who retires today after 35 years to the day of chronicling the lives of Helenans and Montanans on the front page and sports pages of our newspapers.

My home town is Helena. Gene is the type of hard-working Montanan I have in mind when I say that we in public service need to focus on every day folks who work hard to make a living and serve their community. From his first job stuffing papers for the Billings Gazette in 1951, to his promotion to chief photographer for the Independent Record in 1974—Gene has kept his nose to the grind stone and worked hard.

He has achieved goals and worked hard to become the best he can be. His career and his drive are excellent examples for our children and students as they search for their mission and role in their lives.

It has become a popular thing to criticize the news media these days. Whether it be the hype of the O.J. Simpson trial, the goofy scandal-sheet shows, the Mc-News newspapers or hate-radio talk shows—I myself have been critical and remain critical of certain folks in the so-called news media.

But Gene Fischer is a newsman like few in the journalism and news industry of today. He is solid. He is compassionate. And he understands that the picture he takes and the images he publishes are those of his neighbors, friends, and family. It is a tough job, and he does it fairly and professionally.

When a Gene Fischer photograph publishes in the Helena Independent Record, Gene's name is very small—printed at the very bottom, almost unreadable. But in Montana journalism, Gene Fischer is a giant name. And I thank him for his years of dedication and service.

HONORING THE WEISS' FOR CELEBRATING THEIR 50TH WEDDING ANNIVERSARY

Mr. ASHCROFT. Mr. President, these are trying times for the family in America. Unfortunately, too many broken homes have become part of our national culture. It is tragic that nearly half of all couples married today will see their union dissolve into divorce. The effects of divorce on families and particularly the children of broken families are devastating. In such an era, I believe it is both instructive and important to honor those who have taken the commitment of ''til death us do part'' seriously and have successfully demonstrated the timeless principles of love, honor, and fidelity, to build a strong family. These qualities make our country strong.

For these important reasons, I rise today to honor Donald and Mattie Bell Weiss who on January 20 celebrated their 50th wedding anniversary and will renew their wedding vows. My wife, Janet, and I look forward to the day we can celebrate a similar milestone. Don and Mattie's commitment to the principles and values of their marriage deserves to be saluted and recognized. I wish them and their family all the best as they celebrate this substantial marker on their journey together.

AMERICA'S WORKFORCE IN THE 21ST CENTURY

Mr. BYRD. Mr. President, Markley Roberts, the Assistant Director of the Economic Research Department of the American Federation of Labor and Congress of Industrial Organizations, recently gave the last of the 1995 Benedum Lectures on the subject ''America's Workforce in the 21st Century'' at West Virginia University.

I ask unanimous consent that a copy of his remarks, along with biographical material, be printed in the RECORD.

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

REMARKS BY MARKLEY ROBERTS, ASSISTANT DIRECTOR OF ECONOMIC RESEARCH, AFL–CIO, IN THE 1995 BENEDUM LECTURE SERIES, UNIVERSITY OF WEST VIRGINIA, MORGANTOWN, WEST VIRGINIA—DECEMBER 6, 1995

AMERICAN WORKERS IN THE 21ST CENTURY

I appreciate this opportunity to talk with you about American workers in the 21st Century. I bring to this discussion 40 years as a union member, elected union officer, and speaker for the AFL–CIO, a federation of 79 unions representing 13 million workers. So it's obvious that I have pro-worker, pro-union instincts.

We all share a common concern for political democracy, even though we may have differing views on how political democracy should affect social and economic justice. I hope you share these concerns, and also my concern for human rights and human welfare generally, as well as worker rights and workers' welfare.

We are blessed in the United States of America with wonderful traditions of freedom, democracy, and a drive for justice. Let me assure you that I appreciate what we have in America—but there's no resting place, there's no stopping the endless search for freedom, democracy, and justice, no stopping the endless battle against injustice.

It's not easy to define justice. I envy the judge who said ''I can't define pornography, but I know it when I see it.'' Well, you have to look at a lot of pornography to know it when you see it—and you have to look at a lot of injustice—political, economic, and social injustice—so you can recognize justice when you see it.

LABOR FORCE PROJECTIONS

Our search for justice is endless because America is always changing. The racial

make-up of our population and our labor force is changing. Diversity, civil rights, and equal opportunity are continuing challenges in our search for justice.

Let me lay out some projections on the American labor force in the 21st Century.

Population growth, labor force participation, and immigration are key factors in determining the size of our labor force.

White, non-Hispanic people will be a smaller part of our total population in the 21st Century (they have lower fertility rates)—and blacks, Hispanics, Asians, Pacific Islanders, and American Indians will have a bigger share of America's population.

By the year 2005 our total labor force will be well over 150 million. This is men and women 16 years and older who are working or looking for work.

Four out of five workers will be white—(82%).

One out of eight will be black—(12%).

One out of 16 will be Asian, Pacific Islander, or American Indian—(6%).

One out of 9 workers will be Hispanic, (11%)—but Hispanics also appear in white, black, and other categories.

The labor force participation of women has gone up so much over the past 30 years that the numbers of men and women in the labor force are already very nearly equal. But the Bureau of Labor Statistics expects a continuing increase in women's labor force participation (to 63%)—and a slight drop in men's labor force participation (to 75%).

Immigration is a big question mark for the future. There is now an unfortunate tendency to scapegoat legal as well as illegal immigrants for some of America's economic and social problems. There are proposals in Congress to cut back legal immigration and to deny various benefits to legal immigrants. My guess is that legal immigration will drop from 800,000 a year now to about 600,000. No one knows exactly how much illegal immigration there is. It may be 1 million a year. But immigration—past, present, and future—legal and illegal—will continue to add more Hispanics and Asians to America's labor force.

The message I draw from all this—more women permanently in the labor force, more diversified racial composition of the labor force, continuing legal immigration——

Diversity and equal opportunity issues are here to stay in the 21st Century—and they will continue to challenge our sense of justice.

WHERE ARE THE JOBS?

A healthy economy and a healthy society should be creating enough good-paying jobs for every American who needs a job and wants to work. The Employment Act of 1946 and the Humphrey-Hawkins Full Employment Act of 1978 reflect America's belief that the opportunity to work at a decent-paying job is an important component of economic justice.

What jobs will be available in the 21st Century? Where are the jobs going to be? Who will get available jobs?

Most of the new jobs are going to be in the service-producing sector of the American economy. Already 70 percent of jobs are in the service sector—but 95 percent of the new jobs created in the next 15 or 20 years will be in the service sector.

Most of the job creation will come in health care, business services, retail trade, government, and FIRE (finance, insurance, and real estate).

Goods-producing industries—manufacturing, mining, and construction—will have no job growth. In fact, the Bureau of Labor Statistics projects fewer and fewer jobs in coal mining—in spite of growing foreign demand for coal from the U.S.A.—Why so? Because technology and high productivity in coal mining go up even faster than demand for coal is going up.

The best jobs in the 21st Century—as in the 1990s—will be the high-skill, high-pay jobs that require more and more education and training. There will be more of these jobs. The biggest rewards will go to the symbol analysts and symbol manipulators, the people who can manipulate words and ideas and computer systems and financial systems.

Does that sound like politicians, computer whiz kids and Wall Street buccaneers? I think so.

Unfortunately, although the high-skill, high-pay, symbol manipulator jobs have the fastest percentage growth, in fact the biggest number of jobs opening up are low-skill, low-pay jobs—janitors and cleaners, waiters and busboys, food preparation jobs, security guards, nursing aides and orderlies and other low-paid hospital and health service workers.

Many of these janitors and security guards will have high school diplomas and some will have college degrees because they can't find higher-level, higher-pay jobs. It will take more education and training to get a job—but there's no guarantee it will be a high-level, high-pay job.

Unfortunately, it is a polarized occupational distribution that is developing—more high-skill, high-pay, professional jobs at the top—but many more low-skill, low-pay jobs at the bottom, and fewer and fewer middle-range, middle-class jobs—jobs which have been a solid foundation for a mass production economy based on widely dispersed mass buying power, the foundation for a stable middle-class society, the foundation for a stable democratic political system.

Polarization in our distribution of job skills and polarization in earnings from work will continue to challenge our sense of justice in the 21st Century.

UNEMPLOYMENT

Some years ago Dr. Harvey Brenner of the Johns Hopkins School of Public Health did a very scholarly study which showed that increases in unemployment have a clear negative effect on workers and their families and on local communities—more murders, more suicides, more heart ailments, more mental illness, more drug abuse, more family violence, more family breakdown, more community crime. (1% UE, 2% heart, 5.6% homicide)

Unemployment is a personal tragedy, a human tragedy for the workers without a job and for their families. Most workers are paying on a mortgage, paying on a car, paying for their children's dental care, paying for food on the table. When they lose their jobs, they often lose also their medical care plan and their pension rights. This violates our sense of justice.

The human costs of unemployment are huge. It's almost impossible to quantify the human costs and human hardship. That's why I am so grateful for Dr. Brenner's study. But the economic costs are also huge. Economists have estimated unemployment costs at hundreds of billions of dollars, the difference between actual output and potential output. The Congressional Budget Office has estimated that each 1 percent of unemployment costs the American economy $150 billion—$100 billion in lost output and another $50 billion in extra costs of unemployment compensation and welfare payments. And this does not take into account the extra health and crime costs that Harvey Brenner found.

Economists often distinguish different kinds of unemployment: frictional unemployment when you are just between jobs; seasonal unemployment related to the time of year; cyclical unemployment related to ups and downs of the business cycle; and structural unemployment related to such problems as changing technology, changing education requirements, discrimination based on age, race, sex; and trade policies that wipe out American jobs.

Whatever the reasons for unemployment—and there are many of them—the key policymakers in the American economy seem to be tolerating higher and higher levels of unemployment. A misguided and excessive fear of inflation lies behind the powerful economic judgments and decisions of the banker-dominated Federal Reserve Board which makes key decisions on interest rates and money supply. Inflation is not the problem. It's the Federal Reserve that's the problem.

The Federal Reserve wrongly operates on the discredited theory that there is some ''natural rate of unemployment'' and if unemployment goes below the so-called ''natural rate'' then inflation will mess up the economy. This is [a] wrong view of how the American economy operates, and it deserves a thorough critique—but I am going to spare you what is a very abstract, abstruse argument and simply say that there are some very distinguished economists—including Nobel prize-winners James Tobin and Robert Solow—who disagree with the theory of a ''natural rate of unemployment.''

Unfortunately, unless we have a major, catastrophic economic breakdown, the anti-inflation zealots at the Federal Reserve will continue to use their money-and-interest-rate power to hold back job-creating economic growth. Why so? Because the general public and most political leaders don't understand monetary policy—and because the banker interests that dominate the Federal Reserve are more concerned about having a stable dollar than they are about having full employment.

This violates my sense of justice—even if it doesn't bother the bankers.

WORKERS IN POVERTY

Poverty in America is another challenge to our sense of justice. Michael Harrington and Hubert Humphrey deserve a lot of credit for awakening America's conscience on poverty. Humphrey gave an education to Jack Kennedy in West Virginia's 1960 primary campaign and laid the groundwork for Lyndon Johnson's War on Poverty.

But poverty is still here. Most poverty is related to unemployment and low wages. We have in the United States almost 40 million Americans in poverty, about 15 percent of the population. That's one out of seven Americans living in poverty—and one out of every five children in America lives in poverty.

Unemployment compensation and welfare payments are part of the social safety net system that we have put together to protect Americans who need help—but training and decent-pay jobs are also necessary. The so-called welfare reform bills now before Congress will do little or nothing to relieve poverty—and may even increase poverty by forcing more and more welfare recipients into low-wage labor markets where they will drive down [the] wages and earnings of America's working poor.

Census figures show 10 million working poor—people who work at least part of the year, but cannot find full-time, year-round work to lift themselves and their families out of poverty.

But what I find even more outrageous is the fact that two-and-half million Americans work full-time year-round at such low wages that they still cannot pull their families up out of poverty. This is a powerful argument for raising and indexing the minimum wage.

Raising the minimum wage helps reduce poverty. So do employment and training programs, Medicaid, food stamps, the Earned Income Tax Credit, and other safety-net programs that help low-income people and many

middle-income people. But I remind you—in a non-partisan way—that the Republican-dominated Congress is cutting and killing most of these programs that help poor people rise up out of poverty.

Is this social or economic justice? I think not.

The result of these slash-and-burn tactics is that poverty will remain a challenge to our sense of justice well into the 21st Century.

INEQUALITY IN INCOME AND WEALTH

Let me turn now to America's widening gaps in income and wealth. The rich are getting richer. The poor are getting poorer. And our middle class is getting smaller. Is this economic justice?

The richest 5 percent of America's families got real income gains of 40 percent between 1979 and 1993. Families in the middle lost 2.6 percent in real income—and the poorest 20 percent of American families lost 15 percent in real income.

This is not news. You can read about it in Time or Newsweek, in Forbes, Fortune, or Business Week. It is the subject of concerned editorials, especially now that Congress is cutting programs that help middle-class and low-income people and preparing to heap $240 billion in tax cuts on rich folks and big corporations.

The distribution of wealth is even more unequal than the distribution of income—and it has become more unequal in the last 15 years. The top 1 percent, the richest in the country, own 40 percent of all wealth and 50 percent of all financial wealth in the United States. For most of us, our biggest wealth holding is in our home—but for the top 1 percent most of their wealth is in stocks and bonds.

Between 1983 and 1989, the richest 1 percent got more than 60 percent of the nation's entire increase in financial wealth—and between 1989 and 1992 the top 1 percent got 68 percent of the nation's increase in financial wealth.

In fact, America has never been an egalitarian society—but the last 15 years have produced more and more economic, social, and political polarization—polarization that will bring social and political troubles in the 21st Century.

Is this economic justice? I think not.

BIG BUSINESS POWER

Let me turn to big business. Americans are ambivalent about big business. We want the benefits of bigness—but we are right to fear the concentration of economic power.

It's no secret that the decisions of giant multinational corporations and big banks dominate huge sectors of the American economy, dominate much of our politics, dominate much of economic policy-making.

If you take the top 10 companies in banking, energy, manufacturing, telecommunications, retail and service, or transportation, you will find a tremendous concentration of economic power—and a lot of overlapping, interlocking controls through banks and board of directors.

Big business decisions affect the nation's prosperity and the jobs and earnings and living standards of all Americans—but there's little or no accountability to the general public.

The Mine Workers learned this in their fight with Pittston. The Steelworkers learned this in their fight with Ravenswood. And thousands of laid-off bank workers learned this after the Chase-Chemical bank merger.

Is this economic justice?

Suppose your employer decides to be lean and mean, to downsize and layoff workers or shift production from West Virginia to Mississippi—or to Mexico. Unless you have a union to represent you there's not much you can do about it. When Congress passed the WARN law requiring 60 days advance notice of plant closing, big business fought tooth-and-nail to get weakening loopholes in the law—even though some of those same companies have union contracts requiring even more advance notice.

Top executive pay in big corporations is out-of-sight to the average American worker. Business Week reports these top executives averaged $3 million last year—120 times the $25,000 earned by the average factory worker—and often executive pay raises bear no relation to company profits.

Is this economic justice? Do we want the American economy, American society, and American politics in the 21st Century to be so heavily dominated by unaccountable, overpaid corporate executives who are out of touch with the hopes and fears and living standards of average American families. I think not.

UNIONS IN THE 21ST CENTURY

I turn now to the role of American labor unions in the 21st Century. With or without labor law reform, unions are here to stay because they meet a basic human need, the need to participate in the decisions that shape your life and your future, the need to have justice on the job.

That's why almost all union-management agreements require fair treatment on pay and benefits and job security, and due process for grievances, including outside arbitration.

Our national labor policy is supposed to guarantee working men and women the right to organize and the right to bargain collectively so that workers, acting through freely chosen, independent labor unions, can jointly negotiate the terms and conditions of their employment.

This is the way we achieve some degree of democracy in the workplace. This is the way we have built up a system of industrial jurisprudence, a way of making labor-management relations more civilized.

Unfortunately, the reality too often is that these basic worker rights are violated by anti-union employers determined to thwart workers' efforts to form a union and bargain collectively.

The business of union-busting—and it is big business—is a major part of the explanation for the decline of union membership in the U.S.A. from a 1955 high of 35 percent of the labor force to the current rate of 16 or 17 percent.

There are additional reasons, of course. Trade policy and imports have decimated union jobs in manufacturing. The big increase of jobs has been in state and local government and in the hard-to-organize service-sector industries. John Sweeney, the new President of the AFL–CIO, was formerly President of the fast-expanding Service Employees Union, so I expect a heavy emphasis in the future on Union organizing in the service sector and growth of white-collar and pink-collar unionism.

Why do I expect unions to grow in the 21st Century? One reason is what I have described as the human need to participate in the decisions that shape your working life. I see this as a basic human right.

Also, with more and more women and minorities and older workers there will be more and more need for on-the-job quick response to discrimination and harassment based on sex, age, and race. A union in the workplace can help defend workers with this quick response.

Most important, perhaps, is the self-interest of enlightened employers who will empower their workers and enlist their unions in raising quality, raising efficiency and productivity, lowering costs, and raising profits.

The first and foremost role of unions in the U.S.A. is to represent their members in bargaining with management for better wages and working conditions. To many people this looks like an adversary relationship between unions and management, and in some respects it is just that during the negotiation of a contract as unions try to get more for the workers.

But most contracts run for two to three years. During the life of the contract, the union will be protecting its members from arbitrary or unfair actions by management, protecting the safety and health of workers—but the job security and economic security of the workers depends on the employer's profitability and continued existence.

That's why you find more and more enlightened employers and unions working together in joint labor-management committees in a wide variety of worker training and ''mutual gain'' productivity-raising programs, with more and more emphasis on restructuring work and empowering workers to participate in the decisions that affect their working lives and affect profitability of the employer.

Co-operation of this kind is not a one-way street. It depends on trust and mutual commitment. Management cannot attack unions and expect co-operation.

Many management people feel threatened by the idea of giving workers more information about company production and financial affairs. They feel threatened by shared decision-making. But there's a lot of evidence that ''empowering workers'' not only increases democracy in the workplace—it also raises workers' commitment and motivation, raises quality of the product or service, raises efficiency, productivity, and profits.

Justice on the job includes a unionized workplace—and a unionized workplace can raise productivity and profits.

POLITICS IN THE 21ST CENTURY

I suggested earlier that big business dominates the democratic political process in America, but that's only a partial truth. In addition to the big money of big business, in addition to our two major political parties, we have a lot of political activity by organized labor at the local, state, and national level.

I want to pay my respects here to one of labor's most respected, most effective leaders, Joe Powell, President of the West Virginia AFL–CIO Labor Federation. I have know him for many years. He is a tower of strength in America's labor movement.

The labor movement can never come close to matching the huge flow of political money from big business disguised as personal contributions from business executives and their spouses and children. But fortunately we have among our 13 million union members thousands and thousands of political activists who distribute voting records, who punch doorbells to get out the vote, who are committed to the democratic process, who are committed to bringing more democracy and more justice to America.

Unions and union members will be there in the 21st Century, pushing for democracy and justice in city and county councils, in the halls of the state legislatures and in the halls of Congress.

And unions and union workers will be there in the 21st Century at the ballot box, at the bargaining table and in the workplace, pushing for justice on the job and for more justice in all aspects of American life.

BIOGRAPHY OF MARKLEY ROBERTS

Markley Roberts is a distinguished economist at the ALF–CIO labor union federation with a long list of professional accomplishments and publications. He is currently Assistant Director of Economic Research and

Director of the AFL–CIO Office of Employment and Training.

Born in Shanghai, China, in 1930, the child of missionary teachers, Roberts graduated from Princeton University in 1951 with an A.B. in Public Affairs. He received an M.A. in Economics in 1960 and the Ph.D in Economics in 1970 from American University. He worked at the Washington Star newspaper from 1952 to 1957. From 1958 to 1961 he was a legislative assistant to Senator Hubert H. Humphrey. Since 1962 he has worked at the AFL–CIO, first as a legislative assistant in the AFL–CIO Department of Legislation and, since 1971, as an economist in the AFL–CIO Department of Economic Research. In 1985 he was named Director of the AFL–CIO Office of Employment and Training. In 1989 he also became Assistant Director of Economic Research.

In recognition of his experience and achievements in the field of industrial relations and collective bargaining, Roberts was elected to the executive board of a national professional association, the Industrial Relations Research Association in 1977. In recognition of his accomplishments in the field of unemployment compensation, he was elected to the National Academy of Social Insurance in 1991.

Mr. Roberts is a publications consultant to Economics America, the National Council for Economic Education, and a member of the advisory board for ''The Senior Economist.''

He has a long list of publications which include ''Making Sense of Federal Employment and Training Policy for Youth and Adults'' and ''Labor's Key Role in Workplace Training.''

RONALD REAGAN AT 85: A BIRTHDAY TRIBUTE

Mr. DOLE. Mr. President, today was a very special day at the Senate Republican policy lunch, as we spoke with President Reagan on the phone, and wished him a very happy 85th birthday.

Last week, the Senate passed a resolution paying tribute to President Reagan on this occasion, and I have seen a variety of other salutes in recent newspapers.

One of the best of these was written by long time White House correspondent Trude Feldman, and is published in today's Wall Street Journal.

Trude first met Ronald Reagan when, as the then-president of the Screen Actors Guild, he signed her SAG card. She also covered the Reagan presidency, as she has so many others. And her portrait of him is rich in personal recollections and fond memories. In short, it captures the essence of this remarkable man.

Mr. President, I ask unanimous consent that the article by Trude Feldman be printed in the RECORD.

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

[From The Wall Street Journal, Feb. 5, 1996]

RONALD REAGAN AT 85: A BIRTHDAY TRIBUTE

(By Trude B. Feldman)

Tomorrow Ronald Reagan celebrates his 85th birthday, thus becoming the fifth American president to reach that milestone. ''The anniversaries of my birth aren't important,'' he once told me. ''What is important is that I've tried to lead a meaningful life, and I think I have.''

The meaning of his extraordinary life goes beyond his various achievements as our 40th president. Those achievements would not have been possible were it not for a moral fiber and affability that most Americans expect but seldom get from their presidents. While Ronald Reagan's ethics and principles played a major role in his efforts to balance economic growth with true human needs, his courage and steadfast convictions helped set a new, positive direction for America—lifting it from a feeling of discouragement, and giving the people renewed confidence and pride in their nation. His commitment also served as the necessary catalyst in developments that led to the end of the Cold War.

In an era of cynicism about the character and veracity of political leaders, Mr. Reagan's integrity and vision warrant particular attention on this, the 85th anniversary of his birth.

THE ''GREAT COMMUNICATOR''

His courage as the ''Great Communicator'' was evident in his dramatic open letter 15 months ago in which he revealed that he had been diagnosed with the early stages of Alzheimer's disease. His handwritten letter was poignant, and vintage Reagan. Afflicted with the irreversible neurological disorder, he wrote that ''In sharing the news, it might promote greater awareness of this condition. . . I intend to live the remainder of the years God gives me, doing the things I've always done. I now begin the journey that will lead me into the sunset of my life.''

Colin Powell is among the millions who were moved by Mr. Reagan's gesture. ''It was a beautiful personal letter to everyone,'' Gen. Powell told me. ''Frankly, that action made it easier for me to deal with my wife's depression when it became public.''

During a conversation I had with Ronald Reagan last year, he wondered aloud whether he had inherited the illness from his mother. Alzheimer's may have somewhat diminished his spark, but Mr. Reagan's genuineness and charisma still shine through. Away from the Oval Office for seven years now, he still looks presidential. Routinely working in his office, he continues to captivate visitors with his inimitable personality and attentiveness.

His dark brown hair is now tinged with a bit of gray, and he remains the model of good grooming and fashion. One day last week, he was his old handsome self attired in a blue pinstripe suit and blue tie, accentuated by a gold tie clip in the shape of the state of California, where he served eight years as governor. ''The reason I'm doing as well as I am,'' he says, ''is because of loving support from Nancy [his wife of 44 years]. She is my comfort, and has enhanced my life just by being a part of it. She has made it so natural for us to be as one that we never face anything alone.''

Mr. Reagan's close brush with death 15 years ago changed his attitude toward life and death. It was on his 69th day as president when, from a distance of 13 feet, I saw him shot by a would-be assassin. Mr. Reagan told me the traumatic experience had given him a greater appreciation of life that he had previously taken for granted. ''My survival was a miracle,'' he said. ''The ordeal strengthened my belief in God and made me realize anew that His hand was on my shoulder, that He has the say-so over my life. I often feel as though I'm living on the extra time God has given me.

When Ronald Wilson Reagan was born in Tampico, Ill., his delivery was so complicated that his mother was cautioned not to bear more children. So she doted on him and soon became the primary influence in his life. From her, he acquired the stability and confidence that later enabled him to weather personal and political storms with equanimity. She fostered in him and his brother an incentive to work hard, and to live by the Ten Commandments and by the Golden Rule.

''My parents were rich in their love and wisdom, and endowed us with spiritual strength and the confidence that comes with a parent's affection and guidance,'' the former president told me. ''The Reagans of Illinois had little in material terms, but we were emotionally healthy.''

The Rev. Billy Graham describes Ronald Reagan as a man of compassion and devotion, a president whom America will remember with pride. ''He is one of the cleanest, most moral and spiritual men I know,'' Mr. Graham told me. ''In the scores of times we were together, he has always wanted to talk about spiritual things.''

On many occasions over the past 21 years, Mr. Reagan shared with me his philosophies and his views on politics, foreign affairs, religion and human nature. ''I believe that each person is innately good,'' he observed. ''But those who act immorally do so because they allow greed and ambition to overtake their basic goodness.''

These beliefs, while the source of many of his greatest triumphs, also set the stage for some of his disappointments. One regret was that he did not demand greater accountability from his staff—''especially those who abused their power with arrogance.'' He acknowledged that the tendency not to fire anyone had serious ramifications. ''For instance, any errors in our dialogues with Iran resulted because some of my subordinates exceeded their instructions without reporting back to me,'' he stressed. ''When I read the Tower Commission Report, it looked as if some staff members had taken off on their own.''

Another issue that troubled him was the public perception that he was prejudiced against minority groups and not concerned about the poor. He maintains that he had fought for legislation that would make welfare programs more effective. ''My economic program was based on encouraging businessmen to create more jobs and to better the conditions of their employees,'' he noted. ''I think I succeeded.''

On the day before his presidency ended, Mr. Reagan granted me his last interview in the Oval Office. He told me that the saddest day of his eight-year tenure was on Oct. 23, 1983, when 241 U.S. servicemen died in a terrorist bombing in Beirut, Lebanon. ''To save our men from being killed by snipers from private armies that were causing trouble in Lebanon, it was decided to shelter them in a concrete-reinforced building,'' he recalled. ''But no one foresaw that a suicide driver with a truckload of explosives would drive into the building and blow it up.''

At the close of that Oval Office interview, I asked him to describe his presidency in one line. ''We won the Cold War,'' he said without hesitation. ''That phrase didn't originate with me, but I'll settle for it. What counts is that there is an end to the Cold War, and I now feel justified in my theme of 'Peace Through Strength.'''

Former President George Bush adds: ''Ronald Reagan's foresight put us in a position to change our relationship with the Soviet Union and to make it possible for the changes that took place in Eastern Europe. And he certainly helped bring democracy to our hemisphere.

Mr. Bush, having worked closely with Mr. Reagan as his vice president, also told me: ''True, he was a man of principle on the issues. But, even more than that, the American people loved him for his genuine decency, his unfailing kindness and his great sense of humor. He is a true believer in the goodness of America.''

THE FINEST GIFT

Edwin Meese III, former attorney general, notes that Mr. Reagan's legacy to America continues to this day. ''Many are calling the congressional leadership's agenda the Second Reagan Revolution,'' he says. ''More importantly, Mr. Reagan continues to inspire Americans of all ages to value the patriotism and leadership which he so splendidly demonstrated.''

Longtime Reagan aide Lyn Nofziger concurs, adding: ''History will surely record that the finest birthday gift already given to Mr. Reagan by Americans is a Republican House and Senate that are determined to carry on the Reagan Revolution.''

Yet Mr. Reagan says that the best birthday gift for him this year would be that scientists receive the support they need to find a treatment and a cure for Alzheimer's so that others will be spared the anguish that the illness causes.

Ever the altruist, Ronald Reagan—even for his birthday wish—places the welfare of others above his own. It is a characteristic that has served him faithfully until now, and is one that will sustain him on his ''journey into the sunset'' of his life.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, a lot of folks do not have the slightest idea about the enormity of the Federal debt. Every so often, I ask groups of friends, how many millions of dollars are there in a trillion? They think about it, voice some estimates, most of them wrong.

One thing they do know is that it was the U.S. Congress that ran up the enormous Federal debt that is now about $13 billion shy of $5 trillion. To be exact, as of the close of business yesterday, February 5, the total Federal debt—down to the penny—stood at $4,987,400,986,833.50. Another sad statistic is that on a per capita basis, every man, woman, and child in America owes $18,930.61.

So, Mr. President, how many million are there in a trillion? There are a million million in a trillion, which means that the Federal Government will shortly owe 5 million million dollars.

Sort of boggles the mind, doesn't it?

MEDICARE: A CALL FOR REFORM

Mr. FRIST. Mr. President, I rise today because I cannot in good conscience remain silent. As we all know, for many years, the Medicare board of trustees has warned of the impending bankruptcy of the Medicare trust funds. Many in Congress and in the administration dismiss these annual warnings, preferring to spend blindly, counting on a wish and a prayer for our children and grandchildren. They say they do not believe that Medicare will really go bankrupt. They continue to say this, despite all evidence to the contrary. They have accused those of us who want to save Medicare of destroying one of the most popular programs in American history. But this time, Mr. President, history and the hard data, prove them wrong.

The front page of yesterday's New York Times proclaimed: ''Shortfall Posted by Medicare Fund Two Years Early''. What that means is that—for the first time in its history—Medicare spent more money than it took in through payroll taxes. Mr. President, those of us who have been telling the truth about Medicare knew the situation was serious. But, this article tells us that it is even worse than we knew. Experts had predicted in good faith that the Medicare trust fund would grow, but despite their best efforts, they were off by nearly $5 billion. And we know for certain that once the trust fund begins to lose money, it is on a rapid path to depletion. Richard Foster, the Health Care Financing Administration's chief actuary, is quoted as saying, ''Obviously, you can't continue very long with a situation in which the expenditures of the program are significantly greater than the income. * * * Once the assets of the trust fund are depleted, there is no way to pay all the benefits that are due.'' Within less than six years, Mr. President, there will be no money to pay for any hospital services, for any senior citizen in this country. This is not expected to occur in the distant future. Again, this will happen within the next 6 years, perhaps even before the end of my Senate term.

There are no signs of improvement in the near future. Mr. Foster, points out the causes of the shortfall: First, income to the trust fund through dedicated payroll taxes was less than expected; second, hospital admissions increased; third, patients were sicker; and fourth, hospitals filed claims more quickly. Projections are never going to be perfect, but the important thing is that most of the prediction error was that Medicare spending grew faster than was projected. Without fundamental restructuring of the Medicare Program, bankruptcy is certain, and increasingly swift.

The reaction of the Health Care Financing Administration in the past has been to analyze and attempt to figure out the problem. Once again, that has been HCFA's response to the latest reports. Historically, the Federal Government is far slower than the private sector to respond with action to such problems. We must learn from the private sector about the value of prudent and decisive action. The 1996 trustees report is due out in less than 2 months. We cannot wait around for another report that promises bankruptcy, meanwhile wringing our hands. Medicare must be restructured to build on the experience of the private sector. Proposals to reform the Medicare Program have been proposed in Congress for more than a decade. The key fundamental change was to allow Medicare beneficiaries a limited choice of private health plans—restricted to federally qualified health maintenance organizations [HMOs]—thus by definition, omitting the many plans available today. Yet, where available, these plans are delivering more health care benefits and greater out of pocket protection to seniors and the disabled than are available from the current Medicare Program.

I urge my colleagues and the American public to call for bipartisan action to preserve, protect and strengthen Medicare. Saving Medicare in the short term—the next 10 years—should be the easy part. We must revisit the issue as we prepare for the future and the enrollment of the baby boomer generation. Changes must be made now to protect our seniors and the disabled. If we fail to act now, a much higher price will eventually be paid by our children and grandchildren.

The irresponsible approach is to think of Medicare as a non-evolving program. It must keep pace with the times. It must be cost-effective and deliver quality care to our seniors and our disabled. Only fundamental restructuring of the Medicare Program offers stability for the future. We must not fall back on the traditional approach of raising payroll taxes and ratcheting down provider fees. We must reintroduce the private sector principles into this public program. Restructuring does not result in a fundamental dismantling of the program. Rather, it offers beneficiaries the same choice of high quality health care available to younger Americans. It offers greater out-of-pocket protection, more choice of benefits and services and greater continuity of care. It brings Medicare from a pretty good program based on the 1965 health care market to a great program ready to meet the needs of the next century.

A CELEBRATION OF THE LIFE OF ERNIE BOYER

Mr. KENNEDY. Mr. President, on Sunday, January 21, 1996, over 500 people from across the country and world, gathered at the Princeton University Chapel in New Jersey to share their memories of one of the giants of American education, Ernie Boyer, who died on December 8, 1995.

Ernie was a great friend to me, and many others in Congress, and a great champion of education. Millions of people have better lives today because of Ernie. I believe that the tributes given at the memorial service will be of interest to all of us in Congress, and I ask unanimous consent that the following remarks be printed in the RECORD.

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

REMARKS BY SENATOR EDWARD M. KENNEDY

Ernie once said that ''knowledge has, without question, become our most precious resource.'' He believed so strongly in the value and importance of knowledge that he devoted his life to searching for it, sharing it with others, and summoning—and sometimes even shaming—the nation to guarantee that more Americans have the opportunity to achieve it.

Ernie began to quench his thirst of knowledge before most children can drink from a glass. On his first day of school, he walked

hand-in-hand with his mother. When they reached the school, he asked, ''Will I learn to read today?''

''No,'' his mother said, ''You won't learn to read today, but you will before the year is out.''

But Ernie was vindicated a few moments later—because on that first day of school, his teacher greeted her students by saying, ''Good morning class, today we learn to read.''

Before he ever stepped into a classroom, Ernie understood the urgency of obtaining an education. He mastered the art of learning and embarked on a journey that has literally changed the lives of millions of Americans.

He encouraged even the greatest centers of learning to remember that teaching is important too—as important as research. He counseled Congress about how to improve schools, and he reminded us all to value good teaching. His contributions to the art and science of the effective transmission of learning were unsurpassed.

But he did not stop there. He wrestled with how best to help all children come to school ready to learn. He never forgot the difference it made to him that he arrived for his first day of school ready to learn. And he tried to make America see that difference too. If Ernie had his way, everyone would have a good breakfast and a warm hand to hold on their way to school.

More than anyone of his time, he taught us that it is children, not just the schools, that should be the focus of our concern—that education is a community-wide effort which begins with the birth of a child—that supporting education is, more than any other challenge, not an expenditure, but an investment—that failure to act now will surely later mean higher costs, wasted lives, promises unfulfilled.

If Paul Simon and Dick Riley and I and many others see farther on these issues today, it is because we stand on the shoulders of giants like Ernie Boyer.

Ernie believed that the knowledge he gained and continued to gain himself was a call to the service of others. As he once said, ''there's reason for optimism—if we can get the right kind of leadership to help clarify and energize what is still a huge public commitment to education.''

Ernie kept Congress on its toes. He was a constant counselor and a dear friend to many of us. Long ago, those of us who care about education wore out the tab in our address books under ''B''.

Ernie's greatest gift to the nation was his unwavering commitment to education and to keeping all children at the heart of the nation's agenda. And when Ernie said all children, he meant all children, so that none would be left out or left behind.

Any time we planned a hearing on education in the Committee on Labor and Human Resources and Ernie testified, he brought a series of new ideas to improve schools and reach out to children. He was the formative thinker behind the modern movement for school reform.

He felt the most important thing we could do for very young children was to create television shows that prepare them for school. Ernie had the idea, and it was one of his best. We turned it into legislation, and now there is strong support for improved children's television.

He brought an endless fountain of creativity to American life. His breadth of knowledge and depth of commitment to education inspired awe, respect, and humility. In Ernie's presence, we were learning from the master.

Ernie believed the pursuit of knowledge was a lifelong journey of profound importance to the nation. As he once wrote, ''commitment to education will help all students to be involved in the civic future of the nation—to vote in elections to serve on juries, to be concerned about the health of their communities—to ensure that democracy will, with vitality, succeed.''

Kay once told me that Ernie wished he could live to be 200, because he had so many projects to complete. But he accomplished more for the nation's students, parents, and teachers, in his 67 years than anyone else could have done in 200 years. They may not know his name, but millions of Americans, young and old, in every city, town, and village in the nation have better lives today because of Ernie Boyer. To all of us who know him and love him, he was the North, South, East, and West of education. And now, education has lost its best friend.

There is an old New England saying that all men are dust, but some are dust of gold. That's the way I felt about Ernie Boyer.

As the poet Stephen Spender wrote:

I think continually of those who were truly great . . .
The names of those who in their lives fought for life,
Who wore at their hearts the fire's centre.
Born of the sun, they travelled a short while towards the sun,
And left the vivid air signed with their honour.

REMARKS OF RICHARD W. RILEY, U.S. SECRETARY OF EDUCATION

On behalf of President and Mrs. Clinton and the American people, I want to extend to Kay Boyer, her children and grandchildren the many thanks of this nation for giving us Dr. Ernest L. Boyer—and my personal thanks for the honor of speaking at this memorial service.

You family members knew and loved Ernie as a husband, father and grandfather. We came to know, love and admire him as a teacher, reformer and friend, a wonderful and cheerful advocate of children and of the advancement of American education.

Ernie was, in many ways, education's best friend. He had an intellectual rigor about him and a wonderful capacity to speak plain English. He moved people to act. He was unwilling to accept mediocrity and his body of policy recommendations—which span the waterfront—remain to this day the sturdy foundation for our continuing efforts to improve American education.

Ernie did many things for education.

He urged and prodded higher education to return teaching to its primacy of place at the core of the college experience, and he never let us forget the importance of service to the learning experience.

He reminded us, with the wonderful support of his wife Kay, that an unhealthy child could not be much of a learner.

Above all, he captured the imagination of countless parents and teachers because he gave hope to the real possibility that we could educate all of America's children.

Ernie was education's own ''Mr. Fix It.'' For Ernie believed in solutions—believed that with hard work, a sense of optimism and unlimited energy—all problems could be solved if we stayed focused on the children.

Ernie once wrote that, ''America is losing sight of its children.'' This must have been a difficult sentence for Ernie to write because he never lost sight of the children. And, that was one of his unique gifts—his tenacious capacity to stay focused, to inspire everyone he came in contact with to keep at it even when the task seemed daunting.

For Ernie, you see, believed in excellence and knew that excellence and equity went hand in hand. He did not suggest to you that the connection was easy to sustain. But he was not daunted.

He told us to start early, to strengthen the connection between parent and child. He urged us to fit our schools to the needs of our children instead of the other way around. And, then he went on to give us the blueprints for basic schools of excellence and how to improve teaching—and how to infuse the arts into education.

Ernie, with his energy, wisdom and passion, conveyed to us the possibility that we could get the job done—that we could raise standards and make America's schools, colleges and universities bastions of hope, creativity and learning.

Ernie's mind, you see, never rested and he had an idea for just about everything. Good ideas—solid ideas—forward thinking ideas—positive solutions that made a difference. Until his very last breath, Ernie was a worker. In a few short weeks we will see the wisdom of another one of his good ideas—how to reform the American high school.

His work on this plan defines for me not only his talent and foresight but, more than anything else, his quiet integrity. He could have produced, as so many have before, one more scathing report about America's high schools—a headline grabber, to be sure, but a report that would not have helped anyone.

Instead, Doctor Boyer encouraged and supported the work of this nation's high school principals and teachers in their effort to find concrete examples of what is working and what is not. He looked for solutions that challenged the very best in each of us.

It seems fitting, then, to ask all of us what we will do to carry on Ernie's legacy. This is not easy. For we are in troubled times. Too often the debate about education is distorted and driven to the limits of ideological certitude. What seems missing is Ernie's capacity to listen and learn, his spirit of generosity, and his enduring efforts to build consensus around achievable goals rooted in the basic principles of good education.

In many ways, the future of public education is at stake. For there are some who would have us believe that public education, as an institution, has outlived its usefulness. They do not believe in its value, see no point in reforming it, and quite literally seek to abolish it as an institution.

I am deeply troubled by this growing intellectual retreat from the democratic spirit that has always defined American public education at its best. And, I am sure that Ernie would have none of it. For Ernie's life work was about building up public education, not tearing it down. He was a leader by example, positively engaging Americans to come together for the good of the children. Today, we could use a lot more Ernie Boyer's to help us move into our knowledge-based future with confidence.

So I ask you to celebrate the good work of our friend Ernie Boyer. We all have wonderful stories to share. Stories that celebrate the joy of education and the generosity of Ernie's spirit.

But when you go home, I urge each and everyone of you to roll up your sleeves—to fight as Ernie would fight for better public education—to stay focused on the essentials of effective teaching and learning—to be high-minded, positive, and even enthusiastic—but to get on with the job of making Ernie's positive vision of education a reality for future generations of children.

Thank you.

STATING THE OBVIOUS

(By Ernest Boyer, Jr.)

It must be among the most elusive of all accomplishments—public acclaim joined with private fulfillment, the respect and esteem of colleagues and associates balanced

with the equally rich love and admiration of family and friends. This is what my father achieved. Measured in terms of years, his life seems all too short. But measured according to what he managed to accomplish in those years not even ten lifetimes seems sufficient to account for it at all. More significant, though, to those of us who knew him as husband, father, father-in-law, grandfather, brother, or uncle was his extraordinary capacity for love. My mother likes to say that he had been given an extra gift of love. It seemed so true. This was not a love that called attention to itself or in anyway placed expectations on those it sheltered. And it certainly never sought to control or to direct, or to tell others what was best. It was, rather, a love that could be so unobtrusive, so quiet—and yet so intense—that it became simply impossible to separate that love from the man who give it. His was, then, a rare double talent—extraordinary public accomplishments coupled with the even more extraordinary personal qualities of a gentle but very warm humanity, an unhesitating kindness, and an unqualified love.

It is, however, not on his accomplishments nor even on his love which I wish to focus—not on his accomplishments because there are so many others far more qualified than I to speak of those, and not on his love because in the end there is so little that can be said of it. It was in many ways so much a part of his presence that for anyone who ever met him no further explanation is necessary, and for those who never had a chance to meet him, no explanation is really possible.

Instead, I would like to examine the one among his qualities which, it seems to me, most fully links those accomplishments together with that love. This was his wisdom. Among the many things my father's life was for me, it became eventually also a study of wisdom. Wisdom is not merely an uncommon virtue. It is also a rather peculiar one. Contrary to popular opinion wisdom has very little to do with intelligence, for example. And although my father had a brilliant mind, it was not from his intellect that his wisdom came. Intelligence revels in complexity and in subtlety, both of which can occasionally be helpful, but which just as often can obscure and even confuse solutions. Complexity for its own sake held no interest for my father. He preferred simplicity, clarity.

No, this wisdom came from another place entirely, and as I watched over the years I have come to more fully appreciate the nature of wisdom itself. Wisdom, I have decided, is nothing more and nothing less than the ability to state the obvious.

Describing it this way may at first seem to cheapen it, to dismiss it, or possibly to degrade it into something rather ordinary. It does none of these. The fact is, the ability to state the obvious is remarkably rare. It is rare in part, because to do so requires its own manager of courage. It is rare, too, because, strangely enough, the obvious is not obvious to very many.

The courage that is required is the sort needed in the face of the widespread belief that stating the obvious makes a person appear uninformed, or naive, or even foolish. My father was none of these, and so to state the obvious with the consistency with which he did so demanded not only a profound self-confidence but an even more profound conviction that how he himself appeared was in the long run incidental to the main task to be done, which was to make the world a better place. One of the things he was fond of saying was, ''First decide what is the right thing to do. Then figure out how you are going to do it.'' He was convinced that this process should never be reversed. You should never let what you think you can do try to convince you what you ought to do. Start with what is right and work from there. And for my father, to say that you should start with what is right was to state the obvious.

There were many other things similar.

It was also obvious to him, for example, that there is far, far more that unifies all of us as human beings than that separates us. There are differences, of course, but there are no differences so significant that they cancel out the far more basic needs and infinitely more important hopes that all people share simply by the fact of being human. Nearly every problem we have, he was convinced, is the result of forgetting how much each of us has in common with everyone else on this planet just as nearly every solution must start with the reaffirmation of that fact. Thus it was that his strongest impulse, an impulse that formed a cord that tied together his entire career, was always to make connections. He took it as his daily task to form bridges, bridges between ideas, bridges between institutions, and most important of all, bridges between people. He was persuaded that there could be no greater responsibility for schools, for parents, or for anyone else concerned with the future of the human race than to teach children how much we all have in common and how much depends on the recognition that we are all in this together. For him, to say this was to state the obvious.

And simply because we all share so much, and because we are all in this together, it was also obvious to him that no voice should ever be ignored, and it was those least heard that he was most inclined to notice. This was especially true of children. All his life my father was preoccupied with children. He was fully persuaded that children, simply as children, had so much to offer the world. It was for him a point of unwavering conviction that their voices, at least as much as any one else's, had to be included as part of the human solution. To him, it just seemed so obvious that this should be so.

Finally, it was for him obvious too that everything we do must contribute to a greater purpose. This meant in part working on a day-to-day basis to make the world a better, more just place, but it also meant for him quite a bit more than that. Central to who my father was was his faith that no matter what any of us do in the course of our lives, it can only ever be but a tiny part of who we are and what we are to become. Some weeks before he died my father said to me, ''I've always known how important what we do here can be, but recently I've come to see so plainly all the ways in which what we do here can also become what I can only describe as holy.'' He told me this as something that he regarded with renewed appreciation but not with surprise. On one level this, too, had always been obvious to him.

The thing is, though, that not all of this that was so obvious to my father is equally obvious to everyone else.

In a 1978 interview my father said:

''It takes constant awareness to see yourself in relation to others, to see this moment in relation to a day or week or a century, to see this planet in the universe, and to keep rediscovering how important each moment is and, in a sense, how fleeting and almost inconsequential in the broad sweep of human history and divine plan.''

My only quarrel would be with the word ''inconsequential.'' A life such as my father's shows just how consequential one person's time on earth can be. We all lose when a voice such as his is silenced. Wisdom such as he offered has grown all too rare. It has even sometimes seemed to me that when my father died wisdom itself died with him, since the only thing obvious to me now is how much I miss him. And yet he himself would have been the first to protest such a thought. He would have pointed out that really nothing has changed: It is still true that people have more uniting them then dividing them, that no voice, least of all that of any child, can ever be ignored, and, most especially, that all that we do is towards a larger purpose.

These remain as obvious as they ever were, and obvious especially to us now even if they are still not obvious to all, because we had him to point them out to us.

ERNIE BOYER: A SELF-EFFACING LEADER

Mr. SIMON. Mr. President, several weeks ago I attended a memorial service for Dr. Ernie Boyer, a man who had dedicated most of his life to improving education and educational opportunities for all Americans. The memorial service was more of a celebration of who Ernie was and how many lives he touched than a farewell. Speakers included his son Ernest Boyer, Jr., Secretary of Education Riley, Senator EDWARD KENNEDY and the principal of a San Antonio elementary school Ernie nurtured along. None of us said it better than a fifth grader who had gotten to know Ernie Boyer, ''You say you don't know who Dr. Boyer was? You never got to know him? Too Bad! You would have loved him.''

I am submitting the remarks made by several of us at the service and hope my colleagues will take the time to read what Ernie Boyer meant to a lot of very different people.

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

REMARKS BY SENATOR PAUL SIMON

William Butler Yeats, the Irish poet and later an Irish Senator, in the mid 1920s wrote in a poem: ''The best lack conviction, while the worst are full of passionate intensity.'' It sounds as if he is writing about today. But Yeats did not know Ernie Boyer.

His quiet demeanor, his ready smile and marvelous laughter, his soft response to a hostile question were not indications that he lacked solid conviction. He had backbone and vision and an understanding of humanity that combined to make him superbly effective. The Albany Times Union editorial tribute concluded with this accurate assessment: ''He touched millions of ordinary lives and made them better.''

The last time I talked to him by telephone, he spoke from a hospital bed, only I did not know it until after I read the story of his death. He was that kind of self-effacing human being.

While we knew each other for a period casually, I first got to really know him when President Carter appointed the Commission on Foreign Languages and International Education, headed by Jim Perkins of this city. Most of us on the Commission did not know each other. Ernie suggested a few names, and the White House added some. It turned out to be one of those rare commissions where everyone worked, and worked together with a common purpose, on a small budget with limited time, and the end result changed the educational climate in our nation—slightly. But slight changes, like one or two votes in the Senate, can ultimately make a huge difference. Ernie Boyer played a key role in the work of that Commission.

His work as Chancellor of the State University of New York earned him what I am

sure were deserved laurels, but when he became United States Commissioner of Education, then headed the Carnegie Endowment for the Advancement of Teaching, he enriched the nation immensely. In those positions he lifted all of us in ways that never can be calculated fully.

Our friend attended Greenville College in Illinois, a small liberal arts college, for his undergraduate work. Greenville is sponsored by the Free Methodists. When he attended, female students could not wear lipstick, and all students had to take a pledge not to attend movies. The Free Methodists were not too free.

But Ernie always felt gratitude to that school for the opportunity it gave him. He learned to respect and understand that part of our culture. From there he grew and reached out across all the barriers of religion and race and ethnicity to live a life of concern. He wanted a quality opportunity to be the option for all in this nation and beyond this nation.

As we bid a formal farewell to the man, let us honor him by not bidding a formal farewell to his ideas and his ideals. He did not want a nation that has technically superb but useless B–2 bombers and inner-city schools with no books in the library and, too often, no hope in the classroom. He did not want a nation eager to invest in more and grander prisons but unwilling to invest in better schools. He did not want a nation with great sensitivity to the whims of those of us who are more fortunate economically but indifferent to the 24 percent of our children who live in poverty. He did not want a nation of scholars who can carry on great discussions but are unable to carry out great dreams.

Ernie Boyer: gentleman, scholar, dreamer, doer.

May we be the same.

REMARKS FROM ALICIA THOMAS

Dr. Ikenberry, Trustees of the Carnegie Foundation, members of Dr. Boyer's family, friends of Dr. Boyer, distinguished guests, ladies and gentlemen. It is my very great honor and privilege today to speak on behalf of all the teachers, students and principals in the Basic School Network. This has been a time of great sadness for us all. We have lost a dear friend. In the two years that we have worked together this group has become very close, very united in our efforts to improve schooling on behalf of this Nation's children. And so for all of us there is a lot of affection, warm affection for Dr. Boyer, much respect for him, and consequently a deep sense of loss and a sense of absence that will always be with those of us who had the privilege to learn from him, and to engage in conversation and discussion. I think his voice and his presence will always be missed, and we will never be quite the same again.

But this is also a time of reflection on the richness of a life, and the richness of a legacy. Of all the people I've known, no one's life and legacy could have been richer than Ernest Boyer's. His family was a great source of pride; four wonderful children, grandchildren, a loyal and devoted wife. But beyond family, Ernie Boyer's life was one of service. Service to children, both in highly respected positions in our Nation's government, and as President of the Carnegie Foundation for the Advancement of Teaching. His life was very rich. He gave of himself, and in doing so earned the respect and love of all, family, friends and colleagues, and most especially, teachers.

To Ernest Boyer there was no nobler profession than teaching. He spoke movingly of the great teachers in his life, including the famed first grade teacher, Miss Rice. And he moved each of us to work with renewed purpose and inspiration, to commit our lives to practice in an exemplary way. Dr. Boyer wanted the best and the brightest in teaching; he wished for loving and supportive first teachers in order that all children succeed. Dr. Boyer felt teachers were part of the strength and solution for our Nation's schools; he knew that a truly great teacher changes lives forever. The teachers at Jackson-Keller said simply, ''He stood up for schools; he stood up for us.'' Kindergarten teacher Kristen Dreyer said ''I just loved it when he told me 'you are doing the Lord's work.'" And so we are.

I can't forget to mention Dr. Boyer's wonderful sense of humor. He so enjoyed the funny stories shared about teachers and children. He would dance the chicken dance with a group of second graders, listen intently as Kindergartners explained their drawings, chortle with laughter as Third grade teacher Suzann Westermann sang ''Nothing could be sweller than to be at Jackson Keller.'' Ernie Boyer just loved people, and he believed the best in them. It was the people that linked him to schools. And at Jackson-Keller he was as beloved by the Head Custodian as he was by the children, parents, and teachers.

Danal Jimenez, J–K Fifth grader wrote ''If I can quote Shakespeare, 'Alas, I knew him well.' Personally, I feel the loss. He came from Princeton and made me feel special when two years ago he gave me his firm handshake, special note on his business card and friendly words. He was like an instant quick friend and I will never forget him. Did you know he loved the arts?

Danal's friend Michael Navarro said, ''A few days ago, Jackson-Keller lost a great friend, mentor and thinker. He helped the Basic School exist. You say you don't know who Dr. Boyer was? You never got to know him? TOO BAD! You would have loved him.''

Michael continued, ''The Asians had their Sensai, the Indians had their Shaman, and we had our Dr. Boyer. Though he passed away, he will continue to live in our commonalities, and through our community of learners, and definitely in the hearts of the children who knew him.''

During their visit to Jackson-Keller last October, Dr. and Mrs. Boyer were serenaded by our third grade students. Our children sang:

I am a child,
I am the future of the world, and just like every boy and girl
I have a dream.
And when I dream,
The only way it will come true is if I'm gently led by you
And then set free.

In the Basic School Network, we have been gently led by the words and the actions of Ernest Boyer, and we do believe in this dream of the Basic School, a school committed to the success of every child. I heard Dr. Boyer say on many, many occasions ''the tragedy is not death. The tragedy is to die with commitments undefined, convictions undeclared and with service unfulfilled.''

Proverbs 29 tells us ''A people without vision shall perish.'' But those with vision shall flourish. In the Basic School Network we have each been blessed to learn from the vision and commitment, the conviction and service, of this fine man. We accept the challenge of Dr. Boyer's legacy, The Basic School. It will live on because he taught us schools are not about buildings and budgets, but about building a better world for children. We learned from him that there must be a school of quality and excellence, a place of love and learning in every neighborhood, within the reach of every child. And that the meaning of life is to create a life as if it were a work of art.

We are thankful for the life of Ernest Boyer, and that each of us was allowed to touch it, and be touched by it.

NATIONAL ENDOWMENT FOR THE HUMANITIES

Mr. PELL. Mr. President, I strongly oppose any further reductions in funding the National Endowment for the Humanities. The agency has responded to a 36-percent budget cut for fiscal year 1996 with major restructuring of programs and staff. Using the House appropriations figures contained in the last two continuing resolutions, NEH is now operating at a 40-percent reduction—$99.5 million instead of the anticipated $110 million.

The agency has already eliminated 90 positions from its 260-person staff, streamlined its administrative structure, and cut programs. The suspended programs include: archaeology projects, summer stipends for teachers, dissertation grants, the NEH/National Science Foundation grants, the Kettering Foundation partnership, and, most disturbing to me, the National Conversation initiative. Further staff reductions are now probable.

The recent furlough and uncertainty over its budget is preventing the agency from planning, carrying out its mission, and ensuring that the taxpayers dollars are spent wisely. For example, NEH has had to cancel peer review panels. As NEH can fund only 18 percent of the more than 8,500 applications it receives each year, competition for funding is fierce. Ensuring that these funds are awarded to the best proposals is a responsibility that NEH takes seriously. The Humanities Endowment peer review system has been heralded as a model for adoption at other agencies. The forced cancellation of peer panels as a result of government shutdown has weakened that system and prevented the agency from meeting its high standards of rigorous review.

Should funding run out on March 15, NEH will have to cancel its March 25 round of grant awards. Applicants who have put thousands of hours and effort into their grant applications will be denied the opportunity for funding for an entire year.

Changing the Humanities Endowment appropriations means that: Work on the George Washington, Abraham Lincoln, Andrew Jackson, Dwight Eisenhower, and First Federal Congress Papers will be terminated before completion. Summer seminar programs for teachers will be canceled entirely. One hundred fellowships will be eliminated. The widely-read Humanities Magazine, already forced to cancel its January issue, will have to cancel more. In July, all grants to film, libraries, and museums will have to be canceled. This includes a Utah Humanities Council exhibit scheduled to travel to 32 small, rural museums from West Virginia to Oregon, and a Buffalo Bill Historical Center exhibit slated for 10 Western sites. State Humanities Councils, in

addition to losing anticipated funding for this year, are facing enormous difficulties in planning for the next. Technical assistance and consultation to hundreds of small- and medium-sized cultural institutions will be suspended.

The drastic effects of government shutdown and budget impasse on American scholarship and the entire humanities field is not necessarily as obvious as it is in other areas of concentration. This is because NEH grants, with their heavy emphasis on research, rarely see results for several years. But continuity in support for research projects is critical, and NEH represents the single largest source of financial support for the humanities nationwide. The next largest, the Andrew Mellon Foundation, provides one-third of the amounts granted by NEH.

When we eliminate the staff and resources funded by NEH and needed to preserve brittle books, the destruction does not stop. We have lost volumes of important manuscripts forever. The same is true for NEH's important United States Newspaper Preservation project to preserve city and small town newspapers on communities in all 50 States.

Mr. President, I cannot underestimate the gravity of this situation. If allowed to continue, it will mean that future generations of Americans will be deprived of the knowledge of our Nation's rich history. We owe it to our people to maintain this legacy, and not to let it slip away. We simply cannot afford to lose artifacts, texts, wisdom, and insights that tell where we came from, who we are, and how we might make wise decisions for the generations ahead. I urge my colleagues to consider how very serious this situation is, to understand the long-term ramifications of cuts in the NEH budget, and to join in a bipartisan effort to enable this agency to continue its good, worthwhile, and extremely important endeavors.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

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

The Senate resumed consideration of the bill.

Pending:

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

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield myself 5 minutes.

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

AMENDMENT NO. 3184

Mr. LUGAR. Mr. President, we will soon have a cloture vote on the Leahy substitute to Senate bill 1541, The Freedom To Farm Act, I introduced. We had a cloture vote on that legislation the other day, gaining 53 votes, a majority of the Senate but less than the 60 required to end debate on that occasion.

My colleague, Senator LEAHY, former chairman of the committee, a man with whom I have worked in the Senate from the time that I started on the Agriculture Committee, has made a number of constructive suggestions. The latest version we are about to vote on is the Freedom To Farm Act but with additional suggestions made by Senator LEAHY in the form of a substitute. And I support those additions, Mr. President.

I wish to simply recite a few of them for the benefit of Senators who are following this debate. Senator LEAHY has said, why not take this occasion to let producers bid for a permanent easement in the Wetlands Reserve Program as opposed to bidding for a shorter period of time. I think that is a very constructive suggestion. He has asked that we encourage innovative range management techniques to be developed in the Southwest under grazing lands authorization. He suggested to make it possible for farmers to serve on State technical committees. So that is incorporated in the legislation.

A very significant change, Mr. President, is the reauthorization of the Food Stamp Program and other nutrition programs that require authorization at this time in order to continue.

Senator LEAHY, furthermore, has made an important change by suggesting that we reauthorize the Conservation Reserve Program through the year 2002, allowing new signups and making water quality a high priority, that which we have considered at length in our committee with extensive hearings and many witnesses strongly in favor of continuation of the program and of the priority for high water quality, likewise for trying to save soils that are in a high erosion situation, and, of course, the preservation of wildlife, supported by conservationists and sportsmen throughout the country.

Senator LEAHY has asked that we create a nonprofit foundation to promote conservation, a conservation foundation. This idea has passed the Senate earlier in previous legislation.

An especially important program, Mr. President, which will now be a part of this legislation, is the EQIP program, $100 million per year in additional mandatory funding for crop-oriented conservation cost sharing, similar to the Lugar-Leahy conservation bill, S. 854.

Let me simply say, these are suggestions that would have come forward in other titles of the farm bill. We all appreciate the situation in which the farm bill was incorporated in the Balanced Budget Act. Regretfully, President Clinton vetoed that act and he, therefore, vetoed the farm bill.

As I explained to Members the other day, literally I picked up the farm bill from the side of the road and put it back into play, and we got 53 votes to stop debate on that situation. We are hopeful of getting 60 votes to end debate by incorporating these additional suggestions of the distinguished Democratic leader of the Agriculture Committee. I will add that many other Members on the other side of the aisle have shown strong support for Senator LEAHY's initiative.

Mr. President, other speakers today have mentioned the importance of certainty about farm legislation. Clearly, that is the reason we return today. We are attempting to provide that certainty so that farmers will know there is a program that has passed one body and have a fairly good idea how that meshes with the farm bill that is now about to be considered on the floor of the House of Representatives, a bill very similar in terms of all of its freedom to farm aspects.

I predict if we are successful today, we will be in a position to confer with the House very promptly upon their return, and farmers will have an idea, at least in framework, of what to anticipate as they try to order inputs prior to planting.

If we fail to act, two things will occur, one of which has been predicted by Secretary of Agriculture, Dan Glickman, and that is, he feels a mandate to begin thinking through the allotments for rice, and he will have to begin thinking about payments to certain wheat farmers—who were in the business in 1949—as the Texas wheat crop is harvest in the latter part of May. Those events are coming along the calendar.

The other thing that will clearly occur is that many farmers will simply adopt their own freedom to farm idea. They will plant for the market. They will abandon Government programs. I have suggested that may not be a totally bad idea. It might be, in fact, revolutionary if farmers simply took their fate in their own hands and say we are going to plant for the market and not wait around for games to be played on the Senate floor, for parliamentary procedural difficulties.

For those who want certainty and those who want a farm program, this is the day and this is the hour at 4:10. If we make progress, I predict we will have a sound program that has a safety net and certainty. If we do not have cloture today, I suggest to farmers all over America, you better begin thinking about taking your fate in your own hands because I do not predict success very soon along the trail.

I note on the floor, Mr. President, my distinguished colleague, the Senator from Vermont. Therefore, I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. If I can just take a couple minutes.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. I yield the majority leader as much time as he might require.

Mr. DOLE. Mr. President, first, I thank the distinguished chairman of our committee for his effort and also Senator LEAHY from Vermont, the ranking minority member of the committee.

As I have indicated in the past, farm bills are always difficult to pass. They are even more difficult than the House side. I hope today we can demonstrate in a bipartisan way we want to move forward, try to get this to conference. I think American farmers want and deserve certainty, and I assume, as the chairman just indicated, maybe if we do not do anything, they will just do it on their own.

It is interesting today, the Governors are in town and this morning, by unanimous vote, they passed a resolution calling for us to pass a farm bill without delay no later than February 15. These are Democrats and Republicans, but they were unanimous. Nearly every Governor has someone or many or hundreds or thousands of people in their State who rely on agriculture for a living, and they understand the importance of agriculture.

President Clinton also spoke this morning with the Republican and Democratic Governors. He said we ought to strike while the iron is hot. Well, the iron is hot. This is the time to strike because there is not any administration farm bill, as far as I know. Somebody even offered a reward if anybody can find an administration farm bill. If they are just against what we are doing and do not have an alternative or if they have an alternative, vote on both, give them a vote, give us a vote, 1-hour debate and we are out of here.

The farmers will have some certainty. We are prepared to do that this afternoon. So the iron is hot and the farmers are hot, and the farmers are getting hotter every day. They do not understand why this is being mired down in a partisan effort to stall to go to conference. We have had 33 hearings. This bill has been endorsed by nearly every major agriculture commodity group. We have had a bumper crop of profarm rhetoric, but we do not have a profarm bill.

Farmers really do not care what we say on the Senate floor. They are not hanging on every word uttered on the Senate floor, but they would like to have some guidance so they know what they can tell their banker, for example, or their employees.

So on behalf of the American farmers, I ask my colleagues to pull the plug on the filibuster, because the choice we face is clear. We will either adopt a policy that fosters the future growth of America's No. 1 industry or we are going to continue a farm policy that is the equivalent of driving a truck while looking in the rear-view mirror.

U.S. agriculture is dynamic and growing. It is time for Washington to help foster this growth by implementing a simpler and more flexible market-based farm policy.

So I think we have a lot of opportunities to offer amendments if people disagree with the farm bill. There are a couple hundred amendments filed, I understand. So I hope we can adopt a bill that will meet the concerns as we go into the 21st century. I think the future is bright for American agriculture. But we have to be prepared, and part of the preparation is adopting a farm policy that is growth oriented, which means eliminating supply controls, providing farmers with full planting flexibility and a program which is simpler and more certain.

So I hope we will do what we should have done. The President vetoed the bill. That is his right. As far as I know, there is no alternative offered by the President. That is his right. Again, as I said, if there are alternatives, why not just have a vote on each today. Vote on the freedom to farm; vote on the Leahy amendment, whatever. There has been a lot of bipartisanship in putting together the pending substitute.

So I hope my colleagues will understand that it is time for action. It is time to strike, as the President said, while the iron is hot. It may not get any warmer. Sooner or later, we will get cloture, because I think the farmers and farm groups are beginning to contact our colleagues and are persuading our colleagues, for the right reasons, to move forward.

So I urge my colleagues to do what we should have done sometime ago—pass a farm bill. I am from a winter wheat State. At the end of every 5-year farm bill, we never know what the farm program is going to be, and so farmers do what the chairman said. They go out and sort of plant everything and hope that the legislation will let them destroy some of it or continue to produce it. So the time is long past due, and I hope we will take positive action today.

The PRESIDING OFFICER. The Senator from Vermont controls 11 minutes of time, and the time under the control of the Senator from Indiana has expired.

Mr. LEAHY. Mr. President, the distinguished Senator from South Dakota wishes to speak. I wish to speak, but, obviously, I yield to the Senator from South Dakota and ask him to make sure that I get a couple of minutes.

Mr. DASCHLE. I thank the ranking member, the distinguished Senator from Vermont.

I agree with much of what we just heard the majority leader say. He said we should have passed a farm bill a long time ago. I agree. He said we should strike while the iron is hot. I agree. He said that we need bipartisanship. I agree. He said the farmers are clamoring for us to get something done. I agree.

The leader did not explain why it is that we have not been able to pass a piece of farm legislation in the Senate Agriculture Committee. He did not explain why we have not had this bill pending before us, as we have every 5 years for the last 60 years. He did not indicate, as I know he understands, that we have never sent a bill to President Clinton as a freestanding piece of farm legislation.

Everyone knows the history here, and everyone knows that this legislation was incorporated—a better word is ''buried''—in the budget reconciliation bill. That is where the legislation was, and that is what the President vetoed.

So we are here this afternoon with the prospect of voting on a farm bill that has not been subject to one amendment, has not been subject to one day of debate. We would be locking into law, if cloture is invoked, legislation that would eliminate permanent farm law for the first time in 60 years, that would do things about which most Senators today still are not completely appreciative. Why? Because we have not had a debate.

I agree, as I said, with the leader that now is the time to get the job done. But if we are truly going to get the job done, why is it that we would take an all-or-nothing attitude? We had an opportunity to pass a compromise. I felt very encouraged in the last several days as we worked with the distinguished Chair. He is as forthcoming and as willing to work with us as any chairman. I applaud him for his efforts. We worked with the majority leader's staff, and with staff on our side, in the expectation that we could break this impasse. I think we were within reach, within grasp of achieving a meaningful compromise. Why, for some reason, there was a change of heart on the other side of the aisle, I do not know. All I know is that we missed that opportunity to bring a compromise to the floor, to have a good vote, to work through this piece of legislation with an expectation that we could finish by the end of the day tomorrow. I still would like to see us do that.

Let us do, for Heaven's sake, what we have always done on a piece of legislation this controversial and this far-reaching. Let us consider important amendments, and let us deal with this debate in a way that will allow us to make the very best decisions. Let us not take the all-or-nothing attitude that is expressed by some on the other side. Let us not ignore the consequences of ending permanent law.

All we are asking is an opportunity to offer amendments, not to be precluded from offering them. The majority has a lot of rights around here, but one right should not be to preclude the minority from making what they consider to be very important improvements in this legislation. We want the rights that we have fought for every day we have come to the Senate floor.

I must say, Mr. President, that nothing is more important than that. Put aside for a moment the issue of farming and all of the serious policy implications of the current farm proposal; put those aside. Just remember how critical it is that Senators have the right to offer amendments and not be impeded by the parliamentary process that could be put in place under cloture. I do not want that to happen on this bill, or on any piece of legislation, for which there has been no debate or amendments.

There may come a time when we are going to have to invoke cloture—when I would support it. But not today, not under the circumstances, and not without having a good debate and, certainly, not with the expectation that this ultimately will go nowhere.

A justified Presidential veto of this legislation would put us right back where we started. We do not want that; farmers do not want that. Let us work through this and get a compromise that will allow us a meaningful opportunity to come together, and I will predict passage by an overwhelming vote, certainly by the end of the day tomorrow.

I yield the floor.

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

The PRESIDING OFFICER. The Senator has 5 minutes, 27 seconds.

Mr. LEAHY. Mr. President, I ask unanimous consent that, at the conclusion of my time, the distinguished senior Senator from Virginia be given 1 minute under his own control.

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

Mr. LEAHY. Mr. President, I wish we were not in the situation we are in. I would like to see a farm bill done in the normal course. In 1990, when we did the Leahy-Lugar farm bill, it was a comprehensive package that blended the needs and interests of urban and rural America with the need to maintain and reclaim our environmental heritage as well as to provide the food and fiber needed in this country.

We seem to be operating under a different situation. I hope that the final package we have here will have a bipartisan nature to it. The other body determined that they cannot do that. I believe we are different in this body, and I believe that we can. We have always approached farm legislation that way, and this is no different.

As I approached the farm bill year, I asked myself the following question, and it is a question that I believe every Member in this body needs to ask him or herself.

What is a farm bill?

In 1996, a farm bill is no longer just about farm programs. It is not just about growing crops or amber waves of grain.

The farm bill is about feeding the American people. It is about the elimination of hunger in one of the wealthiest nations in the world.

The farm bill ensures that children do not go to bed hungry—at home and abroad.

Congress created the world's most cost-efficient and effective nutrition programs.

These programs are the lifeline for millions of Americans—especially children in need of Government assistance.

Except for the 26 million Americans on food stamps, most Americans do not realize that food stamps are America's best and largest child nutrition program.

Most Americans are not aware that the authority for the food stamp and other nutrition programs expired last year.

Today, we have the opportunity to reauthorize these nutrition programs and maintain this safety net for millions of at-risk Americans.

Quite simply, this is a moral question.

The farm bill is about safety—knowing that the food supply of our children and our children's children is safe.

When our children drink a glass of water, we know it is free of pesticides. When our children buy a school lunch or grab a snack after school, their parents and teachers know it is safe to eat.

The farm bill is about the environment. It is about responsibility to conservation and the legacy we leave to future generations.

I have said twice this year on the Senate floor that the historical basis for the present commodity programs has disappeared.

And, I know that they are important to the 2 to 3 percent of the population that they directly serve. But, these programs, as presently structured make less and less sense to the majority of the population.

There is a real reason that taxpayers should make payments to farmers and ranchers. It is simple and clear justification for commodity programs and Americans understand it.

Farmers and ranchers manage half of the land in the United States. Yes, half of the land in the United States.

Farmers and ranchers, however, need the help of taxpayers to implement innovative, valued environmental solutions to maintain this land.

It is impossible to solve our clean water problems, wetland and wildlife problems except through a positive incentive program that should form the basis of the agricultural program of the next century.

We have accomplished that in this legislation. For the first time there will be incentives to help all farmers and ranchers be the good neighbors that they have always worked to be by allowing them ways to control the agricultural-related pollution that affects our rural and urban communities.

Bottom line, this package will provide a future farm program that will fund conservation-based farm programs that benefit every American and it will help all farmers and ranchers who control pollution and steward sensitive lands—not just those who produce major crops.

It is a good package. Can we do better? Sure, we could, by going through the normal course. The last time we had a 5-year farm bill, it took 7 days—an all-time record. These things sometime take a long time. I wish we could have come to agreement with the proposal the distinguished Senator from Indiana, Senator LUGAR, and I, along with Senator DASCHLE and Senator DOLE, made to our respective caucuses last Thursday. In my mind that was the best of all possible worlds.

That has not been found acceptable. I think that is unfortunate. I think we could have had more enthusiasm and voted for it had that happened. Now we have what we have.

A farm bill should also be responsive to the needs of a region with special circumstances. This farm bill does that by consenting to the Northeast Interstate Dairy Compact. The compact is State law in the each of the six New England States and is strongly supported by New England's governors.

The compact is a grassroots effort designed to set fair and stable milk prices that will benefit farmers and consumers. The New England States are not asking for anything but to go forward with this effort. All year we have heard about the need to give more power back to the States. This is an opportunity for Congress to do just that.

Later during this debate there will be an amendment to deal with national dairy policy. It is not perfect but it is a good start, and certain issues will need to be resolved in the House-Senate conference. It eliminates the assessment farmers have to pay for the dairy program, and phases down price supports. It saves $80 million over 7 years, not bad for a program that cost only $4 million last year.

This amendment will also protect and reform the Federal milk marketing orders and allow our dairy producers to compete internationally by fully funding the Dairy Export Incentive Program.

RESTORATION OF THE FLORIDA EVERGLADES

Mr. LEAHY. Mr. President, included in the farm bill that the Senate will consider today is a provision for $200 million to be used by the Secretary of the Department of the Interior to move forward with restoration of the Everglades ecosystem. Some of my colleagues may wonder why the farm bill contains such a provision, and I would like to take a few minutes to explain the importance of restoring this unique ecosystem.

The Everglades is one of the most unique wetland ecosystems in the world. It is a national treasure that is in peril and deserves the immediate attention of Congress.

Prior to the 1940's the Everglades ecosystem covered most of south Florida, from its headwaters in the Kissimmee River basin to the coral reefs of Florida Bay. Because of man's alterations, the once ''river of grass'' is now fragmented and deteriorating, threatening not only the wildlife of the

esosystem, but also the water supplies, economy and quality of life for the people who live in Florida.

The central and south Florida project, authorized by Congress to control flooding and reclaim land in the area, has had unintended and disastrous results. While flood protection in many areas has improved, south Florida's ecosystem has suffered greatly.

On average, more than 500,000 acre feet of water are sent to tide each year from Lake Okeechobee. In addition, another 1 million acre feet from the Everglades agricultural area is discharged to tide each year through east coast canals. This water once remained in the system and was a primary source of fresh water for wildlife and served to replenish the ground water supplies.

Now the water that flows south in the Everglades marshes is diverted by canals and polluted by agricultural runoff, primarily from sugarcane fields. Water entering the Everglades often has 20–30 times the phosphorous levels that are found in unpolluted parts of the Everglades. This has led to an explosion of plants that are dramatically altering the landscape and the habitat of threatened and endangered species. Cattails are overwhelming periphyton, the very base of life in the ecosystem, destroying the unique balance of the Everglades.

Throughout the system, clear, fresh water has been replaced by murky, nutrient laden water that does not support native plant and animal species.

The years of water diversion and pollutants affect not only the Everglades, but also Florida Bay. The Bay is suffering from a lack of fresh water that has led to algal blooms and contributed to the extinction of North America's only native coral reef. As a consequence, this once teeming estuary now is closed to commercial fishing, and the tourism industry of the region is threatened.

We must not let the Everglades die. Although the decline of the ecosystem continues, it is reversible.

Current efforts by Federal, State and local governments to restore the system are moving forward. Restoration will involve not only protection of the natural system, but also continued flood protection and provisions for adequate water supplies for wildlife and humans. This comprehensive effort could be derailed if sufficient acreage in the southern Everglades agricultural area is not acquired to provide storage and delivery of adequate, fresh water supplies to the natural system.

As explained by the Everglades coalition, a diverse group of more than 30 citizens, environmental and conservation organizations, restoration of the Everglades requires a ''dike to dike'' approach to restore the natural flow of water into the Everglades, preserve and clean up polluted waters, reduce flooding and provide more water to a growing Florida. A ''dike to dike'' water storage and management area of approximately 230,000 acres in the southern Everglades agricultural area would be used to restore water quality and a more natural hydroperiod in the Everglades. Portions of this land are already state owned, and are available for Everglades restoration purposes. About 130,000 additional acres of land currently used for sugarcane production will need to be acquired in order to complete the necessary water management area.

According to the Everglades coalition, significantly increasing water storage will provide a wide array of benefits to all of south Florida including: The recovery of water now wasted to the ocean; more water for all water users, including the natural Everglades; restoration of the natural timing, distribution and flow into the Everglades; more areas to clean polluted water; the amelioration of flooding; and the protection of the Lake Okeechobee, St. Lucie and Caloosahatchee estuary ecosystems.

This is an ambitious project, which will cost billions of dollars. Today, we are making a small down payment—$200 million for Everglades restoration.

Specifically, this provision directs the Secretary of the Treasury to provide $200 million to be used toward the acquisition and modification of approximately 130,000 acres in the Everglades agricultural area identified by the agencies to be used for water storage and delivery. This would include the remaining private acreage in townships 46, 47, and 48 of the Everglades agricultural area, approximately 52,000 acres referred to as the ''Talisman Tract'' and other restoration activities in the ecosystem. When enacted, no further action by Congress will be necessary to authorize the administration to spend these funds. In addition, the funds shall not be provided for this program from the Conservation Reserve, Wetlands Reserve or any other conservation programs.

This small down payment will be insufficient for total restoration. It is only part of the Federal Government's share of this coordinated restoration effort. More important, it in no way relieves others—particularly the sugarcane industry that has benefited from the alteration of the system and continues to pollute it—of its obligation to contribute to restoration costs.

These growers benefit from the Federal Sugar Program that guarantees them significant earnings. In the next 5 years alone, some 139 Florida sugar producers and processors will make more than $1 billion in profits because Washington inflates the price of sugar, at the expense of the consumer

Forida sugar producers must contribute their fair share—a 2-cent per pound assessment on new sugar grown in the Everglades—to pay for both past water quality degradation caused by cane farming, and for land acquisition vital to Everglades restoration. This would raise $350 million over 5 years.

This proposal has wide spread support in Florida. Poll after poll shows that voters there believe polluters should pay and favor the 2-cent assessment.

I will pursue every effort until Congress or the voters in Florida impose a 2 cent assessment on every new pound of sugar grown in the Everglades agricultural area.

In addition, today's action should help the Clinton Administration which is taking significant leadership on restoring the Everglades. In a January 11, 1996 directive, Vice President GORE ordered key Cabinet departments to prepare a thorough plan for the President . . . for the restoration of the Everglades and the south Florida ecosystem.

The Vice President wrote that ''the Florida sugarcane producing industry must pay their fair share'' of restoration costs. He further directed senior administration officials to develop a plan that: ''assures that sufficient land now involved in agricultural production is returned to its natural function to allow for storage and purification of water.''

I will do all I can to work with the administration in this effort.

Mr. President, I ask that the full text of Vice President GORE's January 11, 1996, directive and administration's guiding principles be included in the RECORD.

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

OFFICE OF THE VICE PRESIDENT,
Washington, DC, January 11, 1996.

Memorandum For: Bruce Babbitt, Secretary of Interior,
Dan Glickman, Secretary of Agriculture,
Carol Browner, Administrator EPA,
Alice Rivlin, Director OMB,
Katie McGinty, Chair CBQ,
Togo West, Secretary of the Army.

From: The Vice President.

Subject: Everglades and South Florida Ecosystem Restoration.

Recently, the President and I again discussed the issue of restoring the Everglades. We both continue to be deeply concerned about the problems there, and believe that the Administration must continue to provide strong leadership and aggressively build on your collective efforts to date to restore and manage wisely the South Florida ecosystem.

During a recent trip to South Florida I pledge to expedite our work. Through this memorandum I am therefore requesting OMB and CBQ to work with the departments and agencies to prepare a thorough plan for the President that builds on our work and the set of principles adopted by the Administration to ensure fairness in funding the restoration of the Everglades and South Florida ecosystem. (A copy of the principles is attached).

This plan should accomplish the following objectives:

Assure that sufficient land now involved in agricultural production is returned to its natural function to allow for storage and purification of water. I understand that a number of scientists have recommended that 100,000 acres or more will be necessary to achieve a thorough restoration. I would like the Army Corps of Engineers to complete, as quickly as possible, its assessment of this acreage and whether additional acreage will be necessary to accomplish this objective;

Ensure a long-term, reliable reverse stream to be put toward land acquisition and other essential activities. Please specifically note continued federal, state, and local government contributions, and economic incentives, and identify and assess mechanisms that can ensure that these responsible for the pollution harming the South Florida ecosystem and those who benefit from the federal flood control and water supply projects, including the Florida sugarcane producing industry, pay their fair share;

Identify those measures that must be undertaken in short order, such as, for example, preserving a buffer around the Everglades and increasing water flows to Florida Bay; and

Expedite and coordinate the various federal efforts now ongoing for ecosystem restoration including the Army Corps of Engineers ''restudy''.

In developing this plan, please work with our state, local and tribal governmental partners. In addition, I would also ask you to consider all potential sources of revenues for such an effort, and to review any mechanisms including, for example, land trades; sales of surplus federal lands; or conservation easements, for acquisition of the necessary properties or development rights.

Your timely attention to this matter is very much appreciated. The Administration's continued leadership on this matter is vital and I anticipate with great interest your report on the best means for the Administration to assure the future of the precious natural treasure—the Florida Everglades and Florida Bay—and the health and economic prosperity of the citizens of South Florida. Thank you.

FUNDING TAX RESTORATION OF THE EVERGLADES, GUIDING PRINCIPLES

DECEMBER 1995

The restoration and protection of the Everglades and Florida Bay is one of the Clinton Administration's highest environmental priorities. The Everglades is a unique national natural treasure. With Florida Bay, it undergirds the quality of life and the tourism and fishing industries in South Florida.

The substantial costs of restoration over decades should be borne by those who have benefitted from activities that profoundly altered the Everglades acosystem, and by those who will potentially benefit by its restoration. Florida sugarcane producers should pay their fair share of the costs. Federal State and local governments also should share in the costs of restoration.

Congress should adopt legislation that provides funding to assist in making a substantial down payment on the significant restoration needs that immediately face the Everglades—such as enhancing more natural water deliveries to the Everglades and Florida Bay, acquisition of the Talisman tract, and acquisition and engineering of an East Everglades water preserve buffer zone.

Funding proposals should meet clearly defined objectives and be integrated into technical plans for the overall, long-term effort to restore the South Florida ecosystem. Restoration and funding proposals should be evaluated for their effect on the South Florida ecosystem, rather than on any single component of that ecosystem.

The proposals should be developed and implemented in consultation with State and local communities and officials.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I congratulate the leadership for trying to move this bill forward.

My contribution is very short. I have just returned from a wonderful 2-day visit to the rural areas in my State. I visited yesterday and spoke to the Virginia Association of Corn Growers, the Virginia Association of Soybean Growers. Every one of them said ''Where is this bill?''

This morning was the most dramatic. I visited a section of my State, the valley which was ravaged by floods, ice, and snow, together with the Federal Emergency Management Agency. We were there this morning to help farmers. Mr. President, 13 counties and 3 municipalities were severely damaged. One old farmer got up, looked at me, and said, ''Senator, we can dig out from under all this ice and snow. Why can you not dig out from the problems of Washington and pass that farm bill?''

I assured him that I would leave instantly to return to Washington to cast a vote to do just that.

Mr. LUGAR. Mr. President, I ask unanimous consent that Senators GRAMM of Texas and SNOWE of Maine be added as cosponsors for the Leahy substitute amendment.

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

Mr. GORTON. Mr. President, my Democratic colleagues say we need a farm bill. They could not be more correct. The simple solution: vote for the Craig-Leahy substitute amendment.

Last week the Senate voted on the motion to invoke cloture on S. 1541, which contained the agriculture provisions included in the Balanced Budget Act that, unfortunately, my Democratic colleagues opposed and the President vetoed. I am disappointed that the Senate was unsuccessful in limiting debate on this legislation, which would have moved this body one step closer to passing a farm bill.

Today I urge my colleagues on the other side of the aisle to put party politics aside and vote for farm legislation that has the support of both Democrats and Republicans; the Craig/Leahy substitute amendment.

The Craig/Leahy substitute amendment represents a bi-partisan approach to farm legislation; farm legislation that will allow our farmers to farm to the marketplace and not to Washington, D.C. bureaucrats' farm legislation that will provide flexibility, predictability, simplicity, and opportunity for the American farmer; and farm legislation that will give certainly to farmers, their bankers, and to the taxpaying public. Simply put Mr. President, the Craig/Leahy compromise will give U.S. farmers the positive reforms they need in order to respond to the demands of emerging world markets.

Members of both parties have debated the need for a farm bill for nearly ten months. My advice to my colleagues is simple: by supporting the Craig/Leahy compromise today we can have a farm bill that is supported by farmers across the country; a farm bill that provides genuine flexibility and a smooth transition into the market-responsive agriculture of the next century.

The alternative, Mr. President, is the status-quo. That, Mr. President, is simply unacceptable to farmers in my State of Washington and across the country. American farmers deserve better—they deserve a program that will provide certainty and flexibility. It is time to put party politics aside and vote for farm legislation that has support from both sides of the aisle.

Vote for the Craig/Leahy substitute today and give our farmers what they deserve: a farm program will allow them to farm according to the marketplace and stop the Federal government from telling them what crop to plant, when to plant, and how much to plant. Washington does *NOT* know best—these decisions belong to the farmer, not the Federal Government. Voting for the Craig/Leahy compromise, Mr. President, is common sense

In closing Mr. President, I ask unanimous consent that a copy of a letter from Washington State Farm Bureau, representing over 6,000 farmers and ranchers in my State, be printed in the RECORD.

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

WASHINGTON STATE FARM BUREAU,
Olympia, WA, February 5, 1996.

Hon. SLADE GORTON,
Hart Senate Building, Washington, DC.

DEAR SENATOR GORTON: This letter is being sent on behalf of the 6,000 farmers and ranchers that the Washington State Farm Bureau represents. We are asking your support for a seven-year farm bill.

It is important that you understand that our members are adamantly opposed to a one or two year extension of current law. To do this would exasperate immediate cash flow problems for our farmers. Also, a one or two year extension leaves the long term look very uncertain for our farmers. We are also opposed to reverting back to the Act of 1949. Many problems would result from this approach, especially since the allotments based on the 1950 production patterns are not consistent with where wheat is actually grown today.

Our farmers are trying desperately to plan for this year's crop. Further inaction on behalf of the Senate and the House will only continue to disrupt both financing and planting of their 1996 crop. Farm families can't afford to have Congress continue to stop the process of signing a farm bill into law.

A Farm Bureau analysis shows that we need a farm bill which guarantees $44 billion in spending on commodity programs. We believe that this spending level reflects a significant contribution to budget deficit reduction by agriculture and is the minimum amount necessary for effective commodity programs.

It is our understanding that there will be a cloture vote on Tuesday, February 6th on the Craig/Leahy substitute bill for S. 1541. We urge you to support S. 1541. Please vote for this compromise farm bill and allow our farmers and ranchers to focus on what they do best, feeding the people of our great country and the world.

Sincerely,

STEVE APPEL,
President.

Mr. DOMENICI. Mr. President, tremendous changes have occurred in the agriculture economy over the last many years.

The growth of biotechnology, new and dramatic genetic research applied at the farm level, new and innovative production techniques, broadened communication and transportation systems, have all contributed to a much different farm and ranch operations today than just a decade ago—let alone half a century ago when New Deal legislation put on the books the farm programs we still have today.

I remind my colleagues when the Commodity Credit Corporation was established in 1933 farm households accounted for 25 percent of the U.S. population and generated over 10 percent of GDP.

Today farm households comprise less than 2 percent of the population and generate less than 2 percent of GDP. I know that the total food and fiber system beyond the farm gate contributes another 10 to 13 percent to GDP.

But those factors that helped create the need for farm price support programs in 1933 no longer apply today.

That is one reason why I am supportive of the concepts of an agriculture market transition program that we included in the Balanced Budget Act of 1995.

Today an international market has developed for America's farm products and we need to provide the mechanisms that allow farmers to base decisions on market conditions and not on Government programs.

The Market Transition Program moves agriculture in a new direction which will give farmers the freedom to plant what they want, when they want, so that they will be able to compete in our global market environment.

The Market Transition Program also ends the production control programs of the Depression era and provides a market transition for American agriculture.

Under our current system, farmers may be required to take land out of production which allows our foreign competitors to make up the difference in the world markets.

The Balanced Budget Act and the Leahy compromise also provides more flexibility, which farmers have asked for, less paperwork, and a better opportunity for farmers to earn a living from the marketplace.

Mr. President, a group of 15 distinguished economists, including the chief agricultural economist from the Eisenhower, Kennedy, Johnson, Nixon, Carter, Reagan, Bush, and Clinton administrations, have indicated their support for the reforms in the Balanced Budget Act. Those concepts are also incorporated in the Leahy compromise bill.

I ask unanimous consent that a letter be printed in the RECORD at the conclusion of my statement.

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

(See exhibit 1.)

Mr. DOMENICI. Mr. President, I support the concept of a spending cap which were included in the Balanced Budget Act for agriculture and are also included in the bipartisan Leahy compromise.

The spending caps as provided through a market transition program will benefit both the taxpayer and the farmer. The taxpayer will not end up paying for unforeseen spending and the farmer will know what resources he will have in the future.

The Market Transition Program puts a cap on total spending for the wheat, cotton, feed grain, and rice programs at $35.6 billion over 6 years.

Spending for the Commodity Credit Corporation programs has varied widely from $0.6 billion in 1975 to $26 billion in 1986.

The spending cap in the Market Transition Program will limit unforeseen spending increases which have frequently occurred in past years.

It is my hope that the spending restraints included in a market transition program will be retained in the final Senate bill.

Mr. President, some have also said that any spending reductions to agriculture is unacceptable. However, any reductions will provide a downpayment toward a balanced budget.

Mr. President, the Balanced Budget Act made reforms to farm programs, saved $4.6 billion and allowed the Department of Agriculture to spend $65.1 billion in outlays over the next 7 years for the commodity, conservation, export, and crop insurance programs.

We also know that modern day agriculture requires significant amounts of operating capital. Farmers will be one of the largest beneficiaries from a balanced budget because interest rates will decrease.

Mr. President, I would also like to remind my colleagues that if the savings diminish we will have to make up the difference elsewhere to achieve a balanced budget.

I cannot end this discussion without talking about agriculture in my home State of New Mexico.

Mr. President, in my home State cattle, calves, and dairy dominate agriculture receipts—70 percent of total cash receipts in New Mexico came from livestock and dairy operations.

In truth, because of the heavy emphasis on livestock and dairy in my State, ranchers and dairy operators have a keen interest in farm bill changes.

Mr. President, I am concerned that none of the bills have been discussed do not include a dairy title.

The New Mexico dairy industry has grown significantly over the past several years. The number of milk cows has increased by 104 percent from 1990 to 1994 compared to a decrease of 5 percent for the United States.

New Mexico has also led the Nation in milk production per cow in 2 of the last 4 years. New Mexico dairy farmers and manufacturers have made substantial investments in one of our fastest growing dairy States.

In fact, New Mexico will have the largest cheese manufacturing plant in the world once construction is completed.

For these reasons it is my hope that we can enact policies which are fiscally responsible, reduce regulation, reward efficiency, reduce the number of mandates on the industry, and increase the dairy industries ability to compete in the international marketplace.

Mr. President, the House Agriculture Committee has already reported a farm bill which includes a dairy title.

It is my understanding that the bill would consolidate many existing marketing orders to 8 or 13 orders. I believe that is good policy but previous versions of the bill would eliminate all dairy programs if the USDA does not consolidate the orders in 2 years.

This type of policy concerns me because outright elimination could be devastating to the stability of the industry.

In addition, other policy adjustments provided for in the House bill appear to be short-sighted in their approach.

It is my hope that we will take every opportunity to provide as many avenues as possible for our dairy farmers to compete in growing world market.

Looking for long term opportunities for stable and sustained markets is far more important than providing for short-sighted fixes that end up as burdens on both the dairy industry and the taxpayer.

Mr. President, the peanut industry took the initiative early last year to eliminate costs of the program to the taxpayer. The provisions in the Balanced Budget Act and the Leahy compromise do eliminate the cost to the taxpayer—saves $412 million over the next 7 years.

Mr. President, the Leahy substitute bill includes an amendment regarding peanuts which is very important to my home State of New Mexico.

Mr. President, as part of the 1985 farm bill, Congress adopted a provision which created an exclusive pool for New Mexico Valencia peanuts. The same provision was also retained in the 1990 farm bill.

The original intent of the law is to allow only those Valencia peanuts grown in the State of New Mexico to enter into the New Mexico Valencia pool.

However, peanut growers in my home State have notified me that Valencia peanuts grown out of State have been entering the New Mexico pool. This is being done because of a loophole in existing regulations.

This is an issue that is very important to me because it's importance to eastern New Mexico.

The provision in the bill clarifies that only Valencia peanuts physically grown in the State will be allowed to enter into the pool of the State.

Also, the provision would grandfather those individuals who participated in the New Mexico pool with Valencia peanuts grown out of State during the 1995 crop year.

These individuals are only allowed to enter out of State grown peanuts

equivalent to those entered into the pool during the 1995 crop year.

Some may ask, why is this so important? First, Valencia peanuts fill a unique niche within the peanut market and New Mexico produces the majority of all Valencia peanuts nationwide.

Second, the New Mexico industry uses self-regulation so that all quota and additional peanuts are bought back, keeping the pool profitable and costing the Federal Government very little or nothing at all.

In fact, from 1992 to 1995 the New Mexico pool had positive net receipts of $3.1 million.

Third, the New Mexico peanut industry contributes economically to the State. The New Mexico peanut commission estimates that the peanut industry has an economic impact of $55.6 million in Roosevelt County where the majority of the Valencia peanuts are grown.

Mr. President, I am concerned that some on the other side of the aisle have charged that Republicans have delayed writing a farm bill and that the agriculture portions in the Balanced Budget Act of 1995 were done without hearings.

I would like to say that is simply not the case.

First, the Republican budget included commodity provisions in the Balanced Budget Act of 1995 but the President vetoed that bill.

The Agriculture Committee held 15 thorough farm bill hearings involving 157 witnesses. The Budget Committee, which I chair, also had two hearings involving the budget aspects of the farm bill.

In fact, the distinguished chairman of the Senate Agriculture Committee, Mr. LUGAR, and the distinguished Senator from North Dakota, Mr. CONRAD, testified before the Budget Committee.

EXHIBIT 1

December 13, 1995.

WILLIAM J. CLINTON,
The President of the United States, Executive Office of the President, Washington, DC.

DEAR MR. PRESIDENT: In recent statements on the Budget Reconciliation Bill, you cited, among your priorities, the need to ensure the strength of America's farmers. We agree that the health and vitality of America's farm sector is important. The way to ensure this long term vitality is to reform obsolete farm programs, and to adapt farm policy to the new realities of the world market and to farming today.

Reforms in the Reconciliation Conference Report offer significant gains for farmers and the nation. We urge that the substance of these reforms be maintained in the budget negotiations between the White House and Congress. It is right, after 60 years, to end government-imposed acreage controls, to provide farmers the flexibility to make their own planting decisions, to keep price supports at competitive levels, and to limit spending on deficiency payments.

The proposals in Secretary Glickman's ''Blue Book'' guidance to Congress, together with reductions in deficiency payment acreage that you have since recommended, are steps in the right direction. The further reforms of the Conference Report provide an opportunity to go beyond those improvements in the structure of farm programs to establish a basis for a government role in agriculture that is suitable for the 21st century. The opportunity to do this in a bipartisan way in the current budget negotiations should not be wasted.

We are troubled by proposals from some in the agriculture community to roll back the clock by supporting farm prices above long-term market clearing levels. We strongly support authority for the Secretary to insure from year to year that U.S. farm prices are competitive in world markets. High and rigid price supports will either lose export markets, or will again open up an unlimited and untenable pipeline to the Treasury to finance surplus acquisition and disposal.

The history of the 1980s should convince anyone that setting U.S. price support levels above long-term market clearing levels is terribly unwise. While the outlook for exports is promising, the Secretary needs to be able to respond to changes in market prospects without waiting for the next farm bill.

Advocates of fixed and high price supports argue that marketing loans make such supports workable. Nothing could be further from the truth. Open-ended budget exposure on marketing loans could again lead to exorbitant spending, to the use of acreage controls to limit costs, to lost export markets, and to an eventual public decision to end the farm safety net.

If more money becomes available for farm programs as a result of changes in budget assumptions, we urge you to use it for high priority programs of research, conservation, and rural development, and to ease the transition of commercial farmers to a market-based agricultural policy.

We urge you not to repeat the mistakes of the past that priced U.S. farm products out of world markets, placed farmers in a production strait-jacket, and raised farm program spending to embarrassing and unsustainable levels.

Yours sincerely,

Prof. Willard W. Cochrane, University of Minnesota, Director of Agricultural Economics, USD, Kennedy Administration.

Dr. Lynn Daft, Abel, Daft, Earley & Ward International, Agricultural Counselor, White House, Carter Administration.

Dr. Bruce Gardner, University of Maryland, Assistant Secretary for Economics, USDA, Bush Administration.

Dr. Dale Hathaway, National Center for Food & Agricultural Policy, Under Secretary of Agriculture, USDA, Carter Administration.

Dr. Robert Innes, University of Arizona, Council of Economic Advisors, Clinton Administration.

Dr. D. Gale Johnson, University of Chicago.

Dr. William Lesher, Russell and Lesher, Assistant Secretary for Economics, USDA, Reagan Administration.

Dr. Lawrence W. Libby, University of Florida.

Dr. Don Paarlburg, Purdue University, Special Assistant, President Eisenhower Director of Agriculture Economics, Assistant Secretary of Agriculture, USDA, Nixon-Ford Administrations.

Dr. Robert Paarlburg, Wellesley College and Harvard University.

Dr. C. Ford Runge, University of Minnesota.

Dr. John Schnittker, Schnittker Associates, Under Secretary of Agriculture, USDA, Johnson Administration.

Mr. Daniel A. Sumner, University of California-Davis, Assistant Secretary for Economics, USDA Council of Economic Advisors, Bush Administration.

Dr. Robert L. Thompson, Winrock International, Assistant Secretary for Economics, USDA, Reagan Administration.

Dr. Luther Tweeten, The Ohio State University.

Mr. COATS. Mr. President, I rise to support the motion to invoke cloture on the Farm bill before the Senate today. I encourage my colleagues to support this motion so that the Senate may move to consideration of the merits of the bill. Those who crafted this legislation have been working day and night to put together a package that would allow for the farm legislation to proceed. The legislation offers flexibility, certainty and opportunity for America's farmers.

Mr. President, it is imperative that we enact farm legislation soon. Failure to act this year leaves us with bleak alternatives. Reversion to 1938 and 1949 laws could dramatically increase the cost of running the farm programs. Extending current programs only delays the need to make significant reforms in a 60-year-old farm program.

Hoosier farmers, and farmers across America, need payment assurances and guidance in planting decisions. The compromise legislation would provide fixed payments to program farmers and allow farmers to plant any program crop. The compromise also contains meaningful conservation and nutrition proposals. At the same time, this legislation would work toward reducing Federal spending.

The Senate should not overlook this opportunity to move forward and pass farm legislation. We should not miss the opportunity to initiate change and institute reform in the Nation's farm policies.

Ms. SNOWE. Mr. President, I rise in strong support of the cloture motion on the Leahy-Craig substitute to S. 1541, and in support of the bill.

I am pleased to join my New England colleague, Senator LEAHY, and my friend from Idaho, Senator CRAIG, as a cosponsor of this important bill. As everyone realizes, we must pass new farm legislation as quickly as possible. Farmers in many parts of the country who rely on Federal farm programs are already making planting decisions, and they need some certainty on this matter. But farmers are not the only ones with a stake in the prompt passage of this bill.

If we do not pass farm legislation quickly, policy reverts to agricultural laws dating to 1949 and 1938. And under these statutes, the cost of our farm programs could skyrocket, adding up to $10 or $12 billion in additional costs to the Treasury in 1996. Obviously, given the continuing fiscal crisis that we have in the Federal Government, and given the year-long struggle to pass a 7-year balanced budget plan, we cannot allow that to happen. In fact, our fiscal reality dictates that we make significant additional reductions in current farm spending authorized under the 1990 farm bill, and the Leahy-Craig substitute will generate these additional savings from the present baseline.

Mr. President, although the great majority of Maine farmers do not depend on or even use Federal commodity

programs, the Leahy-Craig substitute contains a couple of provisions of great importance to Maine farmers. First, the substitute retains a provision that was included in S. 1541 which preserves the existing restriction on planting fruits and vegetables on what we previously called flex acres. Both the Leahy-Craig substitute and S. 1541 refer to all program acres as contract acres, but we still had a problem in earlier versions of S. 1541 whereby commodity crop farmers would have been able to grow any crop on unpaid contract acreage.

This was a problem because it would place nonprogram fruit and vegetable growers at a distinct disadvantage in competition with program farmers who grow the same fruit and vegetable crops. The disadvantage arises from the fact that farmers who grow a program crop like wheat, along with a vegetable like potatoes, can use the Government support payments for wheat to bolster their potato business. Potato farmers in Maine, on the other hand, who do not grow any program crops, do not have a guaranteed source of revenues that they can rely on to support their farm operations.

Senator LUGAR, the author of S. 1541, and Senators LEAHY and CRAIG have listened very intently to the concerns of full-time fruit and vegetable farmers, and they addressed this matter with an even hand. Senator LUGAR even met with Maine potato farmers to discuss this problem. The substitute prohibits the planting of most fruits and vegetables, including potatoes, on contract acres. Senators LUGAR, LEAHY, and CRAIG have demonstrated considerable leadership on this issue, and they deserve to be commended for it.

The other provision in the substitute that I would like to specifically mention concerns dairy farming. Section 108 provides the consent of the Congress to the Northeast Interstate Diary Compact. This compact was drafted, negotiated, and signed between all of the New England States to help remedy a serious problem throughout that region: the rapid loss of the family dairy farm.

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

Mr. President, we desperately need this dairy compact in New England. The current Federal order price for this region does not come close to reflecting the farmers' cost of production. As a result, we are losing family farms at a consistent and rapid rate, and their loss impacts the rural economy and the municipal tax bases of many small New England towns.

The people of New England—farmers, consumers, processors, and public officials—devised the compact as a solution to this problem, and it is wisely limited in scope. The compact only applies to class I fluid milk, and since we have a largely self-contained fluid milk market in our region, the compact will not harm farmers or processors in other regions of the country. There is no good reason not to support the efforts of the people of New England to solve one of their own problems. We should praise them for their ingenuity and self-reliance. I am very pleased that Senators LEAHY and CRAIG have recognized the merits of this proposal, and have agreed to include it in their substitute.

Mr. President, the Leahy-Craig substitute will generate substantial savings for the taxpayers, and it will give farmers more flexibility. It will address the concerns of many fruit and vegetable growers, and dairy farmers. Given the fiscal implications of not passing a farm bill, all Senators have an important stake in at least the completion of debate on the farm bill. Senators LEAHY, CRAIG, LUGAR, DOLE, and many others have done a tremendous amount of work of the substitute before us, and the Senate must be allowed to finish action on it. I urge my colleagues to vote for cloture and for passage of the Leahy-Craig substitute.

Mr. HEFLIN. Mr. President, I rise in opposition to the Leahy substitute farm bill.

The Leahy substitute farm bill, is at its core, essentially the freedom-to-farm bill. The provisions contained in the Leahy substitute were never debated in committee, were not passed as part of the Senate budget reconciliation bill, but were instead approved in conference.

I have some strong reservations regarding the freedom-to-farm bill, although I too, share the concerns of each Member of this body that farmers need immediate certainty. The farmers in Alabama experienced a disastrous year in 1995 with a drought, insect infestations and even a hurricane or two. These farmers have suffered a great deal and the payments in freedom to farm appear very attractive. However, the guaranteed payments freedom to farm offers are made in exchange for a phaseout of farm programs. I disagree strongly with phasing out farm programs.

The efforts undertaken by the Department of Agriculture to address the disastrous crop year and subsequent financial hardship provides another option for American agriculture. The USDA has announced its intention to allow for extended repayment of advance deficiency payments, with the interest waived in some cases. This effort should be applauded. I also think that the discussion regarding the forgiveness of 1995 advance deficiency payments warrant some merit. I believe that we can provide income stability for our farmers without demanding the phaseout of farm programs in return.

The core component of sound farm policy should be an adequate and certain safety net, one that provides support when market prices are low, and one that does not need to make payments when the market is up. This is how current farm programs are structured, and they work.

I have long stated that I believe that the current structure of farm programs have served rural America, and consumers everywhere, extremely well. Therefore, it is my belief that farm programs should only be fine tuned. I do recognize that some of my less fortunate regional colleagues feel that farm programs that affect their States need greater changes than those that affect the South. The ability to resolve these differences is the purpose of debate on farm programs. which to this point has been very little in committee, where farm programs are supposed to be written. Therefore, I recommend that we return to committee and discuss the farm bill as we always have in the past. We would then be able to bring a bill to the floor that addresses all of our needs and concerns, and pass a bill that serves our agricultural producers, rural America and consumers alike.

CLOTURE MOTION

The PRESIDING OFFICER. The time of the Senator has expired. The clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the substitute amendment to S. 1541, the farm bill.

LARRY E. CRAIG, JAMES M. JEFFORDS, DON NICKLES, JOHN H. CHAFEE, ROBERT F. BENNETT, THAD COCHRAN, TED STEVENS, TRENT LOTT, RICHARD G. LUGAR, CRAIG THOMAS, ALAN K. SIMPSON, JOHN W. WARNER, LARRY PRESSLER, DAN COATS, CONNIE MACK, KAY BAILEY HUTCHISON.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the substitute amendment numbered 1384 to Senate bill 1541, the farm bill, shall be brought to a close?

The yeas and nays are required under the rule. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DOLE. I announce that the Senator from Texas [Mr. GRAMM], the Senator from Mississippi [Mr. LOTT], the Senator from Arizona [Mr. MCCAIN], the Senator from Arkansas [Mr. MURKOWSKI], and the Senator from New Hampshire [Mr. SMITH] are necessarily absent.

Mr. FORD. I announce that the Senator from Georgia [Mr. NUNN] and the

Senator from Nevada [Mr. REID] are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 59, nays 34, as follows:

[Rollcall Vote No. 9 Leg.]

YEAS—59

Abraham	Faircloth	Lugar
Ashcroft	Frist	Mack
Bennett	Gorton	McConnell
Biden	Graham	Moseley-Braun
Bond	Grams	Nickles
Bradley	Grassley	Pell
Breaux	Gregg	Pressler
Brown	Hatch	Robb
Burns	Hatfield	Roth
Campbell	Helms	Santorum
Chafee	Hutchison	Shelby
Coats	Inhofe	Simpson
Cochran	Jeffords	Snowe
Cohen	Johnston	Specter
Coverdell	Kassebaum	Stevens
Craig	Kempthorne	Thomas
D'Amato	Kerry	Thompson
DeWine	Kyl	Thurmond
Dole	Lautenberg	Warner
Domenici	Leahy	

NAYS—34

Akaka	Feingold	Lieberman
Baucus	Feinstein	Mikulski
Bingaman	Ford	Moynihan
Boxer	Glenn	Murray
Bryan	Harkin	Pryor
Bumpers	Heflin	Rockefeller
Byrd	Hollings	Sarbanes
Conrad	Inouye	Simon
Daschle	Kennedy	Wellstone
Dodd	Kerrey	Wyden
Dorgan	Kohl	
Exon	Levin	

NOT VOTING—7

Gramm	Murkowski	Smith
Lott	Nunn	
McCain	Reid	

The PRESIDING OFFICER. On this vote, the yeas are 59, and the nays are 34. Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion to invoke cloture is rejected.

Mr. DOLE. Mr. President, the vote was 59 to 34. That would be short. Right?

Mr. FORD. That is the way I calculate it.

Mr. DOLE. We will have to decide. I will let the Democratic leader know whether we will have another cloture vote on Thursday. But I think it is pretty obvious that had our absentees been here, we would have had cloture, and we have pretty good bipartisan support. It seems to me that we are pretty close to a bipartisan resolution of this matter.

I will let my colleagues know as soon as we can because I know some have plans and some would like to have plans.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SANTORUM). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMON. 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. SIMON. Mr. President, I ask unanimous consent to speak for 5 minutes as in morning business.

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

CHINA AND TAIWAN

Mr. SIMON. Mr. President, China is making bellicose statements about Taiwan. This morning's Washington Post begins an editorial with these words:

> If it came to that, the United States would have no choice but to help Taiwan—a flourishing free-market democracy—defend itself against attack by Communist China. No treaty or law compels this response, but decency and strategic interest demand it. An American Government that allowed the issue of Taiwan's future be settled by China's force would be in disgrace as well as in error.

Mr. President, the best way to avoid force or to avoid giving a dictator and a dictatorship the appetite that will not be satisfied with conquering one area is to make clear that that will be resisted by the community of nations. I am not talking about the use of American troops, but I think American air power clearly ought to be brought to bear if such an eventuality should take place.

If China is permitted to grab Taiwan, I think it will be only a matter of time before China takes Mongolia and other areas. I think the best way of maintaining stability in that area of the world is to be firm.

I heard my colleague, Senator FEINSTEIN, refer to our policy toward China as one of zigzagging. I think that is a correct analysis of what we are doing. I think we ought to be firm; we ought to be positive. I want to have good relations with China, but China should not think for a moment that she can invade Taiwan without having serious problems.

I ask unanimous consent, Mr. President, to have printed in the RECORD the Washington Post editorial and also an A.M. Rosenthal op-ed piece in the New York Times, ''Washington Confronts China.''

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

[From the Washington Post, Feb. 6, 1996]

IF CHINA ATTACKS TAIWAN

If it came to that, the United States would have no choice but to help Taiwan—a flourishing free-market democracy—defend itself against attack by Communist China. No treaty or law compels this response, but decency and strategic interest demand it. An American government that allowed the issue of Taiwan's future to be settled by China's force would be in disgraced as well as in error.

This is what the United States should be conveying, and China pondering, as Beijing steps up military pressure on Taiwan. Down that road lies a possible direct confrontation with Washington. Even starting out on that road carries heavy risks for China. Especially dangerous is any possibility that Beijing may be setting out under the dubious and smug impression that the United States will back off and leave China with no heavy costs to pay at all.

But, of course, to be faced with an actual decision on rescuing a threatened Taiwan would itself signify a calamitous American policy failure. There is overwhelming national need and also adequate time to keep today's friction from becoming tomorrow's explosion.

The ever more glaring contrast between Beijing's totalitarianism and Taipei's American-nursed democracy, and the end of the Cold War, have weakened the 20-year-old international formulas supporting China's peaceful reunification with its wayward province. A significant opposition in Taiwan now favors independence. The government, coming up on Taiwan's first democratic presidential election, has had to bend, in part by seeking official American visas for its leaders, thus provoking Beijing. The Clinton administration has been slow to grant the visas, not wishing to aggravate its other tensions with China. American legislators of different stripes have come to Taiwan's side, further provoking Beijing.

Broad, forward-looking ''dialogue'' with China has been out of style in Washington since George Bush imprudently sent secret emissaries to Beijing after the Tiananmen massacre. Fighting fires has been in. This is a fire. The United States needs to encourage calming gestures by Taiwan (suspend the visa provocations) and China (suspend the thuggish threats). At home, it needs to reach a policy consensus with Congress in order to better show China that it cannot squeeze Taipei and to convey to Taiwan that it should not set about deliberately and recklessly on a policy of trying to draw the United States into an escalating showdown with Beijing. Then the two sides can return to the irregular but peaceful relationship they were pursuing before.

[From the New York Times]

WASHINGTON CONFRONTS CHINA

(By A.M. Rosenthal)

Washington has chosen the issue on which it will at last acknowledge and confront Chinese Communist action detrimental to the United States.

There was a considerable list to choose from. China threatens daily missile attacks against Taiwan. Beijing sells missiles to Iran and other Mideast dictatorships. At home it increases arrests and jail sentences for dissidents. It allows Internet use to only a relative handful, and from now on only through government-controlled ports.

Each act involves the U.S. An attack on Taiwan would force U.S. involvement. Sales of missiles endanger Mideast peace and defy U.S. policy against proliferation of high-tech weapons.

Increasing repression and closing access to international information is a slap at the U.S. Washington had assured the world of the opposite—that freedoms would increase in China after the 1994 Clinton Administration decision not to use economic pressure to ease oppression.

Well, enough is enough. Washington now says it will show its staunch determination to resist Chinese provocation—about compact disks. If China does not stop counterfeiting these disks, the Administration will increase tariffs on Chinese goods by as much as $1 billion.

Any commercial piracy costs manufacturers and artists money and should be opposed. But to appreciate the CD episode fully it helps to have a taste for bitter comedy.

1. The Communists will not keep any new promise better than they keep existing ones—or others, like ending slave-labor exports to the U.S.

2. If they do camouflage piracy better, they will demand concessions—like even tighter zipping of the U.S. mouth on human rights.

3. The U.S. announcement accentuates the moral disaster of Clintonian policy on China.

CD's yes, people no. Mr. Clinton broke his promise to use tariff pressure to persuade Beijing to treat its Chinese and Tibetan political victims less viciously—maybe a mite less torture. Beijing answers by increasing, not decreasing, political oppression. He acts surprised.

Democrats and Republican politicians talk about the danger of cynicism. But they expect Americans not to see the cynicism of putting CD's above the blood of dissidents in China's gulags.

Worse, they may be right. I do not hear American university students or professors mobilizing against Chinese Communist cruelties, or consumers organizing a boycott like the one that helped kill South African apartheid.

If war comes to Taiwan, it will not be because Beijing believes its lie that Taiwan is preparing to declare its deserved independence. It will be because 100 miles off China's shore, Chinese people have created a society that is both prosperous and democratic. That so terrifies the perpetually insecure Politburo that it risks war—not only against Taiwanese independence of government but Taiwanese independence of mind.

Beijing uses missile threats to intimidate Taiwanese into voting for a party that is running on a pro-China platform and against independent-minded opponents.

The Taiwan Relations Act, passed by Congress in 1979, says that U.S. recognition of Communist China rests on the expectation that Taiwan's future will be determined by peaceful means.

The law states that any effort to determine Taiwan's future by other than peaceful means—which includes threats of daily missile attacks—are of grave concern to the U.S. and should be ''promptly'' reported by the President to Congress.

The President has not done that, promptly or at all. Nor has Congress demanded it, despite some members' attempts. Mr. Gingrich and Mr. Dole, the agenda-setters, become accomplices in the President's decision to ignore U.S. law.

Restraint is needed, we are told by U.S. officials and some journalists—we do not want a war over Taiwan, do we? Of course not. That is what facing the possibility is all about.

As long as Congress and President ignore their legal obligation to deal with China's threat to Taiwan, decide what steps to take and let China know, Beijing will believe it can attack Taiwan or keep terrorizing it, with no risk.

That is not restraint of confrontation that could lead to war. It is the blundering encouragement of both. How terribly many times must we learn?

Mr. SIMON. Mr. President, I see the majority leader is on the floor, and I yield the floor to him.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I thank the Senator from Illinois. I want Members to know I have had a brief visit with the distinguished Democratic leader, Senator DASCHLE. We have now asked staff on each side to see if they can sit down and work out a series of amendments on each side on the farm bill and work into the evening and work tomorrow and set a time certain for action on something, say 6 o'clock. That means we would have, if there is an agreement—we do not have it yet, we just started—so if there is an agreement, then there would be votes tonight, there would be votes tomorrow.

It is my hope that part of that agreement, if in fact one is reached, would be a recess period until the 26th of February, because many, including many of the staff in the Senate, have been here right around the clock through the Christmas holidays and New Year's.

In any event, that is all we can advise our colleagues at this time. If we have any additional information, we will pass it on. So I cannot put out the no-vote signs. There could be votes tonight. We will let you know as soon as we can.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota, [Mr. Grams] is recognized.

Mr. GRAMS. Mr. President, I rise at this time to discuss an amendment that had been filed by Senator KENNEDY to S. 1521, the farm bill. Like the Senator from Massachusetts, and also the chairman of the Labor and Human Resources Committee, Senator KASSEBAUM, I do support health care reform—specifically, improvements such as health insurance portability and putting an end to discrimination against those with preexisting conditions.

As both a Member of the House and the Senate, I have worked for such reforms, and I look forward to supporting such legislation in the near future. But as they say, timing is everything. There are undoubtedly many people watching the Senate asking themselves what the Senator from Massachusetts is up to. I must confess to being one of them.

The purpose of the farm bill was to give our Nation's farmers and the people they work with a clear roadmap of Federal farm policy with which to make the decisions this year about planting, equipment purchases, and loans. Given that that question remains, why would the Senator have been offering an amendment dealing with health insurance to the farm bill? In all honesty, I still do not know. It does not make sense. Unfortunately, a lot of what goes on sometimes does not make a lot of sense.

For example, last Thursday night, a hotline call from the majority leader's office was made to find out if there were any objections to bringing up for consideration the Kassebaum-Kennedy health insurance legislation—the very subject matter of the Senator's amendment filed by the Senator from Massachusetts.

Upon receiving this call, I requested more time to review the legislation.

As a Senator from Minnesota, I have always taken my responsibility to study the legislation considered by the Senate seriously—to examine its implications, to detect any possible unforeseen consequences, and to evaluate it on the basis of the needs and concerns of the people I represent—the taxpayers of Minnesota.

This is the way we Minnesotans make our decisions—carefully and thoughtfully. We do not have a reputation for simply rubberstamping the bills that affect us and the rest of the Nation. When we put our seal of approval on something, it is done with the utmost care and thought.

Perhaps this is a bigger deal in Minnesota than it is in Washington. But it should not be.

As a result, I simply asked that the request for a time agreement wait until I had had a chance to conduct my review. But as usual, things have been blown out of proportion, and as a result, we may be faced with the Kennedy amendment—a proposal that should make as little sense in Washington as it does in Minnesota.

Having studied the Kassebaum-Kennedy legislation, I have come to the conclusion that it would be counterproductive to take this matter up right now at a time when the Federal Government has much unfinished business left on its plate.

As a taxpayer, I can not understand why the Senate would move to the issue of health insurance reform, without some assurances to the American people that we and the President will complete the business before us—balancing the budget, saving Medicare from bankruptcy, providing tax relief to taxpaying families so they can afford insurance, and reforming the welfare system.

Before we go on to other issues and other agendas, shouldn't all of us—Republicans and Democrats—make every effort possible to carry out the taxpayer's agenda?

This question is even more critical, given that the President's own health care financing administration projects that the Medicare Program, for the first time in 23 years, faces a deficit and will go bankrupt sooner than anyone had previously predicted.

Does it make any sense to rush ahead on health insurance reform at a time when the Medicare Program faces insolvency? I think not.

Back in November, Congress gave President Clinton an opportunity to address this problem—by passing a Medicare reform proposal which would have saved the trust fund from bankruptcy, while expanding health care options available to senior citizens.

Now, they say that an ounce of prevention is worth a pound of cure—and had the President followed this sound advice and signed the bill, we would not be in this mess in the first place.

Well, he did not sign the bill, we are in this mess, and now some Members of the Senate want to move ahead on their agenda without addressing the Medicare crisis. These some Members want to move ahead on their agenda without addressing the primary concerns of the taxpayers, such as the balanced budget, tax relief, and welfare reform.

Former Speaker Sam Rayburn used to say, ''To get along, go along.'' Well, I think we have been going along for too long in this Chamber, and it has been at the expense of taxpayers and senior citizens. Their needs must be heard.

For this reason, I intend to offer a substitute to the Kennedy amendment—it simply requires that Congress and the President will first resolve the current Medicare crisis and put the program on a path toward solvency before turning to any other health care legislation.

In doing so, we will give our assurance to taxpayers and senior citizens that the Senate will face this crisis directly and not turn its back on the people we represent.

In addition, I will ask that the unanimous-consent agreement on consideration of the Kassebaum-Kennedy bill be amended such that consideration of the bill will not take place until after April 15—tax day.

At the very least, Congress and the President can use this time to do what we were elected to do—balance the budget, reform welfare, and provide tax relief for middle-class Americans.

To those who say it cannot be done, I say the tools are there—they have been all year. What Washington lacks is the will to do its job. Maybe today, we can help turn this around and get back to doing the people's business in a way that makes sense both here in Washington and across the country.

Mr. DORGAN. Mr. President, let me put a correction in the RECORD. My understanding is that in their caucus the majority party handed out a list of amendments that had been filed at the desk and awaiting debate on the farm bill. In the handout in the majority caucus, on page 3 of the list is an amendment No. 3205, with my name, Senator DORGAN, on emergency relief for refiners.

Well, I have not offered such an amendment. I have offered amendments that are numbered 3206 and 3207. My office has received calls from people who have gotten hold of this handout and wondered what on Earth am I doing. This is a mistake by somebody. I hope they will correct that in their next handout. There is no reason to believe it was deliberate.

I have trouble enough defending the record I create around here as it exists, let alone defending something I have not introduced nor offered, and would not support. I do not know what this amendment is, but I would not be offering amendments dealing with refiners.

In any event, I want people to know this is not correct, and I hope it will be corrected.

I yield the floor.

(Ms. SNOWE assumed the chair)

Mr. BUMPERS. Madam President, as Laurel used to say, ''We have gotten ourselves into a fine fix.''

There is something about this whole thing that obviously is eluding me. I must confess that a lot of my farmers, or at least the organizations, have gone from being violently opposed to the freedom-to-farm bill to now favoring it. While I understand that—and I certainly am not in any position to criticize some of the farmers in my State who now favor freedom to farm—I still believe that the vast majority of the farmers in my State, particularly rice farmers—and there are thousands of them, as we produce 40 percent of all the rice in the country—farmers, in my opinion, would ultimately be devastated when the freedom-to-farm bill passes. Cotton and wheat are different matters.

I think the best description of the freedom-to-farm bill I have heard was one that was given in caucus the other day by the senior Senator from North Dakota, Senator CONRAD, when he said the freedom-to-farm bill is like the Kool-Aid that Jimmy Jones gave all his devotees when they were drinking poison. It tastes good going down, but it is fatal.

The freedom-to-farm bill simply says, and I do not embellish or exaggerate, for example, if you plant cotton and the target price that has been set by Congress on cotton is about 72 cents or 74 cents a pound—I think 74 cents a pound; cotton right now in New York is selling for a lot more than that—that means under the existing program, the taxpayers of this country, because cotton is bringing more than the target price, would not cost the taxpayers one nickel. If you are getting 85 cents to 89 cents a pound, you are above the target price. There are a lot of things—from weather to pests—that can cause you not to produce as much cotton as you normally do, but that is true in any circumstance.

To proceed with the story, we will assume that during the marketing period this fall during which we determine how much more or less than the target price cotton brought during those 5 months, assume that cotton brings substantially more than the target price. Under the freedom-to-farm bill, for purposes of making the point, assume that farmers make a bale and a half to two bales an acre. That is a very good crop, but assume they do. Assume, further, that they get 85 cents a pound. I promise, under normal circumstances, that is very profitable.

What does the freedom-to-farm bill do? It gives them 7 cents a pound more, above that price. That is like that Kool-Aid that tastes so good, but 3 years from now it is not 7 cents, it is something less, and at the end of 7 years it is zero. If cotton has to be selling for 65 or 70 cents a pound, do not come crying to the Federal Government for some kind of subsidy.

Why would we do this at a time when the programs that we have had in existence for many years are working? Madam President, in 1995 commodity prices—wheat, corn and cotton, especially, but other grains, too—were so high that we came in on farm subsidy expenditures $4 billion less than the baseline. In other words, $4 billion less than we thought we would have to pay out.

We would think this place would be rhapsodic because we saved $4 billion because commodity prices are good. No, we want to sing this siren song to the farmers saying, ''Go along with us. We will cut your throat down the road, but you will get rich for 2 or 3 years before we get around to it.''

I gave you the illustration of cotton, but that is true of every commodity. All the commodity prices right now are very good, with the exception of rice. If we did not have target prices for rice right now, I am not sure what, if any, percent of the 40 percent of the Nation's rice crop we produce in Arkansas would be produced. Maybe none. Farmers are not known to plant when they know they will lose money on the front end. They do not ever intend to lose money. It just happens.

I have an amendment, if I ever get an opportunity to offer it, which would simply extend the present farm program for 1 year. We ought to adopt that amendment right now and then start amending it. If there are things that people want to change about the existing programs, let them amend it. If there are things about rural development in America, let them add it to that amendment. Do not get out on the floor of the U.S. Senate and try to craft a bill that half the Members know nothing about, do not understand, and which, in my opinion, is terrible for the American farmer.

Madam President, I am dismayed and disheartened and saddened that the positions I have just stated are probably not going to prevail. All I am saying is it makes imminent good sense to extend the existing program, which, as I pointed out a moment ago as graphically as I know how, is succeeding. It is doing precisely what those of us in the past many years have said would happen.

The present farm program is key to market prices of commodities. The freedom-to-farm bill is not key to anything except the demise of the farmer. They say that it will represent a $12 billion savings over the next 7 years. Maybe yes, maybe no. Who knows? When you talk about saving $12 billion, assume for the sake of art they know exactly what they are talking about, and they do to some extent. You can put this in a computer and come up with a figure, and they have done it.

If we were $4 billion under the baseline in 1995, and commodity prices right now are higher than they were in 1995, there is an excellent chance that 1996 will be further under the baseline than 1995 was. At least the farmers have that safety net under them. The farmer who raises cotton is going to get that 7 cents a pound I alluded to a moment ago, regardless of what the market rice is. The farmer who gets that extra 7 cents is going to be pretty well-to-do.

Another thing about it that drives me up the wall, do not plant your cotton. Do not plant anything. We will still give you 7 cents a pound whether you put a plow or a seed in the ground. Come on the floor of the Senate and propose a program like that for 17-year-old poor pregnant girls and you will have a revolution on your hands here.

Farmers are not interested in welfare. I guess they could be bought off with this. But it is welfare. You can call it anything you want. That is what it amounts to. We are doing this while we are saying that we hope poor children in this country will get treated under Medicaid, but we are not guaranteeing anything.

So, you are going to see ''60 Minutes,'' ''Prime Time Live,'' ''20/20.'' They will be scouring all the expensive vacation places in the country, trying to find farmers who have taken this 7 cents a pound. Maybe they planted, maybe they did not. They get the money anyway—again, whether they farm or not. What kind of a farm program is that, Madam President?

So let me just close by saying something sort of unrelated to this. Here we are debating whether or not we are going to give farmers all this money as a gift, for doing nothing, and the big debate going on in Medicare and Medicaid is, for example in Medicaid, shall we make it an entitlement as it is now or shall we make it a block grant? And what are the politics of those two?

The other day I spoke to the hospital administrators. This is off the subject of farming, but one of the hospital administrators asked me a question. What is our policy on something or other? It was a very good question.

I said, you know, you would never make it here. You are not supposed to ask what the policy is in regard to the future of the country, or what our real values are. You are supposed to worry about does this help Steve Forbes or Bill Clinton? Those are the questions you are supposed to ask around here. So it is with Medicaid. The question should not be, Are we going to make it an entitlement or a block grant? The question ought to be, Are we going to allow children to go without health care because they are poor? That is the question. It is just that simple. That ought to be the policy first. Then you work out the details later.

So it is with the budget. If I were a youngster running for Governor again, like I was one time, I would say—and as I do now, to my constituents—the values the people of this country cherish do not change very much from year to year. Things change. Health care delivery changes. Highways change. Television programming and movies change. Everything changes. But what we profess to believe as our values do not change very much. If I were running for office I would say: Look, balancing the budget is one of our values in this country. All of us believe in fiscal responsibility. We do not act like it sometimes, but if you ask people do you believe in that, the answer is yes.

Have you ever heard anybody answer the question, do you want to balance the budget—have you ever heard anybody answer that in the negative? Of course not. You never will. It is a value in this country. Once you get past that value you have to ask yourself what are the other values in that budget that we cherish most?

Winston Churchill said, you can tell more about a civilization by the way they treat their elderly than any other way. So let us just take that first. Everybody believes in Medicare. They believe in Medicaid that provides nursing home care for poor people.

I do not mind telling you, Madam President, I get letters from people who chastise me about something I said on the floor, or some value I articulated on the floor, and especially sometimes from wealthy people. Why do you not do this? Or why do you not do that? I know, a lot of times wealthy people have Aunt Lucy in a nursing home on Medicaid. I used to have a nursing home many years ago. I know—I know that some of those people who are rabid about cutting Medicaid or something else, if you say we are going to kick Aunt Lucy out of the nursing home you will hear a different song. Because we value elderly people. We want them taken care of. We do not want them on the streets. We do not want them abused. We want them to have good care and we pay for it at a very, very handsome price.

And our children. As I said, there is not a soul in this body, I do not think, who, if you said you are going to have to pay more taxes or you are going to see children on the streets desperately in need of a home and of health care, who would not say I will pay it.

Then you say, would you be willing to pay more taxes if it went for education? I have never seen a poll that said no to that. If you call it welfare that is one thing. If you call it poor children it comes out quite differently.

So, Madam President, I made sort of a rambling speech. I might say one other thing just as an aside. I saw in last Friday's Post that some 20 so-called moderate Republicans in the House said, ''We are willing to forgo the tax cut.'' Bully for them. It is an oxymoron, to talk about cutting taxes and balancing the budget.

I do not know what kind of condition the Medicare system is in. I saw the story in the New York Times yesterday. It is much worse than any of us thought. But I still maintain that if the House Speaker and the negotiators in the Senate and the President would all forgo the tax cut, the rest of it will fall into place. You have all the time in the world to cut taxes. You are rolling the dice when you cut taxes because you are betting that everything GAO or CBO said would happen in the budget will come true. Wait 3 years. If it has come true, then cut taxes. Do not do it now and wish you had not.

So, I compliment those moderate Republicans over there who have had the courage to defy their leadership and say something which I think is eminently sensible.

So, Madam President, fiscal responsibility, the elderly, our children, education, the environment—those are our values. I do not care how nasty the mood in this country is, and we all know it is pretty nasty, I still would not hesitate to run and not ever talk about anything but the four things I just mentioned.

So, I wish that wise and sane heads would prevail and we could get something done on this farm bill. For example, extend the present bill. We have no business trying to craft a farm bill on the floor of the U.S. Senate. Extend the present bill for a year. If there are parts of that you disagree with, offer an amendment to do something about it. Change it, but do not take a bill that was immensely unpopular last summer, with all the farm groups—Chairman Roberts could not even get it out of his committee in the House—and all of a sudden it is our salvation.

I say, I hope saner heads will prevail and that will happen.

Mr. KERRY. Madam President, I voted for cloture on the Leahy-Dole substitute to S. 1541 because I believe it is essential that the Congress act on and approve legislation to reform national farm policy and to reauthorize vital agricultural conservation and nutrition programs.

The existing authorization for the numerous nutrition, conservation and commodity programs that comprise the so-called ''omnibus farm bill'' expired during 1995. Regrettably, the Republican leadership did not choose to bring reauthorization legislation to the floor prior to its expiration, or even in the intervening months since expiration. While Senators DASCHLE, LEAHY and many others have called repeatedly for a thorough debate of and action on farm policy for nearly a year now, no comprehensive farm bill was brought to the Senate floor for consideration until last week. This is yet another example of the way in which the Republican-led Congress is failing to get the people's work done in Washington as it pursues its radical platform.

However, with the expiration in 1995 of the 1990 farm reauthorization legislation, the 1949 Agricultural Act, a decades-old and outdated statute authorizing farm commodity programs for wheat and grains subsidies automatically again became the controlling statute. According to the Department of Agriculture, the 1949 law could substantially increase, to an estimated $10 billion for 1996 alone, the federal taxpayers' already-mammoth payments to farmers—an outcome that in my opinion would be sheer folly, especially at a time when prices for many farm products are at record high levels.

Last week, Senator DOLE decided to bring before the Senate the Republican version of a farm bill which addresses

only commodity reform. I opposed the cloture motion on the Dole bill because it was not a comprehensive package—it failed to reauthorize the vitally important nutrition programs or the valuable conservation programs that together with farm provisions should form any responsible comprehensive farm legislation.

After the failure of the Dole bill, Majority Leader DOLE, Democratic Leader DASCHLE, Agriculture Committee Chairman LUGAR, and Agriculture Committee Ranking Democrat LEAHY met for several hours and crafted an outline of a potential bipartisan compromise on farm policy. However, after working for several days and throughout the weekend, the negotiations unfortunately hit a brick wall, and Senator DOLE called for a cloture vote on a package that he previously had negotiated with Senators LEAHY, CRAIG, and LUGAR.

The Leahy-Dole substitute is a comprehensive, bipartisan package that adds to the DOLE bill's farm provisions with the reauthorization of important nutrition programs upon which millions of poor Americans, preponderantly children and the elderly, rely for their health and well-being, and farmland conservation programs on which farmers rely to help protect their farmlands from degradation.

The Leahy-Dole bill—as did the original Dole bill—replaces the existing farm subsidy programs with a reform program geared toward weaning farmers off farm subsidies over a seven-year period expiring in 2002. Few government programs cry as loudly for reform.

The subsidy programs for wheat and other grains have paid farmers more than $135 billion in direct income support over the last 10 years. In 1993, this conversion of tax dollars to support payments represented 26 percent of net farm income. However, these subsidies consistently have failed to bolster the incomes of the neediest farmers. Further, five percent of the subsidies went to farmers whose annual gross incomes exceed $1 million. To compound the injury, these outdated programs contribute to soil erosion and overuse of agricultural chemicals, retarding environmental progress, with the effect that Americans pay twice for these farm programs: once for the subsidies and again to clean up environmental damage that would be greatly reduced without the subsidies.

The Leahy-Dole proposal also reauthorizes key conservation programs like the Conservation Reserve Program [CRP], with an authority to enroll up to 36 million acres. It is critical that the Federal Government assist farmers with environmental protection given that, as a point of reference, farmlands constitute twice the acreage of the national wildlife refuge system. The CRP plays an important role in the protection of this rural acreage, contributing greatly to protection of soil, water and wildlife habitat. The Environmental Quality Incentive Program [EQIP] provides further assistance to this effort, making available $200 million a year for technical and financial assistance to livestock and crop producers who wish to address environmental problems on their farms. The bill also restores the authority, on a voluntary basis, for permanent and 30-year easements to protect wetlands.

In my view, no component of a so-called farm bill is more important than the way it addresses national nutrition programs. The Leahy-Dole package reauthorizes several vital nutrition programs for seven years: food stamps, the emergency food assistance program [TEFAP], the commodity supplemental food program—an alternative to the Women, Infants, and Children or WIC Nutrition Program in many cities—and the food distribution program on Indian reservations. As just one illustration of how extensive is the impact of these nutrition programs, 14 million children depend on food stamps to ensure they have a minimally adequate diet.

Also included in the Leahy-Dole proposal is a provision that grants consent of Congress to the Northeast Interstate Dairy Compact, using the same language that passed the Senate last year with 65 votes. The New England States want to improve the way milk is priced in their region by creating a commission comprised of both farmers and consumers that would have the authority to adjust and stabilize fluid milk prices in the six State area of Maine, New Hampshire, Vermont, Massachusetts, Connecticut and Rhode Island. The New England Dairy Compact was supported by all 12 of the region's Senators—from both parties and all points on the political spectrum—and would allow New England to take more control of pricing the fluid milk produced there. This compact is also consistent with the National Governors' Association's agricultural policy and is strongly supported by the New England Governors' Association.

Madam President, I do not want my vote for cloture on the Leahy-Dole alternative to be mischaracterized as a total endorsement of this package. This legislation is a long way from anything I could consider even adequate to meet our Nation's agricultural, economic, and nutrition needs, protect taxpayers and consumers, and protect the environment. I expect to offer at least one amendment to eliminate funding for an unnecessary program that subsidizes foreign marketing of U.S. agricultural products, often by wealthy multinational corporations, and will support efforts of other Senators to improve the bill.

But I concluded that I should support cloture based on the following facts:

First, if we do not enact into law—and soon—some replacement for the farm legislation that expired last year, American taxpayers will be paying far more than the already much-too-large sums in farm subsidies at a time when both our Federal budgetary problems and the farm economy indicate the desirability of reductions in those subsidies. I am certain that a better bill could be devised; I have strong doubts it will be devised and passed this year.

Second, no farm bill should be passed without strong nutrition and conservation components. Yet the Republicans who control both Houses have proven they are entirely willing to do exactly that. Senator LEAHY, in his negotiations, secured a commitment from Senator DOLE and Senator LUGAR, both men who honor their word, that the nutrition and conservation provisions will be retained in conference committee. No one else has such a commitment for any nutrition or conservation provisions, no matter how strong they might be willing to seek to make those provisions.

Third, while I have grave doubts about the structure of the freedom to farm approach Republicans are taking toward reforming farm policy—the approach used in the Leahy-Dole bill —I am certain that the farm programs of the past have outlived any usefulness they may have had and must be replaced. No other proposal being discussed comes anywhere close to effecting the kinds and magnitude of reform that ought to take place—to reduce the cost of these programs to taxpayers, to reduce the negative incentives they establish for misuse of farm land and environmental damage, to reduce the amount of tax dollars that go to wealthy corporations and gentlemen farmers, and to focus the program resources on assisting needy family farmers.

The Leahy-Dole compromise at least contains components I think are vital—for nutrition and conservation—and carries with it a commitment to protect those provisions through conference. It at least moves away from a failed or obsolete farm policy and places subsidies on a downward trend through 2002.

It is important that I serve notice that I will only vote for this legislation if it is improved sufficiently during Senate action to warrant that support. And I will oppose it if despite the commitments to the contrary it returns from conference committee with weaker nutrition or conservation provisions.

I thank the Chair, and I yield the floor.

Mr. WELLSTONE. Madam President, I hope we can fully debate the farm bill soon, and I will have more to say during that debate. Perhaps that will take place this evening and tomorrow. If not, then I hope we debate it very soon.

Farmers across the country need a farm bill. We are many months overdue. It is unfortunate that we are in this current situation because farmers need to plan, they need to arrange credit with their bankers, and they have a right to know what programs they will be operating under.

I voted in favor of cloture last week. I did so not because I support freedom-

to-farm. I don't. I favor long-term policy that would promote family agriculture and revitalize our rural economy. This is not that.

I believe freedom-to-farm is a dubious carrot followed by a very real stick. It would eliminate farm programs, ultimately leaving farmers to the tender mercies of the grain companies and the railroads and the Chicago Board of Trade during years when prices are low. I think in the long term it could have disastrous effects on family farmers and our rural economy.

Some farmers believe that freedom-to-farm is the best deal they will get from this Congress. I understand that. Many in this Congress oppose farm programs, and those people have made a credible threat to the future existence of farm programs. This plan offers farmers payments this year even though prices are projected to be strong. And it promises to lock in at least some payments for 7 years. For some farmers, even those who know that it is bad policy, that is attractive.

In fact, freedom-to-farm is bad policy. I will have more to say on this subject when we get to actual debate on the bill.

I voted for cloture last week because I had told Minnesota farmers that I didn't want to block its consideration. I had my amendments prepared. I was ready to debate. I still am. My strategy is not to block or obstruct.

But I will vote against cloture today. I have very strong reasons for doing so. And I am pleased to say that I do so on behalf of Minnesota dairy farmers, as I will explain in a moment.

First, I would like to point out that I have supported what I consider to be genuine reform of farm programs. I cosponsored a 7-year proposal last year which I wish could have received a closer look from the Senate and from farmers around the country in recent months. I still believe it is the best approach.

My colleagues and I, led by the minority leader, proposed a long-term, targeted marketing-loan approach. That plan would provide farmers the planting flexibility they need. But it also would provide needed long-term protection from some of the uncertainties that farmers face—uncertainties of weather, and of markets that are dominated by large multinational companies. It also would target farm-program benefits to family-size farmers. I still hope we can vote on that proposal.

I also intend to propose at least one amendment, if not two, to save money by eliminating loopholes that allow some people to collect the maximum farm payments three times. I want to use savings from that reform to raise loan rates for family farmers, or to help family-size farmers to invest in their own value-added processing cooperatives and marketing operations.

Now, however, I would like to address the effort represented by this substitute bill to dress up the freedom-to-farm proposal to attract votes—to attract Democratic votes in order to get cloture. I especially would like to address a provision that has been added which I consider to be a poison pill: the Northeast dairy compact.

I have to say that I've been working since I got here 5 years ago for meaningful dairy market-order reform. Minnesota dairy farmers suffer terrible discrimination under the current Federal order system. I'm strongly opposed to the Northeast dairy compact not only because it forestalls reform of that system. But it also cuts a special deal for one region's dairy farmers to the detriment of farmers in the Upper Midwest, and it sets the bad precedent of establishing regional barriers.

We need to move to a farm bill. And we need to do it swiftly. But this deal is unacceptable.

My office is hearing from Minnesota dairy farmers and their organizations. Minnesota's Agriculture Commissioner, a Republican whom I respect, also has sent a message. They are urging a vote against cloture. I also received a very strong statement of opposition to the Northeast dairy compact from the Governor of my State today. I agree with his position, and I appreciate his communication on this issue. Madam President, I ask unanimous consent that the letter of Minnesota Governor Arne Carlson be printed in the RECORD immediately following my statement.

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

(See Exhibit 1.)

Mr. WELLSTONE. I cannot stand by while this deal is made which neglects the dairy farmers of my State. I will vote against cloture. I believe I owe it to Minnesota dairy farmers. And should cloture be invoked, or should the farm bill come up for consideration under some other time agreement, I intend to be part of an effort to strike the Northeast dairy compact from the bill.

Madam President, I hope we can move quickly forward from here to consideration of a viable and acceptable farm bill. I look forward to a healthy debate.

EXHIBIT 1

STATE OF MINNESOTA,
WASHINGTON OFFICE,
Washington, DC, February 6, 1996.

Re Opposition to the Northeast interstate dairy compact.

Dear U.S. Senator. I am writing to ask you to oppose the inclusion of the Northeast Intestate Dairy Compact in the Freedom to Farm Act. My state represents one of the top dairy states in the nation and our dairy farmers are among the smallest on average in the nation.

The Compact, if approved by Congress, would be exempt from Commerce Clause challenge and would allow those states participating in the Compact to require a higher price to be paid to their producers than guaranteed by the Federal Milk Marketing Order system.

I oppose the Dairy compact for the following reasons:

(1) The Compact does nothing to correct the many failings of the archaic 1937 Federal Milk Marketing Order system;

(2) Most of the Compact's vital provisions will be left to rulemaking and the rules will be written by those who benefit from the Compact;

(3) The Compact Commission will erect trade barriers to less expensive milk coming in from other regions to maintain the higher Compact milk prices and these trade barriers will harm dairy farmers and processors in the rest of the nation;

(4) Higher Compact dairy farm prices will likely encourage surplus dairy production in that region, thereby requiring additional federal government purchases and lowering the prices received by struggling producers in other regions due to the dumping of surplus milk into other markets;

(5) Higher Compact prices in the Northeast will likely raise the cost of milk to Northeast dairy consumers and make Northeast processors less competitive;

(6) Higher Compact prices will benefit only one region of the country, a region that already benefits form some of the nation's highest federally-guaranteed minimum farm Class I milk prices; and

(7) Other regions will likely seek to enact dairy compacts as a defensive measure, thereby balkanizing the nation's dairy industry, raising consumer dairy prices nationwide, and encouraging inefficient milk production.

If Congress is seeking ways to help the nation's struggling dairy farmers, it should reform or eliminate the archaic Federal Milk Marketing Order system so that the nation's dairy policy is evenhanded and beneficial to all of the nation's dairy farmers. Moreover, we should not protect one region of the nation from competition from outside its borders as we move toward free trade around the world.

Please oppose inclusion of the Northeast Interstate Dairy Compact in the Freedom to Farm Act. The future of your state's dairy industry is at stake.

Thank you for your consideration.

Warmest regards,

ARNE H. CARLSON,
Governor of Minnesota.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Madam President, I ask unanimous consent I may be permitted to speak for up to 5 minutes as in morning business.

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

A BALANCED BUDGET

Mr. GORTON. Madam President, it seems to me in the last 24 to 48 hours, we have taken one or two steps forward in our quest for a truly balanced budget, a balanced budget that will pay great dividends to future generations of America in lower interest rates, better jobs, and higher incomes. And at the same time, at least one major step backward. That major step backwards, of course, is what the President of the United States has submitted as a budget for fiscal year 1997. This yellow booklet really should not carry that title because it obviously does not meet the requirements of a budget submission under the law. To the extent that it does give an outline of the President's priorities, however, it is clearly a status quo document. All of the difficult decisions, the heavy lifting, is left until after the completion of

the term of the President who will be elected this fall.

So, while it does not represent a step forward on the part of the President, it also, one must confess, does not represent a step backward either. It consolidates the modest gains that were attained through five separate budget submissions on the part of the President for the current year. The overwhelmingly significant step forward, however, was the work by the National Governors Conference, which now unanimously has reached a detailed statement of principle on both Medicaid and welfare reform, one that has been agreed to by both Republican and Democrat Governors across the country, one that raises the very real possibility of breaking the budget deadlock in which we find ourselves at the present time. I cannot possibly be too laudatory of the tremendously difficult task that the Governors have undertaken and the great degree of success they have reached.

Madam President, we need a balanced budget for our children and for our grandchildren. We need reforms in Medicare and Medicaid for our seniors and for others who are less fortunate and cannot afford to pay for health care services themselves. We need welfare reform for all Americans for a more just and equitable system. And we need tax cuts for hard-working American families. All of these remain our goal. But two of the most difficult now are the beneficiaries of intervention on the part of the National Conference of Governors in such a way that the entire logjam may now possibly be broken and that, before the end of the current continuing resolution on March 15, there is the very real possibility of a wonderfully genuine move toward a budget that will lead to a very real balance by the year 2002 without gimmicks and without postponing all of the hard questions for 4 more years.

The final element in this equation was the report yesterday that the Medicare part A trust fund is going bankrupt much more rapidly than we had thought during our debate during the course of the last year. Instead of being in the black last year, it was in the red, 1 year earlier than was predicted just last April. That fact makes more urgent the reform of Medicare and the Medicare trust fund so that this trust fund will be there after the turn of the century for all of those over the age of 65 who depend on it. It causes to be even more modest in the long term the reforms in Medicare that were included in the Balanced Budget Act of 1995, regrettably vetoed by the President, and makes more urgent a set of reforms that will protect Medicare for our seniors in the future and will more equitably distribute the burden for paying for Medicare among all of our citizens—both those working and those retiring.

So, all in all, in spite of the President's refusal to recognize these new facts in this so-called budget document, I believe that this week represents real progress toward an honest balanced budget, a budget that will be good for all Americans, that will lessen the burden of debt on future generations and increase their opportunities, their jobs, and their income.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRASSLEY. Madam President, I ask unanimous consent to speak for 7 minutes as if in morning business.

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

(The remarks of Mr. GRASSLEY pertaining to the introduction of S. 1560 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

The Senator from North Carolina is recognized.

MR. HELMS. I thank the Chair.

(The remarks of Mr. HELMS pertaining to the introduction of S. 1562 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. HUTCHISON. Without objection, it is so ordered.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. DOLE. Madam President, what I am going to do here is obtain the consent on the farm bill so that we maybe can vote on final passage tomorrow at 4:45. So let me start that consent.

Madam President, I ask unanimous consent that Senator CRAIG be recognized to modify amendment No. 3184 with permanent law provisions, and once that modification has been made, no amendments be in order to strike the permanent law modification during the pendency of S. 1541.

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

Mr. DOLE. Madam President, I further ask unanimous consent that all amendments in order to amendment No. 3184 as modified be limited to 30 minutes, to be equally divided in the usual form, and must be relevant to the subject matter contained in amendment No. 3184 or farm related.

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

Mr. DOLE. Madam President, I further ask unanimous consent that all amendments be offered in the first degree and not be subject to second degrees and offered on an alternating basis between the parties, and that the majority side be limited to 5 amendments, the minority side limited to 10 amendments.

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

Mr. DASCHLE. Reserving the right to object on that, just for clarification, I think the leader and I would encourage, if there is not a Senator on one side, that we would just go ahead and—the idea would be to alternate. We will leave it to the managers to make that determination.

Mr. DOLE. Right. That is the understanding of the chairman of the committee, Senator LUGAR, and I think Senator LEAHY. It is going to be a rather tight timeframe in any event. So we do not want to waste any time.

Madam President, I further ask unanimous consent with respect to the Santorum amendment concerning peanuts that there be 15 minutes under the control of Senator SANTORUM and 30 minutes under the control of Senator HEFLIN.

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

Mr. DOLE. Finally, Madam President, I ask unanimous consent that final passage occur on S. 1541, as amended, no later than 4:45 p.m., Wednesday, February 7, 1996.

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

UNANIMOUS CONSENT AGREEMENT—S. 1028

Mr. DOLE. Madam President, I also ask unanimous consent that not prior to April 15, but no later than May 3, the majority leader, after consultation with the Democratic leader, turn to the consideration of Calendar No. 205, S. 1028, the Health Insurance Reform Act of 1995.

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

Mr. DOLE. Further, Madam President, I ask unanimous consent that it not be in order to offer any amendment or motion relative to health care portability or similar to the text contained in S. 1028 prior to the execution of this agreement.

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

Mr. FAIRCLOTH. Madam President, I did not object to the unanimous-consent request. I have no problem with the Senate considering health care reform prior to the Memorial Day recess.

I do have concerns that this bill will raise the cost of health insurance for citizens of my state, particularly for individual health care insurance policies.

Additionally, I am skeptical that we can reform health care and lower costs in this country until we tackle medical malpractice reform, provide medical savings accounts for individuals, increase tax exemptions for the self employed, and provide other market oriented reforms that will increase competition and health carer lower costs. This bill has none of these provisions.

I look forward to working with the majority leader to address these concern when the Senate considers S. 1028.

MEASURE READ FOR THE FIRST TIME—S. 1561

Mr. DOLE. Madam President, I understand that S. 1561, introduced today by Senator HATCH, is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The legislative clerk read as follows:

A bill (S. 1561) for the relief of the individuals whose employment at the White House Travel Office was terminated.

Mr. DOLE. Madam President, I now ask for its second reading and object to my own request on behalf of Senators on the other side of the aisle.

The PRESIDING OFFICER. Objection is heard. The bill will be read on the next legislative day.

Mr. HATCH. Madam President, today I introduced a bill to address a grave miscarriage of justice—the wrongful investigation prosecution of Mr. Billy Dale and the other former White House Travel Office employees. Mr. Dale served his country at the pleasure of eight Presidents as the Director of the White House Travel Office. During his 32 years of service, Mr. Dale took on the thankless and often grueling task of ensuring that the national and international media were in a position to cover the movements of the President and thus report to the American and worldwide public.

As thanks for his numerous years of dedicated service, Mr. Dale was summarily discharged from his post on May 19, 1993, and was thereafter indicted and prosecuted for embezzlement. On December 1, 1995, after 2½ years of being investigated and haunted on a daily basis, Mr. Dale was tried before a jury of his peers and, in less than 2 hours, found not guilty of all charges.

The travesty in this situation is that Mr. Dale simply got caught in the political crossfire of a new administration. He had served eight Presidents, both Democratic and Republican, but found himself in a job that, apparently, was an impediment to the ambitious money-making schemes of the new President's friends. President Clinton certainly could have dismissed Mr. Dale without cause, but I believe the Clinton administration may have felt the need to justify its actions in firing Mr. Dale and the other White House Travel Office employees given the tremendous media interest in this dismissal. The reputations of Mr. Dale and his colleagues were discredited and ruined in the process.

I have a great deal of respect for the First Lady. But, on April 6, 1994, in response to questions about the White House Travel Office situation, Mrs. Clinton stated that she ''had no role in the decision to terminate the employees.'' (Responses of Hillary Rodham Clinton to the General Accounting Office, Apr. 6, 1994) Moreover, she ''did not direct any action be taken by anyone with regard to the Travel Office, other than expressing an interest in receiving information * * *''(Id.)

Unfortunately, these statements do not coincide with the evidence we have come to discover in recent months. In fact, it appears as though the First Lady was actively involved in the decision to fire the White House Travel Office employees. According to notes taken by David Watkins—the former Assistant to the President for Management and Administration who oversaw the workings of the Travel Office—during his conversation with the First Lady on May 14, 1993, 5 days before the Travel Office employees were dismissed, Mrs. Clinton articulated that ''Harry [Thomason] says his people can run things better, save money, etc. And besides we need those people out—we need our people in—we need the slots.'' (GAO report, The White House Travel Office, at 53–54)

Moreover, according to a recently released memorandum written by Mr. Watkins, ''[t]he First Family was anxious to have that situation [the White House Travel Office] immediately resolved, and the First Lady in particular was extremely upset with the delayed action in that case.'' (Draft memorandum from David Watkins, re: ''Response to Internal White House Travel Office Management Review,'' (undated) at 2.) Mr. Watkins also notes ''that there would be hell to pay if, * * * we failed to take swift and decisive action in conformity with the First Lady's wishes.'' (Id. at 1–2.) This memorandum was not released by the White House for more than 2 years despite subpoenas from Congress and Whitewater Independent Counsel Kenneth Starr.

In May 1993, the Travel Office employees were fired and told to vacate the premises. Needing to justify its actions before the employees were terminated, the White House met with and urged the FBI to investigate the White House Travel Office using allegations concocted by Catherine Cornelius, President Clinton's cousin who desperately wanted to replace Mr. Dale in running the White House Travel Office. Indeed, the FBI helped craft the White House's press release about the firings. Peat Marwick was hired to do an audit of the Office, but its own report did not substantiate the allegations asserted by the White House. Modest financial irregularities are not the same as embezzlement.

This story would be tragic enough if it ended here, but it does not. The Department of Justice indicted Mr. Dale, seemingly without concern for their lack of evidence. This is best demonstrated by the fact that the citizens sitting on the jury, who heard the evidence, exonerated Mr. Dale in less than 2 hours. This inappropriate use of the Federal criminal justice system created a situation for Mr. Dale where he had to expend $500,000 and even considered taking a plea when he had committed no crime.

After the jury summarily dismissed the allegations, someone leaked the existence of the plea negotiations to the public in an attempt to further discredit Mr. Dale's reputation. Not only are plea negotiations a necessary part of our judicial system, they are intended to remain confidential and are not to be used against a criminal defendant.

I cannot, in good conscience, sit quietly when I believe an arrogant abuse of power has occurred. The power of the White House was wielded to make victims of the inculpable. The targeting of dedicated public servants apparently because they held positions coveted by political profiteers demands an appropriate response. Although their muddied personal reputation may never be fully restored, it is only just that the Congress do what it can to rectify this wrong. Accordingly, I introduce this bill to make Mr. Dale and the other former White House Travel Office employees whole, at least financially, by providing for their attorneys fees and expenses.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT CONCERNING WAIVER OF RESTRICTIONS RELATIVE TO THE CHINASAT PROJECT—MESSAGE FROM THE PRESIDENT—PM 114

The PRESIDING OFFICER laid before the Senate the following message

from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

Pursuant to the authority vested in me by section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246), and as President of the United States, I hereby report to the Congress that it is in the national interest of the United States to waive the restrictions contained in that Act on the export to the People's Republic of China of U.S.-origin satellites insofar as such restrictions pertain to the CHINASAT project.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 6, 1996.*

REPORT CONCERNING WAIVER OF RESTRICTIONS RELATIVE TO THE MABUHAY PROJECT—MESSAGE FROM THE PRESIDENT—PM 115

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

Pursuant to the authority vested in me by section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246), and as President of the United States, I hereby report to the Congress that it is in the national interest of the United States to waive the restrictions contained in that Act on the export to the People's Republic of China of U.S.-origin satellites insofar as such restrictions pertain to the MABUHAY project.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 6, 1996.*

REPORT CONCERNING WAIVER OF RESTRICTIONS RELATIVE TO THE COSAT PROJECT—MESSAGE FROM THE PRESIDENT—PM 116

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

Pursuant to the authority vested in me by section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101–246), and as President of the United States, I hereby report to the Congress that it is in the national interest of the United States to waive the restrictions contained in that Act on the export to the People's Republic of China of U.S.-origin satellites insofar as such restrictions pertain to the COSAT project.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 6, 1996.*

REPORT OF THE BUDGET OF THE UNITED STATES GOVERNMENT FOR FISCAL YEAR 1997—MESSAGE FROM THE PRESIDENT—PM 117

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations and to the Committee on the Budget.

To the Congress of the United States:

In accordance with 31 U.S.C. §1105(a), I am transmitting my 1997 budget to Congress.

This budget provides a thematic overview of my priorities as we continue to discuss how to balance the budget over the next seven years. It also includes the Administration's new economic assumptions.

Because of the uncertainty over 1996 appropriations as well as possible changes in mandatory programs and tax policy, the Office of Management and Budget was not able to provide, by today, all of the material normally contained in the President's budget submission. I anticipate transmitting that material to Congress the week of March 18, 1996.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 5, 1996.*

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 4, 1995, during the recess of the Senate, on February 2, 1996, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

H.R. 2657. An act to award a congressional gold medal to Ruth and Billy Graham.

H.R. 2924. An act to guarantee the timely payment of Social Security benefits in March 1996.

S. 652. An act to promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.

Under the authority of the order of the Senate of January 4, 1995, the enrolled bills were signed on February 2, 1996, during the recess of the Senate by President pro tempore [Mr. THURMOND.]

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on February 2, 1996 he had presented to the President of the United States, the following enrolled bill:

S. 652. An act to promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 627. A bill to require the general application of the antitrust laws to major league baseball, and for other purposes (Rept. No. 104–231).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MCCAIN:

S. 1558. A bill to provide for reimbursement of States, political subdivisions, and persons that donated services, material, funds, or other things to allow the continued operation, during a period of time when appropriations were not available for the purpose, of all or any part of a public educational or recreational facility, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. GRASSLEY (for himself and Mr. HEFLIN):

S. 1559. A bill to make technical corrections to title 11, United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. GRASSLEY (for himself, Mr. D'AMATO, and Mrs. FEINSTEIN):

S. 1560. A bill to require Colombia to meet anti-narcotics performance standards for continued assistance and to require a report on the counter-narcotics efforts of Colombia; to the Committee on Foreign Relations.

By Mr. HATCH:

S. 1561. A bill for the relief of the individuals whose employment at the White House Travel Office was terminated; read the first time.

By Mr. HELMS:

S. 1562. A bill to require the President to give notice of the intention of the United States to withdraw from the Anti-Ballistic Missile Treaty, and for other purposes; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. D'AMATO (for himself and Mr. MOYNIHAN):

S. Res. 224. A resolution to designate September 23, 1996, as ''National Baseball Heritage Day''; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCAIN:

S. 1558. A bill to provide for reimbursement of States, political subdivisions, and persons that donated services, material, funds, or other things to allow the continued operation, during a period of time when appropriations were not available for the purpose, of all or any part of a public educational or recreational facility, and for other purposes; to the Committee on Energy and Natural Resources.

GOVERNMENT SHUTDOWN LEGISLATION

● Mr. MCCAIN. Mr. President, this bill would require Federal agencies to reimburse States, localities, and individuals who donated funds and services to maintain operations at Federal recreational and tourist facilities during the recent Government shutdowns. Without these generous donations, attractions such as Grand Canyon National Park, Mount Rushmore, Carlsbad Caverns, the National Gallery of Art, Liberty Bell, and Independence Hall could not have continued operations during the lengthy Government closures last year. Thanks to the generosity of private citizens, States, and local governments we were able to ensure that innocent people were not turned away at the gates and that further economic loss was avoided.

Grand Canyon visitors and local businesses particularly benefited from State and private donations during the most recent Government shutdown. As you know, Grand Canyon National Park officially closed for the first time in its 76-year history on November 16, 1995, during the first Government shutdown last year.

The economic impact of the park's closure has been estimated at a loss of about $1 million per day in tourism revenue to the park and surrounding areas. By entering into an agreement with the Department of the Interior, the State of Arizona and private individuals donated almost $400,000 to prevent another park closure during the most recent Government shutdown which began on December 15, 1995, and lasted for more than 3 weeks.

It is only right that we reimburse those who so generously donated their funds and services in order to shoulder the Federal Government's responsibility. I trust that my colleagues agree and that we can pass this bill expeditiously.●

By Mr. GRASSLEY (for himself and Mr. HEFLIN):

S. 1559. A bill to make technical corrections to title 11, United States Code, and for other purposes; to the Committee on the Judiciary.

THE BANKRUPTCY TECHNICAL CORRECTIONS ACT OF 1996

● Mr. GRASSLEY. Mr. President, I rise today to introduce the Bankruptcy Technical Corrections Act of 1996. This bill will correct technical errors in the bankruptcy code resulting from the 1994 Bankruptcy Reform Act of 1994 as well as pre-existing technical errors. I am introducing the bill with support of Senator HEFLIN, my good friend from Alabama and the ranking minority on the Courts subcommittee.

Mr. President, with one exception, this bill makes purely technical changes in the Code. It is my hope that the bill will pass this body quickly and by unanimous consent.

The sole substantive change contained in this bill relates to the special procedures set up for single asset real estate ventures. These procedures speed up the bankruptcy process in certain unique business situations. The 1994 bankruptcy bill passed the Senate overwhelmingly without a cap for the value of single asset cases, and the bill I am introducing today does no more than restore that provision.

Again, I wish to thank Senator HEFLIN for expert assistance and help with this bill, and I urge the swift passage of the bill.●

By Mr. GRASSLEY (for himself and Mr. D'AMATO, and Mrs. FEINSTEIN):

S. 1560. A bill to require Colombia to meet antinarcotics performance standards for continued assistance and to require a report on the counternarcotics efforts of Colombia; to the Committee on Foreign Relations.

CERTIFICATION OF COLOMBIA LEGISLATION

Mr. GRASSLEY. Mr. President, in recent weeks we have seen a variety of events in Colombia that raise serious doubts about the extent to which the Government of Colombia is taking the steps necessary to ensure full cooperation with the United States on the issue of drugs. We are now approaching the annual period for certification. Under U.S. law, the President is required to certify annually whether major drug trafficking and producing countries are cooperating fully with the United States to end drug production, trafficking, and related drug activities.

Last year, we saw the Government of Colombia—facing the possibility of congressional sanctions—take more vigorous action to arrest several key figures in the Cali cocaine empire. Until that point the Government of Colombia had done little to arrest or prosecute these individuals. This was true even though their whereabouts was commonly known and they were frequently strutting around the streets of Colombia's major cities. I, among others of my colleagues, was encouraged by the steps taken to finally put these thugs behind bars. The courageous actions of Colombia's prosecutor general and the leading counterdrug police official—both brave and incorruptible individuals under daily threats of death—were welcome signs that despite massive corruption, Colombia was prepared to take effective action.

But I did not believe then nor do I believe now that these arrests are enough. I indicated to the Government of Colombia on several occasions when senior officials visited me, that it was follow through that meant everything. I have written the Colombian ambassador and have indicated verbally to various cabinet members on state visits to the United States my concern that arrests were only a beginning.

I also asked these various individuals for assurances that the major drug lords were under proper control. That they were not able to continue to direct their drug empires while living at state expense. That they would face serious punishment. That they would lose their stolen fortunes built on selling poison in this country. That they would give up information leading to efforts to dismantle their drug empires. And that adequate steps would be taken to deal with the corruption of Colombia's political system. A corruption that gave these kingpins freedom to violate Colombian, United States, and international law with impunity.

I was assured that all these things were being done. But in the last several weeks, what do we see? Just a few weeks ago, one of the major Cali drug lords simply walked out of prison. It was hours before anyone even knew he was gone and steps were taken to find him. It is clear that his escape was arranged by his prison guards in his employment. It is also clear that he was never under adequate supervision. He remains at large trying to negotiate even better terms for his return to custody. If this is true for Santacruz Londono, it is also true of the other drug kingpins. If they can carry on these types of activities in jail under the very eyes—and often with the cooperation of their jailers—then what does this say about guarantees that they are not continuing to direct their business empire while in custody?

I must say I have been very disappointed by these developments. But these are not all. In the last several days we have seen a former cabinet minister and close friend accuse the President of Colombia of knowingly collaborating with drug lords. These accusations come on top of similar reports from the former financial manager of the President's election campaign and from some of the Cartel leaders themselves. Tape recorded conversations indicating connections between senior government officials and drug lords are now part of the public record. These come in an environment in which our own sources indicate that there is extensive corruption of Colombia's legislative process stemming from these same drug lords. Just recently, the Colombian Congress only narrowly defeated a provision that would have given virtual amnesty to the drug lords and a guarantee that they could keep their illegal fortunes. In addition, massive shipments of cocaine in cargo jets and in commercial traffic continue to flood northward, while money laundering and financial manipulation are commonplace.

All of these various developments come at a time when the President of the United States, as he is required to do by law, is considering whether or not to certify Colombia as fully cooperating with the United States in suppressing the drug trade. I am seriously concerned that the present state of developments in Colombia raises the most serious doubts about that certification. The fate of Colombia's president, whether he resigns or not under a cloud, is a purely Colombian matter. I leave that issue in the hands of the good citizens of Colombia. But the issue of certification is purely an

American matter. It is a policy concern for the President and for this body.

Given the history I have just related, I must voice my serious concerns about whether Colombia meets even minimal standards for fully cooperating with the United States as is defined in the law. Moreover, as evidence accumulates about the degree of official corruption in Colombia at the highest levels, we must also consider a further requirement of the law that enjoins the President to suspend United States assistance. That is section 487 of the Foreign Assistance Act. This provision requires the United States to suspend assistance to institutions or governments when there is sufficient reason to believe that the assistance is going to known or suspected drug traffickers or their confederates.

Mr. President, given current developments in Colombia. Given growing doubts about the integrity of the prison system. Given doubts about the integrity of the very political authorities who must receive and administer United States assistance and who are charged with enforcing Colombia's counterdrug policies. I believe it is time to reexamine our certification of Colombia.

Last year, even though there were serious doubts about Colombia's cooperation, the President of the United States gave Colombia a national interest waiver. With the arrest of major cartel figures, it seemed as if we and Colombia were making progress in restoring confidence in Colombia's seriousness in dealing effectively with the drug cartels. Recent events, however, put all of that progress in doubt. They raise serious questions as to whether any of the arrests, as welcome as they are, have any real meaning. In a climate of high-level corruption, in an environment in which the cartel leaders can come and go as they please, I must admit to a degree of disappointment after the assurances that I received to the contrary.

In this regard, I am introducing a bill to limit United States assistance to Colombia and to require a thorough review of our relationship. This bill would require the President of the United States to review full decertification of Colombia and to consider what economic steps might be taken to force Columbia to take the steps that have so often promised but that have fallen short so many times. This is not a welcome step, but the drugs flowing to this country because of the activities of the Colombia drug lords must be stopped. We and the Colombians must recognize that promises and half measures are not sufficient.

● Mr. D'AMATO. Mr. President, I would like to commend my colleague from Iowa for introducing this bill that will help to curb the international flow of drugs, particularly into the United States.

Narcotics have become a scourge in our country and it is about time that we start to take action to eradicate it at all levels. Since illegal drugs found on our streets are most often produced in other countries, foreign nations must also take action to prevent the production, transportation and distribution of illegal drugs. So far, there has been very little action to make foreign countries accountable for the drugs trafficked in the United States. This bill, which focuses on Colombia, will do just that.

According to the Drug Enforcement Administration, cocaine production, transportation and distribution has been managed primarily by the Colombian drug cartel, making cocaine available everywhere in the United States. The Cali cartel controls about 80 percent of the world's cocaine trafficking.

The Colombian Government has not done enough to put an end to the drug problem. Last year, United States officials expressed disappointment with the cooperation level of the Colombian Government in the counternarcotics effort. However, the administration sought to waive the certification for Colombia and permit United States aid to continue for development in Colombia. In an effort to justify the financial assistance, this bill would require the President to certify to Congress that Colombia has begun to take the appropriate measures to limit the power of the drug traffickers and squash the flow of illegal drugs. Such methods include: the eradication of drug crops, interdiction of drug shipments, and the strengthening of the Colombian law enforcement and judicial authorities.

It is only fair that American taxpayers, who pay for the foreign aid to Colombia, receive some assurance that the Colombian Government will attempt to reduce the production and distribution of drugs. With the recent disclosure of the ties between the Cali cartel and officials of the Colombia Government, the timing of this bill could not be any better.

Various insiders of the Cali mafia have recounted the influence exerted by the Cali mafia on high level Colombian officials, all the way to the President of Colombia. A former campaign manager for President Ernesto Samper Pizano is currently jailed for soliciting contributions from drug traffickers in order to finance the Colombian presidential campaign. Fernando Botero Zea, who also served as Colombia's former defense minister, claims that Colombian President Samper knew about the money from the drug traffickers. It is suggested that his presidential campaign accepted $5.9 million from the Cali cartel.

Colombia should be accountable for its failure to actively participate in the counternarcotics effort. This bill places pressure on the Colombian Government government to take steps to control the drug problem in Colombia. Any steps taken will have a direct effect on the flow of narcotics into the United States. But a failure to participate in the international counternarcotics effort should result in the loss of financial assistance provided by the United States.

In light of recent developments in Colombia, I am pleased that my colleague is offering this bill and am proud to co-sponsor this important measure.●

By Mr. HELMS:

S. 1562. A bill to require the President to give notice of the intention of the United States to withdraw from the Anti-Ballistic-Missile Treaty, and for other purposes; to the Committee on Foreign Relations.

THE STRATEGIC ANTI-MISSILE REVITALIZATION AND SECURITY ACT OF 1996

Mr. HELMS. Mr. President, there has never been a greater champion of ballistic missile defense than that great American, Ronald Wilson Reagan, and today happens to be President Reagan's 85th birthday. I decided this morning to introduce the Strategic Anti-missile Revitalization and Security Act of 1996—for short we call it the ''STARS Act''—legislation proposing to begin the timely and complete withdrawal from the ABM Treaty, and to clear the way for implementing President Reagan's vision of a national strategic missile defense system to protect the American people from ballistic missile attack.

Today's greatest emerging threat to America's national security lies in the proliferation of weapons of mass destruction. We all know that. According to the CIA, at this moment more than 30 countries possess ballistic missiles, and more than 25 others either have, or are in the process of acquiring, nuclear, chemical, or biological weapons.

Many of these nations—for example, Iran, Iraq, Libya, Syria, and North Korea—are clearly hostile to the United States. It is indeed probable that in the not-too-distant future a hostile tyrant will possess ballistic missiles capable of reaching major population centers in the United States.

Obviously, Mr. President, with such an ominous threat emerging, one would assume that the United States would be actively developing defensive technology to protect the American people against this danger; and one would assume that the Clinton administration surely is working, in cooperation with a bipartisan majority in Congress, to make certain that the United States is never, never exposed to the danger of a hostile nuclear attack by a terrorist regime.

Well, such assumptions are wrong. The Clinton administration in fact has aggressively blocked every effort by Congress to implement a national missile defense system to protect the American people from this very real threat.

Why? Because, the administration argues weakly, developing such defenses would violate an antiquated arms control agreement—a relic of the cold war known as the ABM Treaty.

Mr. President, the ABM Treaty is not only out-of-date and unnecessary—it

has become a threat to America's national security. Like latter-day Luddites, the opponents of ballistic missile defense are now using the ABM Treaty as a tool to obstruct any and all progress toward the deployment of missile defense technology.

During debate over the defense authorization bill, for example, the opponents of ballistic missile defense stood on the Senate floor and used the ABM Treaty in a last-ditch effort to prevent Congress from passing legislation to deploy a national system to protect U.S. citizens against weapons of mass destruction. When they lost, President Clinton then used the ABM Treaty as an excuse to veto the defense authorization bill, thus preventing approval of funding for national missile defense.

Mr. President, this treaty has become nothing more than an excuse for inaction. But the time for excuses is over. The United States needs a national missile defense. And if the ABM Treaty is preventing us from building and deploying essential defenses to protect the American people from even the most limited ballistic missile attack, then the time has come for the United States to withdraw from the ABM Treaty.

Mr. President, my legislation will do just that. The STARS Act does three things:

First, it directs the President to notify Russia of United States intent to withdraw from the ABM Treaty 1 month after enactment of the act, as legally permitted by the ABM Treaty.

Second, it prohibits the use of Federal funds to enforce the ABM Treaty beginning 7 months after the bill's enactment.

Finaly, it requires the President to certify to Congress that the United States has abrogated the ABM Treaty on the date of U.S. withdrawal.

Mr. President, through its blind allegiance to this obsolete treaty, the Clinton administration appears to be ready to leave the American people strategically naked as hostile nations rush forward to their relentless pursuit of nuclear, chemical, and biological weapons. Indeed, in their zeal to stop Congress from deploying national missile defenses, this administration seems willing to say or do anything to argue that the ballistic missile threat does not exist.

I must say I was stunned when I noted the politicization of the most recent National Intelligence Estimate [NIE] to support the administration's position in this regard. The 1996 National Intelligence Estimate declared that no country other than the ''declared nuclear powers'' would threaten the ''continental United States'' with a ballistic missile for 15 years. Note carefully that they said the ''continental United States''. First, this is simply not so. The 1995 estimate concluded, for example, that North Korea may be able to threaten the United States in 5 years because it is an indisputable fact that North Korea is developing a series of missiles with ranges in excess of 3000 kilometers.

Second, I am astonished that this administration has somehow managed to write two of the 50 States of the Union completely out of the Union. I cannot understand why this administration draws a distinction in the 1996 NIE between threats to the United States and threats to the continental United States. The last time I checked, nearly 2 million U.S. citizens live in Alaska and Hawaii. Are these people less deserving of protection than people living in Arkansas, or Michigan for that matter? I think not.

Third, it boggles the mind that this administration can make decisions about the ballistic missile threat to this country, while explicitly ignoring the arsenals of declared nuclear powers. Communist China not only fields two dozen submarine launched ballistic missiles, several hundred heavy bomber warheads, and roughly 24 long- and medium-range ballistic missiles, but has several modernization initiatives underway. China is developing for deployment by the end of the millennium four intermediate-range and long-range ballistic missile systems, and we have unambiguous evidence that China is pursuing MIRV-technology.

Nor can we afford to dismiss Russia's massive nuclear capabilities. Russia still has 12,000 nuclear warheads in its arsenal, as it slips and slides back down the slippery-slope of political reform. When President Clinton declared in his State of the Union address that today, for the first time no Russian nuclear missiles are pointed at the United States, he just happened to omit the fact that it requires only about 8 minutes of reprogramming to turn those Russian missiles right back at us.

We must not ignore in such cavalier fashion the trends to reinstate and restore communism in Russia. It is growing increasingly possible that Russia's massive nuclear arsenal could fall into the hands of authoritarian leaders with uncertain intentions before the end of this century. We of course hope this will not happen, but we must prepare for the possibility.

Even those who unwisely discount the possibility of direct conflict with potentially hostile regimes in Moscow and Beijing, must not discount the possibility of an accidental launch, nor the cooperation and collaboration between countries engaged in the development of ballistic missiles. We know, for example, that China has sold extensive missile technology to Iran, Syria, and North Korea; we know that Iran is working with North Korea and Syria on various missiles. We know that 14 countries around the globe have the capability to field some type of Soviet-made missile, and we know that Russia recently was detected shipping ballistic missile parts to Iraq.

These are all real threats that the administration would ignore at the peril of the American people, because the fact is, the proliferation of weapons of mass destruction and ballistic missile technology is rampant, the threat of ballistic missile attack on the United States is a present and growing danger, and nothing is being done to protect the American people from it. The administration has an almost messianic devotion to the ABM Treaty which I find bizarre. There is, you see, far more concern about protecting a treaty not worth the paper it is written on, than with protecting American citizens against horrible nuclear attacks.

So, Mr. President, the STARS Act, which I am introducing today, will remove the ABM Treaty as an obstacle, and instead pave the way for the deployment of defenses when necessary to protect American citizens against weapons of terror. And the sooner, the better. We cannot afford to wait until the administration wakes up and opens its eyes. By then, it may be too late. It takes years to move from the enactment of legislation in Congress to the deployment of a defensive system.

If Congress passes legislation funding such a system this year, it may take as long as eight years before the system is operational.

It may, in fact take longer. Think back. Did any Senator predict 8 years ago the advanced stages of North Korea's nuclear program? Did anyone here know, before the fact, how close Iraq was to obtaining a nuclear weapon just prior to the start of the Gulf War? Is any Senator prepared to stake the security of the American people on blind faith? Thee are questions that we must confront.

I am not. We must begin consideration of the STARS Act. Removing the ABM Treaty is critical to any strategy for protecting U.S. citizens against chemical, biological, and nuclear weapons mounted on ballistic missiles. In the coming months, I anticipate the introduction, under the auspices of the distinguished majority leader, of a comprehensive bill identifying the critical aspects of a ballistic missile defense. In support of this effort, and in connection with the STARS Act, the Senate Foreign Relations Committee, will of which I am chairman, will hold hearings as soon as practicable to undertake a comprehensive review of the ABM Treaty. Providing for the defense of America against these weapons must be among our highest priorities during this session of Congress.

Mr. President, Ronald Reagan said it best back in 1993, in one of his last public speeches—he had learned of the Clinton administration's decision to gut the Strategic Defense Initiative: ''I may not be a Rhodes Scholar'' he told the graduating cadets at The Citadel, ''but I do know one thing: if we can protect America with a defensive shield from incoming missiles, we should by all means do so. . . . (And) if the new Administration thinks we are no longer at risk, they need to open their eyes and take a good hard look at the world.''

Amen, Mr. President, and, again to you, sir, out there in California, happy birthday. It was a joy to hear your voice today on the telephone. God bless you—and as you always used to say—God bless America.

Mr. President. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Strategic Anti-Missile Revitalization and Security Act of 1996''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) The Constitution vests in the Government of the United States responsibility to provide for the common defense and promote the general welfare of the American people.

(2) Due to limitations imposed by the Anti-Ballistic Missile Treaty, the United States is prohibited from deploying a national missile defense capable of defending America against even the most limited of ballistic missile attack.

(3) The concept of mutual assured destruction which underlies the Anti-Ballistic Missile Treaty is technologically and geostrategically outdated and cannot serve as a basis for stability in a multipolar world characterized by rampant proliferation of weapons of mass destruction and ballistic missile technology.

(4) The possibility of ballistic missile attack upon the United States by a rogue country constitutes a clear, present, and growing threat to the supreme interests of the United States.

SEC. 3. REQUIREMENT TO GIVE NOTICE OF WITHDRAWAL.

No later than 30 days after the date of the enactment of this Act, the President shall give notice to the Russian Federation of the intention of the United States to withdraw from the Anti-Ballistic Missile Treaty, as permitted under Article XV of that Treaty.

SEC. 4. PROHIBITIONS.

Beginning 210 days after the date of the enactment of this Act, appropriated funds shall not be obligated or expended for the purposes of proscribing, enforcing, or implementing any provision of the Anti-Ballistic Missile Treaty.

SEC. 5. ACTIONS OF THE PRESIDENT.

On the date that is 180 days after the date of the notification of the President to the Russian Federation under section 3, the President shall certify to Congress that the Anti-Ballistic Missile Treaty is no longer interpreted to apply to the development, deployment, or operation of any missile defense system or air defense system of the United States, including any component of such a system or upgrade of such a system or component.

SEC. 6. DEFINITION.

As used in this Act, the term ''Anti-Ballistic Missile Treaty'' means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems, signed at Moscow on May 26, 1972, with related protocol, signed at Moscow on July 3, 1974.

ADDITIONAL COSPONSORS

S. 295

At the request of Mrs. KASSEBAUM, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 295, a bill to permit labor management cooperative efforts that improve America's economic competitiveness to continue to thrive, and for other purposes.

S. 673

At the request of Mrs. KASSEBAUM, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 673, a bill to establish a youth development grant program, and for other purposes.

S. 930

At the request of Mr. SHELBY, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 930, a bill to require States receiving prison construction grants to implement requirements for inmates to perform work and engage in educational activities, and for other purposes.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1166

At the request of Mr. LUGAR, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1166, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, to improve the registration of pesticides, to provide minor use crop protection, to improve pesticide tolerances to safeguard infants and children, and for other purposes.

S. 1219

At the request of Mr. FEINGOLD, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 1219, a bill to reform the financing of Federal elections, and for other purposes.

S. 1400

At the request of Mrs. KASSEBAUM, the names of the Senator from Connecticut [Mr. LIEBERMAN], and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of S. 1400, a bill to require the Secretary of Labor to issue guidance as to the application of the Employee Retirement Income Security Act of 1974 to insurance company general accounts.

S. 1487

At the request of Mr. ROBB, his name was added as a cosponsor of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive medicare reimbursement for health care services provided to certain medicare-eligible covered military beneficiaries.

SENATE RESOLUTION 217

At the request of Mrs. KASSEBAUM, the names of the Senator from Virginia [Mr. WARNER], the Senator from Delaware [Mr. BIDEN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Connecticut [Mr. DODD], the Senator from Florida [Mr. GRAHAM], the Senator from Hawaii [Mr. INOUYE], the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], and the Senator from California [Mrs. FEINSTEIN] were added as cosponsors of Senate Resolution 217, A resolution to designate the first Friday in May 1996, as ''American Foreign Service Day'' in recognition of the men and women who have served or are presently serving in the American Foreign Service, and to honor those in the American Foreign Service who have given their lives in the line of duty.

SENATE RESOLUTION 219

At the request of Mr. SPECTER, the names of the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from West Virginia [Mr. BYRD], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from New Mexico [Mr. DOMENICI], the Senator from Wyoming [Mr. SIMPSON], the Senator from New Hampshire [Mr. GREGG], the Senator from Vermont [Mr. JEFFORDS], the Senator from Tennessee [Mr. THOMPSON], the Senator from Georgia [Mr. COVERDELL], the Senator from Florida [Mr. GRAHAM], the Senator from Virginia [Mr. ROBB], the Senator from Wisconsin [Mr. KOHL], the Senator from Hawaii [Mr. INOUYE], the Senator from Rhode Island [Mr. CHAFEE], the Senator from North Carolina [Mr. HELMS], the Senator from Texas [Mrs. HUTCHISON], the Senator from New York [Mr. D'AMATO], the Senator from Utah [Mr. HATCH], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Resolution 219, A resolution designating March 25, 1996 as ''Greek Independence Day: A National Day of Celebration of Greek and American Democracy.''

AMENDMENT NO. 3184

At the request of Mr. LEAHY the names of the Senator from Maine [Ms. SNOWE], and the Senator from Texas [Mr. GRAMM] were added as cosponsors of amendment No. 3184 proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

AMENDMENT NO. 3202

At the request of Mr. GREGG the names of the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of amendment No. 3202 intended to be proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

AMENDMENT NO. 3289

At the request of Mr. GREGG the names of the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of amendment No.

3289 intended to be proposed to S. 1541, a bill to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes.

SENATE RESOLUTION 224—TO DESIGNATE SEPTEMBER 23, 1996, AS ''NATIONAL BASEBALL HERITAGE DAY''

Mr. D'AMATO (for himself and Mr. MOYNIHAN) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 224

Whereas it is universally accepted that the idea of baseball was created by Abner Doubleday in 1839 in Cooperstown, NY when Doubleday attempted to chase cows out of Elihu Phinney's cow pasture;

Whereas, New Yorkers in Manhattan in 1842 witnessed the birth of modern day baseball when 'a number of gentlemen . . . casually assembled on a plot of ground in Twenty-seventh street . . . to play ball'' according to Charles A. Peverelly in ''The Book of American Pastimes;''

Whereas, these men, led by Alexander Joy Cartwright, Jr. created the set of rules to transform a childhood game into the game of baseball and to provide a model for future early clubs;

Whereas, these men played the game because of sheer enjoyment and casually called themselves the ''New York Baseball Club'';

Whereas, Harold Peterson, in ''The Man Who Invented Baseball,'' notes that on the historic day of September 23, 1845, these men, now numbering more than forty, formally organized themselves into the first ever organized baseball club known as the ''Knickerbocker Baseball Club'';

Whereas, the Knickerbockers dedicated their efforts to the creation of regular games on the Twenty-seventh street field so they could play their new game.

Whereas, others noticed the games of the Knickerbockers and created teams of their own for inter-club play with Alexander Joy Cartwright, Jr. and the Knickerbockers, according to Cartwright's ''Rules of Play'';

Whereas, baseball has grown into America's national pastime and ingratiated itself into the collective heart of America;

Whereas, America has cherished baseball and fallen in love with baseball heroes like Mickey Mantle, Jackie Robinson, Willie Mays, and Babe Ruth;

Whereas, baseball has given Americans common and shared experience, as well as provide a bond between generations;

Whereas, parents and children enjoy baseball together throughout the countless generations.

Whereas, baseball has become as much a part of the United States as the hot dogs sold at the games;

Whereas, baseball has become a part of our national character,

Whereas, the designation of ''National Baseball Heritage Day'' will provide Americans with chance to celebrate the history of the game and reflect on how much it has affected our collective lives and national identity: Now, therefore, be it

Resolved, That the Senate, in recognition of the essential role that baseball has played in the history of the United States and our individual lives, designate September 23, 1996 as ''National Baseball Heritage Day''. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such a day with appropriate ceremonies and activities.

● Mr. D'AMATO. Mr. President, when asked to describe an image of baseball, the near unanimous and immediate picture painted would be of a warm summer night sitting in the bleachers with your kids, enjoying a hot dog or some peanuts, and rooting for the home team. Similarly when asked about the origins of baseball, fans from the youngest to the oldest will tell you that baseball originates in New York. It is that heritage that I wish to memorialize in legislation that I am submitting today. I am proud to submit the resolution with my friend and colleague, New York's senior Senator, DANIEL PATRICK MOYNIHAN.

On a lazy afternoon in 1839, a young man from Cooperstown, Abner Doubleday, chased the cows out of Elihu Phinney's pasture and was struck with the inspiration to invent a game that we now know as baseball. In true recognition of Cooperstown's place in history, the National Baseball Hall of Fame is located there.

Today, Cooperstown is the mecca for all baseball fans where, in the Hall of Fame, they can see the unfolding of baseball from its early beginnings to its great modern era. Within the National Baseball Hall of Fame outstanding players such as Babe Ruth, Lou Gherig, Cy Young, Ty Cobb, Joe DiMaggio, and Jackie Robinson are immortalized. In addition to plaques celebrating the achievements of baseball's greats, Cooperstown has the largest collection of game-winning baseballs, record-breaking bats, and paraphernalia chronicling achievements and activities of all kinds in relation to the game of baseball and baseball's impact on American society.

Shortly after Doubleday's inspiration, a group of gentlemen, led by Alexander Joy Cartwright, Jr., was meeting in fields all over Manhattan in New York City, playing baseball according to rules laid out by Cartwright. These men began playing baseball as early as 1842 in a small plot of ground on Twenty-seventh Street—a spot now occupied by the Harlem Railroad depot. Cartwright and his friends were forced to play at three different locations on Manhattan in order to escape the encroachment of a growing New York City. On September 23, 1845, they finally formally organized themselves into a baseball club known as the Knickerbockers Base Ball Club.

Efforts have been attempted in the past to lay claim to Cooperstown's, and indeed New York's place in baseball history. Such efforts continue to this day. But as every little-leaguer knows, New York will always be the true home of baseball. Also, as any baseball history buff knows, New York City is home to our nation's earliest organized baseball team. Baseball fans everywhere will not be fooled by those who would claim otherwise.

Therefore, to make sure that all Americans know the rightful role New York holds in the birth of baseball, we are introducing a resolution calling for congressional recognition of this distinction. It is my hope that with the Senate's passage of this resolution, we may once and for all dispel all contrary claims to baseball's heritage. We encourage all true fans of baseball in the Senate to join in cosponsoring this resolution.●

AMENDMENTS SUBMITTED

THE AGRICULTURAL MARKET TRANSITION ACT OF 1996

GRAMS AMENDMENT NO. 3316

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541) to extend, reform, and improve agricultural commodity, trade, conservation, and other programs, and for other purposes; as follows:

S. 1541

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7, and insert the following:

SEC. 108. MILK PROGRAM.

(a) TERMINATION OF MILK MARKETING ORDERS.—Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking subsection (5) and (18).

(b) PROHIBITION OF SUBSEQUENT ORDERS REGARDING MILK.—Section 8c(2) of the Agricultural Adjustment Act (7 U.S.C. 608c(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in paragraph (A), by striking ''Milk, fruits'' and inserting ''Fruits''; and

(2) in paragraph (B), by inserting ''milk,'' after ''honey,''.

(c) CONFORMING AMENDMENTS.—

(1) Section 2(3) of the Agricultural Adjustment Act (7 U.S.C. 602(3)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking '', other than milk and its products,''.

(2) Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(A) in subsection (6), by striking '', other than milk and its products,'';

(B) in subsection (7)(B), by striking ''(except for milk and cream to be sold for consumption in fluid form)'';

(C) in subsection (11)(B), by striking ''Except in the case of milk and its products, orders'' and inserting ''Orders'';

(D) in subsection (13)(A), by striking '', except to a retailer in his capacity as a retailer of milk and its products''; and

(E) in the first sentence of subsection (17), by striking ''; *Provided further,*'' and all that follows through ''to such order''.

(3) Section 8d(2) of the Agricultural Adjustment Act (7 U.S.C. 608d(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking the second sentence.

(4) Section 10(b)(2) of the Agricultural Adjustment Act (7 U.S.C. 610(b)(2)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(A) by striking clause (i);

(B) by redesignating clauses (ii) and (iii) as clauses (i) and (ii) respectively; and

(C) in the first sentence of clause (i) (as so redesignated), by striking ''other commodity'' and inserting ''commodity''.

(5) Section 11 of the Agricultural Adjustment Act (7 U.S.C. 611), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking ''peanuts, and milk, and its products,'' and inserting ''and peanuts,''.

(6) Section 715 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1994 (Public Law 103–111, 107 Stat. 1079; 7 U.S.C. 608d note), is amended by striking ''amended: *Provided further,*'' and all that follows through ''handlers'' and inserting ''amended''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on December 31, 1998.

BUMPERS (AND PRYOR) AMENDMENT NO. 3317

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, add the following: ''Notwithstanding any other provision of this Act, any program authorized to be administered by the Secretary of Agriculture on January 1, 1995, modified by this Act, shall be deemed authorized under the same terms and conditions as existed on January 1, 1995, until December 31, 1996, unless other terms and conditions are subsequently established by law.''

MURRAY AMENDMENTS NOS. 3318–3319

(Ordered to lie on the table.)

Mrs. MURRAY submitted two amendments intended to be proposed by her to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3318

On page 1–21, line 17, strike ''$2.58'' and insert ''$2.82''.

AMENDMENT NO. 3319

Beginning on page 3–2, strike line 1 and all that follows through page 3–5, line 23, and insert the following:

''SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—During the 1996 through 2002 calendar years, the Secretary shall establish an environmental conservation acreage reserve program (referred to in this section as 'ECARP') to be implemented through contracts and the acquisition of easements to assist owners and operators of farms and ranches to conserve and enhance soil, water, air, and related natural resources, including grazing land, wetland, and wildlife habitat.

''(2) MEANS.—The Secretary shall carry out the ECARP by—

''(A) providing for the long-term protection of environmentally sensitive land; and

''(B) providing technical and financial assistance to farmers and ranchers to—

''(i) improve the management and operation of the farms and ranches; and

''(ii) reconcile productivity and profitability with protection and enhancement of the environment.

''(3) PROGRAMS.—The ECARP shall consist of—

''(A) the conservation reserve program established under subchapter B;

''(B) the wetlands reserve program established under subchapter C; and

''(C) the environmental quality incentives program established under chapter 4.

''(b) ADMINISTRATION.—

''(1) IN GENERAL.—In carrying out the ECARP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter and chapter 4.

''(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve or wetlands reserve program prior to the effective date of this paragraph shall be considered to be placed into the ECARP.

''(c) CONSERVATION PRIORITY AREAS.—

''(1) DESIGNATION.—

''(A) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay Region (consisting of Pennsylvania, Maryland, and Virginia), the Great Lakes Region, and the Long Island Sound Region, as conservation priority areas that are eligible for enhanced assistance through the programs established under the chapter and chapter 4.

''(B) APPLICATION.—A designation shall be made under this paragraph if agricultural practices on land within the watershed or region pose a significant threat to soil, water, air, and related natural resources, as determined by the Secretary, and an application is made by—

''(i) a State agency in consultation with the State technical committee established under section 1261; or

''(ii) State agencies from several States that agree to form an interstate conservation priority area.

''(C) ASSISTANCE.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area to assist, to the maximum extent practicable, agricultural producers within the watershed or region to comply with nonpoint source pollution and other requirements under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), and other Federal and State environmental laws.

''(2) APPLICABILITY.—The Secretary shall designate a watershed or region of special environmental sensitivity as a conservation priority area in a manner that conforms, to the maximum extent practicable, to the functions and purposes of the conservation reserve, wetlands reserve, and environmental quality incentives programs, as applicable, if participation in the program or programs is likely to result in the resolution or amelioration of significant soil, water, air, and related natural resource problems related to agricultural production activities within the watershed or region.

''(3) TERMINATION.—A conservation priority area designation shall terminate on the date that is 5 years after the date of the designation, except that the Secretary may—

''(A) redesignate the area as a conservation priority area; or

''(B) withdraw the designation of a watershed or region if the Secretary determines the area in no longer affected by significant soil, water, air, and related natural resource impacts related to agricultural production activities.''.

WELLSTONE AMENDMENTS NOS. 3320–3323

(Ordered to lie on the table.)

Mr. WELLSTONE submitted four amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3320

At the appropriate place insert the following:

''SEC. . ADJUSTMENT TO LOAN RATE CAPS.

''(a) ATTRIBUTION.—Notwithstanding any other provision of this Act and notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contract acres of wheat, feed grains, upland cotton, rice, and oilseeds, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.''

''(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN RATE CAPS.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

''(1) notwithstanding the provisions of this title, reduce the Contract Payment Account provided in section 103 for each fiscal year by $140,000,000; and

''(2) increase the loan rate caps in section 104 as follows:

''(A) $2.75 per bushel for wheat;

''(B) $2.00 per bushel for corn;

''(C) $0.54 per pound for upland cotton;

''(D) $6.60 per hundredweight for rice;

''(E) $5.10 per bushel for soybeans; and

''(F) $.10 per pound for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed.''

AMENDMENT NO. 3321

At the appropriate place insert the following:

''SEC. . VALUE-ADDED PROCESSING AND MARKETING.

''(a) ATTRIBUTION.—Notwithstanding any other provision of this Act and notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contracts acres of wheat and feed grains, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.

''(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN GUARANTEE AND GRANT AUTHORITY.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

''(1) notwithstanding the provisions of this title, reduce the Contract Payment for what and feed grains provided in section 103 for each fiscal year by the amount estimated by the Secretary not paid to farmers as a result of subsection (a); and

''(2) use such savings generated in paragraph (1) to carry out a program to issue guarantee against the risk of nonpayment arising out of loans taken out by small and moderate-size agricultural producers in wheat and feed-grain regions to finance the purchase of stock of membership capital in cooperative associations engaged in value-added, food or industrial-use processing of agricultural commodities, and to issue grants to provide financial and technical assistance for agricultural diversification, marketing, processing and production strategies by small and moderate-size farmers to add value to farm products and increase self-employment opportunities.''

AMENDMENT NO. 3322

Amend title I by adding to the end the following:

"SEC. 112. ADJUSTMENT TO LOAN RATE CAPS.

''(a) ATTRIBUTION.—Notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contract acres of wheat, feed grains, upland cotton, rice, and oilseeds, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.

''(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN RATE CAPS.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

''(1) notwithstanding the provisions of this title, reduce the Contract Payment Account provided in section 103 for each fiscal year by $140,000,000; and

''(2) increase the loan rate caps in section 104 as follows:

''(A) $2.75 per bushel for wheat;

''(B) $2.00 per bushel for corn;

''(C) $0.54 per pound for upland cotton;

''(D) $6.60 per hundredweight for rice;

''(E) $5.10 per bushel for soybeans; and

''(F) $.10 per bushel for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed.''

AMENDMENT NO. 3323

Amend title I by adding to the end the following:

"SEC. 112. VALUE-ADDED PROCESSING AND MARKETING.

''(a) ATTRIBUTION.—Notwithstanding the provisions of sections 1001 and 1001A of the Food Security Act of 1985 (7 U.S.C. 1308 and 1308–1) in the case of the 1996 through 2002 contract acres of wheat and feed grains, the Secretary shall attribute payments specified in section 1001 of that Act to persons who receive the payments directly, and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.

''(b) ADJUSTMENTS IN CONTRACT ACCOUNTS AND LOAN GUARANTEE AND GRANT AUTHORITY.—For the crops after the Secretary has implemented subsection (a), the Secretary shall—

''(1) notwithstanding the provisions of this title, reduce the Contract Payment for wheat and feed grains provided in section 103 for each fiscal year by the amount estimated by the Secretary not paid to farmers as a result of subsection (a); and

''(2) use such savings generated in paragraph (1) to carry out a program to issue guarantee against the risk of nonpayment arising out of loans taken out by small and moderate-size agricultural producers in wheat and feed-grain regions to finance the purchase of stock or membership capital in cooperative associations engaged in value-added, food or industrial-use processing of agricultural commodities, and to issue grants to provide financial and technical assistance for agricultural diversification, marketing, processing and production strategies by small and moderate-size farmers to add value to farm products and increase self-employment opportunities.''

FEINGOLD AMENDMENT NO. 3324

(Ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

SEC. . RURAL COMMUNITY TOURISM PROVISIONS.

(a) PURPOSE.—The purpose of this section is to amend the Consolidated Farm and Rural Development Act to require the Secretary of Agriculture to clarify that tourist and other recreational businesses located in rural communities are eligible for loans under the Business and Industry (B&I) Loan Guarantee Program.

(b) LOANS FOR TOURISM IN RURAL COMMUNITIES.—The first sentence of section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended—

(1) by striking ''and (3)'' and inserting ''(3)''; and

''(2) by inserting before the period at the end the following: '', and (4) promoting the planning, development, or financing of tourist or recreational businesses located in rural communities''.

FEINGOLD AMENDMENT NO. 3325

(Ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to amendment No. 3247 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike the provision relating to the Northeast Interstate Dairy Compact.

KOHL AMENDMENT NO. 3326

(Ordered to lie on the table.)

Mr. KOHL submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

On page 2–64, lines 18 and 19, strike ''Australian Wheat Board and Canadian Wheat Board'' and insert ''Australian Wheat Board, Canadian Wheat Board, and New Zealand Dairy Board''.

KOHL (AND FEINGOLD) AMENDMENT NO. 3327

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SEC. . DAIRY VOTING REFORM.

Section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)) is amended—

(1) by designating the first and second sentences as paragraphs (1) and (2), respectively;

(2) by designating the third through fifth sentences as paragraph (3);

(3) by designating the sixth sentence as paragraph (4);

(4) by designating the seventh and eighth sentences as paragraph (5);

(5) by designating the ninth sentence as paragraph (6);

(6) in paragraph (1) (as so designated), by striking ''and appointment'';

(7) by striking paragraph (2) (as so designated) and inserting the following:

''(2)(A)(i) Subject to clause (ii), members of the Board shall be milk producers nominated in accordance with subparagraph (B) and elected by a vote of producers through a process established by the Secretary.

''(ii) In carrying out clause (i), the Secretary shall not permit an organization certified under section 114 to vote on behalf of the members of the organization.

''(B) Nominations shall be submitted by organizations certified under section 114, or, if the Secretary determines that a substantial number of milk producers are not members of, or the interests of the producers are not represented by, a certified organization, from nominations submitted by the producers in the manner authorized by the Secretary. In submitting nominations, each certified organization shall demonstrate to the satisfaction of the Secretary that the milk producers who are members of the organization have been fully consulted in the nomination process.'';

(8) in the first sentence of paragraph (3) (as so designated), by striking ''In making such appointments,'' and inserting ''In establishing the process for the election of members of the Board,''; and

(9) in paragraph (4) (as so designated)—

(A) by striking ''appointment'' and inserting ''election''; and

(B) by striking ''appointments'' and inserting ''elections''.

KOHL (AND FEINGOLD) AMENDMENT NO. 3328

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SEC. . DAIRY VOTING REFORM.

Section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)) is amended—

(1) by designating the first and second sentences as paragraphs (1) and (2), respectively;

(2) by designating the third through fifth sentences as paragraph (3);

(3) by designating the sixth sentence as paragraph (4);

(4) by designating the seventh and eighth sentences as paragraph (5);

(5) by designating the ninth sentence as paragraph (6);

(6) in paragraph (1) (as so designated), by striking ''and appointment'';

(7) by striking paragraph (2) (as so designated) and inserting the following:

''(2)(A)(i) Subject to clause (ii), members of the Board shall be milk producers nominated in accordance with subparagraph (B) and elected by a vote of producers through a process established by the Secretary.

''(ii) In carrying out clause (i), the Secretary shall not permit an organization certified under section 114 to vote on behalf of the members of the organization.

''(B) Nominations shall be submitted by organizations certified under section 114, of, if the Secretary determines that a substantial number of milk producers are not members of, or the interests of the producers are not represented by, a certified organization, from nominations submitted by the producers in the manner authorized by the Secretary. In submitting nominations, each certified organization shall demonstrate to the satisfaction of the Secretary that the milk producers who are members of the organization have been fully consulted in the nomination process.'';

(8) in the first sentence of paragraph (3) (as so designated), by striking ''In making such appointments,'' and inserting ''In establishing the process for the election of members of the Board,''; and

(9) in paragraph (4) (as so designated)—

(A) by striking ''appointment'' and inserting ''election''; and

(B) by striking ''appointments'' and inserting ''elections''.

KOHL (AND OTHERS) AMENDMENT NO. 3329

(Ordered to lie on the table.)

Mr. KOHL (for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. GRAMS, Mr. PRESSLER, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by them to amendment No. 3247 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike section 108(f) of the amendment.

KOHL (AND OTHERS) AMENDMENT NO. 3330

(Ordered to lie on the table.)

Mr. KOHL (for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. GRAMS, Mr. PRESSLER, and Mr. LAUTENBERG) submitted an amendment intended to be proposed by them to amendment No. 3184 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7.

KOHL (AND FEINGOLD) AMENDMENT NO. 3331

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

''Notwithstanding any other provision of this Act, the following conditions shall apply to the reform of the Federal milk marketing orders as conducted by the Secretary:

''SEC. . CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

''(1) AMENDMENT TO ORDERS.—Within two years after the date of enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

''(A) limit the number of Federal milk marketing orders to between 10 and 14 orders;

''(B) provide for multiple basing points for the pricing of milk;

''(C) provide for the reduction by 50 percent of the price difference between the highest and lowest price differentials for Class I milk in effect at the time of enactment of this Act; and

''(D) provide for the implementation of uniform multiple component for milk used in manufactured dairy products.

''(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

''(A) announced not later than (1) year following the date of enactment of this Act; and

''(B) implemented not later than 2 years following the date of enactment of this Act.

''(3) EFFECT OF FAILURE TO COMPLY WITH REFORM PROCESS REQUIREMENTS

''(A) FAILURE TO TIMELY ISSUE OR AMEND ORDERS.—If, before the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary does not issue new or amended Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of this section, then the Secretary may not assess or collect assessments from milk producers or handlers under such section 8c for marketing order administration and services provided under such section after the end of that period. The Secretary may not reduce the level of services provided under such section on account of the prohibition against assessments, but shall rather cover the cost of marketing order administration and services through funds available for the Agricultural Marketing Service of the Department of Agriculture.

''(B) FAILURE TO TIMELY IMPLEMENT ORDERS.—Unless the Secretary certifies to Congress before the end of the 2-year period beginning on the date of the enactment of this Act that all of the Federal marketing order reforms required by this section have been fully implemented, then effective at the end of that period—

''(i) the Secretary shall immediately cease all milk price support activities under this Act;

''(ii) the Secretary shall immediately terminate all Federal milk marketing orders under section c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and may not issue any further order under such Act with respect to milk;

''(iii) the Secretary and the National Processor Advertising and Promotion Board shall immediately cease all activities under the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401 et seq.); and

''(iv) the Secretary and the National Dairy Promotion and Research Board shall immediately cease all activities under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).''

KOHL (AND FEINGOLD) AMENDMENT NO. 3332

(Ordered to lie on the table.)

Mr. KOHL (for himself and Mr. FEINGOLD) submitted an amendment intended to be proposed by them to amendment No. 3247 submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Beginning of page 4 of the amendment, strike line 16 and all that follows through page 5, line 14, and insert the following:

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT TO ORDERS.—Within two years after the date of enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1037, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders;

(B) provide for multiple basing points for the pricing of milk;

(C) provide for the reduction by 50 percent of the price difference between the highest and lowest price differentials for Class I milk in effect at the time of enactment of this Act; and

(D) provide for the implementation of uniform multiple component for milk used in manufactured dairy products.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than (1) year following the date of enactment of this Act; and

(B) implemented not later 2 years following the date of enactment of this Act.

(3) EFFECT OF FAILURE TO COMPLY WITH REFORM PROCESS REQUIREMENTS

(A) FAILURE TO TIMELY ISSUE OR AMEND ORDERS.—If, before the end of the 1-year period beginning on the date of the enactment of this Act, the Secretary does not issue new or amended Federal milk marketing orders under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to effectuate the requirements of 108(b), then the Secretary may not assess or collect assessments from milk producers or handlers under such section 8c for marketing order administration and services provided under such section after the end of that period. The Secretary may not reduce the level of services provided under such section on account of the prohibition against assessments, but shall rather cover the cost of marketing order administration and services through funds available for the Agricultural Marketing Service of the Department of Agriculture.

(B) FAILURE TO TIMELY IMPLEMENT ORDERS.—Unless the Secretary certifies to Congress before the end of the 2-year period beginning on the date of the enactment of this Act that all of the Federal marketing order reforms required by section 108(b) have been fully implemented, then effective at the end of that period—

(i) the Secretary shall immediately cease all price support activities under section 108(a);

(ii) the Secretary shall immediately terminate all Federal milk marketing orders under section c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, and may not issue any further order under such Act with respect to milk;

(iii) the Secretary and the National Processor Advertising and Promotion Board shall immediately cease all activities under the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401 et seq.); and

(iv) the Secretary and the National Dairy Promotion and Research Board shall immediately cease all activities under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).

KERREY (AND EXON) AMENDMENT NO. 3333

(Ordered to lie on the table.)

Mr. KERREY (for himself and Mr. EXON) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 3–46, strike lines 6 through 14 and insert the following:

SEC. 353. STATE TECHNICAL COMMITTEES.

Subtitle G of title XII of the Food Security Act of 1985 (16 U.S.C. 3861 et seq.) is amended to read as follows:

''Subtitle G—State Technical Committees

''SEC. 1261. ESTABLISHMENT.

''(a) IN GENERAL.—The Secretary shall establish in each State a State technical committee to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title.

''(b) COORDINATION.—Each State technical committee shall be coordinated by the State Conservationist of the Natural Resources Conservation Service.

''(c) COMPOSITION.—Each technical committee shall be composed of persons with relevant expertise that represent a variety of disciplines in the soil, water, wetland, and wildlife and social sciences, including representatives of—

''(1) the Natural Resources Conservation Service;

''(2) the Farm Service Agency;

''(3) the Forest Service;

''(4) the Cooperative State Research, Education and Extension Service;

''(5) the Office of Rural Economic and Community Development;

''(6) the United States Fish and Wildlife Service;

''(7) the Environmental Protection Agency;

''(8) the United States Geological Service;

''(9) State departments and agencies that the Secretary considers appropriate, including—

''(A) the State fish and wildlife agency;

''(B) the State forester or equivalent State official;

''(C) the State water resources agency;

''(D) the State department of agriculture; and

''(E) the State association of soil and water conservation districts, or natural resources districts;

''(10) agricultural producers utilizing a range of conservation farming systems and practices;

''(11) other nonprofit organizations with demonstrable expertise;

''(12) persons knowledgeable about the economic and environmental impact of conservation techniques and programs; and

''(13) agribusiness.

''SEC. 1262. RESPONSIBILITIES.

''(a) IN GENERAL.—

''(1) MEETINGS.—Each State technical committee shall meet regularly to provide information, analysis, and recommendations to the Secretary regarding implementation of conservation provisions and programs.

''(2) MANNER.—The information, analysis, and recommendations shall be provided in a manner that will assist the Department of Agriculture in determining conservation priorities for the State and matters of fact, technical merit, or scientific question.

''(3) BEST INFORMATION AND JUDGMENT.—Information, analysis, and recommendations shall be provided in writing and shall reflect the best information and judgment of the committee.

''(b) OTHER DUTIES.—Each State technical committee shall provide assistance and offer recommendations with respect to the technical aspects of—

''(1) wetland protection, restoration, and mitigation requirements;

''(2) criteria to be used in evaluating bids for enrollment of environmentally sensitive lands in the conservation reserve program;

''(3) guidelines for haying or grazing and the control of weeds to protect nesting wildlife on setaside acreage;

''(4) addressing common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve program;

''(5) guidelines for planting perennial cover for water quality and wildlife habitat improvement on set-aside lands;

''(6) criteria and guidelines to be used in evaluating petitions by farmers to test conservation practices and systems not currently covered in Field Office Technical Guides;

''(7) identification, prioritization, and coordination of Water Quality Incentives Program initiatives in the State; and

''(8) other matters determined appropriate by the Secretary.

''(c) AUTHORITY.—

''(1) NO ENFORCEMENT AUTHORITY.—Each State technical committee is advisory and shall have no implementation or enforcement authority.

''(2) CONSIDERATION.—The Secretary shall give strong consideration to the recommendations of State technical committees in administering the program under this title, and to any factual, technical, or scientific finding of a committee.''.

KERREY AMENDMENT NO. 3334

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 3–62, after line 22, insert the following:

SEC. 356. CONSERVATION ESCROW ACCOUNT.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following:

''SEC. 1248. CONSERVATION ESCROW ACCOUNT.

''(a) ESTABLISHMENT.—The Secretary shall establish a conservation escrow account.

''(b) DEPOSITS INTO ACCOUNTS.—Any program loans, payments, or benefits forfeited by, or fines collected from, producers under section 1211 or 1221 shall be placed in the conservation escrow account.

''(c) USE OF FUNDS.—Funds in the conservation escrow account shall be used to provide technical and financial assistance to individuals to implement natural resource conservation practices.

''(d) GEOGRAPHIC DISTRIBUTION.—The Secretary shall use funds in the conservation escrow account for local areas in proportion to the amount of funds forfeited by or collected from producers in the local area.

''(e) COMPLIANCE ASSISTANCE.—To assist the producer in complying with the applicable section referred to in subsection (b) not later than 1 year after a determination of noncompliance, a producer shall be eligible to receive compliance assistance of up to 66 percent of any loan, payment, benefit forfeited, or fines placed in the conservation escrow account.''.

KERREY AMENDMENT NO. 3335

(Ordered to lie on the table.)

Mr. KERREY submitted an amendment intended to be proposed by him to an amendment proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 3-6, between lines 11 and 12, insert the following:

(c) REPAYMENT OF COST SHARING AND OTHER PAYMENTS.—Section 1235(d)(1) of the Food Security Act of 1985 (16 U.S.C. 3835(d)(1)) is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(C) in the case of a contract with respect to which 5 years or less of the contract term have elapsed, the owner or operator agrees to repay all cost sharing, rental, and other payments made by the Secretary under the contract and section 1234 and

''(D) in the case of a contract with respect to which more than 5 years but less than 8 years of the contract term have elapsed, the owner or operator agrees to repay all cost sharing payments made by the Secretary under the contract and section 1234(b).''.

HEFLIN AMENDMENTS NO. 3336–3345

(Ordered to lie on the table.)

Mr. HEFLIN submitted ten amendments intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3336

On page 1–66, after line 24, add the following:

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1353b(a)) is amended by adding at the end the following:

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.''.

AMENDMENT NO. 3337

On page 1–27, strike lines 10 through 20 and insert the following:

(c) TERM OF LOAN.—

(1) IN GENERAL.—Except as provided in paragraph (2)—

(A) in the case of each loan commodity, a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made; and

(B) the Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(2) COTTON.—

(A) IN GENERAL.—A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the first month after the month in which the loan is made.

(B) EXTENSION OF LOAN PERIOD.—

(i) IN GENERAL.—Except as provided in clause (ii), a marketing assistance loan for upland cotton or extra long staple cotton shall, on request of the producer during the 10th month of the loan period for the cotton, be made available for an additional term of 8 months.

(ii) LIMITATION.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for the preceding month exceeded 130 percent of the average price of the base quality of upland cotton in the designated United States spot markets for the preceding 36-month period.

AMENDMENT NO. 3338

Strike section 106 and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) MARKETING QUOTAS.—

(1) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—

(A) IN GENERAL.—The section heading of section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended by striking ''**1991 THROUGH 1997 CROPS OF**''.

(B) NATIONAL POUNDAGE QUOTAS.—

(i) ESTABLISHMENT.—Section 358–1(a)(1) of the Act is amended—

(I) in the first sentence—

(aa) by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year'';

(bb) by striking '', seed,''; and

(cc) by striking the period at the end and inserting '', excluding seed. In making estimates under this paragraph for a marketing year, the Secretary shall annually estimate and take into account the quantity of peanuts and peanut products to be imported into the United States for the marketing year.''; and

(II) by striking the second sentence.

(ii) APPORTIONMENT.—Section 358–1(a)(3) of the Act is amended by striking ''1990'' and inserting ''1995''.

(C) FARM POUNDAGE QUOTA.—

(i) ESTABLISHMENT.—Section 358–1(b)(1)(A) of the Act is amended—

(I) by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year''; and

(II) in clause (i), by striking ''1990'' and inserting ''1995''.

(ii) QUANTITY.—Section 358–1(b)(1)(B) of the Act is amended—

(I) by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year''; and

(II) by striking ''including—'' and all that follows through ''(ii) any'' and inserting ''including any''.

(iii) ADJUSTMENTS.—Section 358–1(b)(2) of the Act is amended—

(I) in subparagraph (A)—

(aa) by striking ''(B) and subject to subparagraph (D)'' and inserting ''(C)''; and

(bb) by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year'';

(II) by striking subparagraph (B);

(III) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(IV) in subparagraph (B) (as so redesignated), by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year''.

(iv) QUOTA NOT PRODUCED.—Section 358–1(b)(3) of the Act is amended—

(I) in subparagraph (A), by striking ''of the 1991 through 1997 marketing years'' and inserting ''marketing year''; and

(II) in subparagraph (B), by striking ''include—'' and all that follows through ''(ii) any'' and inserting ''include any''.

(v) QUOTA CONSIDERED PRODUCED.—Section 358–1(b)(4) of the Act is amended—

(I) in subparagraph (A), by inserting ''or'' after the semicolon at the end; and

(II) by striking subparagraphs (B) and (C) and inserting the following:

''(B) the farm poundage quota for the farm was—

''(i) released voluntarily under paragraph (7); or

''(ii) leased to another owner or operator of a farm within the same county for transfer to the farm;

for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.''.

(vi) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—Section 358–1(b)(6) of the Act is amended—

(I) in subparagraph (A), by striking ''subparagraphs (B) and (C), the total quantity of the'' and inserting ''subparagraph (B),'';

(II) in subparagraph (B)—

(aa) by striking ''Not more than 25 percent of the'' and inserting ''The''; and

(bb) by adding at the end the following: ''Any farm quota pounds remaining after allocation to farms under this subparagraph shall be allocated under subparagraph (A).''; and

(III) by striking subparagraph (C).

(vii) TEMPORARY QUOTA ALLOCATION FOR SEED.—Section 358–1(b) of the Act is amended by striking paragraph (8) and inserting the following:

''(8) TEMPORARY QUOTA ALLOCATION FOR SEED.—For each marketing year and pursuant to regulation, the Secretary shall make a temporary allocation of poundage quota, for that marketing year only, to each producer of peanuts on a farm, in addition to any farm poundage quota established under paragraph (1), in a quantity equal to the pounds of seed peanuts planted by the producer on the farm.''.

(viii) TRANSFER OF ADDITIONAL PEANUTS.—Section 358–1(b) of the Act is amended by striking paragraph (9) and inserting the following:

''(9) TRANSFER OF ADDITIONAL PEANUTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

''(B) LIMITATIONS.—The poundage of peanuts transferred under subparagraph (A) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at a rate of not less than 70 percent of the quota support rate for the marketing years during which the transfers occur.''.

(D) CROPS.—Section 358–1(f) of the Act is amended by striking ''1991 through 1997'' and inserting ''1996 through 2002''.

(2) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—

(A) IN GENERAL.—The section heading of section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended by striking ''**1991 THROUGH 1995 CROPS OF**''.

(B) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b(a) of the Act is amended—

(i) by striking ''(including any applicable under marketings)'' each place it appears;

(ii) in paragraph (1)—

(I) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively;

(II) by inserting before subparagraph (B) (as so redesignated) the following:

''(A) with the owner or operator of another farm located within the same county or located in a different county within the same State;'';

(III) in subparagraph (B) (as so redesignated), by striking ''undermarketings and''; and

(IV) by adding at the end the following: ''Fall transfers of quota pounds shall not affect the farm quota history for the transferring or receiving farm and shall not result in a reduction of the farm poundage quota on the transferring farm.'';

(iii) in paragraph (2)—

(I) in the first sentence—

(aa) by striking ''county or in a county contiguous to the county in the same''; and

(bb) by inserting before the period at the end the following: '', if both the transferring and the receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is transferred''; and

(II) in the second sentence, by striking ''the transferred quota is produced or considered produced on the receiving farm'' and inserting ''sufficient acreage is planted on the receiving farm to produce the quota pounds transferred''; and

(iv) by adding at the end the following:

''(4) TRANSFERS BY SALE IN STATES WITH LARGE QUOTAS.—

''(A) IN GENERAL.—In the case of a State for which the poundage quota allocated to the State was 10,000 tons or greater for the previous year, the owner, or operator with permission of the owner, of a farm located in the State for which a farm poundage quota has been established under section 358–1 may sell all or any part of the farm poundage quota to any other eligible owner or operator of a farm within the same State.

''(B) LIMITATIONS.—

''(i) 1996.—During calendar year 1996, not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred outside the county under this paragraph.

''(ii) SUBSEQUENT YEARS.—During calendar year 1997 and each subsequent calendar year, not more than 5 percent of the total poundage quota within a county as of January 1 of the calendar year may be sold and transferred outside the county under this paragraph.

''(iii) AGGREGATE LIMIT.—Not more than an aggregate of 30 percent of the total poundage quota within a county may be sold and transferred outside the county under this paragraph.

''(C) SUBSEQUENT LEASE OR SALE.—Quota poundage sold and transferred under this paragraph may not be leased or sold to another farm owner or operator within the same State for a period of 5 years following the original transfer to the farm.''.

(C) RECORD.—Section 358b(b)(3) of the Act is amended by striking ''committee of the county to which the transfer is made and the committee determines'' and inserting ''committees of the counties from and to which the transfer is made and the committees determine''.

(D) CROPS.—Section 358b(c) of the Act is amended by striking ''1991 through 1995'' and inserting ''1996 through 2002''.

(3) EXPERIMENTAL AND RESEARCH PROGRAMS.—Section 358c(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c(d)) is amended by striking ''1991 through 1995'' and inserting ''1996 through 2002''.

(4) MARKETING PENALTIES.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended—

(A) in the section heading, by striking ''**1991 THROUGH 1997 CROPS OF**'';

(B) in subsection (d)(6)(A), by inserting after ''If any additional peanuts'' the following: ''or peanut products made from additional peanuts''; and

(C) in subsection (i), by striking ''1991 through 1997'' and inserting ''1996 through 2002''.

(b) PRICE SUPPORT PROGRAM FOR PEANUTS.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts.

(B) SUPPORT RATES.—The national average quota support rate for each crop of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7), except that in no event shall the national average quota support rate for any such crop be increased, or decreased, by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938.

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts physically produced outside the State of New Mexico shall not be eligible for entry into or participation in the New Mexico pools. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—

(A) OTHER PRODUCERS IN SAME POOL.—Losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributable to the same producer from the sale of additional peanuts for domestic and edible use or export.

(B) QUOTA PEANUTS PLACED UNDER LOAN.—Net gains on additional peanuts within an area (other than net gains on additional peanuts in separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan in the area, in such manner as the Secretary shall by regulation prescribe.

(C) QUOTA LOAN POOLS.—

(i) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(9)).

(ii) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. At the end of each year, the Secretary shall transfer to the Treasury the funds collected under paragraph (7) that the Secretary determines are not required to cover losses in area quota pools.

(iii) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(9) of the Agricultural Adjustment Act of 1938, shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(iv) INCREASED ASSESSMENTS.—If actions taken under clauses (i) through (iii) are not sufficient to cover losses in area pools, the Secretary shall increase the marketing assessment established under paragraph (7) by such amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in the pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938.

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.)); and

(iv) ensure that any changes made in the price support program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937), and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146.

(ii) EXPORTED PEANUTS.—The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, on all peanuts sold in the United States during each of the 1996 through 2002 marketing years.

(B) TREATMENT OF IMPORTED PEANUTS.—For the purposes of determining the applicable assessment rate under this section, imported peanuts shall be treated as additional peanuts.

(C) FIRST PURCHASERS.—

(i) DEFINITION OF FIRST PURCHASER.—In this clause, the term 'first purchaser' means a person acquiring peanuts from a producer, or a person that imports peanuts, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(ii) ADMINISTRATION.—Except as provided in clause (iii) and subparagraphs (D) and (E), the first purchaser shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .6 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(iii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(D) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or

wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(E) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(F) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(G) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(H) USE OF FUNDS.—Funds collected under this subsection shall be used by the Secretary to offset the costs of operating the peanut price support program.

(8) CROPS.—Except as provided in paragraph (7) and notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.

(c) ADMINISTRATIVE PROVISIONS.—

(1) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(2) SUSPENSION OF PERMANENT PROGRAM.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(3) ADMINISTRATION.—The first paragraph of section 32 of the Act entitled ''An Act to amend the Agricultural Adjustment Act, and for other purposes'', approved August 24, 1935 (7 U.S.C. 612c), is amended—

(A) in the first sentence, by striking ''30 per centum'' and inserting ''30 percent (or, in the case of duties collected with respect to an import that is subject to a tariff-rate quota, 100 percent)''; and

(B) in the second sentence—

(i) by striking ''and (3)'' and inserting ''(3)''; and

(ii) by inserting before the period at the end the following: ''; and (4) offset the costs of operating a program to provide price support for domestically produced peanuts''.

(d) PEANUT STANDARDS.—

(1) INSPECTION; QUALITY ASSURANCE.—

(A) INITIAL ENTRY.—The Secretary of Agriculture (referred to in this title as the ''Secretary'') shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(B) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(C) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(D) ORIGIN OF PEANUT PRODUCTS.—

(i) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(ii) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(iii) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(E) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in subparagraph (A) unless accompanied by a United States Government inspection certificate that certifies compliance with this section.

(2) HANDLING AND STORAGE.—

(A) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(B) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(C) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(3) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(4) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(5) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(6) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(7) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(8) ADMINISTRATION.—

(A) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this title.

(B) CERTIFICATION.—

(i) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this title.

(ii) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this title.

(C) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this title.

(D) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this title shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(9) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this title, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

AMENDMENT NO. 3339

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Notwithstanding any other provision of this subsection:

(A) QUOTA PEANUTS PLACED UNDER LOAN.—Any distribution of net gains on additional peanuts (other than net gains on additional peanuts in separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan.

(B) QUOTA LOAN POOLS.—Losses in area quota pools shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the producer from the sale of additional peanuts for domestic and export edible use.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) DEFINITION.—In this paragraph, the term ''first purchaser'' means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(C) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

''(a) NATIONAL POUNDAGE QUOTAS.—

''(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996

through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

''(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

''(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

''(b) FARM POUNDAGE QUOTAS.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

''(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

''(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

''(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

''(B) QUANTITY.—

''(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

''(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

''(2) ADJUSTMENTS.—

''(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

''(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

''(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

''(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

''(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

''(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

''(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(III) other increased costs.

''(v) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

''(vi) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

''(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

''(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

''(3) QUOTA NOT PRODUCED.—

''(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

''(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(4) QUOTA CONSIDERED PRODUCED.—

''(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

''(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

''(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

''(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

''(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

''(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

''(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

''(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

''(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

''(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

''(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

''(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

''(7) QUOTA TEMPORARILY RELEASED.—

''(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

''(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

''(c) FARM YIELDS.—

''(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

''(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

''(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

''(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

''(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

''(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

''(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

''(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

''(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

''(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

''(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

''(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

''(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

''(A) are eligible for domestic edible use as determined by the Secretary;

''(B) are marketed or considered marketed from a farm; and

''(C) do not exceed the farm poundage quota of the farm for the year.

''(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

''SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.

''(a) IN GENERAL.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

''(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

''(ii) under such terms and conditions as the Secretary may by regulation prescribe.

''(B) FALL TRANSFERS.—

''(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

''(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

''(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

''(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

''(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

''(3) TRANSFERS IN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

''(4) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

''(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

''(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

''(ii) 1997–2002 MARKETING YEARS.—

''(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

''(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

''(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

''(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

''(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

''(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

''(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

''(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not

have adequate tillable cropland to produce the farm poundage quota.

''(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

''(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

''(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.''.

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

''SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

''(a) MARKETING PENALTIES.—

''(1) IN GENERAL.—

''(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

''(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

''(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

''(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

''(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

''(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

''(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

''(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

''(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

''(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

''(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

''(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

''(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

''(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

''(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

''(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

''(2) NONSUPERVISION OF HANDLERS.—

''(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

''(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

''(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

''(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

''(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

''(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

''(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

''(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

''(iv) SHRINKAGE ALLOWANCE.—

''(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

''(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

''(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

''(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

''(5) PENALTY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

''(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

''(6) REENTRY OF EXPORTED PEANUTS.—

''(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are

reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

''(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

''(e) SPECIAL EXPORT CREDITS.—

''(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

''(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

''(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

''(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

''(2) SUBMISSION TO SECRETARY.—

''(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

''(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

''(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

''(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

''(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

''(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

''(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

''(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

''(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

''(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

''(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

''(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

''(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

''(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

''(h) ADMINISTRATION.—

''(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

''(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

''(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

''(4) PENALTIES.—

''(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

''(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

''(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

''(5) REDUCTION OF PENALTIES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

''(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

''(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(f) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

''SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota

for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

''(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

''(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

''(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(g) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(h) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

AMENDMENT NO. 3340

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(B) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(C) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(D) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under paragraph (7) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(E) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(F) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under paragraph (7) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(iii) DEFINITION.—In this paragraph, the term 'first purchaser' means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(C) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

"(a) NATIONAL POUNDAGE QUOTAS.—

"(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

"(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

"(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

"(b) FARM POUNDAGE QUOTAS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

"(B) QUANTITY.—

"(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

"(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

"(2) ADJUSTMENTS.—

"(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

"(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) TEMPORARY QUOTA ALLOCATION.—

"(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

"(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

"(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

"(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

"(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

"(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

"(III) other increased costs.

"(v) TRANSFER OF ADDITIONAL PEANUTS.—

"(I) IN GENERAL.—Except as provided in subclause (II), additional peanuts on a farm

from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

''(II) LIMITATIONS.—The poundage of peanuts transferred under subclause (I) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

''(III) SUPPORT RATE.—Peanuts transferred under this clause shall be supported at a rate of 70 percent of the quota support rate for the marketing years during which the transfers occur.

''(vi) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

''(vii) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

''(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

''(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

''(3) QUOTA NOT PRODUCED.—

''(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

''(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(4) QUOTA CONSIDERED PRODUCED.—

''(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

''(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

''(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

''(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

''(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

''(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

''(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

''(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

''(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

''(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

''(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

''(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

''(7) QUOTA TEMPORARILY RELEASED.—

''(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

''(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

''(c) FARM YIELDS.—

''(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

''(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

''(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

''(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

''(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

''(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

''(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

''(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

''(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

''(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

''(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

''(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

''(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm

poundage quota, as determined under subsection (b), that—

''(A) are eligible for domestic edible use as determined by the Secretary;

''(B) are marketed or considered marketed from a farm; and

''(C) do not exceed the farm poundage quota of the farm for the year.

''(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

''SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.

''(a) IN GENERAL.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

''(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

''(ii) under such terms and conditions as the Secretary may by regulation prescribe.

''(B) FALL TRANSFERS.—

''(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

''(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

''(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

''(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

''(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

''(3) TRANSFERS WITHIN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.

''(5) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

''(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

''(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

''(ii) 1997–2002 MARKETING YEARS.—

''(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

''(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

''(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

''(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

''(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

''(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

''(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

''(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

''(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

''(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

''(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.''.

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

''SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

''(a) MARKETING PENALTIES.—

''(1) IN GENERAL.—

''(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

''(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

''(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

''(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

''(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

''(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

''(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

''(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

''(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

''(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county

committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

''(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

''(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

''(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

''(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

''(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

''(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

''(2) NONSUPERVISION OF HANDLERS.—

''(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

''(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

''(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

''(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

''(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

''(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

''(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

''(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

''(iv) SHRINKAGE ALLOWANCE.—

''(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

''(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

''(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

''(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

''(5) PENALTY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

''(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

''(6) REENTRY OF EXPORTED PEANUTS.—

''(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

''(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

''(e) SPECIAL EXPORT CREDITS.—

''(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

''(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

''(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

''(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

''(2) SUBMISSION TO SECRETARY.—

''(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

''(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

''(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

''(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

''(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

''(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of

the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

''(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

''(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

''(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

''(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

''(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

''(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

''(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

''(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

''(h) ADMINISTRATION.—

''(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

''(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

''(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

''(4) PENALTIES.—

''(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

''(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

''(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

''(5) REDUCTION OF PENALTIES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

''(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

''(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(f) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

''SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

''(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

''(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

''(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(g) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(h) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

AMENDMENT NO. 3341

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary

considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(B) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(C) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(D) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under paragraph (7) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(E) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(F) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under paragraph (7) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(iii) DEFINITION.—In this paragraph, the term ''first purchaser'' means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(C) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

''(a) NATIONAL POUNDAGE QUOTAS.—

''(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

''(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

''(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

''(b) FARM POUNDAGE QUOTAS.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

''(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

''(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

''(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

''(B) QUANTITY.—

''(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

''(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

''(2) ADJUSTMENTS.—

''(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

''(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

''(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

''(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

''(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

''(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

''(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(III) other increased costs.

''(v) TRANSFER OF ADDITIONAL PEANUTS.—

''(I) IN GENERAL.—Except as provided in subclause (II), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

''(II) LIMITATIONS.—The poundage of peanuts transferred under subclause (I) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

''(III) SUPPORT RATE.—Peanuts transferred under this clause shall be supported at a rate of 70 percent of the quota support rate for the marketing years during which the transfers occur.

''(vi) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

''(vii) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

''(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

''(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

''(3) QUOTA NOT PRODUCED.—

''(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

''(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(4) QUOTA CONSIDERED PRODUCED.—

''(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

''(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

''(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

''(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

''(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

''(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

''(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

''(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

''(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

''(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

''(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

''(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

''(7) QUOTA TEMPORARILY RELEASED.—

''(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

''(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

''(c) FARM YIELDS.—

''(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

''(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

''(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

''(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

''(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

''(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

''(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

''(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

''(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

''(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

''(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

''(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

''(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

''(A) are eligible for domestic edible use as determined by the Secretary;

''(B) are marketed or considered marketed from a farm; and

''(C) do not exceed the farm poundage quota of the farm for the year.

''(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

''SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.

''(a) IN GENERAL.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

''(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

''(ii) under such terms and conditions as the Secretary may by regulation prescribe.

''(B) FALL TRANSFERS.—

''(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

''(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

''(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

''(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

''(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

''(3) TRANSFERS WITHIN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.

''(5) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

''(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

''(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

''(ii) 1997–2002 MARKETING YEARS.—

''(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

''(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

''(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

''(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

''(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

''(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

''(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

''(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

''(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

''(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

''(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.''.

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

''SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

''(a) MARKETING PENALTIES.—

''(1) IN GENERAL.—

''(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

''(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

''(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

''(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

''(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

''(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

''(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

''(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

''(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

''(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

''(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

''(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

''(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

''(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

''(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

''(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

''(2) NONSUPERVISION OF HANDLERS.—

''(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

''(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

''(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

''(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

''(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

''(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

''(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

''(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

''(iv) SHRINKAGE ALLOWANCE.—

''(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

''(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

''(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

''(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

''(5) PENALTY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

''(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

''(6) REENTRY OF EXPORTED PEANUTS.—

''(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

''(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

''(e) SPECIAL EXPORT CREDITS.—

''(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

''(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

''(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

''(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

''(2) SUBMISSION TO SECRETARY.—

''(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

''(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

''(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

''(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

''(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

''(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

''(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

''(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

''(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

''(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

''(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

''(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

''(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

''(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

''(h) ADMINISTRATION.—

''(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

''(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

''(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which

the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

''(4) PENALTIES.—

''(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

''(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

''(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

''(5) REDUCTION OF PENALTIES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

''(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

''(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(f) PEANUT STANDARDS.—

(1) INSPECTION; QUALITY ASSURANCE.—

(A) INITIAL ENTRY.—The Secretary shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(B) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(C) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(D) ORIGIN OF PEANUT PRODUCTS.—

(i) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(ii) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(iii) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(E) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in subparagraph (A) unless accompanied by a United States Government inspection certificate that certifies compliance with this paragraph.

(2) HANDLING AND STORAGE.—

(A) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(B) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(C) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(3) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(4) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(5) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(6) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(7) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(8) ADMINISTRATION.—

(A) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this subsection.

(B) CERTIFICATION.—

(i) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this subsection.

(ii) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this subsection.

(C) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this subsection.

(D) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this subsection shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(9) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this subsection, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

''SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

''(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

''(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

''(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(h) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(i) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

AMENDMENT NO. 3342

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) PRICE SUPPORT PROGRAM.—

(1) QUOTA PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1996 through 2002 crops.

(B) SUPPORT RATES.—

(i) IN GENERAL.—Subject to clause (ii), the national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase or decrease, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land and the cost of any assessments required under paragraph (7).

(ii) MAXIMUM RATE.—In no event shall the national average quota support rate for any such crop be increased or decreased by more than 5 percent of the national average quota support rate for the preceding crop.

(C) INSPECTION, HANDLING, OR STORAGE.—The level of support determined under subparagraph (B) shall not be reduced by any deduction for inspection, handling, or storage.

(D) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 104(i).

(E) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(2) ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1996 through 2002 crops at such levels as the Secretary considers appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(B) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than the February 15 preceding the marketing year for the crop for which the level of support is being determined.

(3) AREA MARKETING ASSOCIATIONS.—

(A) WAREHOUSE STORAGE LOANS.—

(i) IN GENERAL.—In carrying out paragraphs (1) and (2), the Secretary shall make warehouse storage loans available in each of the 3 producing areas described in section 1446.95 of title 7, Code of Federal Regulations (as of January 1, 1989), to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this subsection and sections 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(ii) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(iii) ASSOCIATION COSTS.—Loans made to an area marketing association under this subparagraph shall include, in addition to the price support value of the peanuts, such costs as the association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this subsection and sections 358e of the Agricultural Adjustment Act of 1938.

(B) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(i) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Peanuts produced outside New Mexico shall not be eligible for entry into or participation in the separate pools established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(ii) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(I) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

(II) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in subclause (I).

(4) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(B) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(C) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(D) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under paragraph (7) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under paragraph (7) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(E) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(2)(B)(v) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under paragraph (3)(B)(i) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(F) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under paragraph (7) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under paragraph (7) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(5) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (as amended by subsection (c)).

(6) QUALITY IMPROVEMENT.—

(A) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts at a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use are shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the price support program as a result of this paragraph requiring additional production or handling at the farm level are reflected as an upward adjustment in the Department of Agriculture loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts, including peanuts imported into the United States, meet all United States quality standards under Marketing Agreement No. 146 and that importers of the peanuts fully comply with inspection, handling, storage, and processing requirements implemented under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality, inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

(7) MARKETING ASSESSMENT.—

(A) IN GENERAL.—The Secretary shall provide, by regulation, for a nonrefundable marketing assessment applicable to each of the 1996 through 2002 crops of peanuts. The assessment shall be made in accordance with this paragraph and shall be on a per pound basis in an amount equal to 1.2 percent of the national average quota or additional peanut support rate per pound, as applicable, for the applicable crop. No peanuts shall be assessed more than 1.2 percent of the applicable support rate under this paragraph.

(B) FIRST PURCHASERS.—

(i) IN GENERAL.—Except as provided under subparagraphs (C) and (D), the first purchaser of peanuts shall—

(I) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by .65 percent of the applicable national average support rate;

(II) pay, in addition to the amount collected under subclause (I), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average support rate; and

(III) remit the amounts required under subclauses (I) and (II) to the Commodity Credit Corporation in a manner specified by the Secretary.

(ii) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(iii) DEFINITION.—In this paragraph, the term ''first purchaser'' means a person acquiring peanuts from a producer, except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(C) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(D) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a price support loan made under this subsection, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For the purposes of computing net gains on peanuts under this subsection, the reduction in loan proceeds shall be treated as having been paid to the producer.

(E) PENALTIES.—If any person fails to collect or remit the reduction required by this paragraph or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this paragraph, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(i) the quantity of peanuts involved in the violation; by

(ii) the national average quota peanut price support level for the applicable crop year.

(F) ENFORCEMENT.—The Secretary may enforce this paragraph in the courts of the United States.

(8) CROPS.—Notwithstanding any other provision of law, this subsection shall be effective only for the 1996 through 2002 crops of peanuts.

(b) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) shall not be applicable to the 1996 through 2002 crops of peanuts.

(c) NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.—Section 358–1 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1) is amended to read as follows:

''SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

''(a) NATIONAL POUNDAGE QUOTAS.—

''(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1996 through 2002 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible and related uses, excluding seed. The Secretary shall include in the annual estimate of domestic edible and related uses, the estimated quantity of peanuts and peanut products to be imported into the United States for the marketing year for which the quota is being established.

''(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than the December 15 preceding the marketing year.

''(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State is equal to the percentage of the national poundage quota allocated to farms in the State for 1995.

''(b) FARM POUNDAGE QUOTAS.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT.—A farm poundage quota for each of the 1996 through 2002 marketing years shall be established—

''(i) for each farm that had a farm poundage quota for peanuts for the 1995 marketing year;

''(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

''(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

''(B) QUANTITY.—

''(i) IN GENERAL.—The farm poundage quota for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(ii) INCREASED QUOTA.—The farm poundage quota, if any, for each of the 1996 through 2002 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

''(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part of the quota, is permanently transferred in accordance with section 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion of the quota) of the transferring farm for all subsequent marketing years.

''(2) ADJUSTMENTS.—

''(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Subject to subparagraphs (B) and (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

''(i) all farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

''(ii) all other farms in the State on which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) IN GENERAL.—Subject to clause (iv), temporary allocation of a poundage quota for the marketing year in which a crop of peanuts is planted shall be made to producers for each of the 1996 through 2002 marketing years in accordance with this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the quantity of seed peanuts (in pounds) planted on a farm, as determined in accordance with regulations issued by the Secretary.

''(iii) ALLOCATION.—The allocation of quota pounds to producers under this subparagraph shall be performed in such a manner as will not result in a net decrease in quota pounds on a farm in excess of 3 percent, after the temporary seed quota is added, from the basic farm quota for the 1995 marketing year. A decrease shall occur only once, shall be applicable only to the 1996 marketing year.

''(iv) NO INCREASED COSTS.—The Secretary may carry out this subparagraph only if this subparagraph does not result in—

''(I) an increased cost to the Commodity Credit Corporation through displacement of quota peanuts by additional peanuts in the domestic market;

''(II) an increased loss in a loan pool of an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(III) other increased costs.

''(v) TRANSFER OF ADDITIONAL PEANUTS.—

''(I) IN GENERAL.—Except as provided in subclause (II), additional peanuts on a farm from which the quota poundage was not harvested and marketed may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall provide by regulation.

''(II) LIMITATIONS.—The poundage of peanuts transferred under subclause (I) shall not exceed 25 percent of the total farm poundage quota, excluding pounds transferred in the fall.

''(III) SUPPORT RATE.—Peanuts transferred under this clause shall be supported at a rate of 70 percent of the quota support rate for the marketing years during which the transfers occur.

''(vi) USE OF QUOTA AND ADDITIONAL PEANUTS.—Nothing in this subparagraph affects the requirements of section 358b(b).

''(vii) ADDITIONAL ALLOCATION.—The temporary allocation of quota pounds under this subparagraph shall be in addition to the farm poundage quota established under this subsection and shall be credited to the producers of the peanuts on the farm in accordance with regulations issued by the Secretary.

''(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1996 through 2002 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

''(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in the percentage of the quota made available under subparagraph (A) and otherwise allocated to the farm as the result of the production of the tenant on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable during the year, the share of

the tenant of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to the farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

''(3) QUOTA NOT PRODUCED.—

''(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm for any of the 1996 through 2002 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

''(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

''(4) QUOTA CONSIDERED PRODUCED.—

''(A) IN GENERAL.—For purposes of this subsection, subject to subparagraph (B), the farm poundage quota shall be considered produced on a farm if—

''(i) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

''(ii) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

''(iii) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to the farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

''(B) MARKETING YEARS.—For purposes of clauses (ii) and (iii) of subparagraph (A)—

''(i) the farm poundage quota leased or transferred shall be considered produced for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

''(ii) the farm shall not be considered to have produced for more than 1 marketing year out of the 3 immediately preceding marketing years.

''(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

''(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

''(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is released.

''(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

''(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—The total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the crop of the immediately preceding year. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm. Any farm poundage quota remaining after allocation to farms under this subparagraph shall be allocated to farms in the State on which poundage quotas were established for the crop of the immediately preceding year.

''(7) QUOTA TEMPORARILY RELEASED.—

''(A) IN GENERAL.—The farm poundage quota, or any portion of the quota, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part of the quota, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

''(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which the adjustment is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

''(c) FARM YIELDS.—

''(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

''(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm during the 5-year period consisting of the 1973 through 1977 crop years.

''(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

''(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

''(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if at least ⅔ of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the remaining years of the 5-calendar year period.

''(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which the referendum is held.

''(3) VOTE AGAINST QUOTAS.—If more than ⅓ of the producers voting in the referendum vote against poundage quotas, the Secretary shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

''(e) DEFINITIONS.—In this part and the Agricultural Market Transition Act:

''(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

''(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

''(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

''(2) CRUSH.—The term 'crush' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

''(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than a use described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this paragraph seeds of peanuts that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined under subsection (b), that—

''(A) are eligible for domestic edible use as determined by the Secretary;

''(B) are marketed or considered marketed from a farm; and

''(C) do not exceed the farm poundage quota of the farm for the year.

''(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(d) SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.—Section 358b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b) is amended to read as follows:

''SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1996 THROUGH 2000 CROPS OF PEANUTS.

''(a) IN GENERAL.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

''(i) if not less than 90 percent of the basic quota (consisting of the farm quota and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

''(ii) under such terms and conditions as the Secretary may by regulation prescribe.

''(B) FALL TRANSFERS.—

''(i) NO TRANSFER AUTHORIZATION.—In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization.

''(ii) TIME LIMITATION.—A fall transfer or a transfer after the normal planting season

may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

''(iii) LESSEES.—In the case of a fall transfer, poundage quota from a farm may be leased to an owner or operator of another farm within the same county or to an owner or operator of another farm in any other county within the State.

''(iv) EFFECT OF TRANSFER.—A fall transfer of poundage quota shall not affect the farm quota history for the transferring or receiving farm and shall not result in the reduction of the farm poundage quota on the transferring farm.

''(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same State and that had a farm poundage quota for the crop of the preceding year, if both the transferring and receiving farms were under the control of the owner or operator for at least 3 crop years prior to the crop year in which the farm poundage quota is to be transferred. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if sufficient acreage is planted on the receiving farm to produce the quota pounds transferred.

''(3) TRANSFERS WITHIN STATES WITH SMALL QUOTAS.—In the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in 1 county to a farm in another county in the same State.

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.

''(5) TRANSFERS BY SALE IN STATES HAVING QUOTAS OF 10,000 TONS OR MORE.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph and such terms and conditions as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm quota has been established under this Act in a State having a poundage quota of 10,000 tons or more may sell poundage quota to any other eligible owner or operator of a farm within the same State.

''(B) LIMITATIONS BASED ON TOTAL POUNDAGE QUOTA.—

''(i) 1996 MARKETING YEAR.—Not more than 15 percent of the total poundage quota within a county as of January 1, 1996, may be sold and transferred under this paragraph during the 1996 marketing year.

''(ii) 1997–2002 MARKETING YEARS.—

''(I) IN GENERAL.—Except as provided in subclause (II), not more than 5 percent of the quota pounds remaining in a county as of January 1, 1997, and each January 1 thereafter through January 1, 2002, may be sold and transferred under this paragraph during the applicable marketing year.

''(II) CARRYOVER.—Any eligible quota that is not sold or transferred under clause (i) shall be eligible for sale or transfer under subclause (I).

''(C) COUNTY LIMITATION.—Not more than 40 percent of the total poundage quota within a county may be sold and transferred under this paragraph.

''(D) SUBSEQUENT LEASES OR SALES.—Quota pounds sold and transferred to a farm under this paragraph may not be leased or sold by the farm to another owner or operator of a farm within the same State for a period of 5 years following the date of the original transfer to the farm.

''(E) APPLICATION.—This paragraph shall not apply to a sale within the same county or to any sale, lease, or transfer described in paragraph (1).

''(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

''(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

''(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

''(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record of the transfer is filed with the county committee of each county to, and from, which the transfer is made and each committee determines that the transfer complies with this section.

''(4) OTHER TERMS.—The Secretary may establish by regulation other terms and conditions.

''(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2000 crops of peanuts.''.

(e) MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.—Section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a) is amended to read as follows:

''SEC. 358e. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1996 THROUGH 2002 CROPS OF PEANUTS.

''(a) MARKETING PENALTIES.—

''(1) IN GENERAL.—

''(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to a penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

''(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

''(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty as the penalty prescribed in subparagraph (A) unless the peanuts, in accordance with regulations established by the Secretary, are—

''(i) placed under loan at the additional loan rate in effect for the peanuts under section 106 of the Agricultural Market Transition Act and not redeemed by the producers;

''(ii) marketed through an area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act; or

''(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

''(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

''(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds of the marketing shall be jointly and severally liable with the persons who failed to collect the penalty for the amount of the penalty.

''(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning in the calendar year shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

''(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the average or actual yield of the farm, as determined by the Secretary, multiplied by the number of planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

''(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases with respect to which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

''(7) DE MINIMIS VIOLATIONS.—An error in weight that does not exceed 1/10 of 1 percent in the case of any 1 marketing document shall not be considered to be a marketing violation except in a case of fraud or conspiracy.

''(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

''(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, the retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 301(b)(18), are unique strains, and are not commercially available.

''(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

''(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

''(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing year, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts

that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

''(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act.

''(2) NONSUPERVISION OF HANDLERS.—

''(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

''(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

''(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in each of the following quantities:

''(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

''(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

''(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

''(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

''(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the total peanut purchases of the handler for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

''(iv) SHRINKAGE ALLOWANCE.—

''(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

''(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

''(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with respect to the facilities under the control and operation of the handler, to ensure the compliance of the handler with the obligation to export peanuts.

''(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

''(5) PENALTY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

''(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

''(6) REENTRY OF EXPORTED PEANUTS.—

''(A) PENALTY.—If any additional peanuts or peanut products exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer of the peanuts and peanut products shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

''(B) RECORDS.—Each person, firm, or handler who imports peanuts into the United States shall maintain such records and documents as are required by the Secretary to ensure compliance with this subsection.

''(e) SPECIAL EXPORT CREDITS.—

''(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which export credit the handler may subsequently apply, up to the amount of the credit, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

''(2) CERTIFICATION.—Under the regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days after the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

''(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

''(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

''(1) IN GENERAL.—A handler may, under such regulations as the Secretary may issue, contract with a producer for the purchase of additional peanuts for crushing or export, or both.

''(2) SUBMISSION TO SECRETARY.—

''(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

''(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (Public Law 101–82; 7 U.S.C. 1421 note)). The Secretary shall announce the extension not later than September 5 of the year in which the crop is produced.

''(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, poundage and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

''(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as is prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

''(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

''(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 404(b) of the Uruguay Round Agreements Act (19 U.S.C. 3601(b)) expanding the quantity of peanuts subject to the in-quota rate of duty under a tariff-rate quota, or under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

''(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

''(1) IN GENERAL.—Subject to section 104(k) of the Agricultural Market Transition Act, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices that are not less than the prices that are required to cover all costs incurred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

''(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

''(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

''(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

''(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 106(a)(3)(A) of the Agricultural Market Transition Act shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell the stocks of additional peanuts of the Corporation.

''(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

''(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under paragraphs (1)(B) and (2)(A) of section 106(a) of the Agricultural Market Transition Act, include any additional marketing expenses required by law, excluding the amount of any assessment required under section 106(a)(7) of the Agricultural Market Transition Act.

''(h) ADMINISTRATION.—

''(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest on the penalty at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

''(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for peanuts is 1 acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

''(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

''(4) PENALTIES.—

''(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary may by regulation prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Federal Government.

''(B) JUDICIAL REVIEW.—Nothing in this section prohibits any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with applicable law.

''(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

''(5) REDUCTION OF PENALTIES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) and notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

''(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

''(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(f) PEANUT STANDARDS.—

(1) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(2) INSPECTION AND TESTING.—

(A) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(B) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(3) PEANUT CONTENT.—

(A) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(B) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(4) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this subsection, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.—Section 358c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358c) is amended to read as follows:

''SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the quota reserve of the State to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

''(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed 1/10 of 1 percent of the basic quota of the State.

''(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

''(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1996 through 2002 crops of peanuts.''.

(h) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(i) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section and the amendments made by this section. In issuing the regulations, the Secretary shall—

(1) comply with subchapter II of chapter 5 of title 5, United States Code;

(2) provide public notice through the Federal Register of any such proposed regulations; and

(3) allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

AMENDMENT NO. 3343

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $610 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make

warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—With respect to peanuts under loan, the Secretary shall—

(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term ''first purchaser'' means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking ''**1991 through 1997 crops of**'';

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking ''of the 1991 through 1997 marketing years'' each place it appears and inserting ''marketing year'';

(iii) in subsection (a)(3), by striking ''1990'' and inserting ''1990, for the 1991 through 1995

marketing years, and 1995, for the 1996 through 2002 marketing years'';

(iv) in subsection (b)(1)(A)—

(I) by striking ''each of the 1991 through 1997 marketing years'' and inserting ''each marketing year''; and

(II) in clause (i), by inserting before the semicolon the following: '', in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years''; and

(v) in subsection (f), by striking ''1997'' and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1991 through 1995 crops of**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**for 1991 through 1997 crops of peanuts**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking ''domestic edible, seed,'' and inserting ''domestic edible use'';

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking ''subparagraph (B) and subject to''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

''(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

''(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).''; and

(C) in subsection (e)(3), strike ''and seed and use on a farm''.

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking ''including—'' and clauses (i) and (ii) and inserting ''including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).'';

(ii) in paragraph (3)(B), by striking ''include—'' and clauses (i) and (ii) and inserting ''include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).''; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking ''(including any applicable under marketings)'' both places it appears;

(ii) in paragraph (1)(A), by striking ''of undermarketings and'';

(iii) in paragraph (2), by striking ''(including any applicable under marketings)''; and

(iv) in paragraph (3), by striking ''(including any applicable undermarketings)''.

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

''(8) DISASTER TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

''(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

''(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

''(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.''.

AMENDMENT NO. 3344

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $678 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under

section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—

(A) PEANUTS UNDER LOAN.—With respect to peanuts under loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(2) PEANUT STANDARDS.—

(A) INSPECTION; QUALITY ASSURANCE.—

(i) INITIAL ENTRY.—The Secretary shall require all peanuts and peanut products sold in the United States to be initially placed in a bonded, licensed warehouse approved by the Secretary for the purpose of inspection and grading by the Secretary, the Commissioner of the Food and Drug Administration, and the heads of other appropriate agencies of the United States.

(ii) PRELIMINARY INSPECTION.—Peanuts and peanut products shall be held in the warehouse until inspected by the Secretary, the Commissioner of the Food and Drug Administration, or the head of another appropriate agency of the United States, for chemical residues, general cleanliness, disease, size, aflatoxin, stripe virus, and other harmful conditions, and an assurance of compliance with all grade and quality standards specified under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937).

(iii) SEPARATION OF LOTS.—All imported peanuts shall be maintained separately from, and shall not be commingled with, domestically produced peanuts in the warehouse.

(iv) ORIGIN OF PEANUT PRODUCTS.—

(I) LABELING.—A peanut product shall be labeled with a label that indicates the origin of the peanuts contained in the product.

(II) SOURCE.—No peanut product may contain both imported and domestically produced peanuts.

(III) IMPORTED PEANUT PRODUCTS.—The first seller of an imported peanut product shall certify that the product is made from raw peanuts that meet the same quality and grade standards that apply to domestically produced peanuts.

(v) DOCUMENTATION.—No peanuts or peanut products may be transferred, shipped, or otherwise released from a warehouse described in clause (i) unless accompanied by a United States Government inspection certificate that certifies compliance with this subparagraph.

(B) HANDLING AND STORAGE.—

(i) TEMPERATURE AND HUMIDITY.—The Secretary shall require all shelled peanuts sold in the United States to be maintained at a temperature of not more than 37 degrees Fahrenheit and a humidity range of 60 to 68 percent at all times during handling and storage prior to sale and shipment.

(ii) CONTAINERS.—The peanuts shall be shipped in a container that provides the maximum practicable protection against moisture and insect infestation.

(iii) IN-SHELL PEANUTS.—The Secretary shall require that all in-shell peanuts be reduced to a moisture level not exceeding 10 percent immediately on being harvested and be stored in a facility that will ensure quality maintenance and will provide proper ventilation at all times prior to sale and shipment.

(C) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(D) INSPECTION AND TESTING.—

(i) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(ii) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(E) NUTRITIONAL LABELING.—The Secretary shall require all peanuts and peanut products sold in the United States to contain complete nutritional labeling information as required under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

(F) PEANUT CONTENT.—

(i) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(ii) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(G) PLANT DISEASES.—The Secretary, in consultation with the heads of other appropriate agencies of the United States, shall ensure that all peanuts in the domestic edible market are inspected and tested to ensure that they are free of all plant diseases.

(H) ADMINISTRATION.—

(i) FEES.—The Secretary shall by regulation fix and collect fees and charges to cover the costs of any inspection or testing performed under this paragraph.

(ii) CERTIFICATION.—

(I) IN GENERAL.—The Secretary may require the first seller of peanuts sold in the United States to certify that the peanuts comply with this paragraph.

(II) FRAUD AND FALSE STATEMENTS.—Section 1001 of title 18, United States Code, shall apply to a certification made under this paragraph.

(iii) STANDARDS AND PROCEDURES.—In consultation with the heads of other appropriate agencies of the United States, the Secretary shall establish standards and procedures to provide for the enforcement of, and ensure compliance with, this paragraph.

(iv) FAILURE TO MEET STANDARDS.—Peanuts or peanut products that fail to meet standards established under this paragraph shall be returned to the seller and exported or crushed pursuant to section 358e(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a(d)).

(I) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this paragraph, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(C) DEFINITION OF FIRST PURCHASER.—In this subsection, the term ''first purchaser'' means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking ''**1991 THROUGH 1997 CROPS OF**'';

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking ''of the 1991 through 1997 marketing years'' each place it appears and inserting ''marketing year'';

(iii) in subsection (a)(3), by striking ''1990'' and inserting ''1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years'';

(iv) in subsection (b)(1)(A)—

(I) by striking ''each of the 1991 through 1997 marketing years'' and inserting ''each marketing year''; and

(II) in clause (i), by inserting before the semicolon the following: '', in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years''; and

(v) in subsection (f), by striking ''1997'' and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1991 THROUGH 1995 CROPS OF**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking ''domestic edible, seed,'' and inserting ''domestic edible use'';

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking ''subparagraph (B) and subject to''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

''(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

''(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).''; and

(C) in subsection (e)(3), strike ''and seed and use on a farm''.

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking ''including—'' and clauses (i) and (ii) and inserting ''including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).'';

(ii) in paragraph (3)(B), by striking ''include—'' and clauses (i) and (ii) and inserting ''include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).''; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking ''(including any applicable under marketings)'' both places it appears;

(ii) in paragraph (1)(A), by striking ''of undermarketings and'';

(iii) in paragraph (2), by striking ''(including any applicable under marketings)''; and

(iv) in paragraph (3), by striking ''(including any applicable undermarketings)''.

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

''(8) DISASTER TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

''(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

''(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

''(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.''.

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b(a)) is amended by adding at the end the following:

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.''.

AMENDMENT NO. 3345

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $678 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—

(A) PEANUTS UNDER LOAN.—With respect to peanuts under loan, the Secretary shall—

(i) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(ii) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(iii) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(iv) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(B) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(2) PEANUT STANDARDS.—

(A) LABELING.—The Secretary shall require that all peanuts and peanut products sold in the United States contain labeling that lists the country or countries in which the peanuts, including all peanuts used to manufacture the peanut products, were produced.

(B) INSPECTION AND TESTING.—

(i) IN GENERAL.—All peanuts and peanut products sold in the United States shall be inspected and tested for grade and quality.

(ii) CERTIFICATION.—All peanuts or peanut products offered for sale in, or imported into, the United States shall be accompanied by a certification by the first seller or importer that the peanuts or peanut products do not contain residues of any pesticide not approved for use in, or importation into, the United States.

(C) PEANUT CONTENT.—

(i) OFFSET AGAINST HTS QUANTITY.—The actual quantity of peanuts, by weight, used to manufacture, and ultimately contained in, peanut products imported into the United States shall be accounted for and offset against the total quantity of peanut imports allowed under the in-quota quantity of the tariff-rate quota established for peanuts under the Harmonized Tariff Schedule of the United States.

(ii) VERIFICATION.—The Secretary shall establish standards and procedures for the purpose of verifying the actual peanut content of peanut products imported into the United States.

(D) CHANGE OF VENUE.—In any case in which an area pool or a marketing association brings, joins, or seeks to join a civil action in a United States district court to enforce this paragraph, the district court may not transfer the action to any other district or division over the objection of the pool or marketing association.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(C) DEFINITION OF FIRST PURCHASER.—In this subsection, the term ''first purchaser'' means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking ''**1991 THROUGH 1997 CROPS OF**'';

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking ''of the 1991 through 1997 marketing years'' each place it appears and inserting ''marketing year'';

(iii) in subsection (a)(3), by striking ''1990'' and inserting ''1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years'';

(iv) in subsection (b)(1)(A)—

(I) by striking ''each of the 1991 through 1997 marketing years'' and inserting ''each marketing year''; and

(II) in clause (i), by inserting before the semicolon the following: '', in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years''; and

(v) in subsection (f), by striking ''1997'' and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1991 THROUGH 1995 CROPS OF**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking ''domestic edible, seed,'' and inserting ''domestic edible use'';

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking ''subparagraph (B) and subject to''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

''(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

''(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).''; and

(C) in subsection (e)(3), strike ''and seed and use on a farm''.

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking ''including—'' and clauses (i) and (ii) and inserting ''including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).'';

(ii) in paragraph (3)(B), by striking ''include—'' and clauses (i) and (ii) and inserting ''include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).''; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking ''(including any applicable under marketings)'' both places it appears;

(ii) in paragraph (1)(A), by striking ''of undermarketings and'';

(iii) in paragraph (2), by striking ''(including any applicable under marketings)''; and

(iv) in paragraph (3), by striking ''(including any applicable undermarketings)''.

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

''(8) DISASTER TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

''(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

''(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

''(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.''.

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b(a)) is amended by adding at the end the following:

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.''.

DASCHLE AMENDMENT NO. 3346

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

Title V is amended by adding at the end the following:

''SEC. 507 FUND FOR RURAL AMERICA.

''(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds of activities described in subsection (c).

''(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ''Account'')—

''(1) $50,000,000 for the 1996 fiscal year;

''(2) $100,000,000 for the 1997 fiscal year; and

''(3) $150,000,000 for the 1998 fiscal year.

''(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

''(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

''(A) The Housing Act of 1949 for—

''(i) direct loans to low income borrowers pursuant to section 502;

''(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

''(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

''(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

''(v) grants for Rural Housing Preservation pursuant to section 533;

''(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

''(C) Consolidated Farm and Rural Development Act for—

''(i) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

''(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

''(iii) down payments assistance to farmers, section 310E;

''(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

''(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

''(2) RESEARCH.—

''(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

''(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

''(i) a college or university;

''(ii) a State agricultural experiment station;

''(iii) a State Cooperative Extension Service;

''(iv) a research institution or organization;

''(v) a private organization or person; or

''(vi) a Federal agency.

''(C) USE OF GRANT.—

''(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

''(I) research, ranging from discovery to principles of application;

''(II) extension and related private-sector activities; and

''(III) education.

''(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

''(D) ADMINISTRATION.—

''(i) PRIORITY.—In administering this paragraph, the Secretary shall—

''(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

''(II) seek and accept proposals for grants;

''(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

''(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

''(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

''(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

''(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

''(I) for applied research that is commodity-specific; and

''(II) not of national scope.

''(v) ADMINISTRATIVE COSTS.—

''(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

''(II) LIMITATION.—Funds made available under this paragraph shall not be used—

''(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

''(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

''(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.''

DASCHLE AMENDMENT NO. 3347

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

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

''(ii) 1,000 beef cattle;

''(iii) 30,000 laying hens or broilers (if the facility has continuous overflow watering);

''(iv) 100,000 laying hens or broilers (if the facility has a liquid manure system);

''(v) 2,500 swine;''.

DASCHLE AMENDMENTS NOS. 3348–3349

(Ordered to lie on the table.)

Mr. DASCHLE submitted two amendments intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3348

(a) Section 103(a)(3) is amended by adding at the end the following:

''In the case of a landlord and tenant that both share in risk of production of the crops on the farm, the Secretary shall ensure that the contract payments authorized by this section are divided in manner consistent with the interests the landlord and tenant have in the crops on the farm.

(b) Section 104 is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A) by—

(I) striking ''shall be-(i)'' and inserting ''shall be not''; and

(II) striking (ii);

(ii) by striking subparaphs (B) and (C);

(B) in paragraph (2)—

(i) in subparagraph (A) by—

(I) striking ''shall be- (i)'' and inserting ''shall be not''; and

(II) striking (ii);

(ii) by striking subparagraphs (B) and (C);

(C) in paragraph (3) b striking subparagraph (B);

(D) in paragraph (4)(A) by—

(i) striking ''shall be- (i)'' and inserting ''shall be not''; and

(ii) striking (ii);

(E) by striking paragraph (6) and inserting the following:

''(6) OILSEEDS.—

''(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans, shall be—

''(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

''(ii) not less than $4.92 or more than $5.26 per bushel.

''(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAX SEED.—The loan rate for a marketing assistance loan for each of sunflower seed, canola, rapseed, safflower, mustard seed, and flaxseed, shall be—

''(i) not less than 85 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 or more than $0.093 per pound.

(C) OTHER OILSEEDS.—The loan rates for marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.''

(2) in subsection (c) by striking the last sentence and inserting the following:

''The Secretary may extend the term of a marketing assistance loan for upland cotton for a period not to exceed 8 months.

(c) COMMODITY CREDIT CORPORATION.—

(1) Section 109 is amended by striking subsection (a)(2).

(2) Title V is amended by striking section 505.

(d) PERMANENT LAW FOR RICE AND THE FARMER OWNED RESERVE.—Section 110 is amended—

(1) in subsection (b)(1)—

(i) in subparagraph (B)—

(I) by inserting ''101B, 110,'' after ''sections''; and

(II) by striking ''and 307'' and inserting ''307, 308, and 309''; and

(ii) by adding to end the following:

(D) by transfering Title VI (7 U.S.C. 1421 note et seq.) to appear after section 309 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1309) and redesignating the transferred title as section 310.

(2) in subsection (c) by adding at the end the following:

(3) Section 305 (as redesignated) is amended in subsection (n) by striking ''only for the 1991 through 1995 crops of rice'' and inserting ''2003 and subsequent crops of rice and in the same manner as the 1995 crop of rice.''.

AMENDMENT NO. 3349

Strike all after the enacting clause and insert the following:

SEC. 101. SHORT TITLE.

This Act may be cited as the ''Agricultural Act of 1996''.

SEC. 102. AUTHORITY FOR 1996 AGRICULTURAL PROGRAMS.

(A) IN GENERAL.—Notwithstanding any other provisions of law except as provided in this Act and the amendments made by this Act, the provisions of the Agricultural Adjustment of 1938 (7 U.S.C. 1281 et seq.), the Agriculture Act of 1949 (7 U.S.C. 1421 et seq.) the Food Security Act of 1985 (Public Law 99–198), and the Food, Agriculture, Conservation and Trade Act of 1990 (Public Law 101–624) and each program that was authorized or reauthorized by any of the Acts, that were applicable on September 30, 1995, shall be applicable for 1996.

(b) FLEXIBILITY.—Amend section 504 of the Agricultural Act of 1949 (7 U.S.C. 1464) by—

(1) Striking subsections (c), (d), and (e) and inserting the following:

''(c) NON-PAYMENT ACRES.—In the case of the 1996 crops, any crop or conserving crop specified in subsection (b)(1) may be planted on the acres of a crop acreage base that is not eligible for payment under this Act.

''(d) LOAN ELIGIBILITY.—In the case of the 1996 crops, producers on a farm with crop

acreage base may plant any program crop on the crop acreage base and shall be eligible to receive purchases, loans, and the deficiency payments for the program crop.''

(c) 1996 CROP ADVANCED DEFICIENCY PAYMENTS.—

(1) IN GENERAL.—The Secretary shall issue nonrefundable advanced deficiency payments for the 1996 crops of wheat, feed grains, upland cotton, and rice to producers who participate in price support programs authorized in section 102.

(2) FORMULA.—The advanced deficiency payment rate for wheat, feed grains, upland cotton, and rice shall be 40 percent of the average deficiency payments for the 1990 through 1994 crops.

SEC. 104. MISCELLANEOUS PROVISIONS.

(a) FUND FOR RURAL AMERICA.—

(1) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in paragraph (3).

(2) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ''Account'')—

(A) $50,000,000 for the 1996 fiscal year;

(B) $100,000,000 for the 1997 fiscal year; and

(C) $150,000,000 for the 1998 fiscal year.

(3) PURPOSES.—Except as provided in paragraph (4), the Secretary shall provide not more than one-third of the funds from the Account for activities described in subparagraph (B).

(A) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

(i) The Housing Act of 1949 for—

(I) direct loans to low income borrowers pursuant to section 502;

(II) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

(III) financial assistance for housing of domestic farm labor pursuant to section 516;

(IV) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

(V) grants for Rural Housing Preservation pursuant to section 533;

(ii) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

(iii) Consolidated Farm and Rural Development Act for—

(I) grants for Rural Enterprises pursuant to section 310B (c) and (j);

(II) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

(III) down payments assistance to farmers, section 310E; and

(iv) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

(v) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

(B) RESEARCH.—

(i) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

(ii) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

(I) a college or university;

(II) a State agricultural experiment station;

(III) a State Cooperative Extension Service;

(IV) a research institution or organization;

(V) a private organization or person; or

(VI) a Federal agency.

(iii) USE OF GRANT.—

(I) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

(aa) research, ranging from discovery to principles of application;

(bb) extension and related private-sector activities; and

(cc) education.

(II) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

(iv) ADMINISTRATION.—

(I) PRIORITY.—In administering this paragraph, the Secretary shall—

(aa) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

(bb) seek and accept proposals for grants;

(cc) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

(dd) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

(II) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

(III) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

(IV) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

(aa) for applied research that is commodity-specific; and

(cc) not of national scope.

(V) ADMINISTRATIVE COSTS.—

(aa) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

(bb) LIMITATION.—Funds made available under this paragraph shall not be used—

(AA) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

(BB) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

(4) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.

GRASSLEY (AND COCHRAN) AMENDMENT NO. 3350

(Ordered to lie on the table.)

Mr. GRASSLEY (for himself and Mr. COCHRAN) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike sections 103 through 107 and insert the following:

SEC. 103. PRODUCTION FLEXIBILITY CONTRACTS.

(a) CONTRACTS AUTHORIZED.—

(1) OFFER AND TERMS.—Beginning as soon as practicable after the date of enactment of this Act, the Secretary shall offer to enter into a contract with an eligible owner or operator described in paragraph (2) on a farm containing eligible farmland. Under the terms of a contract, the owner or operator shall agree, in exchange for annual contract payments, to comply with—

(A) the conservation plan for the farm prepared in accordance with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

(B) wetland protection requirements applicable to the farm under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.); and

(C) the planting flexibility requirements of subsection (j).

(2) ELIGIBLE OWNERS AND OPERATORS DESCRIBED.—The following persons shall be considered to be an owner or operator eligible to enter into a contract:

(A) An owner of eligible farmland who assumes all of the risk of producing a crop.

(B) An owner of eligible farmland who shares in the risk of producing a crop.

(C) An operator of eligible farmland with a share-rent lease of the eligible farmland, regardless of the length of the lease, if the owner enters into the same contract.

(D) An operator of eligible farmland who cash rents the eligible farmland under a lease expiring on or after September 30, 2002, in which case the consent of the owner is not required.

(E) An operator of eligible farmland who cash rents the eligible farmland under a lease expiring before September 30, 2002, if the owner consents to the contract.

(F) An owner of eligible farmland who cash rents the eligible farmland and the lease term expires before September 30, 2002, but only if the actual operator of the farm declines to enter into a contract. In the case of an owner covered by this subparagraph, contract payments shall not begin under a contract until the fiscal year following the fiscal year in which the lease held by the nonparticipating operator expires.

(G) An owner or operator described in a preceding subparagraph regardless of whether the owner or operator purchased catastrophic risk protection for a fall-planted 1996 crop under section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)).

(3) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interests of operators who are tenants and sharecroppers.

(b) ELEMENTS.—

(1) TIME FOR CONTRACTING.—

(A) DEADLINE.—Except as provided in subparagraph (B), the Secretary may not enter into a contract after April 15, 1996.

(B) CONSERVATION RESERVE LANDS.—

(i) IN GENERAL.—At the beginning of each fiscal year, the Secretary shall allow an eligible owner or operator on a farm covered by a conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) that terminates after the date specified in subparagraph (A) to enter into or expand a production flexibility contract to cover the contract acreage of the farm that was subject to the former conservation reserve contract.

(ii) AMOUNT.—Contract payments made for contract acreage under this subparagraph shall be made at the rate and amount applicable to the annual contract payment level for the applicable crop.

(2) DURATION OF CONTRACT.—

(A) BEGINNING DATE.—A contract shall begin with—

(i) the 1996 crop of a contract commodity; or

(ii) in the case of acreage that was subject to a conservation reserve contract described in paragraph (1)(B), the date the production

flexibility contract was entered into or expanded to cover the acreage.

(B) ENDING DATE.—A contract shall extend through the 2002 crop.

(3) ESTIMATION OF CONTRACT PAYMENTS.—At the time the Secretary enters into a contract, the Secretary shall provide an estimate of the minimum contract payments anticipated to be made during at least the first fiscal year for which contract payments will be made.

(c) ELIGIBLE FARMLAND DESCRIBED.—Land shall be considered to be farmland eligible for coverage under a contract only if the land has contract acreage attributable to the land and—

(1) for at least 1 of the 1991 through 1995 crops, at least a portion of the land was enrolled in the acreage reduction program authorized for a crop of a contract commodity under section 101B, 103B, 105B, or 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) or was considered planted;

(2) was subject to a conservation reserve contract under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) whose term expired, or was voluntarily terminated, on or after January 1, 1995; or

(3) is released from coverage under a conservation reserve contract by the Secretary during the period beginning on January 1, 1995, and ending on the date specified in subsection (b)(1)(A).

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—An annual contract payment shall be made not later than September 30 of each of fiscal years 1996 through 2002.

(2) ADVANCE PAYMENTS.—

(A) FISCAL YEAR 1996.—At the option of the owner or operator, 50 percent of the contract payment for fiscal year 1996 shall be made not later than June 15, 1996.

(B) SUBSEQUENT FISCAL YEARS.—At the option of the owner or operator for fiscal year 1997 and each subsequent fiscal year, 50 percent of the annual contract payment shall be made on December 15.

(e) AMOUNTS AVAILABLE FOR CONTRACT PAYMENTS FOR EACH FISCAL YEAR.—

(1) IN GENERAL.—The Secretary shall, to the maximum extent practicable, expend on a fiscal year basis the following amounts to satisfy the obligations of the Secretary under all contracts:

(A) For fiscal year 1996, $5,570,000,000.

(B) For fiscal year 1997, $5,385,000,000.

(C) For fiscal year 1998, $5,800,000,000.

(D) For fiscal year 1999, $5,603,000,000.

(E) For fiscal year 2000, $5,130,000,000.

(F) For fiscal year 2001, $4,130,000,000.

(G) For fiscal year 2002, $4,008,000,000.

(2) ALLOCATION.—The amount made available for a fiscal year under paragraph (1) shall be allocated as follows:

(A) For wheat, 26.26 percent.

(B) For corn, 46.22 percent.

(C) For grain sorghum, 5.11 percent.

(D) For barley, 2.16 percent.

(E) For oats, 0.15 percent.

(F) For upland cotton, 11.63 percent.

(G) For rice, 8.47 percent.

(3) ADJUSTMENT.—The Secretary shall adjust the amounts allocated for each contract commodity under paragraph (2) for a particular fiscal year by—

(A) subtracting an amount equal to the amount, if any, necessary to satisfy payment requirements under sections 103B, 105B, and 107B of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) for the 1994 and 1995 crops of the commodity;

(B) adding an amount equal to the sum of all repayments of deficiency payments received under section 114(a)(2) of the Agricultural Act of 1949 (as in effect prior to the amendment made by section 110(b)(2)) for the commodity;

(C) to the maximum extent practicable, adding an amount equal to the sum of all contract payments withheld by the Secretary, at the request of an owner or operator subject to a contract, as an offset against repayments of deficiency payments otherwise required under section 114(a)(2) of the Act (as so in effect) for the commodity; and

(D) adding an amount equal to the sum of all refunds of contract payments received during the preceding fiscal year under subsection (h) for the commodity.

(4) ADDITIONAL RICE ALLOCATION.—In addition to the allocations provided under paragraphs (1), (2), and (3), the amounts made available for rice contract payments shall be increased by $17,000,000,000 for each of fiscal years 1997 through 2002.

(f) DETERMINATION OF CONTRACT PAYMENTS.—

(1) INDIVIDUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—For each contract, the payment quantity of a contract commodity for each fiscal year shall be equal to the product of—

(A) 85 percent of the contract acreage; and

(B) the farm program payment yield.

(2) ANNUAL PAYMENT QUANTITY OF CONTRACT COMMODITIES.—The payment quantity of each contract commodity covered by all contracts for each fiscal year shall equal the sum of the amounts calculated under paragraph (1) for each individual contract.

(3) ANNUAL PAYMENT RATE.—The payment rate for a contract commodity for each fiscal year shall be equal to—

(A) the amount made available under subsection (e) for the contract commodity for the fiscal year; divided by

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

(4) ANNUAL PAYMENT AMOUNT.—The amount to be paid under a contract in effect for each fiscal year with respect to a contract commodity shall be equal to the product of—

(A) the payment quantity determined under paragraph (1) with respect to the contract; and

(B) the payment rate in effect under paragraph (3).

(5) ASSIGNMENT OF CONTRACT PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to contract payments under this subsection. The owner or operator making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require in the contract, of any assignment made under this paragraph.

(6) SHARING OF CONTRACT PAYMENTS.—The Secretary shall provide for the sharing of contract payments among the owners and operators subject to the contract on a fair and equitable basis.

(g) PAYMENT LIMITATION.—The total amount of contract payments made to a person under a contract during any fiscal year may not exceed the payment limitations established under sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3).

(h) EFFECT OF VIOLATION.—

(1) TERMINATION OF CONTRACT.—Except as provided in paragraph (2), if an owner or operator subject to a contract violates the conservation plan for the farm containing eligible farmland under the contract, wetland protection requirements applicable to the farm, or the planting flexibility requirements of subsection (j), the Secretary shall terminate the contract with respect to the owner or operator on each farm in which the owner or operator has an interest. On the termination, the owner or operator shall forfeit all rights to receive future contract payments on each farm in which the owner or operator has an interest and shall refund to the Secretary all contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary.

(2) REFUND OR ADJUSTMENT.—If the Secretary determines that a violation does not warrant termination of the contract under paragraph (1), the Secretary may require the owner or operator subject to the contract—

(A) to refund to the Secretary that part of the contract payments received by the owner or operator during the period of the violation, together with interest on the contract payments as determined by the Secretary; or

(B) to accept a reduction in the amount of future contract payments that is proportionate to the severity of the violation, as determined by the Secretary.

(3) FORECLOSURE.—An owner or operator subject to a contract may not be required to make repayments to the Secretary of amounts received under the contract if the contract acreage has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate in order to provide fair and equitable treatment. This paragraph shall not void the responsibilities of such an owner or operator under the contract if the owner or operator continues or resumes operation, or control, of the contract acreage. On the resumption of operation or control over the contract acreage by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.

(4) REVIEW.—A determination of the Secretary under this subsection shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

(i) TRANSFER OF INTEREST IN LANDS SUBJECT TO CONTRACT.—

(1) EFFECT OF TRANSFER.—Except as provided in paragraph (2), the transfer by an owner or operator subject to a contract of the right and interest of the owner or operator in the contract acreage shall result in the termination of the contract with respect to the acreage, effective on the date of the transfer, unless the transferee of the acreage agrees with the Secretary to assume all obligations of the contract. At the request of the transferee, the Secretary may modify the contract if the modifications are consistent with the objectives of this section as determined by the Secretary.

(2) EXCEPTION.—If an owner or operator who is entitled to a contract payment dies, becomes incompetent, or is otherwise unable to receive the contract payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(j) PLANTING FLEXIBILITY.—

(1) PERMITTED CROPS.—Subject to paragraph (2), any commodity or crop may be planted on contract acreage on a farm.

(2) LIMITATIONS.—

(A) HAYING AND GRAZING.—

(i) TIME LIMITATIONS.—Haying and grazing on land exceeding 15 percent of the contract acreage on a farm as provided in clause (iii) shall be permitted, except during any consecutive 5-month period between April 1 and October 31 that is determined by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the contract acreage of a farm.

(ii) CONTRACT COMMODITIES.—A contract commodity may be hayed or grazed on contract acreage on a farm without limitation.

(iii) HAYING AND GRAZING LIMITATION ON PORTION OF CONTRACT ACREAGE.—Unlimited haying and grazing shall be permitted on not more than 15 percent of the contract acreage on a farm.

(B) ALFALFA.—Alfalfa may be planted for harvest without limitation on the contract acreage on a farm, except that each contract acre that is planted for harvest to alfalfa in excess of 15 percent of the total contract acreage on a farm shall be ineligible for contract payments.

(C) FRUITS AND VEGETABLES.—

(i) IN GENERAL.—The planting for harvest of fruits and vegetables shall be prohibited on contract acreage.

(ii) UNRESTRICTED VEGETABLES.—Lentils, mung beans, and dry peas may be planted without limitation on contract acreage.

(k) CONSERVATION FARM OPTION.—

(1) IN GENERAL.—The Secretary shall offer eligible owners and operators with contract acreage under this title on a farm who also have entered into a conservation reserve program contract under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (7 U.S.C. 3831 et seq.), the option of entering into a conservation farm option contract for a period of 10 years, as an alternative to the market transition payment contract.

(2) TERMS.—Under the conservation farm option contract—

(A) the Secretary shall provide eligible owners and operators with payments that reflect the Secretary's estimate of the payments and benefits the eligible owner or operator is expected to receive during the 10-year period under—

(i) conservation cost-share programs administered by the Secretary;

(ii) conservation reserve program rental and cost-share payments;

(iii) market transition payments; and

(iv) loan programs for contract commodities, oilseeds, and extra long staple cotton; and

(B) the eligible owner and operator shall—

(i) forego eligibility to participate in the conservation reserve program, conservation cost-share program payments, and market transition contracts; and

(ii) comply with a conservation plan for the farm approved by the Secretary that is consistent with the State conservation farm option plan established under paragraph (3).

(3) STATE CONSERVATION FARM OPTION PLAN.—In consultation with the State Technical Committee established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3801), the Secretary shall establish a plan for each State that is designed to—

(A) protect wildlife habitat;

(B) improve water quality; and

(C) reduce soil erosion.

SEC. 104. NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF NONRECOURSE LOANS.—

(1) AVAILABILITY.—For each of the 1996 through 2002 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b) for the loan commodity.

(2) ELIGIBLE PRODUCTION.—The following production shall be eligible for a marketing assistance loan under this section:

(A) In the case of a marketing assistance loan for a contract commodity, any production by a producer who has entered into a production flexibility contract.

(B) In the case of a marketing assistance loan for extra long staple cotton and oilseeds, any production.

(b) LOAN RATES.—

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be—

(i) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $2.58 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be—

(i) not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not more than $1.89 per bushel.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(B) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be $4.92 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be $0.087 per pound.

(C) OTHER OILSEEDS.—The loan rates for a marketing assistance loan for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.

(c) TERM OF LOAN.—In the case of each loan commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made. A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the first month after the month in which the loan is made. The Secretary may not extend the term of a marketing assistance loan for any loan commodity.

(d) REPAYMENT.—

(1) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodities by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodities; and

(D) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(2) REPAYMENT RATES FOR UPLAND COTTON, OILSEEDS, AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under subsection (a) for upland cotton, oilseeds, and rice at a level that is the lesser of—

(A) the loan rate established for upland cotton, oilseeds, and rice, respectively, under subsection (b); or

(B) the prevailing world market price for upland cotton, oilseeds, and rice, respectively (adjusted to United States quality and location), as determined by the Secretary.

(3) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary).

(4) PREVAILING WORLD MARKET PRICE.—For purposes of paragraph (2)(B) and subsection (f), the Secretary shall prescribe by regulation—

(A) a formula to determine the prevailing world market price for each loan commodity, adjusted to United States quality and location; and

(B) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each loan commodity.

(5) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(A) IN GENERAL.—During the period ending July 31, 2003, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under paragraph (4) shall be further adjusted if—

(i) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under subsection (b), as determined by the Secretary; and

(ii) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1 3/32-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe (referred to in this subsection as the ''Northern Europe price'').

(B) FURTHER ADJUSTMENT.—Except as provided in subparagraph (C), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(i) The United States share of world exports.

(ii) The current level of cotton export sales and cotton export shipments.

(iii) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(C) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under subparagraph (B) may not exceed the difference between—

(i) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1 3/32-inch cotton delivered C.I.F. Northern Europe; and

(ii) the Northern Europe price.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—Except as provided in paragraph (4), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate determined under paragraph (3) for the loan commodity; by

(B) the quantity of the loan commodity that the producers on a farm are eligible to place under loan but for which the producers forgo obtaining the loan in return for payments under this subsection.

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b) for the loan commodity; exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This subsection shall not apply with respect to extra long staple cotton.

(f) SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.—

(1) COTTON USER MARKETING CERTIFICATES.—

(A) ISSUANCE.—Subject to subparagraph (D), during the period ending July 31, 2003, the Secretary shall issue marketing certificates or cash payments to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive 4-week period in which—

(i) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

(ii) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 130 percent of the loan rate for upland cotton established under subsection (b).

(B) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

(C) ADMINISTRATION OF MARKETING CERTIFICATES.—

(i) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this paragraph.

(ii) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of the certificate (as determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending with the date of the presentation of the certificate to the Commodity Credit Corporation.

(iii) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(D) EXCEPTION.—The Secretary shall not issue marketing certificates or cash payments under subparagraph (A) if, for the immediately preceding consecutive 10-week period, the Friday through Thursday average price quotation for the lowest priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under this paragraph, exceeds the Northern Europe price by more than 1.25 cents per pound.

(E) LIMITATION ON EXPENDITURES.—Total expenditures under this paragraph shall not exceed $701,000,000 during fiscal years 1996 through 2002.

(2) SPECIAL IMPORT QUOTA.—

(A) ESTABLISHMENT.—The President shall carry out an import quota program that provides that, during the period ending July 31, 2003, whenever the Secretary determines and announces that for any consecutive 10-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under paragraph (1), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

(B) QUANTITY.—The quota shall be equal to 1 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(C) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under subparagraph (A) and entered into the United States not later than 180 days after the date.

(D) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by subparagraph (A), except that a special quota period may not be established under this paragraph if a quota period has been established under subsection (g).

(E) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(F) DEFINITION.—In this paragraph, the term ''special import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(g) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term ''supply'' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term ''demand'' means—

(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding 6 marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term ''limited global import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (f)(2).

(h) SOURCE OF LOANS.—

(1) IN GENERAL.—The Secretary shall provide the loans authorized by this section and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) through the Commodity Credit Corporation and other means available to the Secretary.

(2) PROCESSORS.—Whenever any loan or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive maximum benefits from the loan or surplus removal operation.

(i) ADJUSTMENTS OF LOANS.—

(1) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for any commodity for differences in grade, type, quality, location, and other factors.

(2) LOAN LEVEL.—The adjustments shall, to the maximum extent practicable, be made in such manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(j) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) unless the loan was obtained through a fraudulent representation by the producer.

(2) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(A) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(B) a failure to properly care for and preserve a commodity; or

(C) a failure or refusal to deliver a commodity in accordance with a program established under this section or the Agricultural Adjustment Act of 1938.

(3) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(4) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

(k) COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.—

(1) IN GENERAL.—The Commodity Credit Corporation may sell any commodity owned or controlled by the Corporation at any price that the Secretary determines will maximize returns to the Corporation.

(2) NONAPPLICATION OF SALES PRICE RESTRICTIONS.—Paragraph (1) shall not apply to—

(A) a sale for a new or byproduct use;

(B) a sale of peanuts or oilseeds for the extraction of oil;

(C) a sale for seed or feed if the sale will not substantially impair any loan program;

(D) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

(E) a sale for the purpose of establishing a claim arising out of a contract or against a person who has committed fraud, misrepresentation, or other wrongful act with respect to the commodity;

(F) a sale for export, as determined by the Corporation; and

(G) a sale for other than a primary use.

(3) PRESIDENTIAL DISASTER AREAS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), on such terms and conditions as the Secretary may consider in the public interest, the Corporation may make available any commodity or product owned or controlled by the Corporation for use in relieving distress—

(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(B) COSTS.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making a commodity available under subparagraph (A) beyond the cost of the commodity to the Corporation incurred in—

(i) the storage of the commodity; and

(ii) the handling and transportation costs in making delivery of the commodity to designated agencies at 1 or more central locations in each State or other area.

(4) EFFICIENT OPERATIONS.—Paragraph (1) shall not apply to the sale of a commodity the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantity of the commodity involved, or because of the age, location, or questionable continued storability of the commodity.

SEC. 105. PAYMENT LIMITATIONS.

(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (4) and inserting the following:

''(1) LIMITATION ON PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS.—The total amount of contract payments made under section 103 of the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts during any fiscal year may not exceed $40,000.

''(2) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—

''(A) LIMITATION.—The total amount of payments specified in subparagraph (B) that a person shall be entitled to receive under section 104 of the Agricultural Market Transition Act for contract commodities and oilseeds during any crop year may not exceed $75,000.

''(B) DESCRIPTION OF PAYMENTS.—The payments referred to in subparagraph (A) are the following:

''(i) Any gain realized by a producer from repaying a marketing assistance loan for a crop of any loan commodity at a lower level than the original loan rate established for the commodity under section 104(b) of the Act.

''(ii) Any loan deficiency payment received for a loan commodity under section 104(e) of the Act.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) (as amended by subsection (a)) is amended—

(A) by redesignating paragraphs (5), (6), and (7) as paragraphs (3), (4), and (5), respectively; and

(B) in the second sentence of paragraph (3)(A) (as so redesignated), by striking ''paragraphs (6) and (7)'' and inserting ''paragraphs (4) and (5)''.

(2) Section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note) is amended by striking ''paragraphs (5) through (7) of section 1001, as amended by this subtitle,'' and inserting ''paragraphs (3) through (5) of section 1001,''.

(3) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)(1)) is amended—

(A) in the first sentence of subsection (a)(1)—

(i) by striking ''section 1001(5)(B)(i)'' and inserting ''section 1001(3)(B)(i)'';

(ii) by striking ''under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)''; and

(iii) by striking ''section 1001(5)(B)(i)(II)'' and inserting ''section 1001(3)(B)(i)(II)''; and

(B) in subsection (b)—

(i) in paragraph (1)—

(I) by striking ''under the Agricultural Act of 1949''; and

(II) by striking ''section 1001(5)(B)(i)'' and inserting ''section 1001(3)(B)(i)''; and

(ii) in paragraph (2)(B), by striking ''section 1001(5)(B)(i)(II)'' and inserting ''section 1001(3)(B)(i)(II)''.

(4) Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3(a)) is amended—

(A) by striking ''For each of the 1991 through 1997 crops, any'' and inserting ''Any'';

(B) by striking ''price support program loans, payments, or benefits made available under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.),'' and inserting ''loans or payments made available under the Agricultural Market Transition Act''; and

(C) by striking ''during the 1989 through 1997 crop years''.

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $610 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—The Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) (except funds attributable to handlers) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(4) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from quota pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(5) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. The increased assessment shall apply only to quota peanuts in the production area covered by the pool. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—With respect to peanuts under loan, the Secretary shall—

(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of

peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) DEFINITION OF FIRST PURCHASER.—In this subsection, the term ''first purchaser'' means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking ''**1991 THROUGH 1997 CROPS OF**'';

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking ''of the 1991 through 1997 marketing years'' each place it appears and inserting ''marketing year'';

(iii) in subsection (a)(3), by striking ''1990'' and inserting ''1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years'';

(iv) in subsection (b)(1)(A)—

(I) by striking ''each of the 1991 through 1997 marketing years'' and inserting ''each marketing year''; and

(II) in clause (i), by inserting before the semicolon the following: '', in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years''; and

(v) in subsection (f), by striking ''1997'' and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1991 THROUGH 1995 CROPS OF**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking ''domestic edible, seed,'' and inserting ''domestic edible use'';

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking ''subparagraph (B) and subject to''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

''(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

''(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).''; and

(C) in subsection (e)(3), strike ''and seed and use on a farm''.

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking ''including—'' and clauses (i) and (ii) and inserting ''including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).'';

(ii) in paragraph (3)(B), by striking ''include—'' and clauses (i) and (ii) and inserting ''include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).''; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking ''(including any applicable under marketings)'' both places it appears;

(ii) in paragraph (1)(A), by striking ''of undermarketings and'';

(iii) in paragraph (2), by striking ''(including any applicable under marketings)''; and

(iv) in paragraph (3), by striking ''(including any applicable undermarketings)''.

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

''(8) DISASTER TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

''(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

''(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

''(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at not more than 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.''.

SEC. 107. SUGAR PROGRAM.

(a) SUGARCANE.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to 18 cents per pound for raw cane sugar.

(b) SUGAR BEETS.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to 22.9 cents per pound for refined beet sugar.

(c) TERM OF LOANS.—

(1) IN GENERAL.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

(A) the end of 9 months; or

(B) the end of the fiscal year.

(2) SUPPLEMENTAL LOANS.—In the case of loans made under this section in the last 3 months of a fiscal year, the processor may repledge the sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

(A) be made at the loan rate in effect at the time the second loan is made; and

(B) mature in 9 months less the quantity of time that the first loan was in effect.

(d) LOAN TYPE; PROCESSOR ASSURANCES.—

(1) RECOURSE LOANS.—Subject to paragraph (2), the Secretary shall carry out this section through the use of recourse loans.

(2) NONRECOURSE LOANS.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level in excess of 1,500,000 short tons raw value, the Secretary shall carry out this section by making available nonrecourse loans. Any recourse loan previously made available by the Secretary under this section during the fiscal year shall be changed by the Secretary into a nonrecourse loan.

(3) PROCESSOR ASSURANCES.—If the Secretary is required under paragraph (2) to make nonrecourse loans available during a fiscal year or to change recourse loans into nonrecourse loans, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for sugar beets and sugarcane delivered by producers served by the processor. The Secretary may establish appropriate minimum payments for purposes of this paragraph.

(e) MARKETING ASSESSMENT.—

(1) SUGARCANE.—Effective for marketings of raw cane sugar during the 1996 through 2003 fiscal years, the first processor of sugarcane shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing); and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.375 percent of the loan rate established under subsection (a) per pound of raw cane sugar, processed by the processor from domestically produced sugarcane or sugarcane molasses, that has been marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

(2) SUGAR BEETS.—Effective for marketings of beet sugar during the 1996 through 2003 fiscal years, the first processor of sugar beets shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to—

(A) in the case of marketings during fiscal year 1996, 1.1794 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed; and

(B) in the case of marketings during each of fiscal years 1997 through 2003, 1.47425 percent of the loan rate established under subsection (a) per pound of beet sugar, processed by the processor from domestically produced sugar beets or sugar beet molasses, that has been marketed.

(3) COLLECTION.—

(A) TIMING.—A marketing assessment required under this subsection shall be collected on a monthly basis and shall be remitted to the Commodity Credit Corporation not later than 30 days after the end of each month. Any cane sugar or beet sugar processed during a fiscal year that has not been marketed by September 30 of the year shall be subject to assessment on that date. The sugar shall not be subject to a second assessment at the time that it is marketed.

(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

(4) PENALTIES.—If any person fails to remit the assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of cane sugar or beet sugar involved in the violation; by

(B) the loan rate for the applicable crop of sugarcane or sugar beets.

(5) ENFORCEMENT.—The Secretary may enforce this subsection in a court of the United States.

(f) FORFEITURE PENALTY.—

(1) IN GENERAL.—A penalty shall be assessed on the forfeiture of any sugar pledged as collateral for a nonrecourse loan under this section.

(2) CANE SUGAR.—The penalty for cane sugar shall be 1 cent per pound.

(3) BEET SUGAR.—The penalty for beet sugar shall bear the same relation to the penalty for cane sugar as the marketing assessment for sugar beets bears to the marketing assessment for sugarcane.

(4) EFFECT OF FORFEITURE.—Any payments owed producers by a processor that forfeits of any sugar pledged as collateral for a nonrecourse loan shall be reduced in proportion to the loan forfeiture penalty incurred by the processor.

(g) INFORMATION REPORTING.—

(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

(2) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

(3) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

(h) MARKETING ALLOTMENTS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

(i) CROPS.—This section (other than subsection (h)) shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.

COCHRAN AMENDMENT NO. 3351

(Ordered to lie on the table.)

Mr. COCHRAN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the end of subtitle E of Title III add the following:

SEC. . WILDLIFE HABITAT INCENTIVES PROGRAM.

The Secretary of Agriculture, in consultation with the State Technical Committee, shall establish a program within the Natural Resources Conservation Service to be known as the Wildlife Habitat Incentives Program. The program shall make cost-share payments to landowners to develop upland wildlife, wetland wildlife, threatened and endangered species, fisheries, and other types of wildlife habitat approved by the Secretary. To carry out this section, $10,000,000 for each of the fiscal years 1996 through 2002, shall be made available from the program authorized by subchapter B of Chapter 1 of Subtitle D of title XII of the Food Security Act of 1985.

CONRAD AMENDMENTS NOS. 3352–3353

(Ordered to lie on the table.)

Mr. CONRAD submitted two amendments intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3352

On page 4–45, strike lines 9 through 13 and insert the following:

''The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D(e) unless the borrower—

''(1) after paying all family living an operating expenses, excluding interest, can pay a portion, as determined by the Secretary, of the interest due on the loan;

''(2) has disposed of all normal income security; and

''(3) has satisfied any liens.

AMENDMENT NO. 3353

On page 4–29, strike lines 21 and 22 and insert the following:

(i) by striking ''exceed 15 percent'' and all that follows through ''Code'' and inserting the following: ''exceed—

''(i) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code; and

''(ii) 40 percent of the national average acreage of the farms or ranches, as the case may be, engaged in the type of commodity or livestock operation in which the farmer or rancher is engaged, as determined by the Secretary''; and

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CONRAD AMENDMENT NO. 3354

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

In Section 381E(c)(3) of Sec. 561, Rural Community Advancement Program, of Title V—Rural Development, strike the following: ''; and

''(D) grants to broadcasting systems provided under section 310B(f)''.

CONRAD AMENDMENT NO. 3355

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Title I is amended by—

(1) striking ''2002'' each place it appears and inserting ''1998'';

(2) striking ''2003'' each place it appears and inserting ''1999'';

(3) in section 103 striking subsections (d) through (f) and inserting the following:

''(e) CONTRACT PAYMENTS.—

''(1) IN GENERAL.—The Secretary shall provide advanced and final payments to owners and operators in accordance with the this subsection.

''(2) ADVANCED PAYMENTS.—

''(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June 15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

''(i) the applicable payment rate described in subparagraph (B);

''(ii) the farm program payment yield; and

''(iii) 85 percent of the contract acreage.

''(B) PAYMENT RATE.—The payment rate shall be—

''(i) for corn, $.16 per bushel;

''(ii) for grain sorghum, $.19 per bushel;

''(iii) for barley, $.12 per bushel;

''(iv) for oats, $.02 per bushel;

''(v) for wheat, $.27 per bushel;

''(vi) for rice, $1.14 per hundredweight; and

''(vii) for upland cotton, $.032 per pound.

''(3) FINAL PAYMENT.—

''(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by lessor of—

''(i) 85 percent of the contract acreage; or

''(ii) contract acreage planted to the contract commodity

''(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii).

''(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

''(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

''(II) the established price for the commodity for the 1995 crop.

''(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

''(I) the average price for the contract commodity for the first five months of the marketing year; and

''(II) the county average yield for the contract commodity.

''(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero.''

(4) in section 104(b) by striking paragraphs (1)(A)(ii), (2)(A)(ii), (3)(B), and (4)(B).

CONRAD (AND HEFLIN) AMENDMENT NO. 3356

(Ordered to lie on the table.)

Mr. CONRAD (for himself and Mr. HEFLIN) submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

Beginning on page 5–86, strike line 11 and all that follows through page 5–87, line 11, and insert the following:

''(3) RURAL BUSINESS AND COOPERATIVE DEVELOPMENT.—The rural business and cooperative development category shall include funds made available for—

''(A) rural business opportunity grants provided under section 306(a)(11)(A);

''(B) business and industry guaranteed loans provided under section 310B(a)(1); and

''(C) rural business enterprise grants and rural educational network grants provided under section 310B(c).

''(d) OTHER PROGRAMS.—Subject to subsection (e), in addition to any other appropriated amounts, the Secretary may transfer amounts allocated for a State for any of the 3 function categories for a fiscal year under subsection (c) to—

''(1) mutual and self-help housing grants provided under section 523 of the Housing Act of 1949 (42 U.S.C. 1490c);

''(2) rural rental housing loans for existing housing provided under section 515 of the Housing Act of 1949 (42 U.S.C. 1485);

''(3) rural cooperative development grants provided under section 310B(e); and

''(4) grants to broadcasting systems provided under section 310B(f).

CONRAD (AND HEFLIN) AMENDMENT NO. 3357

(Ordered to lie on the table.)

Mr. CONRAD (for himself and Mr. HEFLIN) submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LUGAR to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 4–28, strike line 16 and insert the following: (U.S.C. 488 et seq.)

''(IV) LIMITATIONS ON LIQUIDATIONS.—In the case of a default by a borrower on a loan made or guaranteed under this title involving a security interest in tribal allotted or trust land, the Secretary shall only pursue liquidation after offering to transfer the land to an eligible tribal member, the tribe, or the Secretary of the Interior. If the Secretary subsequently proceeds to liquidate the loan, the Secretary shall not transfer or otherwise dispose of or alienate the land except to 1 of the persons described in the preceding sentence. The Secretary shall not be required to make any payment in lieu of taxes on property held under this subclause.'';

CONRAD AMENDMENT NO. 3358

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to the bill S. 1541, supra; as follows:

In Section 547(e)(3) of Subtitle B—Amendments to the Consolidated Farm and Rural Development Act of Title V—Rural Development of Amendment #3252 submitted by Senator Lugar, strike '', and rural businesses''.

LEVIN AMENDMENTS NOS. 3359–3361

(Ordered to lie on the table.)

Mr. LEVIN submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3359

At the appropriate place in the title relating to agricultural trade, insert the following:

SEC. . ELIGIBILITY AND ADMINISTRATIVE REQUIREMENTS OF THE MARKET PROMOTION PROGRAM.

Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is amended by adding at the end the following:

''(h) ELIGIBILITY AND ADMINISTRATIVE REQUIREMENTS.—As a criterion of eligibility for participation in the market promotion program, the Secretary may not require—

''(1) a commodity organization to establish or support a full-time administrative office in Washington, D.C., or elsewhere; or

''(2) an organization of producers of a type of a commodity to contribute a portion of matching market promotion program expenditures of an organization representing producers of the entire commodity.''.

AMENDMENT NO. 3360

At the end of the title relating to conservation, insert the following:

SEC. . BIOLOGICAL-CONTROL ORGANISMS.

(a) GUIDE.—The Administrator of the Environmental Protection Agency and the Secretary of Agriculture shall jointly develop and publish a guide to risk criteria, data requirements, and oversight procedures that apply to importation, movement, introduction, testing, and registration or release of biological-control organisms or products.

(b) REPORT.—Not later than 3 years after the date of enactment of this Act, the Administrator and the Secretary shall make recommendations to Congress based on the guide for changing the law to improve the process of registration or release and the oversight of biological-control organisms and products.

AMENDMENT NO. 3361

At the end of the title relating to conservation, insert the following:

SEC. . GREAT LAKES SOIL EROSION AND SEDIMENT CONTROL PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a Great Lakes Soil Erosion and Sediment Control Program.

(b) GRANTS.—Under the Program, the Natural Resources Conservation Service, in consultation with the Great Lakes Commission (established under Article IV of the Great Lakes Compact of which Congress granted consent in the Act of July 24, 1968, Public Law 90–419) shall provide grants to persons to demonstrate innovative approaches to controlling and reducing the loss of soil in the Great Lakes Basin.

(c) AUTHORIZATION.—There is authorized to be appropriated to carry out this section a total of $5,000,000 for fiscal years 1996 through 2001.

HARKIN AMENDMENTS NOS. 3362–3363

(Ordered to lie on the table.)

Mr. HARKIN submitted two amendments intended to be proposed by him to an amendment proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3362

Strike section 505 and insert the following:

''SEC. 505. EXPORT ENHANCEMENT PROGRAM.

''Notwithstanding section 203, the Commodity Credit Corporation shall make available to carry out the program established under the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)) not more than:

''(A) $312,857,144 for fiscal year 1996;

''(B) $312,857,144 for fiscal year 1997;

''(C) $462,857,144 for fiscal year 1998;

''(D) $512,857,144 for fiscal year 1999;

''(E) $541,857,144 for fiscal year 2000;

''(F) $440,857,144 for fiscal year 2001; and

''(G) $440,857,144 for fiscal year 2002.''

AMENDMENT NO. 3363

On page 5–10, strike line 8 and all that follows through line 15.

HARKIN AMENDMENT NO. 3364

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Section 104(b) is amended by adding at the end the following:

''(7) LOCAL LOAN RATES.—The Secretary may not reduce the loan rate for a crop in a county by an amount in excess of 3 percent of the national loan rate.

HARKIN AMENDMENTS NOS. 3365–3366

(Ordered to lie on the table.)

Mr. HARKIN submitted two amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3365

On page 1–17, line 21, after ''15 percent'', insert the following: ''(or in the case of a producer participating in the Integrated Farm Management Program Option established under section 1451 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5822), which is authorized to be carried out through the end of calendar year 2002, 30 percent)''.

AMENDMENT NO. 3366

At the appropriate place in title III, insert the following:

SEC. 3 . INTEGRATED FARM MANAGEMENT PROGRAM OPTION.

Section 1451 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5822) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking subparagraph (A) and inserting the following:

''(A) RESOURCE-CONSERVING CROP.—The term 'resource-conserving crop' means—

''(i)(I) any legume, grass, brassica cover crop or forage, or alternative crop; and

''(II) any interseeded or relay-planted combination of a crop described in subclause (I);

''(ii) any interseeded or relay-planted combination of a crop described in subclause (I) and a small grain; and

''(iii) such other crops as the Secretary may designate.''; and

(B) in paragraph (2)—

(i) by striking subparagraph (B) and inserting the following:

''(B) LEGUME.—The term 'legume' means any legume grown for use as a forage, green

manure, or biomass feedstock, but not including any pulse crop from which seeds are harvested and sold for a purpose other than use as seed for planting.'';

(ii) in subparagraph (D), by striking ''grown in arid and semiarid regions''; and

(iii) by adding at the end the following:

''(E) SPECIAL CONSERVATION PRACTICE.—The term 'special conservation practice' means establishment of—

''(i) a field border, contour grass strip, grass waterway, filterstrip, grass windbreak, buffer area, wildlife habitat planting, or habitat planting for beneficial organisms that aid in the control of pests; and

''(ii) such other practices as the Secretary may designate.'';

(2) in subsection (d), by striking ''1995'' and inserting ''2002'';

(3) in subsection (f)—

(A) in paragraph (2), by inserting ''or special conservation practice'' and ''rotation''; and

(B) in paragraph (3), by inserting ''or special conservation practice'' after ''rotation''; and (4) in subsection (h)—

(A) in paragraph (5)(A), by striking ''such acreage'' each place it appears and inserting ''any such acreage in excess of 30 percent of the crop acreage bases enrolled in the program''; and

(B) by striking paragraph (7).

HARKIN AMENDMENT NO. 3367

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

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

''(ii) 1,000 beef cattle;

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

''(iv) 55,000 turkeys;

''(v) 2,500 swine; or

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

HARKIN AMENDMENTS NOS. 3368–3372

(Ordered to lie on the table.)

Mr. HARKIN submitted five amendments intended to be proposed by him to an amendment proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3368

On page 1–26, strike line 16 and all that follows through line 25 and insert the following:

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

Not less than 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be—

Not less than 90 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3369

On page 1–26, strike line 16 and all that follows through line 25 and insert the following:

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

Not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be—

Not less than 85 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3370

Beginning on page 1–21, strike line 5 and all that follows through page 1–26, line 25, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be not less than 90 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 90 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(i) equal to or greater than 25 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 12.5 percent the Secretary may not reduce the loan rate for corn for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for corn under subparagraph (B) shall not be considered in determining the loan rate for corn for subsequent years.

(D) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

(3) UPLAND COTTON.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(i) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan rate is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(ii) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan rate is announced, of the 5 lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(B) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(4) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan for extra long staple cotton shall be—

(A) not less than 85 percent of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during 3 years of the 5 previous marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.7965 per pound.

(5) RICE.—The loan rate for a marketing assistance loan for rice shall be $6.50 per hundredweight.

(6) OILSEEDS.—

(A) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be—

Not less than 90 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance

loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be—

Not less than 90 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3371

Beginning on page 1–21, strike line 5 and all that follows through page 1–23, line 3, and insert the following:

(1) WHEAT.—

(A) LOAN RATE.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(i) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(iii) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(C) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan rate for wheat under subparagraph (B) shall not be considered in determining the loan rate for wheat for subsequent years.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall be not less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3372

At the appropriate place insert the following new section:

SEC. . RESEARCH PROGRAM FOR DESIGNING FOODS TO IMPROVE HUMAN NUTRITION.

Section 1427 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3177) is amended to read as follows:

"SEC. 1427. RESEARCH PROGRAM FOR DESIGNING FOODS TO IMPROVE HUMAN NUTRITION.

''(a) AUTHORITY OF SECRETARY.—

''(1) IN GENERAL.—The Secretary may establish, and award grants for projects for, coordinated interdisciplinary research into—

''(A) food selection and consumption;

''(B) the nutritional composition and nutrient utilization of foods; and

''(C) designing and developing new foods for improving human nutrition and health.

''(2) EMPHASIS OF RESEARCH.—In administering human nutrition research projects under this section, the Secretary shall give specific emphasis to—

''(A) designing and developing new foods, and improving food production and processing, to improve the nutritional quality of the food supply with considerations for consumer preferences and economic factors;

''(B) identifying the food components and other factors in agricultural commodities and food products that affect nutrient bioavailability, nutrient utilization and health maintenance;

''(C) evaluating nutrient utilization and function to determine which nutrients should be emphasized in designing new foods and making food selection recommendations; and

''(D) identifying the determinants of food selection and consumption and developing educational strategies for improving food selection and consumption patterns.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for fiscal years 1996 through 2002.''.

HARKIN AMENDMENT NO. 3373

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place insert the following new section:

SEC. . AMERICA'S AGRICULTURAL HERITAGE PARTNERSHIP.

(a) FINDINGS AND PURPOSE.—

The Congress finds that—

(1) the city of Waterloo, Iowa, and northeast Iowa of the State possess many important elements of the nationally significant story of American agriculture, including Native American agriculture, agricultural mechanization, seed hybridization, farm cooperative movements, rural electrification, farm-to-market systems, rural to urban migration, veterinary practice, food processing and preservation, national farm organizations, international hunger relief, and the development of national and international agribusiness;

(2) these resources offer outstanding and unique opportunities to acknowledge and appreciate the development of American agriculture;

(3) the National Park Service has determined that the story of American agriculture is nationally significant, that northeast Iowa is an ideal place to tell that story, and that this story could be divided into 4 principal topics for interpretation in northeast Iowa: the Amazing Science of Agriculture, Agriculture as a Way of Life, Organizing for Survival, and Crops from Field to Table;

(4) the responsibility for interpreting, retaining, enhancing, and promoting the resources, values, and amenities of Waterloo, Iowa and northeast Iowa resides with volunteer associations, private businesses, political subdivisions of the State, and the State of Iowa; and

(5) despite the efforts by volunteer associations, private businesses, political subdivisions of the State, and the State of Iowa, the cultural and historical resources of the area have not realized full potential and may be lost without some assistance from the Federal Government.

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

(1) to interpret, retain, enhance, and promote the unique and significant contributions to national and international agriculture of certain natural, historic, and cultural resources within Waterloo, Iowa, and northeast Iowa;

(2) to provide a partnership management framework to assist volunteer associations, private businesses, political subdivisions of the State, and the State of Iowa in developing and implementing Management Plan policies and programs that will assist in the interpretation, retention, enhancement, and promotion of the cultural, natural, and recreational resources of northeast Iowa;

(3) to allow for local, State, and Federal contributions through limited grants and technical assistance to create America's Agricultural Heritage Partnership through cooperative agreements among volunteer associations, private businesses, political subdivisions of the State, the State of Iowa, and residents of the area; and

(4) to provide for an economically self-sustaining Partnership for the educational and inspirational benefit of current and future generations concerning the story of American agriculture.

(c) DEFINITIONS.

As used in this Act:

(1) PARTNERSHIP.—The term ''Partnership'' means the America's Agricultural Heritage Partnership as established by section 3(a).

(2) MANAGEMENT ENTITY.—The term ''management entity'' means the management entity as established by section 4(a).

(3) POLITICAL SUBDIVISION.—The term ''political subdivision'' means a political subdivision of the State of Iowa, any part of which is located in or adjacent to the area in which the Partnership's Activities occur, including a county, city, or town.

(4) STATE.—The term ''State'' means the State of Iowa.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(6) PARTNERSHIP MANAGEMENT PLAN.—The term ''Partnership Management Plan'' means the plan as established in section 5(a).

(7) ACTIVITIES.—The term ''activities'' means the activities limited in section 3(b).

(d) ESTABLISHMENT OF THE AMERICA'S AGRICULTURAL HERITAGE PARTNERSHIP.

(1) ESTABLISHMENT.—To carry out this Act, there is established in the State of Iowa the America's Agricultural Heritage Partnership upon publication by the Secretary in the Federal Register of notice that a Partnership Management Plan has been approved by the Secretary.

(2) ACTIVITIES.—The Partnership's activities shall be limited to the counties of northeast Iowa that are generally depicted in ''Alternatives #2 and #3'' described in the 1995 National Park Service ''Special Resource Study, Cedar Valley, Iowa.''.

(3) PARTICIPATION.—Nothing in this Act shall require any resident located in the area in which the Partnership's activities occur to participate in or be associated with the Partnership or the Partnership's activities.

(4) AFFILIATIONS.—Nothing in this Act shall prohibit future affiliations or designations of the Partnership or Partnership Management Entity.

(5) GRANTS, TECHNICAL ASSISTANCE, AND COOPERATIVE AGREEMENTS.—

(A) GRANTS AND TECHNICAL ASSISTANCE.—The Secretary may make grants and provide technical assistance to America's Agricultural Heritage Partnership to assist it in carrying out its purposes.

(B) COOPERATIVE AGREEMENTS.—The Secretary is authorized to enter into cooperative agreements with private entities, the State of Iowa, or any political subdivision thereof, and other Federal entities, to further the purposes of this Act, the Partnership, or the Partnership Management Entity.

(e) ESTABLISHMENT OF THE AMERICA'S AGRICULTURAL HERITAGE PARTNERSHIP MANAGEMENT ENTITY.

(1) ESTABLISHMENT.—There is established a management entity for the Partnership

based on the ''Management Option #5'' outlined in the 1995 National Park Service ''Special Resource Study, Cedar Valley, Iowa'' and subject to the approval of the Secretary.

(2) PARTNERSHIP MANAGEMENT PLAN.—The Partnership management entity shall be established in the Partnership Management Plan as established in section 5(a).

(3) COMPOSITION.—The membership of the management entity may include persons affiliated with the following entities: the American Association of Museums, American Farm Bureau, National Farmers Union, American Farmland Trust, Effigy Mounds National Monument and Herbert Hoover National Historic Site, Iowa Department of Agriculture and Land Stewardship, Iowa Department of Corrections, Iowa Department of Cultural Affairs, Iowa Department of Economic Development, National Trust for Historic Preservation, Smithsonian Institution, the State Historic Preservation Office of the State of Iowa, United States Department of Agriculture, United States Department of Transportation and the America's Agricultural/Industrial Heritage Landscape, Inc.

(f) PARTNERSHIP MANAGEMENT PLAN.—

(1) PREPARATION OF PARTNERSHIP MANAGEMENT PLAN.—A Partnership Management Plan shall be submitted to the Secretary for approval no later than one year after the date of the enactment of this Act.

(2) ASSISTANCE.—The Secretary may provide technical assistance in the preparation of the Partnership Management Plan.

(g) LAND USE REGULATION AND PRIVATE PROPERTY PROTECTION.—

(1) REGULATION.—Nothing in this Act shall be construed to modify, enlarge, or diminish any authority of Federal, State, and local governments to regulate any use of privately owned land than that provided by current law or regulation.

(2) LAND USE.—Nothing in this Act shall be construed to grant the powers of zoning, land use or condemnation to the Partnership Management Entity, the Secretary or any other Federal, State, or local government entity.

(h) AUTHORIZATION.—

(1) IN GENERAL.—There is authorized to be appropriated not more than $400,000 annually for grants and technical assistance under sections 3(e)(1) and 5(b).

(2) PERCENT OF COST.—Federal funding under sections 3(e)(1) and 5(b) shall not exceed 50 percent of the total cost of the grant or technical assistance provided under such section.

HARKIN AMENDMENT NO. 3374

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Farm Security Act of 1996''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 101. Wheat, feed grain, and oilseed program.
Sec. 102. Upland cotton program.
Sec. 103. Rice program.
Sec. 104. Peanut program.
Sec. 105. Dairy program.
Sec. 106. Sugar program.
Sec. 107. Suspension of permanent price support authority.
Sec. 108. Extension of related price support provisions.
Sec. 109. Crop insurance administrative fee.
Sec. 110. Effective date.

TITLE II—CONSERVATION

Sec. 201. Conservation reserve program.
Sec. 202. Environmental quality incentives program.

TITLE III—NUTRITION ASSISTANCE

Sec. 301. Food stamp program.
Sec. 302. Commodity distribution program; commodity supplemental food program.
Sec. 303. Emergency food assistance program.
Sec. 304. Soup kitchens program.
Sec. 305. National commodity processing.

TITLE I—COMMODITY PROGRAMS

SEC. 101. WHEAT, FEED GRAIN, AND OILSEED PROGRAM.

(a) IN GENERAL.—Title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended by adding the end the following:

''SEC. 116. MARKETING LOANS AND LOAN DEFICIENCY PAYMENTS FOR 1996 THROUGH 2002 CROPS OF WHEAT, FEED GRAINS, AND OILSEEDS.

''(a) DEFINITIONS.—In this section:

''(1) COVERED COMMODITIES.—The term 'covered commodities' means wheat, feed grains, and oilseeds.

''(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

''(3) OILSEEDS.—The term 'oilseeds' means soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or as designated by the Secretary, other oilseeds.

''(b) ADJUSTMENT ACCOUNT.—

''(1) DEFINITION OF PAYMENT BUSHEL OF PRODUCTION.—In this subsection, the term 'payment bushel of production' means—

''(A) in the case of wheat, 7/10 of a bushel;

''(B) in the case of corn, a bushel; and

''(C) in the case of other feed grains, a quantity determined by the Secretary.

''(2) ESTABLISHMENT.—The Secretary shall establish an Adjustment Account (referred to in this subsection as the 'Account') for making—

''(A) payments to producers of the 1996 through 2002 crops of covered commodities who participate in the marketing loan program established under subsection (c); and

''(B) payments to producers of the 1994 and 1995 crops of covered commodities that are authorized, but not paid, under sections 105B and 107B prior to the date of enactment of this section.

''(3) AMOUNT IN ACCOUNT.—The Secretary shall transfer from funds of the Commodity Credit Corporation into the Account—

''(A) $3,000,000,000 for fiscal year 1996; and

''(B) $3,900,000,000 for each of fiscal years 1997 through 2002;

to remain available until expended.

''(4) PAYMENTS.—The Secretary shall use funds in the Account to make payments to producers of wheat and feed grains in accordance with this subsection.

''(5) TIER 1 SUPPORT.—

''(A) IN GENERAL.—The producers on a farm referred to in paragraph (2) shall be entitled to a payment computed by multiplying—

''(i) the payment quantity determined under subparagraph (B); by

''(ii) the payment factor determined under subparagraph (C).

''(B) PAYMENT QUANTITY.—

''(i) IN GENERAL.—Subject to clause (ii), the payment quantity for payments under subparagraph (A) shall be determined by the Secretary based on—

''(I) 90 percent of the 5-year average of the quantity of wheat and feed grains produced on the farm;

''(II) an adjustment to reflect any disaster or other circumstance beyond the control of the producers that adversely affected production of wheat or feed grains, as determined by the Secretary; and

''(III) an adjustment for planting resource conservation crops on the crop acreage base for covered commodities, and adopting conserving uses, on the base not enrolled in the environmental reserve program provided in paragraph (6).

''(ii) LIMITATIONS.—The quantity determined under clause (i) for an individual, directly or indirectly, shall not exceed 30,000 payment bushels of wheat or feed grains and may be adjusted by the Secretary to reflect the availability of funds.

''(C) PAYMENT FACTOR.—

''(i) WHEAT.—The payment factor for wheat under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $4.00 per bushel, and the greater of—

''(I) the marketing loan rate for the crop of wheat; or

''(II) the average domestic price for wheat for the crop for the calendar year in which the crop is normally harvested.

''(ii) CORN.—The payment factor for corn under subparagraph (A) shall be equal to the difference between a price established by the Secretary, of not to exceed $2.75 per bushel, and the greater of—

''(I) the marketing loan rate for the crop of corn; or

''(II) the average domestic price for corn for the crop for the calendar year in which the crop is normally harvested;

''(iii) OTHER FEED GRAINS.—The payment factor for other feed grains under subparagraph (A) shall be established by the Secretary at such level as the Secretary determines is fair and reasonable in relation to the payment factor for corn.

''(D) ADVANCE PAYMENT.—The Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.

''(6) ENVIRONMENTAL RESERVE PROGRAM.—

''(A) IN GENERAL.—The Secretary may enter into 1 to 5 year contracts with producers on a farm referred to in paragraph (2) for the purposes of enrolling flexible acreage base for conserving use purposes.

''(B) LIMITATION.—Flexible acreage base enrolled in the environmental reserve program shall not be eligible for benefits provided in paragraph (5)(B).

''(c) MARKETING LOANS.—

''(1) IN GENERAL.—The Secretary shall make available to producers on a farm marketing loans for each of the 1996 through 2002 crops of covered commodities produced on the farm.

''(2) ELIGIBILITY.—

''(A) IN GENERAL.—To be eligible for a loan under this subsection, the producers on a farm may not plant covered commodities on the farm in excess of the flexible acreage base of the farm determined under section 502.

''(B) AMOUNT.—The Secretary shall provide marketing loans for their normal production of covered commodities produced on a farm.

''(3) LOAN RATE.—

''(A) IN GENERAL.—Loans made under this subsection shall be made at the rate of 90 percent of the average price for the commodity for the previous 5 crop years, as determined by the Secretary.

''(B) ADJUSTMENTS.—For each of the 1996 through 2002 crops of covered commodities, the Secretary may not adjust local loan rates by a factor greater than 3 percent of the national loan rate.

''(4) REPAYMENT.—

''(A) CALCULATION.—Producers on a farm may repay loans made under this subsection for a crop at a level that is the lesser of—

''(i) the loan level determined for the crop; or

''(ii) the prevailing domestic market price for the commodity (adjusted to location and quality), as determined by the Secretary.

''(B) PREVAILING DOMESTIC MARKET PRICE.—The Secretary shall prescribe by regulation—

''(i) a formula to determine the prevailing domestic market price for each covered commodity; and

''(ii) a mechanism by which the Secretary shall announce periodically the prevailing domestic market prices established under this subsection.

''(d) LOAN DEFICIENCY PAYMENTS.—

''(1) IN GENERAL.—The Secretary may, for each of the 1996 through 2002 crops of covered commodities, make payments (referred to in this subsection as 'loan deficiency payments') available to producers who, although eligible to obtain a marketing loan under subsection (c), agree to forgo obtaining the loan in return for payments under this subsection.

''(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

''(A) the loan payment rate; by

''(B) the quantity of a covered commodity the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

''(3) LOAN PAYMENT RATE.—

''(A) IN GENERAL.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

''(i) the marketing loan rate determined for the crop under subsection (c)(3); exceeds

''(ii) the level at which a loan may be repaid under subsection (c)(4).

''(B) DATE.—The date on which the calculation required under subparagraph (A) for the producers on a farm shall be determined by the producers, except that the date may not be later than the earlier of—

''(i) the date the producers lost beneficial interest in the crop; or

''(ii) the end of the marketing year for the crop.

''(4) APPLICATION.—Producers on a farm may apply for a payment for a covered commodity under this subsection at any time prior to the end of the marketing year for the commodity.

''(e) EQUITABLE RELIEF.—If the failure of a producer to comply fully with the terms and conditions of programs conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make the loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure.

''(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

''(g) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

''(h) TENANTS AND SHARECROPPERS.—In carrying out this section, the Secretary shall provide adequate safeguards to protect the interest of tenants and sharecroppers.

''(i) CROPS.—This section shall be effective only for the 1996 through 2002 crops of a covered commodity.''.

(b) FLEXIBLE ACREAGE BASE.—

(1) DEFINITIONS.—Section 502 of the Agricultural Act of 1949 (7 U.S.C. 1462) is amended by striking paragraphs (2) and (3) and inserting the following:

''(2) FEED GRAINS.—The term 'feed grains' means corn, grain sorghum, barley, oats, millet, rye, or as designated by the Secretary, other feed grains.

''(3) GO CROPS.—The term 'GO crops' means wheat, feed grains, and oilseeds.

''(4) OILSEEDS.—The term 'oilseed' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

''(5) PROGRAM CROP.—The term 'program crop' means a GO crop and a crop of upland cotton or rice.''.

(2) CROP ACREAGE BASES.—Section 503(a) of the Act (7 U.S.C. 1463(a)) is amended by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—

''(A) GO CROPS.—The Secretary shall provide for the establishment and maintenance of a single crop acreage base for GO crops, including any GO crops produced under an established practice of double cropping.

''(B) COTTON AND RICE.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for cotton and rice crops, including any program crop produced under an established practice of double cropping.''.

SEC. 102. UPLAND COTTON PROGRAM.

(a) EXTENSION.—Section 103B of the Agricultural Act of 1949 (7 U.S.C. 1444–2) is amended—

(1) in the section heading, by striking ''1997'' and inserting ''2002'';

(2) in subsections (a)(1), (b)(1), (c)(1), and (o), by striking ''**1997**'' each place it appears and inserting ''**2002**'';

(3) in subsection (a)(5), by striking ''1998'' each place it appears and inserting ''2002'';

(4) in the heading of subsection (c)(1)(D)(v)(II), by striking ''1997'' and inserting ''2002'';

(5) in subsection (e)(1)(D), by striking ''the 1997 crop'' and inserting ''each of the 1997 through 2002 crops''; and

(6) in subsections (e)(3)(A) and (f)(1), by striking ''1995'' each place it appears and inserting ''2002''.

(b) INCREASE IN NONPAYMENT ACRES.—Section 103B(c)(1)(C) of the Act is amended by striking ''85 percent'' and inserting ''80 percent for each of the 1996 through 2002 crops''.

(c) ADVANCE PAYMENT.—Section 103B(c)(1) of the Act is amended by adding at the end the following:

''(F) ADVANCE PAYMENT.—The Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.''.

SEC. 103. RICE PROGRAM.

(a) EXTENSION.—Section 101B of the Agricultural Act of 1949 (7 U.S.C. 1441–2) is amended—

(1) in the section heading, by striking ''1995'' and inserting ''2002'';

(2) in subsections (a)(1), (a)(3), (b)(1), (c)(1)(A), (c)(1)(B)(iii), (e)(3)(A), (f)(1), and (n), by striking ''1995'' each place it appears and inserting ''2002'';

(3) in subsection (a)(5)(D)(i), by striking ''1996'' and inserting ''2003''; and

(4) in subsection (c)(1)—

(A) in subparagraph (B)(ii)—

(i) by striking ''AND 1995'' and inserting ''THROUGH 2002''; and

(ii) by striking ''and 1995'' and inserting ''through 2002''; and

(B) in subparagraph (D)—

(i) in clauses (i) and (v)(II), by striking ''1997'' each place it appears and inserting ''2002''; and

(ii) in the heading of clause (v)(II), by striking ''1997'' and inserting ''2002''.

(b) INCREASE IN NONPAYMENT ACRES.—Section 101B(c)(1)(C)(ii) of the Act is amended by striking ''85 percent'' and inserting ''80 percent for each of the 1998 through 2002 crops''.

(c) ADVANCE PAYMENT.—Section 101B(c)(1) of the Act is amended by adding at the end the following:

''(F) ADVANCE PAYMENT.—The Secretary shall make available to producers on a farm 50 percent of the projected payment under this subsection at the time the producers agree to participate in the program.''.

SEC. 104. PEANUT PROGRAM.

(a) EXTENSION.—

(1) AGRICULTURAL ACT OF 1949.—Section 108B of the Agricultural Act of 1949 (7 U.S.C. 1445c–3) is amended—

(A) in the section heading, by striking ''**1997**'' and inserting ''**2002**'';

(B) in subsection (a)(1), (b)(1), and (h), by striking ''1997'' each place it appears and inserting ''2002''; and

(C) in subsection (g)—

(i) by striking ''1997'' in paragraphs (1) and (2)(A)(ii)(II) and inserting ''2002''; and

(ii) by striking ''the 1997 crop'' each place it appears and inserting ''each of the 1997 through 2002 crops''.

(2) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking ''**1997**'' and inserting ''**2002**''; and

(ii) in subsections (a)(1), (b), and (f), by striking ''1997'' each place it appears and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1995**'' and inserting ''**2002**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**1997**'' and inserting ''**2002**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

(b) SUPPORT RATES FOR PEANUTS.—Section 108B(a)(2) of the Agricultural Act of 1949 (7 U.S.C. 1445c–3(a)(2)) is amended—

(1) by striking ''(2) SUPPORT RATES.—The'' and inserting the following:

''(2) SUPPORT RATES.—

''(A) 1991–1995 CROPS.—The''; and

(2) by adding at the end the following:

''(B) 1996–2002 CROPS.—The national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall be $678 per ton.''.

(c) UNDERMARKETINGS.—

(1) IN GENERAL.—Section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) is amended—

(A) in paragraph (7), by adding at the end the following::

''(C) TRANSFER OF ADDITIONAL PEANUTS.—Additional peanuts on a farm from which the quota poundage was not harvested or marketed may be transferred to the quota loan pool for pricing purposes at the quota price on such basis as the Secretary shall be regulation provide, except that the poundage of the peanuts so transferred shall not exceed the difference in the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm and the total farm poundage quota.''; and

(B) by striking paragraphs (8) and (9).

(2) CONFORMING AMENDMENTS.—Section 358b(a) of the Act (7 U.S.C. 1358b(a)) is amended—

(A) in paragraph (1)(A), by striking ''undermarketings and''; and

(B) in paragraph (3), by striking ''(including any applicable undermarketings)''.

SEC. 105. DAIRY PROGRAM.

(a) PRICE SUPPORT.—Section 204 of the Agricultural Act of 1949 (7 U.S.C. 1446e) is amended—

(1) in the section heading, by striking ''**1996**'' and inserting ''**2002**'';

(2) in subsections (a), (b), (f), (g), and (k), by striking ''1996'' each place it appears and inserting ''2002''; and

(3) in subsection (h)(2)(C), by striking ''and 1997'' and inserting ''through 2002''.

(b) SUPPORT PRICE FOR BUTTER AND POWDERED MILK.—Section 204(c)(3) of the Act is amended—

(1) in subparagraph (A), by striking ''Subject to subparagraph (B), the'' and inserting ''The'';

(2) by striking subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) SUPPORT RATE.—Section 204(d) of the Act is amended—

(1) by striking paragraphs (1) through (3);

(2) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2) respectively; and

(3) in paragraph (1) (as so redesignated), by striking ''$10.10'' and inserting ''$10.35''.

SEC. 106. SUGAR PROGRAM.

(a) IN GENERAL.—Section 206 of the Agricultural Act of 1949 (7 U.S.C. 1446g) is amended to read as follows:

''SEC. 206. SUGAR SUPPORT FOR 1996 THROUGH 2002 CROPS.

''(a) DEFINITIONS.—In this section:

''(1) AGREEMENT ON AGRICULTURE.—The term 'Agreement on Agriculture' means the Agreement on Agriculture resulting from the Uruguay Round of Multilateral Trade Negotiations.

''(2) MAJOR COUNTRY.—The term 'major country' includes—

''(A) a country that is allocated a share of the tariff rate quota for imported sugars and syrups by the United States Trade Representative pursuant to additional U.S. note 5 to chapter 17 of the Harmonized Tariff Schedule;

''(B) a country of the European Union; and

''(C) the People's Republic of China.

''(3) MARKET.—The term 'market' means to sell or otherwise dispose of in commerce in the United States (including, with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process) and delivery to a buyer.

''(4) TOTAL ESTIMATED DISAPPEARANCE.—The term 'total estimated disappearance' means the quantity of sugar, as estimated by the Secretary, that will be consumed in the United States during a fiscal year (other than sugar imported for the production of polyhydric alcohol or to be refined and reexported in refined form or in a sugar-containing product), plus the quantity of sugar that would provide for adequate carryover stocks.

''(b) PRICE SUPPORT.—The price of each of the 1996 through 2002 crops of sugar beets and sugarcane shall be supported in accordance with this section.

''(c) SUGARCANE.—Subject to subsection (e), the Secretary shall support the price of domestically grown sugarcane through loans at a support level of 18 cents per pound for raw cane sugar.

''(d) SUGAR BEETS.—Subject to subsection (e), the Secretary shall support the price of each crop of domestically grown sugar beets through loans at the level provided for refined beet sugar produced from the 1995 crop of domestically grown sugar beets.

''(e) ADJUSTMENT IN SUPPORT LEVEL.—

''(1) DOWNWARD ADJUSTMENT IN SUPPORT LEVEL.—

''(A) IN GENERAL.—The Secretary shall decrease the support price of domestically grown sugarcane and sugar beets from the level determined for the preceding crop, as determined under this section, if the quantity of negotiated reductions in export and domestic subsidies of sugar that apply to the European Union and other major countries in the aggregate exceed the quantity of the reductions in the subsidies agreed to under the Agreement of Agriculture.

''(B) EXTENT OF REDUCTION.—The Secretary shall not reduce the level of price support under subparagraph (A) below a level that provides an equal measure of support to the level provided by the European Union or any other major country through domestic and export subsidies that are subject to reduction under the Agreement on Agriculture.

''(2) INCREASES IN SUPPORT LEVEL.—The Secretary may increase the support level for each crop of domestically grown sugarcane and sugar beets from the level determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, the amount of any applicable assessments, and other factors or circumstances that may adversely affect domestic sugar production.

''(f) LOAN TYPE; PROCESSOR ASSURANCES.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall carry out this section by making recourse loans to sugar producers.

''(2) MODIFICATION.—During any fiscal year in which the tariff rate quota for imports of sugar into the United States is established at, or is increased to, a level that exceeds the minimum level for the imports committed to by the United States under the Agreement on Agriculture, the Secretary shall carry out this section by making nonrecourse loans available to sugar producers. Any recourse loan previously made available by the Secretary and not repaid under this section during the fiscal year shall be converted into a nonrecourse loan.

''(3) PROCESSOR ASSURANCES.—To effectively support the prices of sugar beets and sugarcane received by a producer, the Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate that, if the Secretary is required under paragraph (2) to make nonrecourse loans available, or convert recourse loans into nonrecourse loans, each producer served by the processor will receive the appropriate minimum payment for sugar beets and sugarcane delivered by the producer, as determined by the Secretary.

''(g) ANNOUNCEMENTS.—The Secretary shall announce the type of loans available and the loan rates for beet and cane sugar for any fiscal year under this section as far in advance as is practicable.

''(h) LOAN TERM.—

''(1) IN GENERAL.—Except as provided in paragraph (2) and subsection (i), a loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the end of 3 months.

''(2) EXTENSION.—The maturity of a loan under this section may be extended for up to 2 additional 3-month periods, at the option of the borrower, except that the maturity of a loan may not be extended under this paragraph beyond the end of the fiscal year.

''(i) SUPPLEMENTARY LOANS.—Subject to subsection (e), the Secretary shall make available to eligible processors price support loans with respect to sugar processed from sugar beets and sugarcane harvested in the last 3 months of a fiscal year. The loans shall mature at the end of the fiscal year. The processor may repledge the sugar as collateral for a price support loan in the subsequent fiscal year, except that the second loan shall—

''(1) be made at the loan rate in effect at the time the second loan is made; and

''(2) mature in not more than 9 months, less the quantity of time that the first loan was in effect.

''(j) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

''(k) MARKETING ASSESSMENTS.—

''(1) IN GENERAL.—Assessments shall be collected in accordance with this subsection with respect to all sugar marketed within the United States during the 1996 through 2002 fiscal years.

''(2) BEET SUGAR.—The first seller of beet sugar produced from domestic sugar beets or domestic sugar beet molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.1894 percent of the loan level established under subsection (d) per pound of sugar marketed.

''(3) CANE SUGAR.—The first seller of raw cane sugar produced from domestic sugarcane or domestic sugarcane molasses shall remit to the Commodity Credit Corporation a nonrefundable marketing assessment in an amount equal to 1.11 percent of the loan level established under subsection (c) per pound of sugar marketed (including the transfer or delivery of the sugar to a refinery for further processing or marketing).

''(4) COLLECTION.—

''(A) TIMING.—Marketing assessments required under this subsection shall be collected and remitted to the Commodity Credit Corporation not later than 30 days after the date that the sugar is marketed.

''(B) MANNER.—Subject to subparagraph (A), marketing assessments shall be collected under this subsection in the manner prescribed by the Secretary and shall be nonrefundable.

''(5) PENALTIES.—If any person fails to remit an assessment required by this subsection or fails to comply with such requirements for recordkeeping or otherwise fails to comply with this subsection, the person shall be liable to the Secretary for a civil penalty of not more than an amount determined by multiplying—

''(A) the quantity of sugar involved in the violation; by

''(B) the loan level for the applicable crop of sugarcane or sugar beets from which the sugar is produced.

For the purposes of this paragraph, refined sugar shall be treated as produced from sugar beets.

''(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

''(l) INFORMATION REPORTING.—

''(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

''(2) DUTY OF PRODUCERS TO REPORT.—To efficiently and effectively carry out the program under this section, the Secretary may require a producer of sugarcane or sugar beets to report, in the manner prescribed by the Secretary, the producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

''(3) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information,

required under this subsection shall be subject to a civil penalty of not more than $10,000 for each such violation.

''(4) MONTHLY REPORTS.—Taking into consideration the information received under paragraph (1), the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

''(m) SUGAR ESTIMATES.—

''(1) DOMESTIC REQUIREMENT.—Before the beginning of each fiscal year, the Secretary shall estimate the domestic sugar requirement of the United States in an amount that is equal to the total estimated disappearance, minus the quantity of sugar that will be available from carry-in stocks.

''(2) QUARTERLY REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, stocks, production, and imports for a fiscal year not later than the beginning of each of the second through fourth quarters of the fiscal year.

''(n) CROPS.—This section shall be effective only for the 1996 through 2002 crops of sugar beets and sugarcane.''.

(b) MARKETING QUOTAS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

SEC. 107. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) WHEAT.—

(1) NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.—Sections 379d through 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) shall not be applicable to wheat processors or exporters during the period June 1, 1995, through May 31, 2003.

(2) SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.—Sections 331 through 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331 through 1339, 1379b, and 1379c) shall not be applicable to the 1996 through 2002 crops of wheat.

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

(4) NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949.—Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1996 through 2002 crops of wheat.

(b) FEED GRAINS.—

(1) NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949.—Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1996 through 2002 crops of feed grains.

(2) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is amended by striking ''1996'' and inserting ''2002''.

(c) OILSEEDS.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking ''oilseeds'' and all that follows through ''determine),''.

(d) UPLAND COTTON.—

(1) SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.—Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377) shall not be applicable to any of the 1996 through 2002 crops of upland cotton.

(2) MISCELLANEOUS COTTON PROVISIONS.—Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1996 through 2002 crops.

(e) PEANUTS.—

(1) SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1996 through 2002 crops of peanuts:

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

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

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

(D) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(E) Section 371 (7 U.S.C. 1371).

(2) REPORTS AND RECORDS.—Effective only for the 1996 through 2002 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before ''all brokers and dealers in peanuts'' the following: ''all producers engaged in the production of peanuts,''.

(3) SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.—Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1996 through 2002 crops of peanuts.

SEC. 108. EXTENSION OF RELATED PRICE SUPPORT PROVISIONS.

(a) DEFICIENCY AND LAND DIVERSION PAYMENTS.—Section 114 of the Agricultural Act of 1949 (7 U.S.C. 1445j) is amended—

(1) in subsections (a)(1) and (c), by striking ''1997'' each place it appears and inserting ''2002''; and

(2) in subsection (b), by striking ''1995'' and inserting ''2002'';

(b) ADJUSTMENT OF ESTABLISHED PRICES.—Section 402(b) of the Agricultural Act of 1949 (7 U.S.C. 1422(b)) is amended by striking ''1995'' and inserting ''2002''.

(c) ADJUSTMENT OF SUPPORT PRICES.—Section 403(c) of the Agricultural Act of 1949 (7 U.S.C. 1423(c)) is amended by striking ''1995'' and inserting ''2002''.

(d) APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.—Section 408(k)(3) of the Agricultural Act of 1949 (7 U.S.C. 1428(k)(3)) is amended by striking ''1995'' and inserting ''2002''.

(e) ACREAGE BASE AND YIELD SYSTEM.—Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended—

(1) in subsections (c)(3) and (h)(2)(A) of section 503 (7 U.S.C. 1463), by striking ''1997'' each place it appears and inserting ''2002'';

(2) in paragraphs (1) and (2) of section 505(b) (7 U.S.C. 1465(b)), by striking ''1997'' each place it appears and inserting ''2002''; and

(3) in section 509 (7 U.S.C. 1469), by striking ''1997'' and inserting ''2002''.

(f) PAYMENT LIMITATIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking ''1997'' each place it appears and inserting ''2002''.

(g) NORMALLY PLANTED ACREAGE.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended by striking ''1995'' each place it appears in subsections (a), (b)(1), and (c) and inserting ''2002''.

(h) OPTIONS PILOT PROGRAM.—The Options Pilot Program Act of 1990 (subtitle E of title XI of Public Law 101–624; 104 Stat. 3518; 7 U.S.C. 1421 note) is amended—

(1) in subsections (a) and (b) of section 1153, by striking ''1995'' each place it appears and inserting ''2002''; and

(2) in section 1154(b)(1)(A), by striking ''1995'' each place it appears and inserting ''2002''.

(i) FOOD SECURITY WHEAT RESERVE.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f–1(i)) is amended by striking ''1995'' each place it appears and inserting ''2002''.

SEC. 109. CROP INSURANCE ADMINISTRATIVE FEE.

Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) through (10) as paragraphs (5) through (9), respectively.

SEC. 110. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise specifically provided in this title, this title and the amendments made by this title shall apply beginning with the 1996 crop of an agricultural commodity.

(b) PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a price support, production adjustment, or payment program for—

(1) any of the 1991 through 1995 crops of an agricultural commodity established under a provision of law as in effect immediately before the enactment of this Act; or

(2) the 1996 crop of an agricultural commodity established under section 406(b) of the Agricultural Act of 1949 (7 U.S.C. 1426(b)).

TITLE II—CONSERVATION

SEC. 201. CONSERVATION RESERVE PROGRAM.

Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking ''1995'' each place it appears in subsections (a) and (d) and inserting ''2002''.

SEC. 202. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

Chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

''CHAPTER 2—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

''SEC. 1238. DEFINITIONS.

''In this chapter:

''(1) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, or another land management practice the Secretary determines is needed to protect soil, water, or related resources in the most cost efficient manner.

''(2) LARGE CONFINED LIVESTOCK OPERATION.—The term 'large confined livestock operation' means a farm or ranch that—

''(A) is a confined animal feeding operation; and

''(B) has more than—

''(i) 700 mature dairy cattle;

''(ii) 1,000 beef cattle;

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

''(iv) 55,000 turkeys;

''(v) 2,500 swine; or

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

''(3) LIVESTOCK.—The term 'livestock' means mature dairy cows, beef cattle, laying hens, broilers, turkeys, swine, sheep, or lambs.

''(4) OPERATOR.—The term 'operator' means a person who is engaged in crop or livestock production (as defined by the Secretary).

''(5) STRUCTURAL PRACTICE.—The term 'structural practice' means the establishment of an animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, permanent wildlife habitat, or another structural practice that the Secretary determines is needed to protect soil, water, or related resources in the most cost effective manner.

''SEC. 1238A. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—During the 1996 through 2006 fiscal years, the Secretary shall enter into contracts with operators to provide technical assistance, cost-sharing payments, and incentive payments to operators, who

enter into contracts with the Secretary, through an environmental quality incentives program in accordance with this chapter.

''(2) CONSOLIDATION OF EXISTING PROGRAMS.—In establishing the environmental quality incentives program authorized under this chapter, the Secretary shall combine into a single program the functions of—

''(A) the agricultural conservation program authorized by sections 7 and 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g and 590h);

''(B) the Great Plains conservation program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b));

''(C) the water quality incentives program established under this chapter; and

''(D) the Colorado River Basin salinity control program established under section 202(c) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(c)).

''(b) APPLICATION AND TERM.—

''(1) IN GENERAL.—A contract between an operator and the Secretary under this chapter may—

''(A) apply to 1 or more structural practices or 1 or more land management practices, or both; and

''(B) have a term of not less than 5, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract.

''(2) CONTRACT EFFECTIVE DATE.—A contract between an operator and the Secretary under this chapter shall become effective on October 1st following the date the contract is fully entered into.

''(c) COST-SHARING AND INCENTIVE PAYMENTS.—

''(1) COST-SHARING PAYMENTS.—

''(A) IN GENERAL.—The Federal share of cost-sharing payments to an operator proposing to implement 1 or more structural practices shall not be more than 75 percent of the projected cost of the practice, as determined by the Secretary, taking into consideration any payment received by the operator from a State or local government.

''(B) LIMITATION.—An operator of a large confined livestock operation shall not be eligible for cost-sharing payments to construct an animal waste management facility.

''(C) OTHER PAYMENTS.—An operator shall not be eligible for cost-sharing payments for structural practices on eligible land under this chapter if the operator receives cost-sharing payments or other benefits for the same land under chapter 1 or 3.

''(2) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage an operator to perform 1 or more land management practices.

''(d) TECHNICAL ASSISTANCE.—

''(1) FUNDING.—The Secretary shall allocate funding under this chapter for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided in a fiscal year. The allocated amount may vary according to the type of expertise required quantity of time involved, and other factors as determined appropriate by the Secretary. Funding shall not exceed the projected cost to the Secretary of the technical assistance provided in a fiscal year.

''(2) OTHER AUTHORITIES.—The receipt of technical assistance under this chapter shall not affect the eligibility of the operator to receive technical assistance under other authorities of law available to the Secretary.

''(e) FUNDING.—The Secretary shall use to carry out this chapter not less than—

''(1) $200,000,000 for fiscal year 1997; and

''(2) $250,000,000 for each of fiscal years 1998 through 2002.

''(f) COMMODITY CREDIT CORPORATION.—The Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subchapter.

''SEC. 1238B. CONSERVATION PRIORITY AREAS.

''(a) IN GENERAL.—The Secretary shall designate watersheds or regions of special environmental sensitivity, including the Chesapeake Bay region (located in Pennsylvania, Maryland, and Virginia), the Great Lakes region, the Long Island Sound region, prairie pothole region (located in North Dakota, South Dakota, and Minnesota), Rainwater Basin (located in Nebraska), and other areas the Secretary considers appropriate, as conservation priority areas that are eligible for enhanced assistance through the programs established under this chapter and chapter 1.

''(b) APPLICABILITY.—A designation shall be made under this section if an application is made by a State agency and agricultural practices within the watershed or region pose a significant threat to soil, water, and related natural resources, as determined by the Secretary.

''SEC. 1238C. EVALUATION OF OFFERS AND PAYMENTS.

''(a) REGIONAL PRIORITIES.—The Secretary shall provide technical assistance, cost-sharing payments, and incentive payments to operators in a region, watershed, or conservation priority area under this chapter based on the significance of soil, water, and related natural resources problems in the region, watershed, or area, and the structural practices or land management practices that best address the problems, as determined by the Secretary.

''(b) MAXIMIZATION OF ENVIRONMENTAL BENEFITS.—

''(1) IN GENERAL.—In providing technical assistance, cost-sharing payments, and incentive payments to operators in regions, watersheds, or conservation priority areas under this chapter, the Secretary shall accord a higher priority to assistance and payments that maximize environmental benefits per dollar expended.

''(2) STATE OR LOCAL CONTRIBUTIONS.—The Secretary shall accord a higher priority to operators whose agricultural operations are located within watersheds, regions, or conservation priority areas in which State or local governments have provided, or will provide, financial or technical assistance to the operators for the same conservation or environmental purposes.

''SEC. 1238D. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

''(a) IN GENERAL.—Prior to approving cost-share or incentive payments authorized under this chapter, the Secretary shall require the preparation and evaluation of an environmental quality incentives program plan described in subsection (b), unless the Secretary determines that such a plan is not necessary to evaluate the application for the payments.

''(b) TERMS.—An environmental quality incentives program plan shall include (as determined by the Secretary) a description of relevant—

''(1) farming or ranching practices on the farm;

''(2) characteristics of natural resources on the farm;

''(3) specific conservation and environmental objectives to be achieved including those that will assist the operator in complying with Federal and State environmental laws;

''(4) dates for, and sequences of, events for implementing the practices for which payments will be received under this chapter; and

''(5) information that will enable evaluation of the effectiveness of the plan in achieving the conservation and environmental objectives, and that will enable evaluation of the degree to which the plan has been implemented.

''SEC. 1238E. LIMITATION ON PAYMENTS.

''(a) PAYMENTS.—The total amount of cost-share and incentive payments paid to a person under this chapter may not exceed—

''(1) $10,000 for any fiscal year; or

''(2) $50,000 for any multiyear contract.

''(b) REGULATIONS.—The Secretary shall issue regulations that are consistent with section 1001 for the purpose of—

''(1) defining the term 'person' as used in subsection (a); and

''(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations contained in subsection (a).''.

TITLE III—NUTRITION ASSISTANCE

SEC. 301. FOOD STAMP PROGRAM.

(a) EMPLOYMENT AND TRAINING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended by striking ''1995'' each place it appears and inserting ''2002''.

(b) AUTHORIZATION OF PILOT PROJECTS.—The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking ''1995'' and inserting ''2002''.

(c) AUTHORIZATION FOR APPROPRIATIONS.—The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking ''1995'' and inserting ''2002''.

(d) REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.—The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking ''$974,000,000'' and all that follows through ''fiscal year 1995'' and inserting ''$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year 1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, $1,310,000,000 for fiscal year 2000, $1,357,000,000 for fiscal year 2001, and $1,404,000,000 for fiscal year 2002''.

SEC. 302. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2002''.

(b) FUNDING.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended—

(1) in subsection (a)(2), by striking ''1995'' and inserting ''2002''; and

(2) in subsection (d)(2), by striking ''1995'' and inserting ''2002''.

SEC. 303. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2002''.

(b) PROGRAM TERMINATION.—Section 212 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking ''1995'' and inserting ''2002''.

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking ''1995'' and inserting ''2002''; and

(2) in subsection (e), by striking ''1995'' each place it appears and inserting ''2002''.

SEC. 304. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking ''1995'' and inserting ''2002''; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking ''1995'' and inserting ''2002''; and

(B) by striking ''1995'' each place it appears and inserting ''2002''.

SEC. 305. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking ''1995'' and inserting ''2002''.

LEAHY AMENDMENT NO. 3375

(Ordered to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Title V is amended by adding at the end the following:

''SEC 507 FUND FOR RURAL AMERICA.

''(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

''(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ''Account'')—

''(1) $50,000,000 for the 1996 fiscal year;

''(2) $100,000,000 for the 1997 fiscal year; and

''(3) $150,000,000 for the 1998 fiscal year.

''(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

''(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

''(A) The Housing Act of 1949 for—

''(i) direct loans to low income borrowers pursuant to section 502;

''(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

''(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

''(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

''(v) grants for Rural housing preservation pursuant to section 533;

''(B) The Food Security Act of 1985 for loans to intermediary borrowers, under the Rural Development Loan Fund;

''(C) Consolidated Farm and Rural Development Act for—

''(i) grants for Rural Business Enterprises pursuant to section 310B (c) and (j);

''(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

''(iii) down payments assistance to farmers, section 310E;

''(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

''(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

''(2) RESEARCH.—

''(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

''(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

''(i) a college or university;

''(ii) a State agricultural experiment station;

''(iii) a State Cooperative Extension Service;

''(iv) a research institution or organization;

''(v) a private organization or person; or

''(iv) A Federal agency.

''(C) USE OF GRANT.—

''(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

''(I) research, ranging from discover to principles of application;

''(II) extension and related private-sector activities; and

''(III) education.

''(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

''(D) ADMINISTRATION.—

''(i) PRIORITY.—In administering this paragraph, the Secretary shall—

''(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph.

''(II) seek and accept proposals for grants;

''(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

''(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

''(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

''(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

''(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

''(I) for applied research that is commodity-specific; and

''(II) not of national scope.

''(v) ADMINISTRATIVE COSTS.—

''(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

''(II) LIMITATION.—Funds made available under this paragraph shall not be used—

''(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

''(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

''(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.''

FEINGOLD AMENDMENT NO. 3376

(ordered to lie on the table.)

Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

At the appropriate place insert the following:

SEC. . MILK MANUFACTURING MARKETING ADJUSTMENT.

Subsections (a) and (b) of section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) are amended to read as follows:

''(a) DEFINITIONS.—In this section:

''(1) FEDERAL MAKE ALLOWANCE.—The term 'Federal make allowance' means the allowance for the processing of milk that is permitted under a Federal program to establish a Grade A price for manufacturing butter, nonfat dry milk, or cheese.

''(2) PERSON.—The term 'person' includes a cooperative.

''(3) STATE MAKE ALLOWANCE.—The term 'State make allowance' means the allowance for the processing of milk that is permitted by a State for manufacturing butter, nonfat dry milk, or cheese.

''(b) MILK MANUFACTURING MARKETING ADJUSTMENT.—Notwithstanding any other provision of law, if a person collects a State make allowance that is higher than the Federal make allowance and the milk or product of milk that is subject to the allowance is purchased by the Commodity Credit Corporation, regardless of the point of sale, the Corporation shall reduce the support purchase price for the milk and each product of the milk by an amount that is equal to the difference between the State make allowance and the Federal make allowance for the milk and product, as determined by the Secretary of Agriculture.''

BUMPERS (AND PRYOR) AMENDMENT NO. 3377

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, add the following: ''Any funds deemed as mandatory spending for programs authorized by this Act that previously were, or substantially were, deemed discretionary shall not become available for obligation as mandatory spending in any fiscal year in which the discretionary allocation to the relevant appropriations subcommittees of the House of Representatives and the Senate are at levels lower than those of the previous fiscal year.''

HATFIELD AMENDMENT NO. 3378

(Ordered to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

SEC. . ELIGIBILITY FOR GRANTS TO BROADCASTING SYSTEMS.

Section 310B(j) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(j)) is amended by striking ''SYSTEMS.—The'' and inserting the following: ''SYSTEMS.—

''(1) DEFINITION OF STATEWIDE.—In this subsection, the term 'statewide' means having a coverage area of not less than 90 percent of the population of a State and 80 percent of the rural land area of the State (as determined by the Secretary).

''(2) GRANTS.—The''.

HARKIN AMENDMENT NO. 3379

(Ordered to lie on the table.)

Mr. HARKIN submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Section 105(b)(3) is amended by striking (A) and inserting the following:

''(A) by striking subsection (a) and inserting the following:

''(a) DIRECT ATTRIBUTION.—The Secretary shall attribute payments specified in section 1001 to persons who receive the payments directly and attribute payments received by entities to the individuals who own such entities in proportion to their ownership interest in the entity.''

HEFLIN AMENDMENT NO. 3380

(Ordered to lie on the table.)

Mr. HEFLIN submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike the section relating to the peanut program and insert the following:

SEC. 106. PEANUT PROGRAM.

(a) QUOTA PEANUTS.—

(1) AVAILABILITY OF LOANS.—The Secretary shall make nonrecourse loans available to producers of quota peanuts.

(2) LOAN RATE.—The national average quota loan rate for quota peanuts shall be $678 per ton.

(3) INSPECTION, HANDLING, OR STORAGE.—The loan amount may not be reduced by the Secretary by any deductions for inspection, handling, or storage.

(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments in the loan rate for quota peanuts for location of peanuts and such other factors as are authorized by section 411 of the Agricultural Adjustment Act of 1938.

(b) ADDITIONAL PEANUTS.—

(1) IN GENERAL.—

(A) RATES.—Subject to subparagraph (B), the Secretary shall make nonrecourse loans available to producers of additional peanuts at such rates as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets.

(B) LIMITATION.—The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

(2) ANNOUNCEMENT.—The Secretary shall announce the loan rate for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the loan rate is being determined.

(c) AREA MARKETING ASSOCIATIONS.—

(1) WAREHOUSE STORAGE LOANS.—

(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—An area marketing association shall be used in administrative and supervisory activities relating to loans and marketing activities under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include such costs as the area marketing association reasonably may incur in carrying out the responsibilities, operations, and activities of the association under this section and section 358e of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359a).

(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico.

(B) ELIGIBILITY TO PARTICIPATE.—

(i) IN GENERAL.—Except as provided in clause (ii), in the case of the 1996 and subsequent crops, Valencia peanuts not physically produced in the State of New Mexico shall not be eligible to participate in the pools of the State.

(ii) EXCEPTION.—A resident of the State of New Mexico may enter Valencia peanuts that are produced outside of the State into the pools of the State in a quantity that is not greater than the 1995 crop of the resident.

(C) TYPES OF PEANUTS.—Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

(D) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

(i) QUOTA PEANUTS.—For quota peanuts, the sum of—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool; and

(II) an amount from all additional pool gains equal to any loss on the disposition of all peanuts in the pool for quota peanuts.

(ii) ADDITIONAL PEANUTS.—For additional peanuts, the difference between—

(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts; and

(II) any amount allocated to offset any loss on the pool for quota peanuts.

(d) LOSSES.—Losses in quota area pools shall be covered using the following sources in the following order of priority:

(1) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by the producer under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)).

(2) OTHER PRODUCERS IN SAME POOL.—Further losses in an area quota pool shall be offset by reducing the gain of any producer in the pool by the amount of pool gains attributed to the same producer from the sale of additional peanuts for domestic and export edible use.

(3) ADDITIONAL PEANUT GAINS.—Further losses in an area quota pool shall be offset by gains or profits attributable to sales of additional peanuts in that area for domestic edible and other uses.

(4) USE OF MARKETING ASSESSMENTS.—The Secretary shall use funds collected under subsection (g) to offset further losses in area quota pools. The Secretary shall transfer to the Treasury those funds collected under subsection (g) and available for use under this subsection that the Secretary determines are not required to cover losses in area quota pools.

(5) CROSS COMPLIANCE.—Further losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358–1(b)(8) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)(8)), shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

(6) INCREASED ASSESSMENTS.—If use of the authorities provided in the preceding paragraphs is not sufficient to cover losses in an area quota pool, the Secretary shall increase the marketing assessment established under subsection (g) by such an amount as the Secretary considers necessary to cover the losses. Amounts collected under subsection (g) as a result of the increased assessment shall be retained by the Secretary to cover losses in that pool.

(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no loan for quota peanuts may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358–1(d) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(d)).

(f) QUALITY IMPROVEMENT.—

(1) IN GENERAL.—With respect to peanuts under loan, the Secretary shall—

(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

(B) ensure that all Commodity Credit Corporation inventories of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

(C) continue to endeavor to operate the peanut program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937); and

(D) ensure that any changes made in the peanut program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department loan schedule.

(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic and export markets fully comply with all quality standards under Marketing Agreement No. 146.

(g) MARKETING ASSESSMENT.—

(1) IN GENERAL.—The Secretary shall provide for a nonrefundable marketing assessment. The assessment shall be made on a per pound basis in an amount equal to 1.1 percent for each of the 1994 and 1995 crops, 1.15 percent for the 1996 crop, and 1.2 percent for each of the 1997 through 2002 crops, of the national average quota or additional peanut loan rate for the applicable crop.

(2) FIRST PURCHASERS.—

(A) IN GENERAL.—Except as provided under paragraphs (3) and (4), the first purchaser of peanuts shall—

(i) collect from the producer a marketing assessment equal to the quantity of peanuts acquired multiplied by—

(I) in the case of each of the 1994 and 1995 crops, .55 percent of the applicable national average loan rate;

(II) in the case of the 1996 crop, .6 percent of the applicable national average loan rate; and

(III) in the case of each of the 1997 through 2002 crops, .65 percent of the applicable national average loan rate;

(ii) pay, in addition to the amount collected under clause (i), a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by .55 percent of the applicable national average loan rate; and

(iii) remit the amounts required under clauses (i) and (ii) to the Commodity Credit Corporation in a manner specified by the Secretary.

(B) IMPORTED PEANUTS.—In the case of imported peanuts, the first purchaser shall pay to the Commodity Credit Corporation, in a manner specified by the Secretary, a marketing assessment in an amount equal to the quantity of peanuts acquired multiplied by 1.2 percent of the national average support rate for additional peanuts.

(C) DEFINITION OF FIRST PURCHASER.—In this subsection, the term ''first purchaser'' means a person acquiring peanuts from a producer except that in the case of peanuts forfeited by a producer to the Commodity Credit Corporation, the term means the person acquiring the peanuts from the Commodity Credit Corporation.

(3) OTHER PRIVATE MARKETINGS.—In the case of a private marketing by a producer directly to a consumer through a retail or wholesale outlet or in the case of a marketing by the producer outside of the continental United States, the producer shall be responsible for the full amount of the assessment and shall remit the assessment by such time as is specified by the Secretary.

(4) LOAN PEANUTS.—In the case of peanuts that are pledged as collateral for a loan made under this section, ½ of the assessment shall be deducted from the proceeds of the loan. The remainder of the assessment shall be paid by the first purchaser of the peanuts. For purposes of computing net gains on peanuts under this section, the reduction in loan proceeds shall be treated as having been paid to the producer.

(5) PENALTIES.—If any person fails to collect or remit the reduction required by this subsection or fails to comply with the requirements for recordkeeping or otherwise as are required by the Secretary to carry out this subsection, the person shall be liable to the Secretary for a civil penalty up to an amount determined by multiplying—

(A) the quantity of peanuts involved in the violation; by

(B) the national average quota peanut rate for the applicable crop year.

(6) ENFORCEMENT.—The Secretary may enforce this subsection in the courts of the United States.

(h) CROPS.—Subsections (a) through (f) shall be effective only for the 1996 through 2002 crops of peanuts.

(i) MARKETING QUOTAS.—

(1) IN GENERAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended—

(A) in section 358–1 (7 U.S.C. 1358–1)—

(i) in the section heading, by striking ''**1991 THROUGH 1997 CROPS OF**'';

(ii) in subsections (a)(1), (b)(1)(B), (b)(2)(A), (b)(2)(C), and (b)(3)(A), by striking ''of the 1991 through 1997 marketing years'' each place it appears and inserting ''marketing year'';

(iii) in subsection (a)(3), by striking ''1990'' and inserting ''1990, for the 1991 through 1995 marketing years, and 1995, for the 1996 through 2002 marketing years'';

(iv) in subsection (b)(1)(A)—

(I) by striking ''each of the 1991 through 1997 marketing years'' and inserting ''each marketing year''; and

(II) in clause (i), by inserting before the semicolon the following: '', in the case of the 1991 through 1995 marketing years, and the 1995 marketing year, in the case of the 1996 through 2002 marketing years''; and

(v) in subsection (f), by striking ''1997'' and inserting ''2002'';

(B) in section 358b (7 U.S.C. 1358b)—

(i) in the section heading, by striking ''**1991 THROUGH 1995 CROPS OF**''; and

(ii) in subsection (c), by striking ''1995'' and inserting ''2002'';

(C) in section 358c(d) (7 U.S.C. 1358c(d)), by striking ''1995'' and inserting ''2002''; and

(D) in section 358e (7 U.S.C. 1359a)—

(i) in the section heading, by striking ''**FOR 1991 THROUGH 1997 CROPS OF PEANUTS**''; and

(ii) in subsection (i), by striking ''1997'' and inserting ''2002''.

(2) ELIMINATION OF QUOTA FLOOR.—Section 358–1(a)(1) of the Act (7 U.S.C. 1358–1(a)(1)) is amended by striking the second sentence.

(3) TEMPORARY QUOTA ALLOCATION.—Section 358–1 of the Act (7 U.S.C. 1358–1) is amended—

(A) in subsection (a)(1), by striking ''domestic edible, seed,'' and inserting ''domestic edible use'';

(B) in subsection (b)(2)—

(i) in subparagraph (A), by striking ''subparagraph (B) and subject to''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) TEMPORARY QUOTA ALLOCATION.—

''(i) ALLOCATION RELATED TO SEED PEANUTS.—Temporary allocation of quota pounds for the marketing year only in which the crop is planted shall be made to producers for each of the 1996 through 2002 marketing years as provided in this subparagraph.

''(ii) QUANTITY.—The temporary quota allocation shall be equal to the pounds of seed peanuts planted on the farm, as may be adjusted under regulations prescribed by the Secretary.

''(iii) ADDITIONAL QUOTA.—The temporary allocation of quota pounds under this paragraph shall be in addition to the farm poundage quota otherwise established under this subsection and shall be credited, for the applicable marketing year only, in total to the producer of the peanuts on the farm in a manner prescribed by the Secretary.

''(iv) EFFECT OF OTHER REQUIREMENTS.—Nothing in this section alters or changes the requirements regarding the use of quota and additional peanuts established by section 358e(b).''; and

(C) in subsection (e)(3), strike ''and seed and use on a farm''.

(4) UNDERMARKETINGS.—Part VI of subtitle B of title III of the Act is amended—

(A) in section 358–1(b) (7 U.S.C. 1358–1(b))—

(i) in paragraph (1)(B), by striking ''including—'' and clauses (i) and (ii) and inserting ''including any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).'';

(ii) in paragraph (3)(B), by striking ''include—'' and clauses (i) and (ii) and inserting ''include any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).''; and

(iii) by striking paragraphs (8) and (9); and

(B) in section 358b(a) (7 U.S.C. 1358b(a))—

(i) in paragraph (1), by striking ''(including any applicable under marketings)'' both places it appears;

(ii) in paragraph (1)(A), by striking ''of undermarketings and'';

(iii) in paragraph (2), by striking ''(including any applicable under marketings)''; and

(iv) in paragraph (3), by striking ''(including any applicable undermarketings)''.

(5) DISASTER TRANSFERS.—Section 358–1(b) of the Act (7 U.S.C. 1358–1(b)), as amended by paragraph (4)(A)(iii), is further amended by adding at the end the following:

''(8) DISASTER TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), additional peanuts produced on a farm from which the quota poundage was not harvested and marketed because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, may be transferred to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation provide.

''(B) LIMITATION.—The poundage of peanuts transferred under subparagraph (A) shall not exceed the difference between—

''(i) the total quantity of peanuts meeting quality requirements for domestic edible use, as determined by the Secretary, marketed from the farm; and

''(ii) the total farm poundage quota, excluding quota pounds transferred to the farm in the fall.

''(C) SUPPORT RATE.—Peanuts transferred under this paragraph shall be supported at 70 percent of the quota support rate for the marketing years in which the transfers occur. The transfers for a farm shall not exceed 25 percent of the total farm quota pounds, excluding pounds transferred in the fall.''.

(6) TRANSFERS OF FARM POUNDAGE QUOTAS.—Section 358b(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358b(a)) is amended by adding at the end the following:

''(4) TRANSFERS BETWEEN STATES HAVING QUOTAS OF LESS THAN 10,000 TONS.—Notwithstanding paragraphs (1) through (3), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the crop of the preceding year, all or any part of a farm poundage quota up to 1,000 tons may be transferred by sale or lease from a farm in 1 such State to a farm in another such State.''.

FEINGOLD AMENDMENT NO. 3381

(Ordered to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to amendment No. 3247 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Strike section(e) and in lieu thereof insert the following:

SEC. . MILK MANUFACTURING MARKETING ADJUSTMENT.

Subsections (a) and (b) of section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e-1) are amended to read as follows:

''(a) DEFINITIONS.—In this section:

''(1) FEDERAL MAKE ALLOWANCE.—The term 'Federal make allowance' means the allowance for the processing of milk that is permitted under a Federal program to establish a Grade A price for manufacturing butter, nonfat dry milk, or cheese.

''(2) PERSON.—The term 'person' includes a cooperative.

''(3) STATE MAKE ALLOWANCE.—The term 'State make allowance' means the allowance for the processing of milk that is permitted by a State for manufacturing butter, nonfat dry milk, or cheese.

''(b) MILK MANUFACTURING MARKETING ADJUSTMENT.—Notwithstanding any other provision of law, if a person collects a State make allowance that is higher than the Federal make allowance and the milk or product

of milk that is subject to the allowance is purchased by the Commodity Credit Corporation, regardless of the point of sale, the Corporation shall reduce the support purchase price for the milk and each product of the milk by an amount that is equal to the difference between the State make allowance and the Federal make allowance for the milk and product, as determined by the Secretary of Agriculture.''.

BUMPERS (AND PRYOR) AMENDMENT NO. 3382

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. Leahy to the bill S. 1541, supra; as follows:

At the appropriate place in the bill, add the following: ''Any producer of a crop of rice in 1996 shall have the option of operating under the terms and conditions of either a program announced by the Secretary or any program administered under the authorities of legislation enacted subsequent to the announcement.

D'AMATO AMENDMENTS NOS. 3383–3388

(Ordered to lie on the table.)

Mr. D'AMATO submitted six amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3383

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.35.
(B) During calendar year 1997, $10.25.
(C) During calendar year 1998, $10.15.
(D) During calendar year 1999, $10.05.
(E) During calendar year 2000, $9.95.
(F) During calendar year 2001, $9.85.
(G) During calendar year 2002, $9.75.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

AMENDMENT NO. 3384

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.30.
(B) During calendar year 1997, $10.20.
(C) During calendar year 1998, $10.10.
(D) During calendar year 1999, $10.00.
(E) During calendar year 2000, $9.90.
(F) During calendar year 2001, $9.80.
(G) During calendar year 2002, $9.70.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3385

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.25.

(B) During calendar year 1997, $10.15.

(C) During calendar year 1998, $10.05.

(D) During calendar year 1999, $9.95.

(E) During calendar year 2000, $9.85.

(F) During calendar year 2001, $9.75.

(G) During calendar year 2002, $9.65.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3386

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.20.

(B) During calendar year 1997, $10.10.

(C) During calendar year 1998, $10.00.

(D) During calendar year 1999, $9.90.

(E) During calendar year 2000, $9.80.

(F) During calendar year 2001, $9.70.

(G) During calendar year 2002, $9.60.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3387

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the

Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.15.
(B) During calendar year 1997, $10.05.
(C) During calendar year 1998, $9.95.
(D) During calendar year 1999, $9.85.
(E) During calendar year 2000, $9.75.
(F) During calendar year 2001, $9.65.
(G) During calendar year 2002, $9.55.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3388

At the appropriate place, insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.10.
(B) During calendar year 1997, $10.00.
(C) During calendar year 1998, $9.90.
(D) During calendar year 1999, $9.80.
(E) During calendar year 2000, $9.70.
(F) During calendar year 2001, $9.60.
(G) During calendar year 2002, $9.50.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment

of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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D'AMATO AMENDMENTS NOS. 3389–3394

(Ordered to lie on the table.)

Mr. D'AMATO submitted six amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3389

On page 1–73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.35.

(B) During calendar year 1997, $10.25.

(C) During calendar year 1998, $10.15.

(D) During calendar year 1999, $10.05.

(E) During calendar year 2000, $9.95.

(F) During calendar year 2001, $9.85.

(G) During calendar year 2002, $9.75.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

AMENDMENT NO. 3390

On page 1–73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.30.
(B) During calendar year 1997, $10.20.
(C) During calendar year 1998, $10.10.
(D) During calendar year 1999, $10.00.
(E) During calendar year 2000, $9.90.
(F) During calendar year 2001, $9.80.
(G) During calendar year 2002, $9.70.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3391

On page 1–73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.25.
(B) During calendar year 1997, $10.15.
(C) During calendar year 1998, $10.05.
(D) During calendar year 1999, $9.95.
(E) During calendar year 2000, $9.85.
(F) During calendar year 2001, $9.75.
(G) During calendar year 2002, $9.65.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary

shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3392

On page 1–73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.20.
(B) During calendar year 1997, $10.10
(C) During calendar year 1998, $10.00.
(D) During calendar year 1999, $9.90.
(E) During calendar year 2000, $9.80.
(F) During calendar year 2001, $9.70.
(G) During calendar year 2002, $9.60.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of

the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3393

On page 1–73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.15.

(B) During calendar year 1997, $10.05.

(C) During calendar year 1998, $9.95.

(D) During calendar year 1999, $9.85.

(E) During calendar year 2000, $9.75.

(F) During calendar year 2001, $9.65.

(G) During calendar year 2002, $9.55.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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AMENDMENT NO. 3394

On page 1–73, strike lines 12 through 14 and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this Act and ending December 31, 2002, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.10.

(B) During calendar year 1997, $10.00.

(C) During calendar year 1998, $9.90.

(D) During calendar year 1999, $9.80.

(E) During calendar year 2000, $9.70.

(F) During calendar year 2001, $9.60.

(G) During calendar year 2002, $9.50.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of the enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) CONSENT TO NORTHEAST INTERSTATE DAIRY COMPACT.—Congress consents to the Northeast Interstate Dairy

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LUGAR AMENDMENTS NOS. 3395–3397

(Ordered to lie on the table.)

Mr. LUGAR submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3395

On page 5–1, strike lines 2 through 4 and insert the following:

SEC. 501. MILK PROGRAMS.

(a) FEDERAL MILK MARKETING ORDERS.—Section 101(b) of the Agriculture and Food Act of 1981 (Public Law 97-98; 7 U.S.C. 608c) is amended by striking ''1996'' and inserting ''2002''.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of the enactment of this Act, the Secretary of Agriculture (referred to in this section as the ''Secretary'') shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) EFFECT ON FLUID MILK STANDARDS IN THE STATE OF CALIFORNIA.—Nothing in this Act or any other provision of law prohibits or otherwise limits the applicability of requirements under any law (including any regulation) of the State of California regarding the percentage of milk solids or solids not fat in fluid milk products marketed in the State of California.

(e) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

(f) FUND FOR DAIRY PRODUCERS TO PAY FOR NUTRIENT MANAGEMENT.—Section 8(c)(5) of the Agricultural Adjustment Act (7

AMENDMENT NO. 3396

On page 1–77, line 10, after ''respectively'', insert the following: '', and by amendment section 307 (as so transferred and redesignated) to read as follows:

''SEC. 307. MILK PROGRAM.

''(a) SUPPORT ACTIVITIES.—During the period beginning on the date of the enactment of this section and ending December 31, 2002, the Secretary shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

''(b) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

''(1) During calendar year 1996, $10.10.

''(2) During calendar year 1997, $10.05.

''(3) During calendar year 1998, $9.95.

''(4) During calendar year 1999, $9.85.

''(5) During calendar year 2000, $9.75.

''(6) During calendar year 2001, $9.65.

''(7) During calendar year 2002, $9.55.

''(c) BID PRICES.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

''(d) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

''(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

''(2) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more the twice in each calendar year.

''(e) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of the enactment of this section, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketing in calendar year 1995 or 1996 when compared to calendar year 1994 or 1995, respectively. A refund under this subsection shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

''(f) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

''(g) PERIOD OF EFFECTIVENESS.—This section shall be effective only during the period beginning on the date of the enactment of this section and ending on December 31, 2002.''.

AMENDMENT NO. 3397

On page 6–19, strike lines 1 through 16 and insert the following:

''SEC. 609. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking ''1995'' and inserting ''2002''.

MOSELEY-BRAUN AMENDMENT NO. 3398

(Ordered to lie on the table.)

Ms. MOSELEY-BRAUN submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

On page 1–26, strike lines 16 through 25 and insert the following:

(6) OILSEEDS.—

(A) Soybeans.—The loan rate for a marketing assistance loan for soybeans shall be—

(i) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately proceeding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $4.92 or more than $5.26 per bushel.

(B) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be—

(i) not less than 85 percent of the simple average price received by producers of sunflower seed, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, individually, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(ii) not less than $0.087 or more than $0.093 per pound.

NICKLES AMENDMENT NO. 3399

(Ordered to lie on the table.)

Mr. NICKLES submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 1–17, strike lines 14 through 17 and insert the following:

(ii) CONTRACT COMMODITIES.—Contract acreage planted to a contract commodity during the crop year may be hayed or grazed without limitation.

BROWN AMENDMENT NO. 3400

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra, as follows:

On page 1–4S. strike line 3 and insert the following: 104(e) of the Act.

''(3) LIMITATION ON MAXIMUM INCOME.—

''(A) IN GENERAL.—None of the funds made available pursuant to this

Act may be used to make any payment described in paragraph (1) and (2) to—

''(i) an individual with an annual net taxable income of more than $250,000; or

''(ii) any other person with an annual net taxable income of more than $5,000,000.

''(B) CERTIFICATION.—The Secretary of Agriculture shall annually certify to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that no person receiving a payment referred to in subparagraph (A) had, in the previous tax year of the person, an annual net taxable income greater than the amount specified in subparagraph (A) with respect to the person.''.

BROWN AMENDMENT NO. 3401

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place, insert the following:

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

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

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

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

''(g) LIMITATION ON AUTHORITY.—Nothing in this section shall be construed to supersede,

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

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

(1) in subsection (c)(1)—

(A) by striking subparagraph (B);

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

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

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

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

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

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

SANTORUM AMENDMENTS NOS. 3402–3404

(Ordered to lie on the table.)

Mr. SANTORUM submitted three amendments intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3402

Beginning on page 1–73, strike line 12 and all that follows through page 1–78, line 4, and insert the following:

SEC. 108. MILK PROGRAM.

(a) MILK PRICE SUPPORT PROGRAM.—

(1) SUPPORT ACTIVITIES.—During the period beginning on the date of enactment of this Act and ending December 31, 2002, the Secretary shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(2) RATE.—The price of milk shall be supported at the following rates per hundredweight for milk containing 3.67 percent butterfat:

(A) During calendar year 1996, $10.10.

(B) During calendar year 1997, $10.00.

(C) During calendar year 1998, $9.90.

(D) During calendar year 1999, $9.80.

(E) During calendar year 2000, $9.70.

(F) During calendar year 2001, $9.60.

(G) During calendar year 2002, $9.50.

(3) BID PRICES.—The support purchase prices under this subsection for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under paragraph (2).

(4) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK.—

(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(5) REFUNDS OF 1995 AND 1996 ASSESSMENTS.—The Secretary shall provide for a refund of the entire reduction required under section 204(h)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446e(h)(2)), as in effect on the day before the date of enactment of this Act, in the price of milk received by a producer during calendar year 1995 or 1996, if the producer provides evidence that the producer did not increase marketings in calendar year 1995 or 1996 when compared to calendar year 1994. A refund under this paragraph shall not be considered as any type of price support or payment for purposes of sections 1211 and 1221 of the Food Security Act of 1985 (16 U.S.C. 3811 and 3821).

(6) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

(7) PERIOD OF EFFECTIVENESS.—This subsection shall be effective only during the period beginning on the date of enactment of this Act and ending on December 31, 2002.

(b) CONSOLIDATION AND REFORM OF FEDERAL MILK MARKETING ORDERS.—

(1) AMENDMENT OF ORDERS.—As soon as practicable after the date of enactment of this Act, the Secretary shall amend Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to—

(A) limit the number of Federal milk marketing orders to between 10 and 14 orders; and

(B) provide for multiple basing points for the pricing of milk.

(2) EXPEDITED PROCESS.—The amendments required under paragraph (1) shall be—

(A) announced not later than December 31, 1998; and

(B) implemented not later than December 31, 2000.

(3) FUNDING.—Effective beginning January 1, 2001, the Secretary shall not use any funds to administer more than 14 Federal milk marketing orders.

(c) DAIRY EXPORT INCENTIVE PROGRAM.—

(1) DURATION.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14) is amended by striking ''2001'' and inserting ''2002''.

(2) SOLE DISCRETION.—Section 153(b) of the Food Security Act of 1985 is amended by inserting ''sole'' before ''discretion''.

(3) ELEMENTS OF PROGRAM.—Section 153(c) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following:

''(3) the maximum volume of dairy product exports allowable consistent with the obligations of the United States as a member of the World Trade Organization is exported under the program each year (minus the volume sold under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year), except to the extent that the export of such a volume under the program would, in the judgment of the Secretary, exceed the limitations on the value set forth in subsection (f); and

''(4) payments may be made under the program for exports to any destination in the world for the purpose of market development, except a destination in a country with respect to which shipments from the United States are otherwise restricted by law.''.

(4) MARKET DEVELOPMENT.—Section 153(e)(1) of the Food Security Act of 1985 is amended—

(A) by striking ''and'' and inserting ''the''; and

(B) by inserting before the period the following: '', and any additional amount that may be required to assist in the development of world markets for United States dairy products''.

(5) MAXIMUM ALLOWABLE AMOUNTS.—Section 153 of the Food Security Act of 1985 is amended by adding at the end the following:

''(f) REQUIRED FUNDING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Commodity Credit Corporation shall in each year use money and commodities for the program under this section in the maximum amount consistent with the obligations of the United States as a member of the World Trade Organization, minus the amount expended under section 1163 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1731 note) during that year.

''(2) VOLUME LIMITATIONS.—The Commodity Credit Corporation may not exceed the limitations specified in subsection (c)(3) on the volume of allowable dairy product exports.''.

(d) REPEAL OF MILK MANUFACTURING MARKETING ADJUSTMENT.—Section 102 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1446e–1) is repealed.

SEC. 109. ADMINISTRATION.

(a) COMMODITY CREDIT CORPORATION.—

(1) USE OF CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(2) SALARIES AND EXPENSES.—No funds of the Corporation shall be used for any salary or expense of any officer or employee of the Department of Agriculture.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) shall be final and conclusive.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this title.

SEC. 110. ELIMINATION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The Agricultural Adjustment Act of 1938 is amended—

(1) in title III—

(A) in subtitle B—

(i) by striking parts II through V (7 U.S.C. 1326–1351); and

(ii) in part VI—

(I) by moving subsection (c) of section 358d (7 U.S.C. 1358d(c)) to appear after section

301(b)(17) (7 U.S.C. 1301(b)(17)) and redesignating the subsection as paragraph (18); and

(II) by striking sections 358, 358a, and 358d (7 U.S.C. 1358, 1358a, and 1359); and

(B) by striking subtitle D (7 U.S.C. 1379a–1379j); and

(2) by striking title IV (7 U.S.C. 1401–1407).

(b) AGRICULTURAL ACT OF 1949.—

(1) TRANSFER OF CERTAIN SECTIONS.—The Agricultural Act of 1949 is amended—

(A) by transferring sections 106, 106A, and 106B (7 U.S.C. 1445, 1445–1, 1445–2) to appear after section 314A of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314–1) and redesignating the transferred sections as sections 315, 315A, and 315B, respectively;

(B) by transferring section 111 (7 U.S.C. 1445f) to appear after section 304 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1304) and redesignating the transferred section as section 305; and

(C) by transferring sections 404 and 416 (7 U.S.C. 1424 and 1431) to appear after section 390 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1390) and redesignating the transferred sections as sections 390A and 390B, respectively.

(2) REPEAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed.

(c) CONFORMING AMENDMENT.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking ‘‘, corn, wheat, cotton, peanuts, and rice, established’’.

AMENDMENT NO. 3402

Amend Section 106, Peanut Program, by striking paragraph (2) in subsection (A), Quota Peanuts, and inserting the following:

(2) SUPPORT RATES.—The national average quota support rate for each of the 1996 through 2002 crops of quota peanuts shall not be not more than $550 per ton.

AMENDMENT NO. 3404

Amend Section 106, Peanut Program, by striking paragraph (2) in subsection (A), Quota Peanuts, and inserting the following:

(2) SUPPORT RATES.—The national average quota support rate for each of the 1996 through 1997 crops of quota peanuts shall not be more than $600 per ton. The national average quota support rate for each of the 1998 through 2002 crops shall be not more than $550 per ton.

SANTORUM AMENDMENT NO. 3405

(Ordered to lie on the table.)

Mr. SANTORUM submitted an amendment intended to be proposed by him to amendment No. 3225 submitted by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Amend Section 106, Peanut Program, by:

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

(2) SUPPORT RATES.—

(A) MAXIMUM LEVELS.—The national average quota support rate for each of the 1996 through 2000 crops of quota peanuts shall not be more than $610 per ton for the 1996 crop, $542 per ton for the 1997 crop, $509 per ton for the 1998 crop, $485 per ton for the 1999 crop, and $475 for the 2000 crop.

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

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

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

KEMPTHORNE AMENDMENT NO. 3406

(Ordered to lie on the table.)

Mr. KEMPTHORNE submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

In the January 31, 1996 draft, In Section 1238E. Environmental Quality Incentives Program Plan.

At page 3–25 after line 8 and before line 9 insert the following paragraph so that beginning at line 9 the bill reads:

(8) Notwithstanding any provision of law, the Secretary shall ensure that the process of writing, developing, and assisting in the implementation of plans required in the programs established under this title be open to individuals in agribusiness including but not limited to agricultural producers, representative from agricultural cooperatives, agricultural input retail dealers, and certified crop advisers. This open plan development process shall be included in but not limited to programs and plans established under this title and any other Department program using incentive, technical assistance, cost-share pilot project programs that require plans.

GRAHAM (AND MACK) AMENDMENT NO. 3407

(Ordered to lie on the table.)

Mr. GRAHAM (for himself and Mr. MACK) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

On page 510, strike lines 17 through 24, and on page 511, strike lines 1 through the end, and insert in lieu thereof the following:

SEC. 506. EVERGLADES AGRICULTURAL AREA.

(a) IN GENERAL.—On July 1, 1996, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide $200,000,000 to the Secretary of the Interior to carry out this subsection.

(b) ENTITLEMENT.—The Secretary of the Interior—

(1) shall accept the funds made available under subsection (a);

(2) shall be entitled to receive the funds; and

(3) shall use the funds to conduct restoration activities in the Everglades ecosystem, which may include acquiring private acreage in the Everglades Agricultural Area including approximately 52,000 acres that is commonly known as the ‘‘Talisman Tract’’.

(c) Nothing in this subsection precludes the Secretary of the Interior from transferring funds to the U.S. Army Corps of Engineers or the State of Florida or the South Florida Water Management District to carry out subsection (b)(3).

(d) DEADLINE.—The Secretary of the Interior shall utilize these funds for restoration activities referred to in subsection (b)(3) not later than December 31, 1999.

DASCHLE AMENDMENT NO. 3408

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to an amendment submitted by Mr. LEAHY to the bill S. 1541, supra; as follows:

(a) Section 312 is amended by adding at the end the following:

‘‘(c) WATER BANK ACRES.—Section 1231(b) is amended by adding at the end the following:

‘‘(6) land that was enrolled as of the date of enactment of the ‘Agricultural Reform and Improvement Act of 1996’ in the Water Bank Program established under the Water Bank Act (16 U.S.C. 1301 et seq.) at a rate not to exceed the rates in effect under the program.’’

(b) Section 313 is amended by—

(1) striking subsection (a);

(2) in subsection (b) by striking ‘‘not more than 975,000’’ and inserting ‘‘not less than 975,000’’;

(3) striking ‘‘(c) ELIGIBILITY.—’’ and all that follows through ‘‘under the program.’’;

(4) in subsection (e) by striking paragraph (2);

BAUCUS AMENDMENT NO. 3409

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to an amendment submitted by Mr. CRAIG to the bill S. 1541, supra; as follows:

At the appropriate place in the bill insert the following:

Notwithstanding the provisions of the Federal Crop Insurance Act, the Secretary shall ensure that crop insurance is made available to producers so that protection at the 75 percent level of coverage shall be available at the rate for which coverage at the 65 percent level is available on the date prior to the date of enactment.

BAUCUS AMENDMENT NO. 3410

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

After section 857, insert the following:

SEC. 858. LABELING OF DOMESTIC AND IMPORTED LAMB AND MUTTON.

Section 7 of the Federal Meat Inspection Act (21 U.S.C. 607) is amended by adding at the end the following:

‘‘(f) LAMB AND MUTTON.—

‘‘(1) STANDARDS.—The Secretary shall establish standards for the labeling of sheep carcasses, parts of carcasses, meat, and meat food products as ‘lamb’ or ‘mutton’.

‘‘(2) METHOD.—The standards under paragraph (1) shall be based on the use of the break or spool joint method to differentiate lamb from mutton by the degree of calcification of bone to reflect maturity.’’.

HARKIN AMENDMENT NO. 3411

(Ordered to lie on the table.)

Mr. BAUCUS (for Mr. HARKIN) submitted an amendment intended to be proposed by him to an amendment submitted by Mr. CRAIG to the bill S. 1541, supra; as follows:

Amend Section 110 by adding the following at the end:

(D) NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS

Notwithstanding the provisions of section 104, in the case of the 1996 and subsequent crops of wheat, feed grains, and oilseeds the Secretary shall provide marketing loans to producers of such crops.

(1) AVAILABILITY OF NONRECOURSE LOANS.—

(A) AVAILABILITY.—For each of the 1996 and subsequent crops, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wheat, feed grains, and oilseeds produced on the farm. The loans shall be made under the terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (2) for the commodity.

(2) LOAN RATES.—

(A) WHEAT.—

(i) LOAN RATE.—The loan rate for wheat shall be—

(I) not less than 90 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately five preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) FEED GRAINS.—

(i) LOAN RATE.—The loan rate for a marketing assistance loan for corn shall be—

(I) not less than 90 percent of the simple average price received by producers of corn as determined by the Secretary, during the marketing years for the immediately five preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(II) OTHER FEED GRAINS.—The loan for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of commodity in relation to corn.

(C) OILSEEDS.—

(i) SOYBEANS.—The loan rate for a marketing assistance loan for soybeans shall be not less than 90 percent of the simply average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(ii) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rates for marketing assistance loans for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall be not less than 90 percent of the simple average price received by producers of sunflower seed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(3) TERM OF LOAN.—In the case of wheat and feed grains, a marketing assistance loan under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(4) REPAYMENT.—

(A) REPAYMENT RATES FOR WHEAT AND FEED GRAINS.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wheat, corn, grain sorghum, barley, and oats at a level that the Secretary determines will—

(i) minimize potential loan forfeitures;

(ii) minimize the accumulation of stocks of the commodities by the Federal Government;

(iii) minimize the costs incurred by the Federal Government in storing the commodities; and

(iv) allow the commodities produced in the United States to be marketed freely and competitively, both domestically and internationally.

(5) LOAN DEFICIENCY PAYMENTS.—

(A) AVAILABILITY.—The Secretary may make loan deficiency payments available to producers who, although ineligible to obtain a marketing assistance loan under subsection (a) with respect to a loan commodity, agree to forego obtaining the loan for the commodity in return for payments under this subsection.

(B) COMPUTATION.—A loan deficiency payment shall be computed by multiplying—

(i) the loan payment rate under paragraph (3) for the loan commodity; by

(ii) the quantity of the loan commodity that the producers on a farm are eligible to place under loan but for which the producers forego obtaining the loan in return for payments under this subsection.

(C) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

(i) the loan rate established under subsection (2) for the loan commodity exceeds

(ii) the rate at which a loan for the commodity may be repaid under subsection (d).

(6) SOURCE OF LOANS.—

(A) IN GENERAL.—The Secretary shall provide the loans authorized by this section and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) through the Commodity Credit Corporation and other means available to the Secretary.

(B) PROCESSORS.—Whenever any loan or surplus removal for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as the Secretary considers adequate that the producers of the commodity have received or will receive the maximum benefit from the loan or surplus removal operation.

(7) ADJUSTMENTS OF LOANS.—

(A) IN GENERAL.—The Secretary may make appropriate adjustments in the loan levels for differences in grade, type, quality, location, and other factors.

(B) LOAN LEVEL.—The adjustments shall, to the maximum extent practicable, be made in such manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined as provided in this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.).

(8) PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.—

(A) IN GENERAL.—Except as provided in paragraph (2), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) unless the loan was obtained through a fraudulent representation by the producer.

(B) LIMITATIONS.—Paragraph (1) shall not prevent the Commodity Credit Corporation or the Secretary from requiring the producer to assume liability for—

(i) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(ii) a failure to properly care for and preserve a commodity; or

(iii) a failure or refusal to deliver a commodity in accordance with a program established under this section or the Agricultural Adjustment Act of 1938.

(C) ACQUISITION OF COLLATERAL.—The Secretary may include in a contract for a nonrecourse loan made under this section or the Agricultural Adjustment Act of 1938 a provision that permits the Commodity Credit Corporation, on and after the maturity of the loan or any extension of the loan, to acquire title to the unredeemed collateral without obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

GRAHAM (AND MACK) AMENDMENT NO. 3412

(Ordered to lie on the table.)

Mr. GRAHAM (for himself and Mr. MACK) submitted an amendment intended to be proposed by them to the bill S. 1541, supra; as follows:

At the end of the section relating to crop insurance, insert the following:

(c) DEFINITION OF NATURAL DISASTER.—Section 502 of the Federal Crop Insurance Act (7 U.S.C. 1502) is amended—

(1) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(2) by inserting after paragraph (6) the following:

''(7) NATURAL DISASTER.—The term 'natural disaster' includes extensive crop destruction caused by insects or disease.''.

(d) CROP INSURANCE FOR SPECIALTY CROPS.—Section 508(a)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(6)) is amended by adding at the end the following:

''(D) ADDITION OF SPECIALTY CROPS.—Not later than 1 year after the date of enactment of this subparagraph, the Corporation shall issue regulations to expand crop insurance coverage under this title to include any species, animal or plant, that is reared or grown for sale using and or water culture.''.

(e) MARKETING WINDOWS.—Section 508(j) of the Federal Crop Insurance Act (7 U.S.C. 1508(j)) is amended by adding at the end the following:

''(4) MARKETING WINDOWS.—The corporation shall consider marketing windows in determining whether it is feasible to require planting during a crop year.''.

HARKIN AMENDMENT NOS. 3413–3414

(Ordered to lie on the table).

Mr. HARKIN submitted two amendments intended to be proposed by him to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3413

(1) Section 110(b) is amended by striking paragraph (2) and inserting the following:

''(2) REPEAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed except for section 110.''

AMEMDMENT NO. 3414

(1) Section 110(b) is amended by striking paragraph (2) and inserting the following:

''(2) REPEAL—

''(A) The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (as amended by paragraph (1)) is repealed except for section 110.

''(B) Notwithstanding the provisions of the Agricultural Trade Act of 1978 and section 203 the Commodity Credit Corporation shall make available to carry out the export enhancement program not more than the following:

''(i) $338,428,572 for fiscal year 1996;

''(ii) $338,428,572 for fiscal year 1997;

''(iii) $488,428,572 for fiscal year 1998;
''(iv) $538,428,572 for fiscal year 1999;
''(v) $567,428,572 for fiscal year 2000;
''(vi) $466,428,572 for fiscal year 2001; and
''(vii) $466,428,572 for fiscal year 2002.''

DASCHLE AMENDMENT NO. 3415

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

Title I is amended by—

(1) striking ''2002'' each place it appears and inserting ''1998'';

(2) striking ''2003'' each place it appears and inserting ''1999'';

(3) in section 103 striking subsections (d) through (f) and inserting the following:

''(e) CONTRACT PAYMENTS.—

''(1) IN GENERAL.—The Secretary shall provide advanced and final payments to owners and operators in accordance with this subsection.

''(2) ADVANCED PAYMENTS.—

''(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June 15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

''(i) the applicable payment rate described in subparagraph (B);

''(ii) the farm program payment yield; and

''(iii) 85 percent of the contract acreage.

''(B) PAYMENT RATE.—The payment rate shall be—

''(i) for corn, $.16 per bushel;

''(ii) for grain sorghum, $.19 per bushel;

''(iii) for barley, $.12 per bushel;

''(iv) for oats, $.02 per bushel;

''(v) for wheat, $.27 per bushel;

''(vi) for rice, $1.14 per hundredweight; and

''(vii) for upland cotton, $.032 per pound.

''(3) FINAL PAYMENT.—

''(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by lessor of—

''(i) 85 percent of the contract acreage; or

''(ii) contract acreage planted to the contract commodity.

''(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii).

''(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

''(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

''(II) the established price for the commodity for the 1995 crop.

''(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

''(I) the average price for the contract commodity for the first five months of the marketing year; and

''(II) the county average yield for the contract commodity.

''(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero.''

(4) in section 104(b) by striking paragraphs (1)(A)(ii), (2)(A)(ii), (3)(B), and (4)(B).

McCONNELL AMENDMENT NO. 3416

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

At the appropriate place, insert the following:

SEC. ___. COMMERCIAL TRANSPORTATION OF EQUINE FOR SLAUGHTER.

(a) FINDINGS.—Congress finds that, to ensure that equine sold for slaughter are provided humane treatment and care, it is essential to regulate the transportation, care, handling, and treatment of equine by any person engaged in the commercial transportation of equine for slaughter.

(b) DEFINITIONS.—In this section:

(1) COMMERCE.—The term ''commerce'' means trade, traffic, transportation, or other commerce by a person—

(A) between any State, territory, or possession of the United States, or the District of Columbia, and any place outside thereof;

(B) between points within the same State, territory, or possession of the United States, or the District of Columbia, but through any place outside thereof; or

(C) within any territory or possession of the United States or the District of Columbia.

(2) DEPARTMENT.—The term ''Department'' means the United States Department of Agriculture.

(3) EQUINE.—The term ''equine'' means any member of the Equidae family.

(4) EQUINE FOR SLAUGHTER.—The term ''equine for slaughter'' means any equine that is transported, or intended to be transported, by vehicle to a slaughter facility or intermediate handler from a sale, auction, or intermediate handler by a person engaged in the business of transporting equines for slaughter.

(5) FOAL.—The term ''foal'' means a equine that is not more than 6 months of age.

(6) INTERMEDIATE HANDLER.—The term ''intermediate handler'' means any person regularly engaged in the business of receiving custody of equines for slaughter in connection with the transport of the equines to a slaughter facility, including a stockyard, feedlot, or assembly point.

(7) PERSON.—The term ''person'' means any individual, partnership, firm, company, corporation, or association that regularly transports equines for slaughter in commerce, except that the term shall not include an individual or other entity that does not transport equines for slaughter on a regular basis as part of a commercial enterprise.

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(9) VEHICLE.—The term ''vehicle'' means any machine, truck, tractor, trailer, or semitrailer, or any combination thereof, propelled or drawn by mechanical power and used on a highway in the commercial transportation of equines for slaughter.

(10) STALLION.—The term ''stallion'' means any uncastrated male equine that is 1 year of age or older.

(c) STANDARDS FOR HUMANE COMMERCIAL TRANSPORTATION OF EQUINES FOR SLAUGHTER.—

(1) IN GENERAL.—Subject to the availability of appropriations, not later than 1 year after the date of enactment of this section, the Secretary shall issue, by regulation, standards for the humane commercial transportation by vehicle of equines for slaughter.

(2) PROHIBITION.—no person engaged in the regular business of transporting equines by vehicle for slaughter as part of a commercial enterprise shall transport in commerce, to a slaughter facility or intermediate handler, a equine for slaughter except in accordance with the standards and this section.

(3) MINIMUM REQUIREMENTS.—The standards shall include minimum requirements for the humane handling, care, treatment, and equipment necessary to ensure the safe and humane transportation of equines for slaughter. The standards shall require, at a minimum, that—

(A) no equine for slaughter shall be transported for more than 24 hours without being unloaded from the vehicle and allowed to rest for at least 8 consecutive hours and given access to adequate quantities of wholesome food and potable water;

(B) a vehicle shall provide adequate headroom for a equine for slaughter with a minimum of at least 6 feet, 6 inches of headroom from the roof and beams or other structural members overhead to floor underfoot, except that a vehicle transporting 6 equines or less shall provide a minimum of at least 6 feet of headroom from the roof and beams or other structural members overhead to floor underfoot if none of the equines are over 16 hands;

(C) the interior of a vehicle shall—

(i) be free of protrusions, sharp edges, and harmful objects;

(ii) have ramps and floors that are adequately covered with a nonskid nonmetallic surface; and

(iii) be maintained in a sanitary condition;

(D) a vehicle shall—

(i) provide adequate ventilation and shelter from extremes of weather and temperature for all equine;

(ii) be of appropriate size, height, and interior design for the number of equine being carried to prevent overcrowding; and

(iii) be equipped with doors and ramps of sufficient size and location to provide for safe loading and unloading, including unloading during emergencies;

(E)(i) equines shall be positioned in the vehicle by size; and

(ii) stallions shall be segregated from other equines;

(F)(i) all equines for slaughter must be fit to travel as determined by an accredited veterinarian, who shall prepare a certificate of inspection, prior to loading for transport, that—

(I) states that the equines were inspected and satisfied the requirements of subparagraph (B);

(II) includes a clear description of each equine; and

(III) is valid for 7 days;

(ii) no equine shall be transported to slaughter if the equine is found to be—

(I) suffering from a broken or dislocated limb;

(II) unable to bear weight on all 4 limbs;

(III) blind in both eyes; or

(IV) obviously suffering from severe illness, injury, lameness, or physical debilitation that would make the equine unable to withstand the stress of transportation;

(iii) no foal may be transported for slaughter;

(iv) no mare in foal that exhibits signs of impending parturition may be transported for slaughter; and

(v) no equine for slaughter shall be accepted by a slaughter facility unless the equine is—

(I) inspected on arrival by an employee of the slaughter facility or an employee of the Department; and

(II) accompanied by a certificate of inspection issued by an accredited veterinarian, not more than 7 days before the delivery, stating that the veterinarian inspected the equine on a specified date.

(d) RECORDS.—

(1) IN GENERAL.—A person engaged in the business of transporting equines for slaughter shall establish and maintain such records, make such reports, and provide such information as the Secretary may, by regulation, require for the purposes of carrying out, or determining compliance with, this section.

(2) MINIMUM REQUIREMENTS.—The records shall include, at a minimum—

(A) the veterinary certificate of inspection;

(B) the names and addresses of current owners and consignors, if applicable, of the equines at the time of sale or consignment to slaughter; and

(C) the bill of sale or other documentation of sale for each equine.

(3) AVAILABILITY.—The records shall—

(A) accompany the equine during transport to slaughter;

(B) be retained by any person engaged in the business of transporting equine for slaughter for a reasonable period of time, as determined by the secretary, except that the veterinary certificate of inspection shall be surrendered at the slaughter facility to an employee or designee of the department and kept by the department for a reasonable period of time, as determined by the secretary; and

(C) on request of an officer or employee of the department, be made available at all reasonable times for inspection and copying by the officer or employee.

(e) AGENTS.—

(1) IN GENERAL.—For purposes of this section, the act, omission, or failure of an individual acting for or employed by a person engaged in the business of transporting equines for slaughter, within the scope of the employment or office of the individual, shall be considered the act, omission, or failure of the person engaging in the commercial transportation of equines for slaughter as well as of the individual.

(2) ASSISTANCE.—if a equine suffers a substantial injury or illness while being transported for slaughter on a vehicle, the driver of the vehicle shall seek prompt assistance from a licensed veterinarian.

(f) COOPERATIVE AGREEMENTS.—The Secretary is authorized to cooperate with States, political subdivisions of States, State agencies (including State departments of agriculture and State law enforcement agencies), and foreign governments to carry out and enforce this section (including regulations issued under this section).

(g) INVESTIGATIONS AND INSPECTIONS.—

(1) IN GENERAL.—The Secretary is authorized to conduct such investigations or inspections as the Secretary considers necessary to enforce this section (including any regulation issued under this section).

(2) ACCESS.—for the purposes of conducting an investigation or inspection under paragraph (1), the secretary shall, at all reasonable times, have access to—

(A) the place of business of any person engaged in the business of transporting equines for slaughter;

(B) the facilities and vehicles used to transport the equines; and

(C) records required to be maintained under subsection (d).

(3) ASSISTANCE TO OR DESTRUCTION OF EQUINES.—The Secretary shall issue such regulations as the Secretary considers necessary to permit employees or agents of the Department to—

(A) provide assistance to any equine that is covered by this section (including any regulation issued under this section); or

(B) destroy, in a humane manner, any such equine found to be suffering.

(h) INTERFERENCE WITH ENFORCEMENT.—

(1) IN GENERAL.—Subject to paragraph (2), a person who forcibly assaults, resists, opposes, impedes, intimidates, or interferes with any person while engaged in or on account of the performance of an official duty of the person under this section shall be fined not more than $5,000 or imprisoned not more than 3 years, or both.

(2) WEAPONS.—If the person uses a deadly or dangerous weapon in connection with an action described in paragraph (1), the person shall be fined not more than $10,000 or imprisoned not more than 10 years, or both.

(i) JURISDICTION OF COURTS.—Except as provided in subsection (j)(1)(E), a district court of the United States in any appropriate judicial district under section 1391 of title 28, United States Code, shall have jurisdiction to specifically enforce this section, to prevent and restrain a violation of this section, and to otherwise enforce this section.

(j) CIVIL AND CRIMINAL PENALTIES.—

(1) CIVIL PENALTIES.—

(A) IN GENERAL.—A person who violates this section (including a regulation or standard issued under this section) shall be assessed a civil penalty by the Secretary of not more than $2,000 for each violation.

(B) SEPARATE OFFENSES.—Each equine transported in violation of this section shall constitute a separate offense. Each violation and each day during which a violation continues shall constitute a separate offense.

(C) HEARINGS.—No penalty shall be assessed under this paragraph unless the person who is alleged to have violated this section is given notice and opportunity for a hearing with respect to an alleged violation.

(D) FINAL ORDER.—An order of the Secretary assessing a penalty under this paragraph shall be final and conclusive unless the aggrieved person files an appeal from the order pursuant to subparagraph (E).

(E) APPEALS.—Not later than 30 days after entry of a final order of the Secretary issued pursuant to this paragraph, a person aggrieved by the order may seek review of the order in the appropriate United States Court of Appeals. The Court shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the order.

(F) NONPAYMENT OF PENALTY.—On a failure to pay the penalty assessed by a final order under this subsection, the Secretary shall request the Attorney General to institute a civil action in a district court of the United States or other United States court for any district in which the person is found, resides, or transacts business, to collect the penalty. The court shall have jurisdiction to hear and decide the action.

(2) CRIMINAL PENALTIES.—

(A) FIRST OFFENSE.—Subject to subparagraph (B), a person who knowingly violates this section (or a regulation or standard issued under this section) shall, on conviction of the violation, be subject to imprisonment for not more than 1 year or a fine of not more than $2,000, or both.

(B) SUBSEQUENT OFFENSES.—On conviction of a second or subsequent offense described in subparagraph (A), a person shall be subject to imprisonment for not more than 3 years or to a fine of not more than $5,000, or both.

(k) PAYMENTS FOR TEMPORARY OR MEDICAL ASSISTANCE FOR EQUINES DUE TO VIOLATIONS.—From sums received as penalties, fines, or forfeitures of property for any violation of this section (including a regulation issued under this section), the Secretary shall pay the reasonable and necessary costs incurred by any person in providing temporary care or medical assistance for any equine that needs the care or assistance due to a violation of this section.

(l) RELATIONSHIP TO STATE LAW.—Nothing in this section prevents a State from enacting and enforcing any law (including a regulation) that is not inconsistent with this section or that is more restrictive than this section.

(m) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this section.

(2) LIMITATION.—No provision of this section shall be effective, or be enforced against any person, during a fiscal year unless funds to carry out this section have been appropriated for the fiscal year.

McCONNELL AMENDMENT NO. 3417

(Ordered to lie on the table.)

Mr. MCCONNELL submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

At the appropriate place, insert the following:

SEC. . TOBACCO ADMINISTRATIVE EXPENSES.

Notwithstanding any other provision of law, tobacco marketing assessments required to be collected for budget deficit reduction purposes shall be used first to offset any administrative expenses that are incurred in carrying out the tobacco price support and production adjustment program to the extent that the costs are not otherwise subject to reimbursement under other assessments specific to tobacco.

McCONNELL AMENDMENT NO. 3418

(Ordered to lie on the table.)

Mr. MCCONNELL submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

At the appropriate place in the title relating to nutrition assistance, insert the following:

SEC. . NUTRITIONAL SUPPLEMENTS.

(a) FINDINGS.—Congress finds that—

(1) the dietary patterns of Americans do not result in nutrient intakes that fully meet Recommended Dietary Allowances (RDAs) of vitamins and minerals;

(2) children in low-income families and the elderly often fail to achieve adequate nutrient intakes from diet alone;

(3) pregnant women have particularly high nutrient needs, which they often fail to meet through dietary means alone;

(4)(A) many scientific studies have shown that nutritional supplements that contain folic acid (a B vitamin) can prevent as many as 60 to 80 percent of neural tube birth defects;

(B) the Public Health Service, in September 1992, recommended that all women of childbearing age in the United States who are capable of becoming pregnant should consume 0.4 mg of folic acid per day for the purpose of reducing their risk of having a pregnancy affected with spina bifida or other neural tube birth defects; and

(C) the Food and Drug Administration has also approved a health claim for folic acid to reduce the risk of neural tube birth defects;

(5) infants who fail to receive adequate intakes of iron may be somewhat impaired in their mental and behavioral development; and

(6) a massive volume of credible scientific evidence strongly suggests that increasing intake of specific nutrients over an extended period of time may be helpful in protecting against diseases or conditions such as osteoporosis, cataracts, cancer, and heart disease.

(b) AMENDMENT OF THE FOOD STAMP ACT OF 1977.—Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking ''or food product'' and inserting '', food product, or nutritional supplement of a vitamin, mineral, or a vitamin and a mineral''.

McCONNELL AMENDMENT NO. 3419

(Ordered to lie on the table.)

Mr. MCCONNELL submitted an amendment intended to be proposed by him to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place in the title relating to nutrition assistance, insert the following:

SEC. . DISQUALIFICATION OF A STORE OR CONCERN.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking the section heading;

(2) by striking ''SEC. 12. (a) Any'' and inserting the following:

''SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

''(a) DISQUALIFICATION.—

''(1) IN GENERAL.—An'';

(3) by adding at the end of subsection (a) the following:

''(2) EMPLOYING CERTAIN PERSONS.—A retail food store or wholesale food concern shall be disqualified from participation in the food stamp program if the store or concern knowingly employs a person who has been found by the Secretary, or a Federal, State, or local court, to have, within the preceding 3-year period—

''(A) engaged in the trading of a firearm, ammunition, an explosive, or a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) for a coupon; or

''(B) committed any act that constitutes a violation of this Act or a State law relating to using, presenting, transferring, acquiring, receiving, or possessing a coupon, authorization card, or access device.''; and

(4) in subsection (b)(3)(B), by striking ''neither the ownership nor management of the store or food concern was aware'' and inserting ''the ownership of the store or food concern was not aware''.

BREAUX (AND JOHNSTON) AMENDMENT NOS. 3420–3421

(Ordered to lie on the table.)

Mr. BREAUX (for himself and Mr. JOHNSTON) submitted two amendments to be proposed by them to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra, as follows:

AMENDMENT NO. 3420

In the pending amendment:

Strike language 103(a)(3) after ''interests of'' and add ''tenants and sharecroppers.''

Strike language in 103(F)(6) after ''owners and operators'' and add ''and other producers on the farm actively engaged in farming subject to the contract on a fair and equitable basis taking into consideration historical relationships and common practices within a region.''

AMENDMENT NO. 3421

Amend section 104 by adding at the end the following:

(l) PROGRAM ON TERMINATION OF MARKET TRANSITION PROGRAM.—

(1) Notwithstanding any other provision of this Act or any other provision of law, upon termination of the authority of this Act to carry out a market transition program, the Secretary shall carry out a program for each succeeding annual crop of an agricultural commodity upon the same terms and conditions as provided under the law in effect immediately before the date of enactment of this Act for the 1995 crop of such commodity.

(2) The Secretary may use the fund, authorities, and facilities of the Commodity Credit Corporation to carry out this subsection.

BREAUX (AND JOHNSTON) AMENDMENT NO. 3422

(Ordered to lie on the table.)

Mr. BREAUX (for himself and Mr. JOHNSON) submitted an amendment intended to be proposed by them to the amendment No. 3205 proposed by Mr. MOYNIHAN (and MIKULSKI) to the bill (S. 1541), supra; as follows:

Strike all after the enacting clause and insert the following:

''In administering the sugar program, the Secretary shall use all authorities available to him, as is necessary, to ensure the economic viability of all segments of the domestic sugar industry, including sugar cane growers and processors, sugar beet growers and processor and cane sugar refiners''.

CONRAD AMENDMENT NO. 3423–3426

(Ordered to lie on the table.)

Mr. CONRAD submitted four amendments intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

AMENDMENT NO. 3423

On page 3–62, after line 22, insert the following:

SEC. 356. ABANDONMENT OF CONVERTED WETLANDS.

Section 1222(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3822(b)(2)) is amended—

(1) in subparagraph (A), by striking ''or'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(C) a wetland that has been restored or enhanced after the date of enactment of this subparagraph, if—

''(i) technical determinations of the prior site conditions and the restoration or enhancement action have been adequately documented in a plan approved by the Secretary prior to implementation;

''(ii) the conversion of the restored or enhanced wetland results in a level of wetland functions and values at least equivalent to the functions and values present at the site prior to the restoration or enhancement; and

''(iii) the conversion action proposed by the private landowner is approved by the Secretary prior to implementation.''.

AMENDMENT NO. 3424

Beginning on page 1–21, strike line 5 and all that follows through page 1–24, line 10, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—The loan rate for a marketing assistance loan for corn shall not be less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(B) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

AMENDMENT NO. 3425

Beginning on page 1–21, strike line 5 and all that follows through page 1–23, line 3, and insert the following:

(1) WHEAT.—The loan rate for a marketing assistance loan for wheat shall be not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

(2) FEED GRAINS.—

(A) LOAN RATE FOR CORN.—Subject to subparagraph (B), the loan rate for a marketing assistance loan for corn shall not be less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

AMENDMENT NO. 3426

On page 3–62, after line 22, insert the following:

SEC. 356. WETLAND CONSERVATION EXEMPTION.

Section 1222(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3822(b)(1)) is amended—

(1) in subparagraph (C), by striking ''or'' at the end; and

(2) by adding at the end the following:

''(E) converted wetland, if—

''(i) the extent of the conversion is limited to the return of conditions that will be at least equivalent to the wetland functions and values that existed prior to implementation of the wetland restoration, enhancement, or creation action;

''(ii) technical determinations of the prior site conditions and the restoration, enhancement, or creation action have been adequately documented in a plan approved by the Natural Resources Conservation Service prior to implementation; and

''(iii) the conversion action proposed by the private landowner is approved by the National Resources Conservation Service prior to implementation; or''.

CONRAD AMENDMENT NO. 3427

(Ordered to lie on the table.)

Mr. CONRAD submitted an amendment intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

Beginning on page 3–6, strike line 1 and all that follows through page 3–8, line 6, and insert the following:

SEC. 312. CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) by striking ''1995'' each place it appears and inserting ''2002'';

(2) in subsection (b)—

(A) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(B) by adding at the end the following:

''(5) land that is enrolled in the water bank program established under the Water Bank Act (16 U.S.C. 1301 et seq.), except that—

''(A) the payment rates for the land shall not exceed the payment rates in effect under the water bank program;

''(B) regulations issued under the water bank program shall apply to the land; and

''(C) new contracts and extensions of contracts with respect to the land shall enroll land in a manner that—

''(i) maximizes environmental benefits per dollar expended; and

''(ii) contributes to flood control and protects and enhances wetland functions and values.''; and

(3) in subsection (d), by striking ''38,000,000'' and inserting ''36,400,000''.

(b) DUTIES OF OWNERS AND OPERATORS.—Section 1232(c) of the Food Security Act of 1985 (16 U.S.C. 3832(c)) is amended by striking ''1995'' and inserting ''2002''.

SEC. 313. WETLANDS RESERVE PROGRAM.

(a) PURPOSES.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by striking ''to assist owners of eligible lands in restoring and protecting wetlands'' and inserting ''to protect wetlands for purposes of enhancing water quality and providing wildlife benefits while recognizing landowner rights''.

(b) ENROLLMENT.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by striking subsection (b) and inserting the following:

''(b) MINIMUM ENROLLMENT.—The Secretary shall enroll into the wetlands reserve program—

''(1) during the 1996 through 2002 calendar years, a total of not more than 975,000 acres; and

''(2) beginning with offers accepted by the Secretary during calendar year 1997, to the maximum extent practicable, ⅓ of the acres in permanent easements, ⅓ of the acres in 30-year easements, and ⅓ of the acres in restoration cost-share agreements.''.

(c) ELIGIBILITY.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended—

(1) by striking ''2000'' and inserting ''2002'';

(2) by inserting ''the land maximizes wildlife benefits and wetland values and functions and'' after ''determines that'';

(3) in paragraph (1)—

(A) by striking ''December 23, 1985'' and inserting ''January 1, 1996''; and

(B) by striking ''and'' at the end;

(4) by redesignating paragraph (2) as paragraph (3).

BUMPERS (AND PRYOR) AMENDMENT NO. 3428

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by them to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

At the appropriate place add the following:

Any program authorized to be administered by the Secretary of Agriculture on January 1, 1995, shall be deemed authorized under the same terms and conditions until December 31, 1996, unless other terms and conditions are established by law.

DASCHLE AMENDMENT NO. 3415

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1541, supra; as follows:

Title I is amended by—

(1) striking ''2002'' each place it appears and inserting ''1998'';

(2) striking ''2003'' each place it appears and inserting ''1999'';

(3) in section 103 striking subsections (d) through (f) and inserting the following:

''(e) CONTRACT PAYMENTS.—

''(1) IN GENERAL.—The Secretary shall provide advanced and final payments to owners and operators in accordance with this subsection.

''(2) ADVANCED PAYMENTS.—

''(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June 15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

''(i) the applicable payment rate described in subparagraph (B);

''(ii) the farm program payment yield; and

''(iii) 85 percent of the contract acreage.

''(B) PAYMENT RATE.—The payment rate shall be—

''(i) for corn, $.16 per bushel;

''(ii) for grain sorghum, $.19 per bushel;

''(iii) for barley, $.12 per bushel;

''(iv) for oats, $.02 per bushel;

''(v) for wheat, $.27 per bushel;

''(vi) for rice, $1.14 per hundredweight; and

''(vii) for upland cotton, $.032 per pound.

''(3) FINAL PAYMENT.—

''(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by lessor of—

''(i) 85 percent of the contract average; or

''(ii) contract acreage planted to the contract commodity.

''(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii).

''(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

''(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

''(II) the established price for the commodity for the 1995 crop.

''(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

''(I) the average price for the contract commodity for the first five months of the marketing year; and

''(II) the county average yield for the contract commodity.

''(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero.''

(4) in section 104(b) by striking paragraphs (1)(A)(ii), (2)(A)(ii), (3)(B), and (4)(B).

LOTT (AND OTHERS) AMENDMENT NO. 3429

(Ordered to lie on the table.)

Mr. LOTT (for himself, Mr. BURNS, Mr. COCHRAN, Mr. CRAIG, Mr. FAIRCLOTH, Mr. HATCH, Mr. INHOFE, Mr. KYL, Mr. MACK, Mr. MURKOWSKI, Mr. SHELBY, Mr. BREAUX, Mr. JOHNSTON, Mr. KEMPTHORNE, Mrs. HUTCHISON, and Mr. PRESSLER) submitted an amendment intended to be proposed by them to the bill (S. 1541), supra; as follows:

At the appropriate place in title III, insert the following:

SEC. 3___. PHASING-IN OF AMENDMENTS OF AND REVISIONS TO LAND AND RESOURCE MANAGEMENT PLANS.

(a) IN GENERAL.—Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604) is amended by adding at the end the following:

''(n) PHASING-IN OF CHANGES TO LAND AND RESOURCE MANAGEMENT PLANS.—

''(1) IN GENERAL.—When the Secretary amends or revises a land or resource management plan with the purpose of increasing the population of a species in a unit of the National Forest System or in any area within a unit, the Secretary shall, to the greatest extent practicable and except when there is an imminent risk to public health, phase in the amendment or revision over an appropriate period of time determined on the basis of the considerations described in paragraph (2).

''(2) CONSIDERATIONS.—The considerations referred to in paragraph (1) are—

''(A) the social and economic consequences to local communities of any new policy contained in an amendment or revision;

''(B) the length of time needed to achieve the population increase that is the objective of the amendment or revision;

''(C) the cost of implementation of the amendment or revision; and

''(D) the financial resources available for implementation of the amendment or revision.''.

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall apply to any amendment of or revision to a land or resource management plan described in the amendment that is proposed on or after the date of enactment of this Act or that has been proposed but not finally adopted prior to the date of enactment.

DASCHLE AMENDMENT NO. 3430

(Ordered to lie on the table.)

Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

(a) Title I is amended by—

(1) striking ''2002'' each place it appears and inserting ''1998'';

(2) striking ''2003'' each place it appears and inserting ''1999'';

(3) in section 103 striking subsections (d) through (f) and inserting the following:

''(e) CONTRACT PAYMENTS.—

''(1) IN GENERAL.—The Secretary shall provide advanced and final payments to owners and operators in accordance with this subsection.

''(2) ADVANCED PAYMENTS.—

(A) IN GENERAL.—An owner or operator shall receive an advanced payment by June 15 for the 1996 fiscal year and December 15 for the 1997 and 1998 fiscal years which represents the product of—

''(i) the applicable payment rate described in subparagraph (B);

''(ii) the farm program payment yield; and

''(iii) 85 percent of the contract acreage.

''(B) PAYMENT RATE.—The payment rate shall be—

''(i) for corn, $.16 per bushel;

''(ii) for grain sorghum, $.19 per bushel;

''(iii) for barley, $.12 per bushel;

''(iv) for oats, $.02 per bushel;

''(v) for wheat, $.27 per bushel;

''(vi) for rice, $1.14 per hundredweight; and

''(vii) for upland cotton, $.032 per pound.

''(e) FINAL PAYMENT.—

''(A) IN GENERAL.—The Secretary shall make a final payment which represents the county rate described in subparagraph (B) multiplied by 85 percent of the contract acreage.

''(B) COUNTY RATE.—The county rate is the difference between the target county revenue described in clause (i) and the current county revenue described in clause (ii).

''(i) TARGET COUNTY REVENUE.—The target county revenue shall equal to the product of—

''(I) the five year average county yield for the contract commodity, excluding the year in which the average yield was the highest and the lowest; and

''(II) the established price for the commodity for the 1995 crop.

''(ii) CURRENT COUNTY REVENUE.—The current county revenue shall equal the product of—

''(I) the average price for the contract commodity for the first five months of the marketing year; and

''(II) the county average yield for the contract commodity.

''(iii) LIMITATION.—The final payment shall be reduced by the advanced payment, but in no case shall the final payment be less than zero.''

(4) in section 104(b) by striking paragraphs (1)(A)(ii), (2)(A)(ii), (3)(B), and (4)(B).

(b) Title V is amended by adding at the end the following:

''SEC. 507 FUND FOR RURAL AMERICA.

''(a) IN GENERAL.—The Secretary shall create an account called the Fund for Rural America for the purposes of providing funds for activities described in subsection (c).

''(b) COMMODITY CREDIT CORPORATION.—In each of the 1996 through 1998 fiscal years, the Secretary shall transfer into the Fund for Rural America (hereafter referred to as the ''Account'')—

''(1) $50,000,000 for the 1996 fiscal year;

''(2) $100,000,000 for the 1997 fiscal year; and

''(3) $150,000,000 for the 1998 fiscal year.

''(c) PURPOSES.—Except as provided in subsection (d), the Secretary shall provide not more than one-third of the funds from the Account for activities described in paragraph (2).

''(1) RURAL DEVELOPMENT ACTIVITIES.—The Secretary may use the funds in the Account for the following rural development activities authorized in:

''(A) The Housing Act of 1949 for—

''(i) direct loans to low income borrowers pursuant to section 502;

''(ii) loans for financial assistance for housing for domestic farm laborers pursuant to section 514;

''(iii) financial assistance for housing of domestic farm labor pursuant to section 516;

''(iv) grants and contracts for mutual and self help housing pursuant to section 523(b)(1)(A); and

''(v) grants for Rural Housing Preservation pursuant to section 533;

''(B) The Food Security Act of 1985 for loans to intermediary borrowers under the Rural Development Loan Fund;

''(C) Consolidated Farm and Rural Development Act for—

''(i) grants for Rural Business Enterprises pursuant to section 310B(c) and (j);

''(ii) direct loans, loan guarantees and grants for water and waste water projects pursuant to section 306; and

''(iii) down payments assistance to farmers, section 310E;

''(D) grants for outreach to socially disadvantaged farmers and ranchers pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

''(E) grants pursuant to section 204(6) of the Agricultural Marketing Act of 1946.

''(2) RESEARCH.—

''(A) IN GENERAL.—The Secretary may use the funds in the Account for research grants to increase the competitiveness and farm profitability, protect and enhance natural resources, increase economic opportunities in farming and rural communities and expand locally owned value added processing and marketing operations.

''(B) ELIGIBLE GRANTEE.—The Secretary may make a grant under this paragraph to—

''(i) a college or university;

''(ii) a State agricultural experiment station;

''(iii) a State Cooperative Extension Service;

''(iv) a research institution or organization;

''(v) a private organization or person; or

''(vi) a Federal agency.

''(C) USE OF GRANT.—

''(i) IN GENERAL.—A grant made under this paragraph may be used by a grantee for 1 or more of the following uses:

''(I) research, ranging from discovery to principles of application;

''(II) extension and related private-sector activities; and

''(III) education.

''(ii) LIMITATION.—No grant shall be made for any project, determined by the Secretary, to be eligible for funding under research and commodity promotion programs administered by the Department.

''(D) ADMINISTRATION.—

''(i) PRIORITY.—In administering this paragraph, the Secretary shall—

''(I) establish priorities for allocating grants, based on needs and opportunities of the food and agriculture system in the United States related to the goals of the paragraph;

''(II) seek and accept proposals for grants;

''(III) determine the relevance and merit of proposals through a system of peer and stakeholder review; and

''(IV) award grants on the basis of merit, quality, and relevance to advancing the national research and extension purposes.

''(ii) COMPETITIVE AWARDING.—A grant under this paragraph shall be awarded on a competitive basis.

''(iii) TERMS.—A grant under this paragraph shall have a term that does not exceed 5 years.

''(iv) MATCHING FUNDS.—As a condition of receipts under this paragraph, the Secretary shall require the funding of the grant with equal matching funds from a non-Federal source if the grant is—

''(I) for applied research that is commodity-specific; and

''(II) not of national scope.

''(v) ADMINISTRATIVE COSTS.—

''(I) IN GENERAL.—The Secretary may use not more than 4 percent of the funds made available under this paragraph for administrative costs incurred by the Secretary in carrying out this paragraph.

''(II) LIMITATION.—Funds made available under this paragraph shall not be used—

''(aa) for the construction of a new building or the acquisition, expansion, remodeling, or alteration of an existing building (including site grading and improvement and architect fees); or

''(bb) in excess of ten percent of the annual allocation for commodity-specific projects not of the national scope.

''(d) LIMITATIONS.—No funds from the Fund for Rural America may be used for an activity specified in subsection (c) if the current level of appropriations for the activity is less than 90 percent of the 1996 fiscal year appropriations for the activity adjusted for inflation.''

SIMON AMENDMENT NO. 3431

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

At the appropriate place insert the following:

''Of funds otherwise available to the Commodity Credit Corporation, not less than $120,000,000 shall be made available for basic and applied research designed to promote soybean production.''

LEAHY AMENDMENT NO. 3432

(Ordered to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed by him to the amendment No. 3252 proposed by him to the bill (S. 1541), supra; as follows:

In section 561 at the appropriate place, insert the following paragraph.

(4) loans to intermediary lenders pursuant to the Rural Development Loan Fund (42 USC 9812 (a)).

GRAMS AMENDMENT NO. 3433

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to the bill (S. 1541), supra; as follows:

At the appropriate place add the following:

''It is the Sense of the Senate that prior to the consideration of any health care portability legislation the Congress and the President must ensure the solvency of the Medicare Trust Funds.''

BUMPERS (AND PRYOR) AMENDMENTS NOS. 3434–3437

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. PRYOR) submitted four amendments intended to be proposed by them to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3434

At the appropriate place, add the following:

''Any program authorized to be administered by the Secretary of Agriculture on January 1, 1995 shall be deemed authorized under the same terms and conditions until December 31, 1996, unless other terms and conditions are subsequently established by law.''

AMENDMENT NO. 3435

Strike all after the first word and insert the following:

''Any other provision of this Act, any program authorized to be administered by the Secretary of Agriculture on January, 1995, modified by this Act, shall be deemed authorized under the same terms and conditions as existed on January 1, 1995, until December 31, 1996, unless other terms and conditions are subsequently established by law.''

AMENDMENT NO. 3436

At the appropriate place, add the following:

''Any program authorized to be administered by the Secretary of Agriculture on January 1, 1995 shall be deemed authorized under the same terms and conditions until December 31, 1997, unless other terms and conditions are subsequently established by law.''

AMENDMENT NO. 3437

Strike all after the first word and insert the following.

''Any other provision of this Act, any program authorized to be administered by the Secretary of Agriculture on January 1, 1995, modified by this Act, shall be deemed authorized under the same terms and conditions as existed on January 1, 1995, until December 31, 1997, unless other terms and conditions are subsequently established by law.''

MCCONNELL AMENDMENT NO. 3438

(Ordered to lie on the table.)

Mr. MCCONNELL submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra, as follows:

At the appropriate place, insert the following:

SEC. . FLUID MILK PROMOTION PROGRAM EXTENSION.

Section 19990(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6614(a)) is amended by striking ''1996'' and inserting ''2002''

GRAMS AMENDMENT NO. 3439

(Ordered to lie on the table.)

Mr. GRAMS submitted an amendment intended to be proposed by him to the amendment No. 3184 proposed by Mr. LEAHY to the bill (S. 1541), supra; as follows:

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7.

CONRAD AMENDMENT NO. 3440–3441

(Ordered to lie on the table.)

Mr. CONRAD submitted two amendments intended to be proposed by him to amendment No. 3252 submitted by Mr. LUGAR to amendment No. 3184 proposed by Mr. LEAHY to the bill S. 1541, supra; as follows:

AMENDMENT NO. 3440

On page 4–45, strike lines 9 through 13 and insert the following:

''The Secretary may not reschedule or reamortize a loan for a borrower under this title who has not requested consideration under section 331D(e) unless the borrower—

''(1) after paying all family living and operating expenses, excluding interest, can pay a portion, as determined by the Secretary, of the interest due on the loan; and

''(2) has disposed of all normal income security.

AMENDMENT NO. 3441

On page 4–29, strike lines 21 and 22 and insert the following:

(i) by striking ''exceed 15 percent'' and all that follows through ''Code'' and inserting the following: ''exceed—

''(i) 25 percent of the median acreage of the farms or ranches, as the case may be, in the county in which the farm or ranch operations of the applicant are located, as reported in the most recent census of agriculture taken under section 142 of title 13, United States Code.

KOHL (AND OTHERS) AMENDMENT NO. 3442.

Mr. WELLSTONE (for Mr. KOHL for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. PRESSLER, Mr. LAUTENBERG. Mr. GRAMS, Mr. HATCH) proposed an amendment to amendment No. 3184 proposed by Mr. LEAHY to the bill s. 1541, supra; as follows:

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7.

NOTICES OF HEARINGS

SUBCOMMITTEE ON FOREST AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a field hearing in Hot Springs, AR, before the Subcommittee on Forests and Public Land Management on S. 1025, exchange of lands, mineral, oil and gas interests.

The hearing will be held on Thursday, February 15, 1996, beginning at 2:30 p.m. in the Arlington Resort Hotel, 239 Central Avenue, Hot Springs, AR 71902. Testimony will be received on the land exchange of certain federally owned lands and minerals interest, with private lands owned by the Weyerhauser Co.

Because of the limited time available, witnesses may testify by invitation only. Witnesses testifying at the hearing are requested to bring 10 copies of their testimony with them on the day of the hearing. In addition, please send or fax a copy in advance to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. Fax 202–228–0539.

For further information, please contact Mark Rey of the committee staff at 202–224–6170.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. STEVENS. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs, will hold hearings regarding the Asset Forfeiture Program—an investigation of the Bicycle Club Casino.

This hearing will take place on Tuesday, February 27, 1996, in room 342 of the Dirksen Senate Office Building. For further information, please contact Harold Damelin of the subcommittee staff at 224–3721.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON IMMIGRATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Immigration, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Tuesday, February 6, 1966, at 10 a.m., to hold a hearing on the the use of SSI and other welfare programs by Immigration.

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

SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Oversight and Investigations of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, February 6, 1996, for purposes of conducting a Subcommittee hearing which is scheduled to begin at 2 p.m. The purpose of this oversight hearing is to receive testimony to review trends in Federal land ownership by the Department of the Interior and the U.S. Forest Service.

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

ADDITIONAL STATEMENTS

LEGISLATION TO BAN U.N. TAX PROPOSAL

● Mr. BURNS. Mr. President, I wish to state my support for Senate bill 1519, the Prohibition of United Nations Taxation Act of 1996. This bill was introduced by Senator DOLE, and referred to the Senate Foreign Relations Committee.

This legislation bars the United States from making any voluntary or assessed payments to the United Nations if Secretary-General Boutros Boutros-Ghali imposes any tax or fee on United States citizens or continues to consider any such proposal.

I find it outrageous that the United Nations could actually believe it has the sovereignty to raise and collect taxes on the people of this world to increase its coffers. The idea of a tax on any international action, whether it be a plane ticket, a letter mailed, or a currency exchange, is simply beyond my belief.

This revenue would then be used by unelected, world bureaucrats to do what they want under the umbrella of the United Nations. This organization has repeatedly attempted to increase its power even as the U.S. Congress tries to limit its scope and authority.

There are many questions about the U.N.'s responsibilities and its ever-growing role in international relations ranging from peacekeeping missions to international conferences on everything from children's rights to the environment.

Recently, in my home State of Montana, a U.N. delegation visited Yellowstone National Park in order to promote a buffer zone that would prohibit mineral development in the area. It is bad enough that we have allowed the United Nations to set our international role, but now we are allowing it to come into our country and set national policy. I ask that the February 1, 1996 Washington Times article entitled ''U.N. 'intrusion' stirs anger at Yellowstone,'' be printed in the RECORD.

There are many cases that exemplify the degree to which to the United Nations is full of waste and uncontrolled spending. I cosponsored an amendment to the 1995 fiscal year State Department authorization bill that would establish the position of inspector general within the United Nations to seriously address the rampant corruption and inefficiency throughout the U.N. system and make it more accountable.

While it is true that the United States owes in excess of $1 billion in membership contributions, it is also true that we provide a quarter to a third of the U.N.'s budget. Compare that to other countries who are still assessed membership dues at the same rate as they were when they were developing countries in the sixties.

The last thing the United Nations should be given is the ability to raise revenue in order to increase its powers.

I am disgusted with the U.N.'s arrogance in believing it can increase its budget by taxing our citizens. This proposal should not be permitted to go any further.

S. 1519 concludes that the United Nations has no legal authority to tax American citizens. It prohibits U.S. payments to the United Nations if it attempts to impose any of the taxation schemes. And finally, the bill cuts off funds for any U.N. organization which develop or advocate taxation schemes.

Once again, I support this bill to bar U.S. contributions to the United Nations if that organization continues to consider its scheme for taxation without representation.

The article follows:

[From the Washington Times, Feb. 1, 1996]

U.N. 'INTRUSION' STIRS ANGER AT YELLOWSTONE—ENVIRONMENTAL ALARM SEEN AS MEDDLING

(By Valerie Richardson)

DENVER.—A United Nations delegation to Yellowstone National Park has spurred outrage among Westerners who accuse the international body of meddling in domestic policy.

After a three-day evaluation by international experts, the World Heritage Committee, a bureau of the United Nations Environmental, scientific and Cultural Organization, declared Yellowstone a World Heritage site ''in danger.''

Chief among the delegation's concerns was the proposed reopening of the New World Mine, a gold mine located near Yellowstone in Montana. But debate about the mine has been all but overshadowed by the uproar over the delegation itself.

In areas of the West where the states'-rights movement is flourishing and distrust of centralized government is at an all-time high, the arrival of a U.N. committee has been viewed as nothing less than an attempt to subvert U.S. sovereignty.

''Will the New World Order sabotage the New World Mine?'' the Montana Standard newspaper in Butte asked in an Aug. 27 editorial. ''Clinton administration officials appear to be scheming to bring that about.''

Sen. Alan K. Simpson, Wyoming Republican, called the international delegation's role ''a terrible intrusion.'' He and other Western lawmakers have blasted Interior Assistant Secretary George Frampton for inviting the committee to Yellowstone and urging the panel to lend its voice to those fighting the New World Mine.

Mr. Frampton issued the invitation at the request of ''concerned citizens,'' said park spokeswoman Cheryl Matthews. Those citizens include a coalition of 14 environmental groups working to halt the mine, including the Greater Yellowstone Coalition, the Sierra Club and the World Wildlife Fund.

''When we made the request a year ago, we didn't anticipate the black-helicopter arguments,'' said Bob Ekey, spokesman for the Greater Yellowstone Coalition in Bozeman, Mont. ''Frankly, some of our critics have been putting out misinformation—that the U.N. is going to come out, claim the area and run the park.''

Other Western leaders have accused Mr. Frampton of badly overstepping his authority by trying to kill the proposed mine before the review process is complete. The U.S. Forest Service and Montana Department of Environmental Quality are now preparing an environmental-impact statement on the project.

''It is astonishing that a group of extreme environmentalists can invite a few folks from the United Nations to circumvent laws that Americans and Montanans have worked hard for and lent their voices to,'' said Sen. Conrad Burns, Montana Republican.

''We have an exhaustive procedure in the books in Montana to decide where mines can and cannot be cited. Why should we allow the U.N. to pick and choose when these laws and rules will be allowed to work?''

Rep. Barbara Cubin, Wyoming Republican, noted that Mr. Frampton is ultimately responsible for a ''fair'' review of the project, ''yet he is the very person who requested the United Nations interference within the borders of the United States.''

''Does he want foreigners to determine our environmental requirements?'' she asked. ''Doesn't he know that the United States has the strictest environmental regulations on the planet?''

Marvin Jensen, Yellowstone National Park assistant superintendent, stressed that the international delegation has ''no legal authority'' to set domestic policy. ''The only thing the World Heritage Committee can do is list and de-list,'' he said.

''To be listed as 'in danger' raises questions about the site's continued listing,'' he explained. ''To be de-listed would be embarrassing to any country.''

But some critics worry that the committee may have more power than forest officials acknowledge. By signing the World Heritage Treaty in 1972 and requesting Yellowstone's designation as a World Heritage site in 1978, the United States pledged to manage the park according to treaty requirements, says the committee.

The most controversial of those requirements is the establishment of a buffer zone around each World Heritage site. When Yellowstone was listed, officials agreed that the seven national forests surrounding the park would serve as an adequate protection. None of the other 17 listed U.S. sites has a formal buffer zone.

Past proposals for a buffer zone called for establishing an 18.2-million-acre perimeter around the park in which many economic and recreational activities would be restricted, including ranching, logging, snowmobiling, even auto traffic. Most locals staunchly oppose such a zone.

During the delegation's three-day tour in September, however, committee President Adul Wichiencharoen of Thailand fed local fears when he suggested expanding the buffer zone around the 2.3-million-acre park. That recommendation was ultimately dropped from the final report.

Those remarks notwithstanding, park officials still insist the committee's role is strictly advisory, and, barring another invitation from the Interior Department, over and done with.

Mr. Jensen admitted it's been difficult to convince some local residents of that. ''One local fellow—a gardener—asked me, 'So when's the U.N. coming to take over Yellowstone?'' said Mr. Jensen. ''I talked to him and talked to him and I could not convince him that that wasn't going to happen.''●

CHECHNYA

● Mr. LEAHY. Mr. President, the bloody events that took place in the regions of Chechnya and Dagestan in recent months have alarmed us all. Terrorist acts by Chechen separatist rebels were answered with brutal shelling of rebel, hostage, and civilian positions by Russian troops. Although it is unclear how many people were killed during the fighting, Russian President Boris Yeltsin estimates that 153 Chechen separatists, 42 hostages, and 26 Russian soldiers died during the 10-day crisis.

In October 1991, Dzhokhar Dudayev, a Moslem Chechen leader, was elected president of Chechnya and soon declared independence from Russia. This decision was met with immediate resistance from Moscow and President Yeltsin declared a state of emergency in the region. Over the past several years, Russian military forces clashed repeatedly with Chechen nationalist forces loyal to Dudayev. After considerable bloodshed on both sides, a unilateral cease-fire was declared in April 1995. Unfortunately, it did not last and fighting soon resumed.

On January 6, 1996, the fighting in Chechnya again reached the world stage. Chechen separatists attacked a Russian airfield in Chechnya and destroyed two helicopter gunships. The rebels, under the command of Salam Raduyev, the son-in-law of Dudayev, withdrew from the airfield and proceeded to take more than 2,000 innocent men, women, and children hostage in a hospital in the town of Kizlyar in the neighboring region of Dagestan.

After negotiating with the Russians, Raduyev released the majority of the hostages in return for safe passage to Chechnya. The rebels and 120 hostages boarded buses bound for Chechnya, but the convoy was stopped a short distance from Chechnya by Russian forces near the town of Pervomayskoye. Negotiations to end the stalemate failed, and the rebels dug in for a siege. Rather than continue to work toward a peaceful solution to the crisis, the Russian military opened fire on the rebel positions in the town with tanks, howitzers, rockets, and small arms fire. Pervomayskoye is now totally destroyed.

I do not condone the terrorist acts employed by the Chechen rebels and abhor their use of civilians as shields. Terrorism is never a legitimate negotiating ploy, and I hope that those who are responsible for these acts are brought to justice.

I am, however, outraged about the use of excessive force by the Russian military against the rebels and the remaining hostages as well as the restrictions imposed on humanitarian groups who attempted to assist the wounded in Pervomayskoye. Humanitarian groups such as Doctors Without Boarders and the International Red Cross were not allowed to enter the town to aid injured civilians. At the same time, Russian soldiers were helicoptered out of the area to the nearest field hospitals.

The exact number of casualties remains in doubt because members of the Western press were not allowed near Pervomayskoye and the casualty reports from both sides are not reliable. The New York Times reported as late as January 21 that Russian soldiers confiscated film from Western photographers that were attempting to photograph the smoldering ruins of the town.

In response to the Russian shelling of Pervomayskoye, Turkish nationalists sympathetic to the Chechen cause highjacked a Russia-bound ferry in the Black Sea. The highjackers threatened to kill the more than 200 passengers and blow up the ferry in the Straits of Bosporus if the Chechens were not allowed to go free. After 3 days at sea, Turkish negotiators convinced the highjackers that they had gained the world's attention and nothing would be achieved by carrying out their threats. The highjackers then released their hostages and surrendered to Turkish authorities.

I applaud the Turkish Government for patiently working to find a peaceful solution to this crisis.

The United States Government is committed to promoting democracy in the New Independent States of the former Soviet Union and is investing millions of taxpayer dollars to help the NIS on the path toward democracy. I strongly support this goal. But, the Russian military campaign against the Chechens, especially during the past month, demonstrates to the world that Russia's transition to democracy and human rights remains fragile and unpredictable, and that Russian nationalism is on the rise.

The war in Chechnya is far from over and a solution is not likely to be found in the near future unless both sides are willing to abide by a cease-fire and negotiate in good faith. President Yeltsin should not view the defeat of Raduyev's small force as a victory. All sides lost.●

TRIBUTE TO JERI MELLON

● Mr. BRYAN. Mr. President, I rise today to pay tribute to Geraldine M. ''Jeri'' Mellon, who passed away on January 7, 1996 in Henderson, NV.

Jeri's courage and determination helped to convict Charles Keating, the former owner of Lincoln Savings and Loan, who was responsible for the Nation's worst savings and loan swindle in history. The innocent victims of the savings and loan collapse were mostly elderly bondholders who lost their life savings.

Jeri testified about the fraud before Los Angeles County Court in 1991, where she represented 23,000 bondholders. She moved the courtroom to applause with her emotional speech about the swindle. In 1993, Jeri also testified against Keating in Federal court, helping to secure his conviction.

Jeri's efforts to assist the victims of the S&L scandal went far beyond testifying in court. She helped organize and lead Lincoln-American Continental Corp. Bondholders Action Committee, a support group for the victims. Through the group, a lawsuit was filed against Keating and others that resulted in the bondholders' recovery of approximately 60 percent of the money they had lost.

I had the opportunity to meet this dedicated woman when she came to Washington, DC to testify before Congress. Jeri recently helped me lead the fight against a bill in the Senate that would undermine investors' rights in cases of fraudulent investment schemes. Unfortunately, the legislation passed.

Before her retirement, Jeri was a registered nurse and also served in hospital administration. She was extremely active in her field and was a member of many health organizations. I am certain she was as successful and dedicated to her career as she was to her later endeavors.

Jeri will be remembered and missed by her many family and friends who loved her. She will also never be forgotten by the thousands of individuals she stood up for in a most difficult time. I am pleased to recognize Jeri Mellon for her life of service.●

TRIBUTE TO WAYNE A. SIMMONS

● Mr. INOUYE. Mr. President, I rise today to offer a tribute to a real American hero and a dedicated public servant who recently passed away.

Gunner's mate first class Wayne A. Simmons, U.S. Navy retired, died on December 14 at the age of 72 at a hospital in Birmingham, AL, where he was undergoing treatment for a vascular ailment.

Mr. Simmons, who lived in College Park, MD, was born in Minnesota and moved to the Washington, DC area as a child. In 1940, he dropped out of McKinley High School in DC to enlist in the Canadian Army to serve in World War II. When it was discovered that he was underage, he was sent home. On his 17th birthday, with the permission of his parents, Wayne Simmons enlisted in the U.S. Navy.

Mr. Simmons was stationed at Pearl Harbor when the Japanese force attacked the base and ushered the United States into World War II. He served in the Pacific during the war, including service aboard the light cruiser, *Reno,* and was recognized for his efforts in saving the ship from sinking after an enemy torpedo attack. Following the war, Mr. Simmons served on several more ships and stations until he was medically retired from active duty as a gunner's mate first class in 1953.

Following his Naval career, Mr. Simmons settled back in the Washington, DC area, and earned both a bachelor of science and master's degree in accounting from Benjamin Franklin University while working for Gateway Finance in Mount Rainier. He joined the Department of Agriculture in 1968, where he was a food program specialist until his retirement in 1982.

Mr. Simmons attended Berwyn Baptist Church in College Park, MD, for 40 years and served as a deacon in his church. He was a member of the American Legion Post No. 33 in Washington, DC and the Birmingham Masonic Lodge in Beltsville, MD.

Mr. Simmons's family includes his lovely wife of 46 years, Patricia W. Simmons of College Park, MD; two daughters, Patricia S. Bradshaw of Silver Spring, MD, and Peggy E. Wagner of Crownsville, MD; two sons, Wayne S. and Michael L. Simmons, both of Bowie, MD; and eight grandchildren.

Mr. President, Wayne Simmons's life was one of service and devotion—exemplary service to the U.S. Navy and this great Nation of ours and unwavering devotion and love for his wife, his family, and his church. He will be sorely missed by all who knew and loved him.●

SMILE WHEN YOU COMPARE US

● Mr. HELMS. Mr. President, I suggest all Senators will be greatly interested in an article by Robert H. Pines, ''Smile when you compare our countries,'' which appeared in the Toronto Globe and Mail several weeks ago.

While the United States and Canada share many common interests, including the longest undefended border in the world, they also differ in many ways. Bob Pines, who served with distinction as Deputy Assistant Secretary of State for Canadian Affairs in the Bush administration, eloquently identifies some of the differences between the United States and our neighbor to the North.

Mr. President, I ask that the text of this article be printed in the RECORD.

[From the Toronto Globe and Mail, Nov. 30, 1995]

SMILE WHEN YOU COMPARE OUR COUNTRIES

(By Robert H. Pines)

Perhaps the holiday season is a good time to dissect a cliché.

Earlier this month I attended my fourth biennial conference of the Association for Canadian Studies in the United States (ACSUS). About 40 percent of those in attendance were Canadians. Almost all the rest were Americans who make their living teaching about Canada. There were a few others like myself who have had a long love affair with your country in non-academic pursuits.

The Canadian contingent frequently launched into the familiar self-congratulatory litany of differences between the two countries. Heads wagged in reflexive agreement at mention of superior Canadian civility (undoubtedly true), the famed United Nations report about Canada being the world's best place to live (conceivably true if real meaning can be assigned to sociological statistics), and on and on through invidious comparisons of descending degrees of validity. Raymond Chrétien, Canada's ambassador to the U.S., orated that ''we have a low crime rate and you have a high crime rate.''

As noted, the American contingent numbered few of the Pat Buchanan stripe. One intrepid soul at a symposium was rewarded with icy stares when he diffidently mumbled something about southward emigration dwarfing that from the U.S. to Canada.

Another politically incorrect type daringly asked a question approximately along these lines: If your country is so great and ours so awful, how come you are on the verge of breaking up and we are not? (Actually, being an academic, he put it more politely.)

Therein lies the point of this essay. I submit to Canadian readers that the American political system (not necessarily American people or American society) holds one enormous advantage over that of Canada; that of decisiveness.

There is no ''notwithstanding clause'' in the U.S. Constitution. When the U.S. Supreme Court renders one of its frequent 5–4 decisions, the minority has been known to grumble; however, stare decisis, the decision stands, and by and large the country just goes on to the next problem.

Several Canadian speakers patted themselves on the back in reference to the sanguinary American Civil War. To be sure, more than 400,000 people died before their time, and the result nowhere nearly approximated the end of history.

However the Civil War was as decisive as history gets: The abomination of human slavery ended. When I visit my grandchildren in Florida I do not go to a foreign country.

Well-intentioned monstrosities such as the Charlottetown accord are virtually unknown south of the border. One of my Manitoba political friends characterized it as ''everybody shouting 'gimmie gimmie'' until nothing was left for the country.

The ability to respond to special-interest groups with a brusque no is not in the long run destructive of a country's civility and livability. When grievances are genuine, experience shows that the best compromise derives not from liberal guilt but from self-respect, with a fair offer of ''thus far and no further.''

A 19th-century American humorist told the story of the fellow who was so kind he amputated his dog's tail by inches. A cruel inability to solve problems is the obverse of mindless kind intent.

The usual disclaimer: This somewhat harsh analysis does not presume to offer advice to sovereign Canadians. The only point is that perhaps there is something to be said for the United States.●

TRIBUTE TO JOANNA CREECH

● Mr. MCCONNELL. Mr. President, I rise today to pay tribute to a dear friend whose service to Kentucky has been truly amazing. Joanna Creech, who was hired during my tenure as Jefferson County judge/executive 18 years ago, retired December 31 as a transcriber for Jefferson Fiscal Court.

Joanna's service to the fiscal court has been extraordinary. Although Joanna has been blind since the age of 15, she recorded nearly 500 sessions of court as her companion dog Fitz rested faithfully by her side.

Born in Leslie County, Joanna was educated at the Kentucky School for the Blind, where she met her first husband. Married twice and widowed twice, Joanna has three wonderful children. For years, she operated a musical instrument store in Louisville with her first husband, Robert Johnson. After he passed away in 1977, Joanna was hired at the Jefferson Fiscal Court under a Federal job program.

Known as a diligent and friendly perfectionist, Joanna has lamented in recent years that fiscal court meetings have grown ''mundane.'' In a recent article in the Louisville Courier-Journal, she said, ''It was so much more fun where they were at each other's throats.''

In that article, the fiscal court clerk, Mary Bolton, said of Joanna, ''She sees more with her ears than most people see with their eyes. Her perceptions are always on target.''

After retirement, Joanna plans to spend more time with her family and volunteer as an instructor to the blind. An accomplished cook, she also plans to teach homemaking as well as Braille skills to blind students.

Mr. President, I would ask my colleagues to join me in paying tribute to an outstanding Kentuckian and dear friend, Joanna Creech. I wish her well in all her future endeavors. ●

ROGER ARPAN

● Mr. BURNS. Mr. President, it is not often these days that we hear good news. It is not often that we hear about people who some consider heroes. And when we do hear about heroes, they are usually sports figures who make millions or actors who have access to media attention.

But I recently heard about a Montanan that is neither an athlete, an actor, or any national figure. He has not saved lives or discovered a new drug. In fact, I would venture to bet that most people inside this beltway have never heard of him. And yet, he is a hero just the same.

His name is Roger Arpan, he is 39 years old and he lives in Alzada, MT. And recently he made such an impact on the life of a man in Alaska, that I received a letter commending him.

I would like to read a portion of this letter, because it spells out so clearly why Roger is worthy of our attention:

I met Roger by accident when my nephew and I were in the area in mid-October for an antelope hunt. We were on Highway 212 just north of Alzada when we spotted a nice herd of animals well off the road in a very large pasture. We knew it was private property and went to find the owner to ask permission to hunt.

After a bit of searching, we found a road that led to the ranch house. A man promptly came out of the house; his arms flaying in the air, his head was bobbing around and he was walking with an irregular gait. Soon he addressed us in a halting fashion. We asked if we could get permission to hunt, and he said, ''Yes, but watch out for livestock, and if you are not successful, come back and I'll help you get some.'' He also said he would be working in a distant back field collecting rolls of hay and stacking them in the field.

We returned to the pasture and after laying some careful stalking strategy, we collected a fine buck antelope with 15½ inch horns. As a matter of courtesy, we returned to the ranch house to let the owners know of our success. This time Roger was out in the big hay field, but he drove across to meet us at the gate. There he was operating a large farm truck and trailer hauling hay and driving a tractor with a stacker, putting up the hay for winter feed all by himself. His body motions may have seemed erratic to me, but Roger was in complete control of himself and the equipment. I have farmed nearly all my life and understand the requirement for dexterity and alertness when operating heavy farm machinery. I could not restrain myself and had to express my admiration for Roger for his courage and determination in carrying out these farming activities despite obvious and severe physical limitations.

It was then that I learned that Roger Arpan was born with cerebral palsy and has suffered the ravages of this disease all his life. His parents determined early on that if Roger was to have any kind of life, he had to learn to take care of himself.

Roger suffers every day, now somewhat less than in past years due to a new treatment, but the disease is chronic and will be with him all his life unless a cure is discovered. He carries on with courage and determination, motivated by the love and support of his family. He is disabled in his physical body but his mind is alert and he is out there working and making a contribution to his family and to society. Many people suffering disabilities far less acute than Roger's fall into despair and become burdens on society, but not this man.

Mr. President, I join with Wilson Gay, this man from Alaska, in saluting Roger Arpan. Though I would like to believe Roger is a typical Montanan, I know that he stands out. His strength, his courage, his determination, his strong character, and yes, even his success, make Roger a hero. Keep up the good work, Roger. I tip my hat to you.

INTRALATA TOLL DIALING PARITY

● Mr. BREAUX. Mr. President, when the Senate debated S. 652, Senator LEAHY from Vermont and I proposed an important provision concerning the obligation of the Bell Operating Companies to provide dialing parity for intraLATA toll calls. That provision, which was accepted by the Senate, balanced the needs of competitors to have access to 1+dialing capabilities for intraLATA toll calls and the Bell Companies' need to have the opportunity to compete fairly for all long distance traffic.

As Senator LEAHY has already indicated, the conferees adopted that requirement. The Bell Operating Companies' obligations for providing dialing parity for intraLATA toll calls are contained in section 271(e)(2). It is important to recognize that the provisions in section 251(c)(3) do not impose any additional obligation to provide intraLATA toll dialing parity on the Bell Operating Companies. Section 251(c)(3) applies to BOCs only after they have been authorized to provide interLATA authority in a State.●

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. DOLE. Madam President, as I understand it, there will be an amendment offered tonight by the Senators from Minnesota, Senator WELLSTONE and Senator Grams, with reference to the dairy compact provision—that will be the first amendment debated tomorrow—and then at approximately, what, 11 o'clock we have a series of votes to see where we are in the process.

Mr. DASCHLE. Was it the leader's intention to come in at 7:30 in the morning?

Mr. DOLE. Yes, 7:30 in the morning. We are looking for a presider.

Mr. DASCHLE. Just stay here a couple hours.

Mr. DOLE. We think maybe those we accommodate later in the day might be available in the morning.

Mr. DASCHLE. That is a good idea.

Mr. LEAHY. I do have an interest in the amendment being laid down. There will be no debate on that tonight?

Mr. DOLE. Right.

Mr. DASCHLE. Madam President, does the Senator object to Senator WELLSTONE discussing the amendment? It does not have to be——

Mr. LEAHY. I understand.

Madam President, I told the distinguished leader that my only concern is that this is an area where the distinguished Senator from Vermont, Mr. JEFFORDS, and I both want to speak in opposition. Because we are currently both in negotiations on something else, we would not be required to make any statement on it tonight, but we would have our time tomorrow. That is all.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Madam President, if the Senator would yield, to facilitate moving this along, I intend only to send this amendment to the desk.

Mr. DASCHLE. Madam President, if the Senator would just yield for a moment, let me just say with regard to this agreement, while the agreement calls for 15 amendments, that does not preclude Senators from working out amendments that may be accepted by the managers.

I hope that Senator LUGAR, in his normal fashion, who is very accommodating and able to work with both sides of the aisle very well, can do that on a number of these issues. It was with that understanding that we have this agreement. There could be a number of these issues that will not require a debate or a vote.

I hope throughout the day we could do that. But it is very important for Senators, at least on this side of the aisle, to come down to the floor in the early hours tomorrow morning so we can decide which ones can be accepted and which ones are going to need to be scheduled for votes. So there is no excuse if people have not come down by midmorning.

I hope that everybody can be here. We will be here, ready to go. I hope that everyone understands we are working under some constraints here, so the sooner they get here the better. And the more we can accommodate our managers in coming up with ways with which to offer these amendments that will allow them to accept them, we ought to do so.

Mr. DOLE. Madam President, if I could just add to that, in other words, we need another amendment ready at 8 o'clock. We need one at 8:30, and we need one at 9. They may not take 30 minutes. We need people available because we are trying to accommodate some of our colleagues in the afternoon.

So we will need to be accommodating to the managers, Senator LUGAR and Senator LEAHY, throughout the morning. So, hopefully, the staff, before we leave tonight, will have at least two or three lined up so there will not be any problem.

ORDERS FOR WEDNESDAY, FEBRUARY 7, 1996

Mr. DOLE. Madam President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 7:30 a.m., Wednesday, February 7; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate then immediately resume consideration of S. 1541, the farm bill.

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

PROGRAM

Mr. DOLE. Madam President, for the information of all Senators, the Senate will resume consideration of the farm bill tomorrow morning. Under the previous unanimous consent agreement, amendments will be offered throughout the day on Wednesday. Therefore, all Members can expect rollcall votes throughout tomorrow's session in order to complete action on the farm bill by 4:45 p.m.

I would be happy to yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

AGRICULTURAL MARKET TRANSITION ACT OF 1996

The Senate continued with the consideration of the bill.

AMENDMENT NO. 3442 TO AMENDMENT NO. 3184

(Purpose: To eliminate the provision granting consent to the Northeast Interstate Dairy Compact)

Mr. WELLSTONE. Madam President, I send an amendment to the desk on behalf of Senator KOHL, Senator FEINGOLD, myself, Senator PRESSLER, Senator LAUTENBERG, Senator GRAMS, and Senator HATCH.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] for Mr. KOHL, for himself, Mr. FEINGOLD, Mr. WELLSTONE, Mr. PRESSLER, Mr. LAUTENBERG, Mr. GRAMS, and Mr. HATCH, proposes an amendment numbered 3442 to amendment No. 3184.

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

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

The amendment is as follows:

Beginning on page 1–73, strike line 12 and all that follows through page 1–75, line 7.

Mr. DOLE. Madam President, is the Senator from Minnesota going to ask for the yeas and nays now?

Mr. WELLSTONE. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

ADJOURNMENT UNTIL 7:30 A.M. TOMORROW

Mr. DOLE. Madam President, if there be no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 10:29 p.m., adjourned until Wednesday, February 7, 1996, at 7:30 a.m.

NOMINATIONS

Executive nominations received by the Senate February 6, 1996:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

TERRY EVANS, OF KANSAS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE ARTS FOR A TERM EXPIRING SEPTEMBER 3, 2000, VICE WENDY W. LUERS, TERM EXPIRED.

DEPARTMENT OF DEFENSE

FRANKLIN D. KRAMER, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE JOSEPH NYE.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

DANIEL GUTTMAN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION FOR A TERM EXPIRING APRIL 27, 2001, VICE EDWIN G. FOULKE, JR., TERM EXPIRED.