additional $100 million in Federal support will be financed through the sale or swap of other federally held land in Florida.

The farm bill provides a fund for rural America. And $300 million is provided for the fund in the years 1997 through 1999. This was a request of the President of the United States, and the Secretary of Agriculture placed a high priority on this fund. The Secretary is required to spend at least one-third of the amount on research and one-third of the amount on rural development. The other one-third of the money can be allocated to either purpose at the discretion of the Secretary. All of the funding must be spent through existing research and rural development programs.

The Agricultural Quarantine and Inspection provision appears in the conference report, which amends the Food, Agriculture, Conservation and Trade Act of 1990 to allow the Secretary to collect and spend fees collected over $100 million to cover the cost for providing quarantine and inspection services for imports.

The Safe Meat and Poultry Inspection Panel is created in this farm bill. The Panel of scientists within the Food Safety and Inspection Service will be charged with the responsibility of reviewing all inspection policies from a scientific perspective. The Panel's report and the Secretary's responses must be published in the Federal Register. State-inspected meat was discussed in our conference report. Within 90 days of enactment, the Secretary shall report and recommend to the Congress the steps necessary to achieve interstate shipment of State-inspected meat products.

Title VI of the conference report deals with USDA Farm Lending Program reforms. The conference report redirects farm lending programs to their original intent. Authority to make loans for a variety of nonagricultural purposes such as recreation facilities and small business enterprises is repealed. The Secretary is given authority to use collection agencies to recover delinquent loans. The agreement prohibits additional loans to delinquent borrowers and streamlines procedures for disposal of inventory property. A portion of loan funding is reserved for new and beginning farmers.

I point out, Mr. President, that that set of provisions comes after extensive hearings by the Agriculture Committee in which we found that borrowers sometimes are already delinquent and the Department was obligated, under previous law, to lend money to them in any event. Some of these obvious, glaring deficiencies have been corrected. I commend both committees and the conference for that provision.

Title VII deals with rural development. The Rural Community Advancement Program is authorized, and the Secretary may provide grants and direct and guaranteed loans and other assistance to meet rural development needs across the country. Funding under the Rural Community Advanced Program will be allocated to three areas: First of all, rural community facilities; second, rural utilities; and, third, a rural business and cooperative development. The new program provides greater flexibility, State and local decisionmaking, and a simplified uniform application process.

The Water and Waste Water Systems. Authorization for these systems is increased from $500 million to $590 million.

In telemedicine and distance learning programs, the conference agreement reauthorizes and streamlines these programs. Under the programs, the Secretary can make grants and loans to assist rural communities with construction of facilities and services, to provide distance learning and telemedicine service. Funding is authorized at $100 million annually.

Title VIII is the research title. The conference agreement reauthorizes Federal agricultural research, extension, and education programs for 2 years. This will allow Congress to continue ongoing review of these programs and determine how best to use the $1.7 billion in annual agricultural research, extension, and education spending. Additional research dollars are made available under this bill through the fund for rural America that I discussed earlier and which President Clinton and Secretary Glickman have championed.

Title IX, promotion, the generic commodity promotion program. The Secretary is directed to establish such a program. Under this program, interested industries could petition the Department of Agriculture for the establishment of a promotion program. Currently, each commodity must receive specific authorization from Congress to have a promotion program. Recognizing the generic program will not be operational for some time, the conference agreement authorizes new promotion programs for popcorn, canola, and kiwi fruit.

The full conference report was printed, I point out, Mr. President, in the CONGRESSIONAL RECORD of Monday, March 25, 1996, so that Senators have had an opportunity to review this conference report. The report came after discussion of as many as 500 differences between the House and the Senate bills. During an extensive and constructive conference of the two bodies last Wednesday and last Thursday, all issues were resolved. It is in that spirit that this conference report came to the Senate last evening and for further debate today.

Mr. President, let me simply review the fact that the time limit covering this report is 6 hours. Three of those hours are controlled by the distinguished Democratic leader, Senator DASCHLE, an hour by the ranking Democratic member of the Agriculture Committee, and 2 hours by myself. Approximately an hour and a quarter of debate occurred last evening. The remainder of the debate lies ahead of us. Hopefully, Senators who are controlling that time would be prepared to yield back that time to expedite the work of the Senate.

PRIVILEGE OF THE FLOOR

Mr. LUGAR. Mr. President, I ask unanimous consent that Patrick Sweeney, an employee of the General Accounting Office who has been detailed to the Agriculture Committee, be granted privilege of the floor during the pendency of consideration of the farm bill conference report.

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

Mr. LUGAR. Noting no other Senators prepared to debate the issue, I suggest the absence of a quorum, with the time to be equally charged against the time allocated to the three Senators controlling time in this bill.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

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

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

Mr. LEAHY. Mr. President, I ask to take time that has been allotted to me under the unanimous consent agreement.

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

Mr. LEAHY. Mr. President, we spent a lot of months of very, very hard work to craft this farm bill. Today, we are completing the final legislative step in the farm bill process. I am glad that Secretary Glickman has said that he will recommend that the bill be signed.

The Secretary is one of the most knowledgeable Secretaries of Agriculture with which I have ever worked. He has been a Member of the Congress. He has worked on many farm bills. He knows, as I do, that nobody ever gets everything they want in a farm bill. You have to bring in a number of competing interests and ultimately make a judgment of whether the bill should be signed or not. I believe it should be signed. I concur with his judgment.

I am also pleased that the President said he would sign the farm bill. In my discussions with the White House and with the Secretary, I have told them this is a good bipartisan bill that proves we can work together.

We were in a situation, Mr. President, where we were not going to be able to pass a Democratic or a Republican farm bill. However, if we worked as we have in the past in a bipartisan fashion, we could pass a very good farm bill.

There are many who had a hand in this legislation. First and foremost of those is the chairman of the Senate Agriculture, Nutrition and Forestry Committee, the senior Senator from Indiana, Senator LUGAR.

Had it not been for his energy, foresight and perseverance, we would not be on the floor today with a completed conference report. The Agriculture Committee is made up of members with very diverse and, I might say, occasionally conflicting interests. For those who know the Agriculture Committee as Senator LUGAR and I do, that is probably considered an understatement. The Senate has some committees that divide along ideological lines and one can almost predict how a vote might go.

That is not the case in the Senate Agriculture Committee. Conservatives join with liberals on various issues; conservatives break with conservatives; liberals break with liberals; moderates oftentimes have a balance of power; regions have interests that conflict with other regions. This is not a case of ideological balances. This is a case of trying to balance the different needs of different parts of our great and wonderful Nation.

Throughout the year, Chairman LUGAR worked closely with members to craft a bill that provides us with the basic road map for agriculture policy. I appreciate both his leadership and his friendship. The bill recognizes that farm policy has changed. It cannot be just about the production side of agriculture. It is about the consumption side of agriculture, too.

The bill provides important protection to consumers in key environmental conservation issues. The focus is on providing incentives to get farmers to voluntarily do the right thing for the environment, their communities, and their neighbors.

It is a major step away from the old focus of mandatory, detailed regulations. The conservation provisions break with the past. They will provide cash payments to farmers for improvements that make sense for their farms. The bill will help farmers do those things that farmers know should be done. The bill contains the Environmental Quality Incentives Program, EQUIP, to assist farmers in solving critical water quality problems, for those farmers who want to protect lakes, rivers, and the ground water important to both them and their neighbors. This means that farmers will get funds to protect the groundwater that their neighbor's children drink.

There is $300 million in new spending to restore the Florida Everglades which is one of America's national treasures.

All of us should agree, whether we are from Florida or not, that we need to restore the Florida Everglades to its full glory.

There is a $35 million initiative to buy easements sold by willing sellers, on farmland threatened by development. This voluntary program, called Farms for the Future in Vermont, allows farm families to save their farmland for their children.

The bill contains a conservation farm option that will encourage farmers to use good conservation methods. I am pleased that, despite efforts to phase out the Conservation Reserve Program, we were able to save it. It is the Nation's largest, and most successful, private land conservation program.

I also want to mention dairy. Let me speak not as the ranking member of the committee, but as a Vermonter.

I know the farmers in Vermont. They work very, very hard. They rise early every morning and work late into the night just to get their milk into the market. I have sat in the kitchens of farm houses throughout Vermont and talked with the farmers, the women and men, and their sons and daughters, who run these dairy farms. I have gotten up with them at 4 o'clock in the morning and gone into the barns and helped them do their chores and milking. One farmer said I probably made a better Senator than I did a hired hand.

I was helping Bob Howrigan bring a couple different herds in different fields. As I helped him bring one of the herds across to the milking shed, I said, ''Bob, I got that herd in for you, and I probably only lost a couple cows on the way over.''

He said, ''PAT, I appreciate it. If I keep you around a few weeks I can get out of farming altogether.''

That is the kind of humor that goes on. These are people who work harder than anybody else I know. These are small family farms. They dot the New England countryside. They are a beautiful part of our heritage. But they exist only if they work hard and efficiently.

So I am pleased this bill includes an issue very important to my region, the Northeast Interstate Dairy Compact. Farmers in my State are not looking for handouts.

All they want is a farm bill that gives them a fair price for an honest day's work. They will work harder than anybody else, but they ought to be recompensed for that work. I am tired of the person in the middle getting all the profits and the typical Vermont farmer going almost 15 years without any kind of a price increase.

This compact is the last best hope of preserving Vermont's heritage. Dairy farmers work harder than anyone I know. Cows have to be milked 7 days a week. It does not make a difference whether it is 25 degrees below zero, as it is often in Vermont, or 5 o'clock in the morning. It makes no difference. The cows have to be milked.

I commend Chairman LUGAR for his help on the dairy compact. I commend the other members of the Vermont delegation. Interestingly enough, we are a State where one-third of our delegation is independent, one-third is Republican, and the remaining third is me. We came together, all three of us, to work for this. Chairman LUGAR talked to farmers in Vermont. He knew how important it was. After years of debate in Congress, we finally have a farm bill that gives them the dairy compact.

I want to remind everyone that while retail prices for dairy products have increased 30 percent, farm prices have actually decreased 5 percent. I want to also point out that although the price of a half gallon of milk has gone from $1.19 to $1.59 over the past 15 years, the farmer's share has remained at just 59 cents.

The dairy compact establishes a system which gives the States and local farmers control over their lives.

It will ensure that New England consumers can find milk in their supermarkets at fair prices.

It will also provide family farmers throughout the region with a decent living, so that they will be able to pass on their farms to their children and their children's children.

Instead of a national standard imposed by the Federal Government, the dairy compact allows local citizens, farmers and officials to make local decisions on milk. That is good for dairy farmers, good for Vermont and good for America.

Mr. President, I ask unanimous consent that a resolution in support of the compact from the New England Governors, letters in support of the compact from various groups in Vermont, the vote totals in each of the State legislatures be printed in the RECORD.

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

NEW ENGLAND GOVERNORS' CONFERENCE, INC.,
Boston, MA, February 13, 1995.

Hon. PATRICK J. LEAHY,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR LEAHY: I understand the Northeast Interstate Dairy Compact awaits action by the full Senate. On behalf of the New England Governors' Conference, Inc., I write to ask your help in moving the Compact bill forward as quickly as possible.

The attached Resolution of the New England Governors' Conference, Inc. was adopted unanimously at our recent meeting in Washington, D.C.

The Dairy Compact has been enacted into law by the six New England states. We hope you will support this unique experiment in cooperative federalism. The Compact is a bipartisan, state-sponsored, regional response to the chronic problem of low dairy farm prices. If successfully implemented, the Compact will stabilize our region's dairy industry and reinvigorate this crucial segment of our rural economy, without cost to the federal government or adverse impact on the national industry.

Thank you for your consideration of this matter.

Very truly yours,

WILLIAM A. GILDEA,
Executive Director.

RESOLUTION 127—NORTHEAST DAIRY COMPACT

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

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

Whereas, the Compact is a unique partnership of the region's governments and the dairy industry supported by a broad and active coalition of organizations and people committed to maintaining the vitality of the region's diary industry, including consumers, processors, bankers, equipment dealers.

veterinarians, the tourist and travel industry, environmentalists, land conservationists and recreational users of open land; and

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

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

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

Whereas, the Northeast Interstate Dairy Compact has been submitted to Congress for approval as required by the Constitution; Now therefore be it *Resolved*, That the New England Governors' Conference, Inc. requests that Congress approve the Northeast Interstate Dairy Compact; and be it further *Resolved*, That, a copy of this resolution be sent to the leadership of the Senate and the House of Representatives, the Chairs of the appropriate legislative committees, and the Secretary of the United States Department of Agriculture.

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

STEPHEN MERRILL,
Governor of New Hampshire,
Chairman.

VERMONT PUBLIC INTEREST RESEARCH GROUP,
Montpelier, VT, March 29, 1995.

Re Support for the Northeast Interstate Dairy Compact.

Hon. PATRICK LEAHY,
87 State Street,
Montpelier, VT.

DEAR SENATOR LEAHY: Thank you for your efforts last year to move the Northeast Interstate Dairy Compact through the Senate. VPIRG appreciates that those efforts fell prey to gridlock in Congress. Notwithstanding, we strongly support the Compact—we see it as a means to sustain family farms and agriculture in Vermont. We were thus heartened to see your co-sponsorship of Senate Joint Resolution 28 on March 2nd, and ask you to help accelerate its movement through Congress.

We know that passage will not be easy. But the time is right for a strong push. We need your help more than ever. The mood of Congress is to return power to the states and, in the case of the Compact, allow states greater power to manage their own affairs collectively. Please take advantage of this opportunity to promote passage of the Compact at the earliest time possible.

Time is of the essence—Vermont dairy farmers are in trouble. We read that the Vermont Department of Agriculture reported a loss of 50 more dairy farms in January and February alone, bring the total to below 2,000 farms. If anything, the rate of loss seems to be increasing, and this is of great concern to our club members.

In addition to their direct input into the economy. Vermont dairy farms add to the aesthetic quality of the state. And financially stable farms are better able to deal with agricultural run-off problems and important regulations to deal with non-point pollution. Family-owned dairy farms are also a significant part of Vermont's heritage and it is important that they continue to operate here.

Again, thank you for your efforts in supporting the Compact. We are behind you 100%!

Sincerely,

KATHERINE M. VOSE,
Executive Director.

VERMONT FEDERATION OF SPORTSMEN'S CLUBS, INC.,
April 13, 1995.

Senator PATRICK LEAHY,
87 State Street,
Montpelier, VT.

DEAR SENATOR LEAHY: Thank you for your efforts last year to move the Northeast Interstate Dairy Compact through the Congress. We appreciate that those efforts fell prey to gridlock. Notwithstanding, the Vermont Federation of Sportsmen Clubs, Inc. continues to strongly support the Compact—we see it as a reintroduction of Senator Joint Resolution 28 on March 2nd, and ask you to help accelerate its movement through Congress.

We know that passage will not be easy. But the time is right for a strong push. The mood of Congress is to return power to the states and, in the case of the Compact, allow states greater power to manage their own affairs collectively. Please take advantage of this opportunity to promote passage of the Compact at the earliest time possible.

Time is of essence for an even more critical reason—Vermont dairy farmers are in trouble. We read that the Vermont Department of Agriculture reported a loss of 50 more dairy farms in January and February alone, bring the total to below 2000 farms. If anything, the rate of loss seems to be increasing, and this is of great concern to our club members.

In addition to their direct input into the economy. Vermont dairy farms add to the aesthetic quality of the state. Tourism and recreational opportunities are enhanced by the open space provided by farms, Family owned dairy farms are a significant part of Vermont's heritage and it is important that they continue to operate here.

Again, thank you for your efforts in supporting the Compact. We are behind you 100%!

Yours in Sportsmanship,

RALPH BUCHANAN,
Secretary, VFSC.

BOURDEAU BROS., INC.,
Champlain, NY.

Re Support for the Northeast Interstate Dairy Compact.

Senator PATRICK LEAHY,
87 State Street,
Montpelier, VT.

DEAR SENATOR LEAHY: Thank you for your efforts last year to move the Northeast Interstate Dairy Company through the Senate. We appreciate that those efforts fell prey to gridlock in Congress. Notwithstanding, Bourdeau Brothers, Inc. continues to strongly support the Compact—we see it as a means to sustain family farms and agriculture in Vermont and the Northeast. A substantial part of our feed and fertilizer business is with Vermont farmers and they need help! We were thus heartened to see the reintroduction of Senate Joint Resolution 28 on March 2nd, and ask you to help accelerate its movement through Congress.

We know that passage will not be easy. But the time is right for a strong push. The mood of Congress is to return power to the states and, in the case of the Compact, allow states greater power to manage their own affairs collectively. Please take advantage of this opportunity to promote passage of the Compact at the earliest time possible.

The Compact is a unique piece of legislation and is clearly a regional solution to a regional problem. In the long-run, it benefits both consumers and producers. It complements the existing federal program, and even has a provision to discourage overproduction. It's a work of art.

Again, thank you for your efforts in supporting the Compact. We are behind you 100%!

Sincerely,

GERMAIN BOURDEAU,
President.

VERMONT HOUSING AND CONSERVATION COALITION,
Montpelier, VT, April 13, 1995.

Senator PATRICK LEAHY,
87 State Street,
Montpelier, VT.

DEAR PAT: I am writing on behalf of the Vermont Housing and Conservation Coalition to support passage of the Northeast Interstate Dairy Compact legislation. The Coalition is a group of land conservation and affordable housing organizations, including the Vermont Land Trust, that have been instrumental in the creation of the Vermont Housing & Conservation Trust Fund and in the implementation of its program. In less than eight years, that program has permanently protected more than 125 operating farms in Vermont through the acquisition of conservation easements, and the momentum is growing. Over a third of the transactions have involved the transfer of the farm from one generation of owners to the next, which is a key element in maintaining the long-term viability of the agricultural industry in this state.

But that is not the only key element, as you well know. What is also critically important, especially with dairy farming continuing to be the largest sector of Vermont agriculture, is that farmers receive a fair price for their product. If milk prices continue at their present disastrously low levels, Vermont may see a drastic shrinkage in its number of family farms. Even if much of that land is absorbed into other stronger farm operations, Vermont will have lost some of the fabric which makes this state so special.

Congress has been moving in the direction of returning more control to the States. It is therefore highly significant that the six New England States have all adopted the legislation endorsing the compact. The only barrier to returning some sense of fairness and control over milk prices is Congress' authorization.

I understand that the Joint Resolution has been reintroduced in the House and Senate. I hope you will do all you can to push for its passage by Congress at the earliest possible time. Time is short. An officer at the Farm Credit Association, who works with many farmers and is a strong advocate of Vermont's program to purchase development rights on farmland, recently told me that Vermont may lose as many as 800 farms in the next five years. He felt that the next 12–18 months will be the most difficult. We cannot afford to wait for the Compact legislation.

Thank you for your support. With best wishes.

Sincerely,

DARBY BRADLEY,
Co-Chair.

VERMONT SKI AREAS ASSOCIATION,
Montpelier, VT, April 11, 1995.

Re Northeast Interstate Dairy Compact.

Senator PATRICK LEAHY,
87 State Street,
Montpelier, VT.

DEAR SENATOR LEAHY: As you well know, tourism and agriculture in Vermont are mutually dependent industries. More and more,

these two industries depend on the health and prosperity of each other. For as long as I can remember, the Vermont ski industry has taken a keen interest in the health and stability of Vermont's dairy farms. We not only share a working landscape, but we also share common markets as well as common values.

On behalf of Vermont ski areas, I want to thank you for your continued support of the Northeast Interstate Dairy Compact. Solving our financial problems within the dairy industry will challenge us for a generation to come, but there is little question that an essential first step is the passage of legislation creating the Northeast Interstate Dairy Compact.

I urge you to give this matter special attention in a very busy legislative session. We in Vermont's ski industry know, perhaps better than ever, what hard economic times can mean and want to lend our voice of support to the enactment of this legislation at the earliest possible date.

Sincerely,

JOSEPH A. PARKINSON,
Executive Director.

VERMONT CURRENT USE
TAX COALITION,
Montpelier, VT, March 30, 1995.

Hon. PATRICK LEAHY,
87 State Street,
Montpelier, VT.

DEAR SENATOR LEAHY: We appreciate your efforts of last year to try to obtain passage of the Northeast Interstate Dairy Compact legislation. Congress did not see fit to act on the legislation. We still believe this legislation deserves your strong support and so urge you to help accelerate Senate Joint Resolution 28 through Congress.

It is clear that passage will not be easy against western and mid-western determination to hold onto control of milk pricing structures over the entire country. But, we believe that if agriculture is to be sustainable over the foreseeable future in New England, we must be able to set prices for our products based on production costs in New England, not in the corn belt, or on vast federal range lands of the west. The dairy industry should lead the way; the other agricultural sectors will follow.

It appears that now is not only an opportune time to press this legislation because of the general mood on federal deregulation and greater empowerment of the states to manage their own affairs, but also because Vermont agriculture, and dairy farms in particular, are undergoing increasingly difficult financial times. Vermont lost 50 more dairy farms in the first two months of this year. Where is it going to end?

The Compact was adopted with near-unanimous support by the six New England state legislatures. The Current Use Tax Coalition supported the process then, and we continue to believe that if agriculture is to remain an active part of our lives in Vermont this key piece of legislation must be passed.

Thank you for your efforts on behalf of Vermont agriculture.

Sincerely,

DAVID A. MCDONOUGH,
Chair, Current Use Tax Coalition.

NATIONAL BANK OF MIDDLEBURY,
Middlebury, VT, April 3, 1995.

Hon. PATRICK LEAHY,
U.S. Senator, State Street,
Montpelier, VT.

DEAR SENATOR LEAHY: Thank you for your efforts last year to move the Northeast Interstate Dairy Compact through the legislature. National Bank of Middlebury continues to strongly support the Compact, and we are pleased to see the re-introduction of Senate Joint Resolution #28 on March 2, We know that passage will not be easy. However, the Compact has received near unanimous support from the six New England state legislatures. There is a clear regional mandate to solve this problem.

Time is of the essence because Vermont dairy farmers are in trouble. The Vermont Department of Agriculture reported a loss of 50 more dairy farms in January and February alone bringing the total farms in Vermont to below 2,000 in number. We will see one of our customers added to the list of casualties in June. The ''loss-of-farms'' rate is alarming for the industry, but also for the state economy. It is unclear how much farming contributes to the tourism economy and the postal nature of Vermont. Our instincts tell us it is immeasureable. So, we urge you to promote passage of the Compact at the earliest time possible. Thank you for your efforts in supporting the Compact.

Sincerely,

G. KENNETH PERINE,
President.

NORTHEAST INTERSTATE
DAIRY COMPACT COMMITTEE,
Montpelier, VT.

INTERSTATE COMPACT LEGISLATIVE PROCESS

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

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

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

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

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

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

Mr. LEAHY. Mr. President, the bill expands a great program in Vermont called the Farms for the Future.

Vermont's dairy farms are part of what makes Vermont so special. That is why I want to help Vermont farm families keep their land in agriculture through the Farms for the Future Program.

I included this program in the 1990 farm bill, and since then, Vermont has purchased the development rights for nearly 100 farms throughout the State.

Let me put that another way—nearly 100 Vermont farmers received cash payments under this program. This kept their land in farming.

I am pleased that this bill contains $35 million more for farmland protection programs throughout the Nation.

While this bill has many accomplishments, I wish we could have done even more in environmental areas. For example, the Wetlands Reserve Program places a lower cap on enrollments than the bill passed by the Senate.

Retaining the Senate's cap would have provided further environmental insurance to future generations.

The committee I sit on is called the Agriculture, Nutrition, and Forestry Committee for a reason.

We have a long bipartisan history of making sure every child in our Nation—whether they are rich or poor—has enough to eat.

While agriculture programs now extend for 7 more years, one of our most important child nutrition programs, food stamps, will expire 2 years from now.

Fourteen million children benefit from the Food Stamp Program. I fear that our precious children—those least able to defend themselves in our society—will be at risk in 2 years. I intend to work with Senators LUGAR, DASCHLE, DOLE, and others to make certain that this does not happen.

Mr. President, in closing, while this bill adopts important new provisions in farm policy, we must be careful about patting ourselves too much on the back. There are important areas in conservation, the environment and nutrition where we have failed to go the extra step.

Although this bill is called the farm bill, it affects every American every day of their lives. What we pass today will impact families when they take a vacation to one of our national parks, spread a picnic lunch under a tree, bit into a sandwich or drink a glass of juice.

The 2 million farmers are important and this bill will serve them well.

But we cannot forget that farm policy affects the more than 250 million Americans who are concerned about the environment, conservation, and important nutrition programs.

In the last year partisan fights on the budget and other issues have tied up Congress and shut down the Government on two occasions. We all realize that is not the way to govern. That is why last month, when it appeared that the farm bill would be caught in the same trap, I decided to act.

With Senator LUGAR and Senator DOLE, I offered a bipartisan farm bill with strong conservation, environmental and nutrition provisions. I am proud that a bipartisan step led to this final bill. I want to also thank Chairman ROBERTS for his efforts in working with me at conference. His freedom-to-farm idea has captured the hearts of many thousands of farmers through America.

This is Congressman KIKA DE LA GARZA's last farm bill, as it is the last farm bill for Senator PRYOR and Senator HEFLIN. I have greatly enjoyed working with all of them over the years.

Let me focus on the conservation provisions for a moment. They are different from most—they will provide cash payments to farmers for improvements they would want to make anyway.

One program is a voluntary program of payments to Vermont farmers who

want to protect Lake Champlain, or protect rivers or other lakes near their fields. It is also a voluntary program for farmers around the Nation.

It can be expensive to manage your land. Some may need assistance in getting the job done right. That is why Senator LUGAR and I designed a conservation program called EQUIP. It cuts redtape and guarantees funding for conservation assistance for the next 7 years.

This is voluntary assistance that will be available if you need it. It can help Vermont farmers comply with the State's new accepted agricultural practices.

We are in this together. We want to keep our streams full of trout. We want to make sure St. Albans Bay, Lake Memphremagog, and Missiquoi Bay are clean for everyone to enjoy. This bill also protects lakes and rivers in all States.

Keeping our State and regional dairy industry strong is the driving force behind the Northeast Dairy Compact. Working together is how we have gotten so far. At a later date I will thank all those involved in getting the dairy compact approved.

Today I want to thank the agriculture committee chairmen in Vermont, Senator Tom Bahre and Representative Bobby Starr, Governor Dean, Commissioner Graves, Congressman SANDERS, and the hundreds of dairy farmers in Vermont who worked with me on getting the job done. And I want to say a special thanks to JIM JEFFORDS. He and I have worked side by side throughout this fight.

I also need to highlight the role of Danny Smith. He came down to Washington and worked directly with me on getting the compact included in the final bill. His support was vital.

The compact has come a long way, from the State legislatures of New England, to the Congress.

Vermonters and all of New England know the importance of the dairy industry. But in New England people know that the dairy compact is more than helping farmers, and helping the dairy industry in the region.

To New Englanders, a vital rural agricultural economy is part of both the heritage they treasure and the future in which they believe.

This bill represents real reform of Federal dairy policy. This bill phases down dairy price supports saving more than $300 million, more than 20 percent compared to the baseline. This bill fully funds the Dairy Export Incentive Program and poises the U.S. dairy industry to capture expanding world markets.

The Federal milk orders remain in place but mandates their reform and consolidated the current number of 33 by about two-thirds. I am concerned that the Secretary has been given only 3 years to complete this process. These provisions were hard fought compromises addressing the concerns of farmers, processors, consumers, and the various regions. No region or interest group is completely satisfied, but that is the sign of a good compromise.

A major thrust of this bill is to reduce regulations that are imposed on farmers and ranchers. It reduces conservation regulations and farm program regulations.

The conference report gives farmers a lot more flexibility to decide what crops to plant. That means farmers will be able to choose the crop rotations that are best for their farms, rather than planting to meet the requirements of the farm program.

The bill eliminates existing penalties for producing hay and other resource-conserving crops, so the environment should benefit as well.

The conference report also brings to an end the practice of requiring farmers to idle productive cropland. No longer will USDA decide each year how much land a farmer must set aside to get farm program payments. From now on, the Government will pay farmers to idle land only when that land is environmentally sensitive.

A key section of this farm bill is the continuation of international food aid programs—Public Law 480, Food for Progress and the Emerging Democracy Program. These programs are critical in our global efforts to fight world hunger. Our responsibility to help others is a moral obligation and I am delighted that the importance these programs play in the fight against world hunger is understood by all conferees.

I am pleased with the strong emphasis that this bill places on importance of maintaining strong U.S. agricultural export markets. Export of U.S. agricultural products, especially in the value-added market, is one of the most profitable and fastest growing sectors in our Nation's economy. My home State of Vermont understands its importance. Vermont export statistics indicate that Vermont exported more than $175 million in agricultural-derived products—many of these in the value-added category. That translates into a thriving economy and local job creation.

This bill also streamlines USDA farm lending programs. The conferees worked hard with Secretary Glickman to produce a title both the administration, Congress and farm borrowers can support, and I believe we have crafted an effective policy to help farmers prepare for the next century without creating the dependency on USDA loan programs that have existed in past to the detriment of both USDA and the individual borrowers.

I am disappointed that the conference report does not provide a better safety net for farmers. Farm program payments will not be tied to market conditions, so farmers may get large Government payments when they do not need them, and may not get sufficient aid when times are hard. I hope that we can work on new ways to help farmers deal with market risk.

I am also concerned with some of the changes that have been made in the Crop Insurance Program. Farmers will no longer be required to purchase crop insurance to get farm program benefits. While I support giving farmers freedom of choice, I fear that too many farmers will fail to obtain insurance.

If we have widespread crop disaster and many farmers do not have insurance coverage, there will again be political pressure to enact ad hoc disaster programs. I supported the effort to reform crop insurance in 1994 largely because I wanted to bring an end to ad hoc disaster programs. I want everyone to understand that my willingness to accept these changes in the Crop Insurance Program should not be misinterpreted as a willingness to return to wasteful disaster programs.

I have two major concerns with the meat and poultry advisory panel. First, it will waste money that would be better spent on meat and poultry inspectors. Second, the scope of what the panel can investigate is too broad.

However, on the positive side, the panel is advisory and does not have the constitutional or statutory power to delay food safety actions of the Secretary. Delays will only result if the Secretary voluntarily agrees that the delay is appropriate.

I accepted the provision on studying the usefulness of permitting the interstate shipment of State-inspected meat. This idea was proposed by the President of the United States in his farm bill recommendations. I think it would be useful to have the Secretary's most recent views on this issue.

I am especially happy that this legislation includes a proposal that was added at my request, the Flood Risk Reduction Program contained in section 385. I first became interested in this situation after the disastrous floods of 1993. I raised this issue in a hearing with then Secretary Espy.

I asked the Secretary whether it would make more sense to stop fighting the Mississippi River and the natural elements of these lands and instead to enroll them in the Wetland Reserve Program.

In addition, I spoke to the President personally about this proposal. I also wrote a letter to the President detailing my emergency wetlands reserve initiative that would improve the proposed disaster relief program for the Mississippi Valley floods. In this letter I continued to attack the inefficiency and high cost of the disaster relief program.

In addition, I pointed out that there is a very good possibility that many of the cropland areas that were once wetlands would be better off returned to wetland status rather than repaired and kept in crops.

The success of voluntary programs to help farmers move off flood prone bottom land can be seen in the example of Levee District 8 in Iowa. This area had a history of flood damage. It would have cost the taxpayer about $1,500 per acre to return this land to farmable condition. And then a few years later,

it would have flooded again. Instead this levee district was voluntarily abolished. A decision that works for the farmers and the taxpayer. I ask unanimous consent that a description of that success story be printed in the RECORD.

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

THE 1993 FLOODS—FROM LEVEE DISTRICT TO WILDLIFE REFUGE

(By Bruce Mountain)

The farmers were grim as they stood at the road below Bob Hawk's house that leads into the upper end of Levee District 8 and Louisa County, Iowa. It was 7 a.m. on July 8, 1993, and it appeared they were going to lose again. There had been record rains in the Iowa River Basin; and Levee District 8, only six miles from the Mississippi, was feeling the brunt of the massive run-off as it funneled 12 million acres down the river.

The levee was built in 1927 to protect 2,000 acres of crop ground. The area also contained 600 acres of old oxbows and sloughs (Spitznogle Lake, Sunfish Lake, Rush Lake, Parsons Lake, Wilson Lake, Hall Lake, and Diggins Slough) and riverine forests. It had been estimated the levee was a 25-year levee (able to withstand floods that occur once every 25 years), but in the last 60 years it had been breached 14 times.

This looked like it would be number 15. Ed Yotter and the other farmers stood at 551 feet above sea level, and the lower end of the district, at 541 feet, was already under several feet of water due to seepage up through the saturated ground and through the levee. By 8 a.m. water started to lap over the top of the levee at several locations, so the 25 farmers and neighbors moved off the main levee and worked to reinforce the cross levee between Levee District 8 and the adjacent upstream levee district, number 11.

At 9 a.m. word came that the main levee of District 11 had broken and water was gushing in. By 11 a.m. water was coming over the main levee in District 8 like a waterfall. Officially, the main levee was breached in six locations and the cross levee was breached in five, but actually these were the accumulation of many smaller breaches all along the levees. At its height, the flood water was more than two feet over the top of the levee, drowning the hopes of another year's crop.

When the flood water finally receded in September, the farmers looked over the damage. They were stunned by the numerous scour holes (some 25 to 100 feet long and 17 feet deep), sand deposits (some 6 inches to 6 feet deep), and flotsam. The Soil Conservation Service (SCS), now known as the Natural Resources Conservation Service, moved in to assess the damage to the crop ground in Levee District 8 (it was later set at up to $3,000 per acre) and to estimate the costs to fix the roads and drainage system. The Army Corps of Engineers obtained estimates to fix the levees.

But the landowners were tired of fighting the river. And conservationists and public officials knew this oft-flooded land shouldn't be farmed. For a brief time after the waters receded and before the repairs would need to begin, the situation was ripe for change, and a variety of agencies and nonprofits seized the opportunity. They put together a buyout of the properties in Levee District Number 8 and created—a year and a half later—Horseshoe Bend, a division of the Mark Twain National Wildlife Refuge and a good case study of how a coalition can move quickly when conditions—and the will for change—are right.

GATHERING FUNDS AND WILLING BUYERS

If the flooding of Louisa County's levee had been a localized incident the levees would have been rebuilt ($800,000), the drainage ditches cleared ($400,000), the sand bars removed, the scour holes filled, and the debris removed ($1.7 million) for an estimated $2.9 million. This excludes the additional costs and federal dollars for disaster payments ($200,000) as well as crop insurance payments and the non-recoverable costs of the landowners. (Today, it is believed that these estimates were low because in the adjacent levee district, number 11, where the levee was actually repaired, the initial estimate proved to be 80 percent below the actual costs.)

This was not, however, a localized incident. The flooding of the entire Upper Mississippi River Basin in 1993 was the worst in years. At many of the U.S. Geological Survey gauging stations along the Mississippi, the flow levels exceeded the hundred year mark. In response, Congress passed the Emergency Wet and Reserve Program (EWRP) in October 1993 as a part of flood relief support. Without the funds provided by this program, the Louisa Levee District buyout could not have occurred.

The federal government's disaster aid program was developed to provide compensation for severely damaged crop ground and also to break the cycle of paying for similar damage caused by future floods. Under the program, the Department of Agriculture would purchase a permanent easement on crop acres where the damage caused by the flood exceeded the value of the easement. The easement would prohibit all but very limited agricultural practices, and in Louisa County, it was set at $683 per acre.

In early October, the Iowa office of the SCS proposed the idea of buying out the entire levee district, but only from willing sellers and only if the district were dissolved so as to ensure that future levee reconstruction costs would not be incurred. The SCS did not have the funds or the statutory authority to purchase the district, so, in late October, it organized meeting with its own representatives, the Fish and Wildlife Service (FWS), the Federal Emergency Management Agency (FEMA), the Environmental Protection Agency (EPA), the Corps, the Iowa Department of Natural Resources, the Iowa Natural Heritage Foundation, Pheasants Forever, and other interested parties to seek a solution.

The group immediately realized that for the project to be successful, quick action would be needed. With winter approaching, the dredge barges the Corps needed to repair the levees would soon be frozen out. The group thought that a buy-out of the fee title to the parcels in the levee district could be accomplished through joining the Emergency Wetland Reserve payment with additional cash to be raised to equal the fair market value of the property.

The area also qualified for FEMA assistance. Applications were made to the Iowa Disaster Management Office, which helped handle FEMA payments, to have the buy-out declared as an alternative floodplain project. That declaration would make up to 90 percent of the disaster payments eligible to be applied for the buy-out. However, an estimated additional $500,000 to $600,000 would still be needed to accomplish the project. Representatives for the FWS indicated they would have the money but not until 1994. The National Fish and Wildlife Foundation then agreed to provide a $250,000 grant to be matched by $250,000 from The Conservation Fund; these monies would be used as a loan or stop-gap funding until the FWS funds became available. Other non-profits, such as the Iowa Natural Heritage Foundation and Pheasants Forever, also provided funding.

The Iowa Natural Heritage Foundation, a 15-year-old private group, was asked to be the project facilitator. The Foundation would coordinate the offers to purchase land from the individual landowners, coordinate the Emergency Wetland Reserve Program funding with the National Fish and Wildlife Foundation and Conservation Fund monies, and oversee the eventual transfer of the properties. Before the buy-out could proceed, the ultimate owner and manager of the area had to be determined. The choice was between the Iowa Department of Natural Resources and the Fish and Wildlife Service. Due in part to state budgetary constraints and federal management personnel available at the nearby Mark Twain Wildlife Refuge, the FWS was the logical choice to hold title and manage the project.

Another condition for the project to proceed was the closing of the levee district and drainage district. Therefore, the statutory requirements for closing the districts, including legal notice and voting procedures, had to be researched. The final closing took place on March 31, 1994.

Once the landowners agreed to the concept, offers to purchase had to be negotiated with each landowner. The district is owned by 13 different landowners with parcels ranging in size from 13 acres to more than 1,500 acres. One farm is owned by an investor/operator, and another was deeded by President James Polk under federal patent to the owners, Jack and Merrit Parsons's great-great-grandfather, in 1846. Two sisters, Mary Boysen and Martha Hawk, each owned Century Farms, a designation given to farms that have been in the same family for 100 years. Another farm was acquired by duck hunters in 1929, and it is still operated as a private duck hunting club by the heirs of the six original partners.

We concluded that all of the offers to landowners had to be based on a consistently applied formula. Several of the landowners said that they were dissatisfied with the offers, but eventually agreed to them, based on the knowledge that other landowners were getting the same offers and that there were no ''special deals.'' By sticking to this strategy, individual negotiations and appraisals were avoided.

The first offer was signed December 13, 1993, and the last one was executed May 6, 1994. Seven of the ten landowners had closed by November 30, 1994. The rest closed by the end of 1994 as the farmers finished their field work.

MANY PARTNERS

Completing a project with so many partners and landowners in such a short time required creativity, cooperation, and attention to detail. One of the more important aspects of this partnership was the Cooperative Agreement signed by the Soil Conservation Service, the Fish and Wildlife Service, and the Iowa Natural Heritage Foundation. This agreement delineates the responsibilities of each party. One useful provision of the agreement is one that specifies that access will be available to top-level officials when efforts were stymied on the local level.

The public/private mix in the project was important. The public and private partners can be divided into five categories, each of which served different roles and functions: implementing non-profit organizations, jurisdictional agencies, funding agencies, funding non-profits, and project managing agencies.

In this project, the Iowa Natural Heritage Foundation was an implementing or facilitating non-profit organization. An implementing non-profit was necessary because flexibility and speed were needed to consummate the project. The Iowa Natural Heritage Foundation's Wetlands for Iowa Program was chosen for the project, in part, because

it has expertise in land acquisition projects and in forming partnerships with state and federal agencies and other non-profits to fund the purchase of such projects. In this case, the Wetlands for Iowa Program had the responsibility to educate landowners on the concept of merging the Emergency Wetland Reserve Program easement with a buy-out.

The Foundation also had many other tasks. It did a preliminary appraisal of the land in November of 1993 and devised the uniform buy-out plan. It paid for a quick appraisal of cropland and non-cropland based on comparable sales and pre-flood land values. From this, a portion of the value due to the flood damage, as determined by SCS, was deducted to arrive at the current value. In dealing with non-motivated sellers, the Foundation packaged the idea as an attractive alternative to farming in the floodplain and as being fair among all neighbors.

The Foundation also negotiated offers to purchase land with each landowner and provided the flexibility to customize each transaction. Tax deferments were provided through three-way land exchanges. For example, the Foundation purchased land from a third party (pursuant to the instructions of the owner of levee district land) and then traded the land for land in the levee district. The Foundation then would receive the EWRP payment. Non-levee district acres were purchased to round out tracts that were not eligible for the EWRP. For example, the Spitznogle brothers owned 12 acres inside the levee district, but wanted to sell 20 acres to have square boundaries. The additional eight acres was purchased with some of the funds provided by other nonprofits.

Finally, the Iowa Natural Heritage Foundation developed a timetable for all public and private participants to ensure each was fulfilling its responsibilities. These included appraisals, surveys, title problems, financing, preparing grant applications, closing on each parcel, and transferring each to the Fish and Wildlife Service.

The many jurisdictional agencies involved in the project—the Soil Conservation Service, the Fish and Wildlife Service, the Federal Emergency Management Agency, and the Corps—had responsibilities that varied in breadth and longevity. The SCS was responsible for evaluating flood damage to each land parcel and for implementing the Emergency Wetland Reserve Program. The wetland restoration requirements of the EWRP for the participating landowners were the responsibility of the FWS. The FWS also conducted the environmental assessment and environmental impact studies and engaged an independent appraiser to assess the properties and develop comparable figures from in-house appraisers. These figures were very close to the ''quickie'' appraisal obtained by the Iowa Natural Heritage Foundation.

FEMA's involvement included assessing damage compensation under its statutory authority and developing the project as an alternative plan. FEMA also had a role as a funding agency for the project as did the SCS and the FWS. Funding non-profits included the Iowa Natural Heritage Foundation, the National Fish and Wildlife Foundation, The Conservation Fund, Pheasants Forever, and the Izaak Walton League. The fifth category of partners were project managing agencies, which included the SCS, the FWS, and the Corps.

Typically, this type of project does not work in normal regulatory frameworks. Entrenched bureaucrats, enamored with their own regulations, can be a death knell to a project. The time it takes to babysit hesitant landowners and coordinate state and federal agencies does not permit one agency to be inflexible in interpreting its regulations when the intent of the regulations can be met through cooperative and imaginative initiatives. All partners need access to top agency personnel because someone outside the organization can sometimes get results, whereas agency personnel may not have the authority or the influence to buck their way up the system.

The Louisa County levee buy-out required close interagency cooperation. As an example, SCS defined the value of damages to the land for purposes of qualification for EWRP. FWS then directed its appraisers to use the same data and valuation premises in determining the fair market value of the land. We would have had difficulty closing the project if the agencies had used two different methods of appraisal and the land qualified for EWRP but would not qualify for the buy-out.

Another example: Regulations for the SCS for EWRP easements, and the FWS for land acquisitions, required their respective legal counsel to determine that landowners had marketable title to the land, subject to the guidelines of the project. Through negotiations, SCS agreed to accept FWS opinions of title. This avoided a separate time-consuming step by keeping the project out of the hands of at least one set of government lawyers.

The last ingredient for success was agency flexibility. For example, EWRP regulations require all easements to be surveyed and this would have caused an immense delay in the project. To its credit, SCS waived these regulations, since most of the acquisitions involved the entire tract. Surveys were then conducted only on five parcels split on irregular boundary lines.

SEVERE LESSONS

This unique project is giving farmers an opportunity to find alternative agricultural land to continue farming without fighting the floods. Additionally, it provides short- and long-term savings to taxpayers because a one-time, fair-market purchase of flood-prone land is much cheaper than continued, expensive federal programs to rebuild levees, clean drainage districts, repair land, and pay disaster payments. All of these costs are interspersed with crop-deficiency payments and insurance claims. In addition, our latest calculation shows the Fish and Wildlife Service saved $235,000 by having the Iowa Natural Heritage Foundation facilitate the transactions. The federal government still has the responsibility to provide existing protection in certain floodplains; but it also must develop alternatives to controlling nature, such as relocating willing landowners and returning parts of the floodplain to the river.

The great flood of 1993 taught us some severe lessons. We have to expand our mission from just controlling the water that affects our individual properties to effectively dealing with the effects of the water all the way down the river ecosystem. We also have to learn to live with the river system by holding more of the rain water where it falls and by slowing its movement through the system, thereby allowing the river to reestablish some of its checks and balances.

Lastly, we have to stop ''just greasing the squeaky wheel'' and find ways to spread the available federal funds for floodplain management among the various alternatives that benefit the general public. This includes developing a management plan for the entire river system, coordinating pertinent programs and agencies and—where there are willing landowners—giving some of our natural resources back to nature.

Mr. LEAHY. The experience with the Emergency Wetland Reserve Program led me to include the flood risk reduction initiative into this legislation. The purpose of this program is to help farmers who farm in a areas that flood frequently to move their farming activities off lands that are flooded frequently. It helps farmers by giving them the capital that they need to move their farming operations to fewer risky areas. To the taxpayer, it is a commonsense program that will reduce the long-term taxpayers' exposure for agriculturally related flooding costs. It should help reduce the severity and frequency of floods to the farmers' neighbors.

Crop damages in recent years have been the source of more than half of the property damages in many floods, including the great Midwest flood of 1993. Our farm programs have unfortunately provided incentives that increase flood damages because they have directly supported the growing of easily damaged commodities even in areas that are flood prone. The crop insurance, disaster assistance, and related programs also make the public assume much of the risk of growing commodities in flood prone areas. We have a strong interest in eliminating the authority to help farmers to switch to more flood resistant uses of flood prone land.

It gives farmers the financial capability to move their operations to less risky land. The incentives for farmers to switch to less risky land come from the funds that have in the past been paid to farmers who farm the flood prone land. In this way, we will give farmers in flood prone areas the flexibility to shift to alternative agricultural or conservation uses of land that are less subject to flood damages.

Under section 385 of this act, the Secretary may enter into a contract with a producer under which the producer will agree to forego virtually all of the forms of Federal financial assistance received in flood prone areas. In return, this section provides that the Secretary will provide the farmer a one-time payment equal to 95 percent of the future market transition payments on the land affected. It further provides these funds from the Commodity Credit Corporation regardless of whether it has received advanced appropriations.

Subsection (e) of this section further authorizes the Secretary to provide additional payments to encourage this switch to less flood-sensitive land. It gives the Secretary the authority to add to the farm bills' lump sum payments, funds appropriated for programs that would otherwise be used to support agriculture in flood plans. For example, at a minimum this would include funds appropriated for crop insurance, disaster assistance or conservation programs.

The Secretary is, of course, free to condition payment for these funds on appropriate conditions.

The conferees, by including a separate subsection (e), were merely recognizing that funds are available to the Secretary from different sources—CCC

and advanced appropriations. The conference included language requiring advanced appropriations because the conference wished the Secretary to offset any funds provided through the Flood Risk Reduction Program from funds for other appropriated programs that are saved by the flood risk reduction contract.

As you can see, I have fought hard for this Flood Risk Reduction Program. That is why, I am very pleased it is part of this farm bill.

Mr. President, I will speak further at a later time. I notice other Senators on the floor. I see the distinguished senior Senator from North Dakota here, and I know he wishes to speak. I reserve the remainder of my time.

I ask the distinguished Senator, under whose time is he speaking?

Mr. CONRAD. Who has time?

Mr. LEAHY. I think everybody does, for and against.

Mr. CONRAD. I would be speaking in opposition.

Mr. LEAHY. Then, Mr. President, that time is reserved by the distinguished Democratic leader, Senator DASCHLE. On his behalf, I yield time to the Senator from North Dakota under the control of the time of the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized. How much time does he seek?

Mr. CONRAD. I will just proceed and end at an appropriate time. That is the agreement that I have.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. CONRAD], is recognized.

Mr. CONRAD. I thank the Chair and the ranking member for his courtesy. I thank the chairman of the committee, as well, for his graciousness throughout the debate. We have disagreed, but we have disagreed in a way that I think you would expect of Senators who have mutual respect. I certainly respect the chairman and the ranking member. I wish all committees were conducted in the way the Agriculture Committee is conducted. People are given a complete and fair chance to present their views. We disagree, but we do it without personal rancor. I think that is a tribute to the chairman and ranking member.

Mr. President, we are in 1996, and we are working on the 1995 farm bill. Something is wrong. What is wrong is that there has been a failure to act. This is the first time since 1947 that a farm bill has lapsed before a new farm bill has been put in place. So we are late.

Mr. President, it is critical that we act quickly so that farmers know the rules of the road as they proceed in this new crop year.

This new farm bill has many positive elements. Let me talk about three.

First, this farm bill retains permanent law. That is critically important because, at the end of this 7-year period, if we had followed the lead of the House, there would be nothing. There would be no permanent farm law. Farmers would have no assurance that there was provision for them in the future. Mr. President, we have had tough fights on this question, but permanent law has been preserved.

The second positive element of this bill is that it provides a dramatic increase in flexibility for farmers. They can plant for the market and not for the farm program. That is certainly a significant improvement.

Third, this farm bill provides a guaranteed payment that will help farmers with the repayment of advanced deficiencies from last year. Now, some say that farmers ought to be repaying, without assistance, their advanced deficiencies from last year because prices have been high. It is true that prices are very good right now. But it is also true that you do not benefit from high prices if you do not have a crop.

Mr. President, in my State, many farmers have had 3 years of very poor crops. They have had it because of very serious weather conditions. We have gone from the extraordinary circumstance of the worst drought since the 1930's—in 1988 and 1989—to having the wettest conditions, we have seen in decades, for 3 years in a row.

Mr. President, it is very hard for some people to understand why farmers are complaining about weather conditions, when conditions turn wet. Mr. President, they just did not turn wet; we got the deluge of the century. In one day, one little town in North Dakota received 10 inches of rain. This is an area that gets maybe 25 inches a year. They received 10 inches in one day. We have, in the Devil's Lake basin, what I have described to my colleagues in the past as a remarkable circumstance of a closed basin with a large lake that is rising as a result of these wet conditions. It has gone up 13 feet in the last 2 years. The National Weather Service has just informed us it is going to go up another 2½ feet this year. The surface area of the lake has doubled. We had Federal officials come out to look at the disaster that is occurring there.

They asked the city officials of the little town of Minnewaukan why they built their water treatment facility so close to this lake because now this water treatment facility is surrounded on three sides by this lake. The city officials laughed, and told the Federal officials, ''When we built this treatment facility it was 7 miles from the lake. Now it is surrounded by the lake.''

Mr. President, those very wet conditions have meant that many farmers have gotten only a partial crop, and even though prices are high they have not had the benefit because they have not had a crop to sell. So these guaranteed payments—especially this year—are important in allowing them to repay and stay in business.

But just as I have talked about what are I think the positive features of this bill, I would be remiss if I did not say that I believe the underlying farm policy contained in this legislation is fatally flawed. First of all, it decouples payments from prices and production. Mr. President, that is wrong. This legislation contains payments that are fixed but sharply declining. That is wrong. This legislation provides no adjustments if prices plunge, or yields are low. That is wrong.

I remember very well in 1986—that was the year I was elected to the U.S. Senate—wheat that is now selling for over $5 a bushel was selling for $2 a bushel. But we had a safety net. We had a deficiency payment system that allowed some offsets from the Federal Government. That saved literally thousands of family farmers in my State. Under this legislation there will be no safety net. Thousands of farmers will be forced off the land if prices plunge, or if yields are abnormally low because of disasters.

I remember very well what it was like in the 1980's going town to town and meeting to meeting. People came up to me broken financially and in spirit because prices collapsed.

Mr. President, we should not fashion a farm policy that turns its back on people in times of disaster, whether it is a price collapse, or a weather disaster. We ought to maintain a safety net in this legislation.

Mr. President, in my State there are now 30,000 farmers. I believe that under this legislation if prices decline—and they will; we know that it is inevitable in agriculture that prices will decline—when they do, literally thousands of family farmers in my State will be at risk. I believe we will lose perhaps as many as 10,000 family farmers. That will be felt in every city and town in my State. Every school, every rural electric cooperative, every farm co-op, and every grocery store will be hard hit, if more farmers leave the land. And what will happen to those people? They will go to the cities of the country—the cities where there are already too many people. I look around us here in the Nation's Capital, Metropolitan D.C. and I see too many people here already. It makes no sense to have more people come to the cities and leave the countryside bare.

Mr. President, in Europe they have a policy to keep people on the land. Europe has that policy because they have recognized that it makes sense. They understand the jobs that are created by having agricultural production in their countries. Mr. President, Europe has been hungry twice. They never intend to be hungry again. As a result, they support their farmers at a level three to four times what we do for ourselves. On exports they support their producers at a level eight times ours. They understand that there are not just the jobs on the farm—that there are the jobs in every element of agriculture that are attached to having that production in their countries.

In this country there are 20 million jobs involved in agribusiness, from trucking to running the elevator, to all the ancillary activities of agricultural

production—20 million jobs. Agriculture is one of the two shining lights in the export picture of the United States. Airplanes and agriculture are two places where we enjoy a substantial trade surplus.

But under this legislation, Mr. President, we are raising the white flag of surrender. We are engaged in what I call ''unilateral disarmament'' because we are saying to our competitors, ''You go ahead and aggressively seek these markets. We are going to back off. We are going to back down. We are going to let you take them.''

Mr. President, this is a profound mistake. And, if we allow it to go forward, we will see happen to us in agriculture what has happened to us in automobiles and electronics, and every other place where the United States did not fight for its market share.

Mr. President, that is a mistake. We would never do it in a military confrontation. It makes no sense to do it in a trade battle.

Mr. President, for those reasons I will reluctantly vote against this farm bill in the hopes that it will send a signal that there are things we must do for the future.

(The remarks of Mr. CONRAD pertaining to the introduction of legislation are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. Who yields time?

Mr. DORGAN. Mr. President, can you tell me the circumstances of the time available on each side?

The PRESIDING OFFICER. The Democratic leader has 122 minutes, the Republican leader has 65 minutes. Senator LEAHY has 50 minutes.

Mr. DORGAN. The Democratic leader has how much time?

The PRESIDING OFFICER. He has 120 minutes.

Mr. DORGAN. Let me yield such time as I may consume from the allocation allotted to the Democratic leader.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. DORGAN], is recognized.

Mr. DORGAN. Mr. President, the conference report on the farm bill is now before the Senate. I listened to the presentation by my colleague, Senator CONRAD, who intends to vote against it. I, too, will vote against it. This is not a decent farm bill. It is not a good farm bill. It is attractive to some in the short term. It is sugar coating bad policy.

Those who walk around here with bags of sugar putting out bad policy and want to brag that they have done something good for people I guess might actually, in their minds, feel they have done something good for somebody. However, I cannot conceive that this piece of legislation, being addressed in a serious way, says that we want to help family-sized farms in this country.

This is not a good piece of legislation. This started out as something called Freedom to Farm, which is a handy title, but it really is nothing more than a title. The whole proposition here was to create what is called transition payments. We would create these transition payments in order to get out of a farm program and pull the safety net out from under family farmers.

I guess it is appropriate for those who do not want a minimum wage increase for the folks working at the bottom of the economic ladder to say we do not want a minimum wage for farmers either. Let us pull the rug out from under family farmers. Let us do it this way. Let us provide transition payments to farmers up front as a payment for our getting out of the business of helping farmers when prices collapse.

And so they make the transition payments attractive enough so someone looks at them the first year and says, ''well, this is going to a be pretty good circumstance the first year; if I get a good crop and prices are high, I will make good money, plus the Government will give me a good payment.'' And they say, ''well, that is pretty attractive, isn't it?''

Yes, it is attractive. It is wrong. If you have a good crop and prices are high, you do not need the Government to give you a payment for anything. But the whole premise of doing this is so that at the end of the 7 years you can pull the rug out from under them and say, ''By the way, we gave you transition payments; we bought you off up front so you have no farm program anymore; you have no safety net any longer.''

This bill passed the Congress, both the House and the Senate, and then went to conference, and I wish to show my colleagues a chart that just pulls off the first sentence of a rather lengthy Associated Press piece describing this piece of legislation. It says it better than I could, but let me just read it. Lest anyone who comes here bragging about how wonderful this bill is for family farmers wants to continue to brag about that, here is what this bill is. Robert Green had it right in the Associated Press:

> With a mix of luck, work, and unusual organization, the lobby for big grain companies, railroads, meat companies, millers and shippers scored a big win in the Senate-passed overhaul of farm programs.

This is the overhaul of those farm programs. This is what they won, not farmers. This is what the big grain trade firms won. They scored a big victory. Guess what. When the big grain trade firms win, who loses? Family farmers.

Is it unusual that the winner coming out of a debate about farm policy in this Congress would be the biggest grain trade firms in the world? I guess not. They have been winning right along. Why would they not win this debate?

What bothers me a little bit is that the bill which is going to help family farmers is mislabeled. It is a bill designed to tell farmers this is going to be in your best interests. The bill tries to sound attractive to farmers as a set of agricultural policies, but it is really a big grain trade farm bill. They scored the big victory. They are the winners.

Now, what do we have when we deal with farmers? What we have in most cases is a group of family operations out there around the country. They get up in the morning. They work hard. They go to bed at night. They have tried to make their own way. They have a yard light out there in the yard that shines every night.

If you get on an airplane and fly across this country, fly across Minnesota, North Dakota, South Dakota, Montana, what you see are those thousands of yard lights on at night. They all represent the economic blood vessels that feed into those small towns that make rural life worthwhile and possible. Every time one of those yard lights turns out, it means a little less economic life, a little less opportunity in rural America. And we have seen year after year after year fewer yard lights in our country.

There are some people who say it does not matter whether there are any lights out there in the prairie. They do not care whether the lights dot the prairie at night; that land will be farmed. We do not have to have people living out there to have people farming. We can have corporate agrifactories farm this country from California to Maine. We do not have to worry about the little guy. We do not have to worry about the family. It will get farmed. We have bigger tractors and bigger combines. We have bigger corporations. They will farm it. They are big enough.

So if you do not care who lives there, whether there are families out there, then this is probably a great policy. Of course, food prices will go up once corporations are farming the country, but that is in the longer term. That may be what is behind all this. I do not know.

I do know this. I have a friend who lives 5 miles south of Regent, ND, in Indian Creek. He is down there trying to operate a small farm, planting in the spring, not knowing whether what he is going to spend on planting—buying the seed, fertilizer, having a tractor—it is an older tractor but having a tractor—and all the apparatus to plant that seed, he does not know whether that seed is going to grow.

All that money might be wasted because that seed may not grow. We may have a drought. It may not come up. So you invest all that money at the front end of the year and you may have no crop. Or it may come up and you may have the most beautiful looking crop you have ever seen, and then in July or June a hailstorm comes along and in 15 minutes the crop is gone. Your money is gone. Your dreams are gone. Your hope is gone.

Or let us assume that he plants that crop, it comes up, and it is a gorgeous

crop, a bumper crop, and then he fixes up the combine and gases up and goes to harvest that crop and discovers the price has collapsed. This crop cost him $4.70 a bushel to produce, and then he takes the truck to the elevator and drops off his grain or her grain and discovers that the elevator says it is worth $3 a bushel. They have lost a $1.70 a bushel with all that work.

First you may not get a crop. If you get a crop, you may not get a price. Those are the twin risks that almost no one else in our country faces. For that reason, because we want families to have an opportunity to stay on the farm, we have had a safety net. The new mantra here in Washington is ''no more safety net.'' Let's do transition payments, buy them off and say, by the way, we think you ought to operate in the free market.

Now, who is in the free market? What are the sharks out there in the free market going to do when we set all of this free? First of all, you have the big grain trading firms. What do they want? Do they want higher prices? Absolutely not. They would like lower prices. You have the big milling firms. Are they begging for higher grain prices? No. They want lower prices. You have the grocery manufacturers. Do they want higher grain prices? No. They want lower grain prices.

You have all these influences in the marketplace that in every way, every day are trying to knock down grain prices. When they win, farmers lose. Lower grain prices mean farmers simply do not have the opportunity to make a profit on their product.

I have shown you the story that I think is probably the only accurate one I have seen about what really happened with the farm bill passed by the Senate and now is back before us:

> With a mix of luck, work, and unusual organization, the lobby for the big grain companies, railroads, meat companies, millers and shippers scored a big win in the Senate-passed overhaul of farm programs.

When big grain companies, the big shippers, the meat companies, and the grocery manufacturers are having a party, when they are having a day of fiesta because of what this Senate did, does anybody here soberly believe that is in the interest of family farmers? Those interests do not run parallel, and everybody in this Chamber knows it. When these big grain companies win, farmers lose. It is very simple.

Let me talk just for a moment about grain prices. Some people say grain prices are high right now, and they are record high compared to the last 10 years. Take a look at what has happened to the price of wheat in 10 years. It goes all over the board. I must say, in every case the price of wheat is still below what the USDA says it costs to produce a bushel of wheat, $4.70 a bushel. In every case for 10 years the market price is still below what USDA says it costs, the full cost, to produce a bushel of wheat.

Nonetheless, the wheat prices go down to $2.33 in 1977, meander up to $2.49, back to $2.42 in 1986. In fact, just 5 years ago wheat prices were $2.61. I ask anybody in this Chamber, how many farm units do they think will survive if we get to the point of $2.60 wheat and no safety net? What will happen when we have transitioned people out of the farm program because we said we will give you a few payments up front and then you are on your own.

I know I strongly supported retaining permanent law until the year 2002, but everybody understands they included that in this bill to get it passed. The full intention of those who support this farm legislation is to transition farmers out of a circumstance where a safety net exists so when prices collapse they have a little help.

I am the first to admit, when they stand up to talk about, ''The farm program does not work,'' I am the first to admit the farm program, in my judgment, needs improving. It became a straitjacket for farmers. We had the Government telling farmers what to plant and when to plant it, and that did not make any sense. Every proposal before the Congress would have changed that, including the substitute that we offered.

The current program did not work very well. What should have been a bridge across price valleys became a set of golden arches for the biggest producers in the country. I agree with that as well, and that ought to change. But none of those criticisms are a justification for pulling the rug out from under family farmers—none. If we are going to write a farm bill, we ought to do it seriously and thoughtfully, in a way that says this farm bill cares about whether we have family farmers.

Mr. President, if we in the Congress are not interested in who farms, if we are neutral on the question of whether there are family farms out there with yard lights burning and people living on the farms, if we are neutral on that, if we do not care, then get rid of the whole farm program. Get rid of it altogether. We do not need a farm program. Do we need a farm program to give incentives to the biggest agrifactories to produce? I do not think so. Let them produce for the market. Let us get rid of the farm program.

USDA was created under Abraham Lincoln. Abe Lincoln created the Department of Agriculture with nine employees—think of that. In the 1860's, USDA, nine employees. Now, a century and a third later, we have a USDA with close to 100,000 employees. A third of those, I guess, are in the Forest Service. But think of what has happened with the USDA. We do not need a USDA, in my judgment, if the purpose of the farm program here in Congress is not to try to nurture and maintain and help and strengthen family farms.

Someone says, how do you define a family farm? I do not have a simple definition. I guess a yard light. I mean, a family living out there on the farm, human beings living out there, that is a family farm, I guess I could define it.

Michelangelo was asked, ''How did you carve David?''

''I chipped away a piece of marble at a time and chipped away everything that was not David.''

I could chip away everything that is not a family farm and have a practical definition, I suppose. But my point is: If our business is not to try to help families to have an opportunity to survive the twin risks of the possibility of not being able to produce anything and the possibility of producing something and having no price, what is our business? If our business is not to try to protect those families or give those families some help, let us not have a farm program at all. If it is our business, let us create a farm program that does just that.

This farm program says to farmers, we are neutral on the issue of whether families are living on the land. It says to farmers, ''We are going to transition you.'' We are going to say to you, ''We will give you some really attractive-looking things in the first year or so. Then, we are going to pull the rug out.''

We are going to say to you, ''You might have record wheat prices this year, grain prices this year. You might have a bumper crop this year. You might have the best income you have had in a century of your family living on and operating on the land. We do not care. We are going to give you a big Government payment. But, down the road, you and your family might suffer catastrophe: no crop, no price, and do you know what we are going to say to you then? Tough luck.''

This year we are going to say, ''Here is a payment you do not need,'' and a few years down the road we are going to say, ''Sayonara, tough luck. We do not care.'' That is not much of a farm bill, as far as I am concerned.

For farmers in this country, people out there who are trying to make a living, struggling against the odds, trying to deal with economic influences that are so much larger and so much more powerful than they are—this piece of legislation, while attractive in the first year or two, in my judgment undercuts the true long-term interests of trying to maintain a network of family farms in our country.

Let me finish where I started. We have kind of come full circle, in many respects. I know there are people on this floor who do not like what I said. They will stand up and say it is all baloney, this is a wonderful bill, they worked hard on it, they are wonderful people, and so on and so forth.

Let me admit they are wonderful people and worked hard on it, but let me also say the product they came up with does not serve the interests of family farmers in this country. I do not want more Government in agriculture. I want Government to let farmers farm. But I also want to care whether there are family farmers left in our country. I want us, as a country, if we have a farm policy and we are going to

spend money on a farm policy, to decide we are going to spend it in pursuit of helping farmers when prices collapse, helping them stay on the land.

If that is not our business, get rid of the whole business, just get rid of it all. Do not come here and pretend you are passing a bill that is good for family farmers when you are going to pull the rug out from under them 5 or 10 years from today.

There is great disagreement in my State among farm organizations and commodity groups on this subject, but there ought to be no disagreement that family farmers have been the economic all-stars in our country. We have had, for some long while, a basic safety net to try to help family farmers over price valleys, when international prices drop and stay down. Those who believe that such a safety net is ill-advised are often the same people who are here suggesting minimum wages do not matter and a whole series of other economic contentions that I fundamentally disagree with.

I think, if we are going to spend billions, we ought to decide to spend billions in pursuit of policies that really do help America's family farmers, America's economic all stars. The failure to do that forces me to vote against this piece of legislation and to conclude that the winners, as is indicated in this piece of work, are the grain trade firms. The winners are the millers. The winners are the grocery manufacturers. Sadly, the losers will be America's family farmers.

We will have another day. This is advertised as a 7-year farm bill. There will be changes in this body and, when there are changes sufficient so that those of us who believe differently can come to the Chamber with additional ideas and have the votes to pass them, you will see a new farm program. This may last a year. But I tell you this, when this Chamber changes, we will be back. Those of us who believe that there are two sides to this issue, that the economic well-being of the big grain trading firms in this country is assured by their economic strength but that the economic well-being of family farmers is assured by our determination to try to help them, will be back. Those of us who believe this will come back with a farm bill that will work for family farms in our country.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

Mr. LUGAR. Mr. President, I yield time to the distinguished Senator from Idaho.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Idaho [Mr. CRAIG], is recognized.

Mr. CRAIG. Mr. President, let me thank the distinguished chairman of the Senate Agriculture Committee, Senator LUGAR, for yielding time.

At the outset, let me thank Chairman LUGAR and the ranking minority member, Senator LEAHY, for the bipartisan way they worked, together with the whole committee, in crafting the farm bill that we have before us today. It was a tremendous pleasure for me and my staff to work with the staff of the Agriculture Committee to produce what I think is a truly revolutionary document, and a change, a positive change for American agriculture.

Let me also recognize Sara Braasch, who worked with me on my staff, for the tremendous effort she put in, working with the Senate Agriculture Committee staff, resolving so many different issues that make up a good farm bill.

Over the course of the last 2 years I have held a series of meetings across my State, meeting with farmers and ranchers about what they thought ought to be in a new farm bill, a new, national, public policy, as to how Government, Federal Government, ought to interface with American agriculture and Idaho agriculture. I heard in so many ways a level of frustration mounting across my State that, while they thought some level of farm policy was necessary, Government was no longer a cooperating partner.

It had become a traffic cop, if you will, a conservation cop, if you will, telling that family farmer how to farm, what to farm, how much residue they could have on their soil, how they would have to do this, maybe they ought to change their equipment line to accomplish a different form of farming.

I doubt that that is the kind of agriculture that Abraham Lincoln envisioned when he created USDA. I think he saw USDA as a partner for research, as a partner for bringing on new concepts and ideas, but certainly not as a large, monolithic governmental agency that was telling production agriculture how it ought to farm, and that is exactly where we saw farm policy heading.

This weekend, I met, once again, with farmers in Idaho to talk about what is in the new farm bill. There were potato growers there, bean growers, wheat growers, barley growers, ranchers—a broad cross-section—along with processors. They were pleased with what they began to see and hear. Dairy was there, and dairy, of course, is a large and growing segment of my State's agriculture. They are concerned, but they believe that we have made the right decisions to move them toward a more open market.

That is exactly what I think we have accomplished: a significant change in agricultural policy, as the chairman of our committee so clearly spoke to last evening, and a very important change.

We are saying to American agriculture, ''You have an opportunity now to adjust and change with the markets; that you don't have to farm to the program; that you don't have to have the Federal agent who comes out and says, 'Oh, I think you are 7, 8, 10 percent over acreage, you are beyond the flex, you better take some of that out or change it a little bit.''' Is that farming or playing the game?

The young farmers of Idaho—and, yes, they are family farmers—but they have millions of dollars invested. I find it interesting, when we worry about farmers, we always fall back on the word ''family,'' ''family.'' Farming is a big business in my State today. It is family-run, in many instances, but those families have assets in the millions of dollars, and they work daily as astute, well-trained businessmen and women trying to operate their agribusinesses.

We know agriculture is changing, and we know that it is capable of adapting. When those young farmers and ranchers come to me, in most instances they find Government the liability and not the asset. I think that is why they look at what we are doing in S. 1541, and the new farm bill that we have before us, and say this is good policy.

I will be the first to recommend to our chairman that the responsibility of the Senate Ag Committee over the next several years will be to monitor, to do effective oversight, to make sure that that which we are crafting into policy that will hit the ground in rule and regulation that American agriculture will respond to, we ought to watch, especially in the more complicated areas like the dairy policy. But certainly, as the chairman said last night, there will be fewer visits to the local USDA office by production agriculture in the coming years, he speaks well, because there should be. We are saying to American agriculture and to my farmers in Idaho today, you have great flexibility to do what you said you wanted to do.

There are some provisions in this bill that are enhanced substantially, because along with all that we heard from agriculture over the last several years, Mr. President, there are several things we also heard that we just did not change and did not just take away from farm policy. Conservation is one of those. The CRP program has worked well in my State, and agriculture likes it because it gives us an opportunity to build back wildlife habitat and to improve water quality and to improve the erosion that was happening on some of our more erodible lands, some of our steeper landscapes.

We kept CRP. We strengthened the conservation program. We recognized that here is where USDA and Government can be a cooperating partner, and I underline the word ''cooperating,'' not going in and telling them, ''Here is how you must do it,'' but ''Here are a variety of ways to manage your assets in a way that we can provide a better environment, and you can enhance your farmstead and all that you have on your private property.''

Clearly, the chairman and the ranking minority member worked with all of us to assure that we had a strong CRP program; the creation of a wildlife habitat program; a grazing lands conservation initiative that will provide technical assistance to private landowners in grazing areas, again, a very

positive approach toward dealing with the responsibilities we ought to have; an extension of the resource conservation and development districts. That which the House did not do, we reinstated.

We have strong water language, as was spoken to last night by the Senator from Washington as it relates to the responsibility of the U.S. Forest Service in responding to the relicensing or the recertification of water projects on public lands without holding these municipalities or water districts hostage or blackmailing them, as they should not do but as they were doing. We have offered a moratorium to make sure that we get USDA to understand their responsible and legal role under Western water law, and that is, not to take without compensation a property right as is clearly established under Western water law.

Guaranteed payments to wheat and barley growers to help provide stability over a 7-year period—somebody said no more safety nets. I think we have provided a very good glidepath and a very substantial ramp on which to glide that path toward the market, and that is what we are asking American agriculture to do.

I fought hard for a readjustment in an important program for my State, the sugar program. We have made major changes in deregulating it and creating greater flexibility. But it is a program that is no net cost to the taxpayer. It is one that pays for itself, and it is one in which, again, Government can play a valuable role, and that is to solve the political barriers that oftentimes happen in trade, where we can have massive dumping in a domestic market that could destroy that market for the producer. We have said, ''Here are the regulations and the process that will protect the domestic producer, while recognizing our responsibility to the consumer,'' and I think the sugar program reflects that.

The one program that was the most difficult to change was the program that was the most regulated, and that was the dairy program. Literally for months in the Senate we tried to resolve that issue. In the House, there was a stalemate. Finally, in the last hours, we were able to work out compromises that like, again, all other programs in this bill, moves the dairy producer toward the market while at the same time allowing a tremendous opportunity for that individual producer to get into world markets. That is exactly where production agriculture in our country today must go to remain profitable.

I said on the floor of the Senate some months ago that in my youth, I had the opportunity to be a national officer in the once called Future Farmers of America, now known as FFA. I remember standing on the floor at State conventions around this country and saying one farmer produced enough for his or herself and 30 other Americans.

Today, we know that has changed dramatically. That one farmer produces enough for his or herself and about 130 other Americans or world citizens. I use that to dramatize how important it is for Government to participate with agriculture in knocking down the political barriers that disallow us from entering world markets. That is a legitimate role of Government. It is clearly spoken to in this bill.

Another legitimate role is research. I think that is what our first agricultural President, Abraham Lincoln, had in mind, using the assets of Government to advance agriculture, not to control it and manipulate it and manage it. That is exactly what we have done historically. But, frankly, over the last decade, we have backed away from Government's responsibility in long-term research that has helped advance new variety and kept productivity on the farms of America at ever increasingly higher rates. I think we speak again to that issue in this bill.

Let me conclude, Mr. President, by saying Government does, in my opinion, have a legitimate role in agriculture, and that is as a cooperator, to cooperate in the area of trade, to knock down the political barriers that might artificially be established that disallow production agriculture from getting into world markets.

It also has an area in research. That is what we ought to advance to assure the constant maintenance and ever-increasing productivity on America's farms.

It also has a responsibility to cooperate in conservation and improving environmental standards, but it does not have a responsibility to dictate the market or to micromanage the family farm or the agricultural production unit. That is what this farm bill speaks to.

Let me close by once again thanking the chairman and the ranking member for recognizing our role, as the Senate Ag Committee, to move quality legislation to this floor and now to the President's desk. I am pleased to have been a part of it. I am proud to serve on the Senate Ag Committee. I think we have made a quantum leap forward in working with agriculture to move itself into the 21st century as a market-producing entity of the American economy.

I yield back the balance of my time.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, it has been our habit, at least thus far in the debate, to alternate sides. The distinguished Senator from Idaho has just spoken. The Senator from Oregon has been waiting to speak, but I request that it be permissible for the Chair to recognize a Democratic Party speaker and ask the distinguished ranking member to yield time and then to alternate herein. I will grant time to the Senator from Oregon.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. WELLSTONE. Mr. President, I wish to let the Senator know I am speaking against the bill.

Mr. LEAHY. I understand. I have time reserved in favor of the bill. I wonder if I might yield——

Mr. WELLSTONE. I thought I had time from the minority leader to speak against the bill.

Mr. LEAHY. The Senator does, and the minority leader will let the Senator have whatever time he wants.

Mr. WELLSTONE. Ten minutes.

Mr. LEAHY. Mr. President, I see two colleagues here. We have had a speech in favor. Why do we not let the distinguished——

Mr. WELLSTONE. I would yield myself 10 minutes from the minority leader's time to speak against the bill.

Mr. LEAHY. Could I point out another thing, I say to the Senator? We have a conference on the appropriations, and the distinguished chairman of that wants to go forward. As the distinguished Senator from Florida only wants 5 minutes, why do I not yield to the distinguished Senator from Florida the 5 minutes so the distinguished Senator from Oregon, the chairman of the Appropriations Committee, can then next be recognized and then yield whatever time the distinguished Senator from Minnesota wants.

Mr. WELLSTONE. I have to go to the State Department for an arrangement between a Minnesota company and another country in 15 minutes. That is why I have been here early.

Mr. LEAHY. Mr. President, I ask that the time from the Democratic leader be given to the distinguished Senator from Minnesota to speak in opposition. I ask if he might try, as best he can, to accommodate the others, to limit his time.

Mr. WELLSTONE. Absolutely. I would be pleased to do so.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAHAM. Mr. President, can I ask if I might be recognized after the Senator from Oregon?

Mr. LEAHY. I assure the Senator from Florida, he will be.

Mr. GRAHAM. I thank the Senator.

Mr. WELLSTONE. Mr. President, I thank my colleagues. I am sorry we are all here at once. I will try to be very brief. I have been on the floor for some time waiting to speak.

Mr. President, first of all, let me just thank all of my colleagues for their work on the bill, including the distinguished Senator from Indiana, whom I have a tremendous amount of respect for. I mean that very sincerely.

Let me say that the good news is that farmers need to know where they stand. The spring planting season is upon us. People need to know what the program is going to be.

The good news is that there are some programs, some provisions in this legislation that are positive and very important. One of them is the reauthorization of the Conservation Reserve Program, which I think has been a win-

win-win program. It does my heart good when environmentalists and farmers and outdoor recreation people all come to my office, all in strong agreement about the importance of this program.

I also think that the $300 million for rural economic development is extremely important. In particular, the focus on encouraging and providing whatever kind of assistance we can for farmers to form their own value-added processing co-ops and retain as much of the value of what they produce as possible, is right on the mark.

Finally, I am no strong supporter of what was the status quo, and I do believe, as my colleague from North Dakota said, in all too many cases farmers have had to farm a farm bill as opposed to farm the land. No question about it: more flexibility is certainly one of the things that farmers in my State have been very interested in.

Let me talk about two fundamental flaws of this piece of legislation. I take very serious exception—and I do not think it is really provincial on my part to do so—to the dairy provisions. It has to do with why we are elected. We are elected to do our best, to speak for and represent and sometimes, I suppose, fight for people in our States. I thought that the Senate had spoken clearly that we were not in favor of a northeast dairy compact. I was very involved in the effort to knock that provision out. In the conference committee, we got a variation of that, giving the Secretary of Agriculture the right to certify such a compact.

That troubles me to no end. It is a huge flaw in this legislation. The dairy provisions of this bill are not favorable to farmers in Minnesota, period. There is not substantial, genuine reform of the milk marketing order system, which is what we need. We have been losing thousands of dairy farmers in my State.

What this potential northeast dairy compact is all about is it gives one region of the country an opportunity to have its own deal while it takes the problems of another region of the country off the table. It is simply unfair. For that reason alone, I would not vote for this farm bill.

The second reason is—and I could go on and on, but I am not going to out of deference to my colleagues who are also here on the floor to speak—but to make a very long story short, I believe that this piece of legislation is fundamentally flawed in one other respect. What we have here is a carrot followed by a stick.

The carrot is that if prices are high—and they currently are—and in addition to your price, you have a hefty support payment that goes on top of that, it is a carrot. I can hardly blame people for being attracted to that proposition. As a matter of fact, I can hardly blame some farmers in my State who I think are saying, ''Look, we don't know, Paul, whether there's going to be any farm program in the future. We might as well get the best financial deal that we can.'' I understand that.

But the question is, what happens in the future? I heard my colleague from Idaho talk about a glidepath. But glidepath to where? I mean, if we are going to cap the loan rate at $1.89 for a bushel of corn and $2.58 for a bushel of wheat, the 1995 level, my question is, since what goes up, comes down, and what happens when prices are low again? That is the stick. That comes later on.

We are talking about children of farmers who want to farm in the future. We are talking about whether or not farmers are going to have any negotiating power in the marketplace. I think what happens is that eventually, with this piece of legislation, the grain farmers in my State will be on their own. They are on their own with the grain companies, and they are on their own with the Board of Trade. They are on their own with the railroad interests.

I agree with my colleague from North Dakota. I think the Tulsa World had it right: ''With a mix of luck, work and unusual organization, the lobby for big grain companies, railroads, meat companies, millers and shippers scored a big win in the Senate-passed overhaul of farm programs . . .''

Mr. President, again, there is so much more to say. Let me put it this way. I wish there was a free market in agriculture. I wish Adam Smith's invisible hand was operative. I wish that in the food industry we had many small economic enterprises in competition with one another. But that is not what a rigorous economic analysis of the food industry really shows us.

The conglomerates have muscled their way to the dinner table, exercising raw economic and political power over farmers, taxpayers, and consumers. Everywhere the farmers look, whether it is on the input side or whether it is the output side, they are the ones, the family farmers are the ones, who really represent the free enterprise part of this, but they are faced with oligarchy at best and monopoly at worst.

I think this bill is a piece of legislation that is great for the grain companies because eventually they will get their prices low. If the farmers, as they look to who they sold their products to, if the farmers could see many small businesses, that would be fine. But that is not what they are faced with. They are faced with concentration. Now we are simply taking away the very leverage that farmers have had for a fair price in the marketplace.

So this piece of legislation is a carrot, followed by a stick. I think it is going to lead to the demise of many family farms. I really do believe that. I know my colleagues disagree with me. I hope they are right. I hope I am wrong. Because the health and the vitality of communities in Minnesota is not based upon the acres of land that are farmed or the number of animals, but the number of family farmers that live there. I see this piece of legislation being a stacked deck against family farmers on the grain front. On the dairy front, the Northeast dairy compact is outrageous and discriminatory and never should have been put in the bill by the conference committee. On that basis alone, as a Senator from Minnesota, I do not support this piece of legislation. I hope my colleagues will vote ''no.'' I yield the floor.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Chair recognizes Senator HATFIELD.

Mr. LUGAR. I yield time to the distinguish Senator from Oregon.

Mr. HATFIELD. Mr. President, I thank the chairman of our Agriculture Committee, the Senator from Indiana, Mr. LUGAR, for yielding time. I, too, want to add my word of congratulations to the leadership of this committee, Senator LUGAR and Senator LEAHY, for bringing forth an upgrading and updating of this agricultural legislation.

Mr. President, the flood of 1996 in my part of the country has had a devastating impact on much of my State. What I have enjoyed for many years, and now in my adopted home, is the lush and green countryside of the coastal area. It is now barren and covered beneath 2 feet of river silt. The once bountiful pasture lands are no more, and the dairy cows struggle, searching the bare landscape to find scant morsels of food. Many businesses, homes, and families have been adversely affected by the flood. Imagine a small part of this flood damage area, a small county in northwestern Oregon, seven raging rivers running through it and the silt-laden waste water flooding into three bays of the Pacific Ocean. There is such a county, and that county, Mr. President, is Tillamook County, a good Indian name, Tillamook County.

Tillamook County on the northern Oregon coast is the poorest per capita income county of the 36 counties in my State. The entire population of the town of Tillamook consists of only 4,000 people. Roads which connect Tillamook to the rest of the State have been and will be closed for months. Highway 6, which is the east-west corridor to Portland, will be closed for months. Highway 101, which is the north-south corridor out of Tillamook, has been closed since November when the storm started hitting this part of the State.

The leading enterprise in the area is dairy. Mr. President, no industry has suffered more than the dairy industry in Tillamook. As a result of the floods primarily, and windstorms, is that thousands of acres of Tillamook are covered with silt—in some cases as high as 2 feet. It may take as long as 2 years for these lands to recover. Added to the destruction of the grazing land, there have been tremendous losses in livestock and feed, along with damaged equipment and facilities.

Of this town of 4,000, more than 400 people work at the Tillamook County Creamery Association, a local co-op of producers and processors. In this county, there are over 2,000 people directly involved in the dairy industry. Those numbers do not include veterinarians, transporters, supply stores, restaurants, and businesses that live and die based on the health of the dairy farmers.

In summary, Mr. President, this community is isolated due to closed roads. The land, which is the lifeblood of the communities, is smothered under 2 feet of silt. The economic base of this community has been decimated. The short-term prospects for this community are bleak.

With such misery heaped upon this little community, it would have been easy for them to give up, but that is not what has happened. The community of Tillamook locked arms and is working their way back. Immediately after the floods, efforts were made to keep production levels as high as possible at the Tillamook County Creamery Association. Haygrowers throughout Oregon donated several thousand tons to feed the animals. The outpouring of relief efforts has been phenomenal. The Oregon Dairy Farmers Association coordinated relief efforts, which included $200,000 in donations from within the industry, lining up hay deliveries, and assisting hard-hit dairies outside of the town of Tillamook—which, by the way, this town of 4,000 is the largest town in that little county. Dairy farmers helping other dairy farmers. Local, State, and Federal agencies are also assisting with potential loan programs and technical expertise.

I inquired if there was anything else that Congress could do for this community. The response was, ''Help us with the Pacific Northwest Milk Marketing order.'' Now, Mr. President, I attempted to include legislation in the farm bill which would have done so. My amendment would have separated, temporarily, Oregon from this regional milk marketing order. What is the Pacific Northwest Milk Marketing order? Let me explain.

Oregon and Washington and a small part of northern Idaho are part of this regional marketing order. Federal milk orders are authorized by the Agricultural Marketing Agreement Act of 1937. Mr. President, this depression legislation, almost 60 years old, unfortunately, is still governing much of our dairy industry. As the Senator from Idaho has indicated, this bill moves the dairy industry closer to the market economy. Under this law the Secretary of Agriculture establishes Federal orders that apply to buyers of milk. Orders are initiated by dairy farmers normally through cooperatives and can be issued only with the approval of the dairy farmers in the affected area. A milk order is a legal document issued to regulate the minimum prices paid to dairy farmers by handlers of grade A milk in a specified marketing area.

Now, Mr. President, my amendment would have temporarily changed the milk marketing order for a period of 2 years to let flexibility apply to this unique situation in one part of that industry in the Northwest, the Tillamook County Creamery Association. The change would have allowed these farmers to get back on their feet and compete in an open market by giving them added flexibility in establishing their prices.

It was at this point that I hit a brick wall. What was that brick wall? Darigold, Inc. Prior to 1989, Oregon had its own milk marketing order, and it was not until that time that efforts were made to combine the orders. Those efforts were headed up and dominated by Darigold. They used their size and their strength to combine Washington and Oregon under one marketing order, against the objections of the small milk handlers in Oregon. Darigold is the fourth largest cooperative in the Nation, the fourth largest cooperative in the entire Nation. Darigold had almost $1 billion in sales in 1994 alone, with much of their production—and please let me underscore this—with much of their production in powdered milk, for example, being purchased by Government surplus markets. Compare this with the Tillamook County Creamery Association, which had $124 million in sales, all in consumer products produced from local milk—consumer products, not big Government contracts. In their January 1996 member newsletter, Darigold claims a 1995 production of 4.7 billion pounds of milk, 10 times the volume of the Tillamook County Creamery Association, with milk purchased from three States. Darigold produces a wide variety of milk products, including powdered milk, ice cream, packaged cheese, and butter. Compared that with Tillamook, which focuses mainly on a specialty product known as the world famous Tillamook Cheese, which is sold to consumers.

How did Darigold hold up this amendment? The same way most things are done in this litigious society we live in—the Darigold lawyers came forth and threatened to tie up this legislation in the courts. They were sure they could do so for at least a year, and this is the year that needs help. This would have blocked the temporary separation of Oregon from the Pacific Northwest Milk Marketing order for this year. Tillamook County and its dairy farmers do not have the luxury of waiting a year. The Darigold brick wall would have been able to thwart the very will of Congress by stalling this amendment, if it had been adopted. Mr. President, this is a terrible injustice and a black eye on the capitalistic system, when the giants can run out the small operators from the marketplace because they have Government contracts.

Tillamook County is small, it is battered, but I know it is not out. The strong will of the people of this community and the dairy industry in Oregon will not allow this setback to discourage them. I am disappointed that we will not be able to give Tillamook a helping hand at this time of great need. I am disappointed with the Darigold lawyers for blocking this assistance, and I am disappointed by the greed of the Darigold, Inc. Mr. President, in this situation, the almighty dollar was the bottom line, and compassion was nowhere to be found. That is not and should not be the character of our economic system.

I thank my good friends from Washington and Idaho, particularly Senator GORTON and Senator CRAIG, who have been very sympathetic of the situation in Oregon. They have offered their assistance where possible, and I thank my colleagues for their sensitivity to the plight of flood-damaged Tillamook and the State of Oregon.

I yield the floor.

Mr. LEAHY. Mr. President, I yield from my time such time as the Senator from Florida might need.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I want to commence by stating my deep appreciation to Chairman LUGAR and the ranking member, Senator LEAHY, for their great consideration of issues that were important to agriculture across America and especially important to agriculture and the people of my State of Florida.

Mr. President, as you well know, the State of Florida is a State peculiarly vulnerable to a variety of climatic and other disasters. One of the things that we have tried to do is to learn from those disasters and avoid, where possible, a repetition of previous mistakes, and to bring to the attention of the appropriate decisionmakers steps that could be taken in order to moderate the impact of future adverse consequences.

In the last few years, we have had an unusual number of incidents that have impacted Florida agriculture. Hurricane Andrew is the best known, but by no means the only such incident. As a result of that, we have assembled a number of lessons learned, in terms of how American agricultural law for disasters, crop insurance, and other steps that are intended to soften the impact of negative events, could be modified to be more effective and applied to the special agriculture of our State.

I wish to thank Senator LUGAR, Senator LEAHY, and their colleagues for their consideration and for the number of steps that are contained in this legislation that will have that effect.

Let me just briefly summarize a few of those provisions. The Federal Crop Insurance Act will be amended by the legislation before us today to provide for coverage of crops that have been destroyed by insect and disease, as well as those destroyed by storm or flood, or other natural conditions.

This act will expand coverage to nursery crops and to aquaculture, which have been two of the fastest-

growing aspects of American agriculture. It will require that the Federal Crop Insurance Act consider marketing windows when determining whether it is feasible to require replanting during a crop year.

To elaborate on that, Mr. President, as you know, much of Florida agriculture is targeted on a winter growing season. There have been instances in which a natural disaster had occurred at the end of that season—let us say, in this month of March, there were requirements that you had to replant, even though by replanting the crops, they would mature in the middle of the summer when the window for our particular agriculture had closed. This will allow the Federal crop insurance administrators to consider the economic feasibility, as well as the agricultural feasibility of replanting a crop that has been destroyed. So, Mr. President, that represents an important set of lessons learned from disasters and now applied to moderate the impact of future disasters.

Second, Mr. President, there is an important provision in this legislation that is to avoid what would be not a disaster, but a calamity of global importance, and that is the collapse of the Florida Everglades. The Florida Everglades represent a treasure, which happens to be located within the State of Florida, but has been long recognized as a national treasure since 1947. The second largest national park in the lower 48 States is Everglades National Park. It has been recognized by international bodies, including the United Nations, as an ecosystem of international importance. It is a system that has been in very serious trouble. It is a system, which started thousands of years ago as a unique flow of water, commencing in the central part of south Florida, in a slow incremental process that eventually then led to the area that we now call Florida Bay. It provided one of the most fertile areas for wildlife, plants, and fisheries in the world. It is a system which has been destroyed largely because of its uniqueness.

When Europeans came to this region, they looked at the Everglades, and what they saw was a formidable swamp. They saw something that was different than they had known in their previous home. They committed themselves to the goal of turning this unique system into something that was common and pedestrian. For the better part of a century, that effort was pursued with great vigor, and with the support of the people of Florida, and of the Governments of the State and the Nation.

It has been in the last 30 years that we have fully appreciated the fact that it was that very uniqueness of the Everglades that gave it its essential value. Also, it was that uniqueness that contributed to the many ways in which the Everglades sustained life, for humans and others, in the south Florida region.

So a major effort to save the Everglades has been underway. It has been recognized that that effort would require a partnership, and an important member of that partnership was the Federal Government. The Federal Government has significant interest in the Everglades National Park's national wildlife refuges and national fresh water preserves.

The Federal Government also will play a key role in executing those things that will be necessary for the salvation of the Everglades. The people of Florida do not ask the Federal Government to do this singularly, but they ask for a unity of purpose between the National Government and themselves.

Mr. President, I am especially pleased to recognize the tremendous step forward that this legislation represents with that goal of ''save the Everglades.'' In this legislation, there is contained a direct entitlement funding for a special Everglades restoration initiative of $200 million. There are also contained various provisions which will encourage the disposition of surplus land, with the proceeds of that disposition to be used for Everglades restoration. One of those provisions could provide up to an additional $100 million for restoration of the Everglades.

I want to particularly thank Senator LUGAR, who has been especially vocal in his recognition of the importance of the Everglades, and Senator LEAHY, who has been a staunch advocate of a whole variety of initiatives contained in this legislation that are designed to recognize the fact that there is no conflict between the economics of American agriculture and the protection of the fundamental environmental resources upon which agriculture depends.

I commend both of these colleagues for their outstanding contributions, and there is no place in which this will be more significant or more appreciated than in the contribution toward the salvation of the Everglades.

So I wish, Mr. President, to conclude with a joint statement with my colleague, Senator MACK, elaborating on the provisions that are of special importance to our State contained in this legislation, and to conclude with my deep thanks on behalf of the 14 million citizens of my State for what leaders of this legislation have done to prepare us for future disasters and to contribute to avoidance of what would be a disaster of global proportion if we were to lose the qualities of the Florida Everglades.

Mr. GRAHAM. Mr. President, Senator MACK and I would like to take a moment to thank Chairman LUGAR and ranking member LEAHY for their hard work on the 1996 farm bill. We are particularly pleased with the inclusion of provisions that will have a direct benefit to the State of Florida, our growers, and the Everglades ecosystem.

First of all, this farm bill will address three problems that have faced Florida growers of specialty crops. Upon enactment of Federal Agricultural Improvement and Reform Act, the Federal Crop Insurance Act will be amended to provide for coverage of crops destroyed by insects and disease, expand coverage to all nursery crops and aquaculture, and require the Federal Crop Insurance Act to consider marketing windows when determining whether it is feasible to require replanting during a crop year.

Disasters are a way of life for all involved in agriculture. Disaster relief appropriations are an item of the past. The laws to today need to cover all of agriculture to allow recovery after time of great loss. The amendments which were passed go a long way to addressing inequalities in law and definition to allow coverage for major agricultural segments.

Multiple weather-related disasters, from Hurricane Andrew to the record number of hurricanes in 1995, clearly illustrated deficiencies in disaster coverage of many agricultural commodities. Many agricultural products such as aquatic species and numerous horticultural products are not clearly defined as being eligible for disaster assistance. Additionally, even though the Federal Crop Insurance Act was passed, many agricultural commodities still do not have crop insurance available and as such can not even recoup planting costs under current guidelines.

Changes were clearly needed to allow coverage of all agricultural crops during time of disaster. A tree grown for horticultural purposes should be covered whether it is grown in a port or in rows in the ground. Nontraditional species raised for food purposes should be clearly covered.

Acquaculture-raised species—whether for food or nonfood purposes—should also be covered. Foliage plants are agricultural commodities raised for aesthetic purposes. Tropical fish, while not for food purposes, are clearly raised in aquaculture for aesthetic purposes, and should be covered just as surely as our foliage protection. Many States now find that horticulture and foliage plants have become their No. 1 agricultural commodity.

Disasters are likewise not just weather-related events. A rapidly spreading pest or disease can statistically be a greater danger than a hurricane event.

DEFINITION OF DISASTER FOR FEDERAL CROP INSURANCE ELIGIBILITY

The history of natural disasters in Florida has demonstrated the need for the definition of disaster to include events that are not directly weather-related. Beyond a certain level, the devastation of the gypsy moth, citrus canker, or other pests and diseases constitutes a disaster of major scale. The 1996 farm bill will establish a pilot program to have the term ''natural disaster'' include extensive crop destruction caused by insects and disease.

DEFINITION OF AGRICULTURE FOR FEDERAL CROP INSURANCE ELIGIBILITY

Florida growers of specialty crops also need a definition of agriculture that includes more than just food, fiber and grain. Historically, for disaster purposes, neither aquaculture or nursery crops have been covered.

As recently as the December freezes, producers in the Hillsborough County area were told that aquaculture species, such as tropical fish and aquatic plants, were not defined as agriculture. While these species are reared for aesthetic purposes, they are certainly agriculture—as much as any other horticultural production.

In-ground plants and trees for the nursery industry were still not covered even after 4 years of negotiation and discussions with Federal Crop Insurance officials in Kansas City. Florida growers are appreciative that this farm bill will expand Federal crop insurance to aquaculture and direct the FCIC to establish a pilot program to allow nursery crops to participate in the Federal Crop Insurance Program.

INCLUDE ''MARKETING WINDOW'' AS A CRITERIA FOR REQUIRING REPLANTING

A third problem for Florida growers of winter crops has involved the interpretation of the clause requiring replanting where feasible after disaster destruction. Until this farm bill, the Federal Crop Insurance has not considered marketing windows when making judgments about claims. Given that USDA can consider economics, potential marketing of the product must be considered as an economic factor.

As a recent example, a potato crop in Dade County was destroyed. The climate of the county would have permitted the growers to replant and barely get in a crop before that weather became too hot. However, the marketing window and contracts for sale of the product would have been totally nonexistent by the time a long-term crop like potatoes could be raised. The Federal Government required the growers to replant even though no sales of that commodity would have been feasible after the area's marketing period was over. Florida growers raise crops in the dead of winter, and are often double and triple cropping the same land with a succession of commodities to meet very defined and limited marketing windows. I am gratified that the mangers of the farm bill agreed to include our provision requiring the Federal Crop Insurance Corporation to consider marketing windows in determining whether it is feasible to require replanting during a crop year.

BROWN CITRUS APHID RESEARCH

This farm bill also provides authorization of up to $3,000,000 in research funding for the eradication and control of the brown citrus aphid and the citrus tristeza virus. The virus, which is carried by the aphid, poses the most formidable threat in decades to the Florida citrus industry. The citrus tristeza virus, in several forms, has the capability of killing millions of citrus trees in Florida, Texas, and California over the next several years. The language included in this bill will help us provide to the citrus community of our Nation the tools it needs to combat this serious threat.

EVERGLADES RESTORATION FUNDING

The 1996 Farm bill also provides an unprecedented opportunity to further the restoration of the Everglades ecosystem. I yield to Senator MACK.

Mr. MACK. I and my esteemed colleague Senator GRAHAM rise today to congratulate this Congress for its foresight and commitment to one of the most important restoration efforts in our Nation's history, the restoration of the south Florida ecosystem, better known as the Everglades. Under section 506 of the 1996 farm bill, the United States has made a historical commitment to this unique national treasure.

Mr. GRAHAM. The Everglades is an extraordinary ecosystem that travels south from the Kissimmee River through the Everglades and down to Florida Bay. The Everglades ecosystem supports south Florida's industries of tourism, fishing, and agriculture and special quality of life of over 6 million residents by providing water supply and recreational activities. The Federal Government has a direct vested interest in the Everglades ecosystem, which houses the Loxahatchee Refuge, and three national parks: Everglades National Park, Big Cypress National Park and Biscayne Bay National Park.

Mr. MACK. The health of the Everglades ecosystem is critically endangered. The same American spirit of ingenuity and adventure that led us to the Everglades at the turn of the century must now be called upon to save this extraordinary resource that is so emblematic of the American character. The Everglades has taught us that a strong economy and healthy environment are not mutually exclusive.

Mr. GRAHAM. Historically, we have tried to tame the Everglades by focusing on small parts of the ecosystem without regard to how the whole system works. This has proved to be a mistake. As we have tried to develop or manage parts of the ecosystem separately, the result has been to wreak havoc on the entire ecosystem, thus putting the entire ecosystem in jeopardy. The Everglades is not a set of discreet parts like the limbs of a body but instead is a blood line that circulates throughout the entire ecosystem. The long term viability and sustainability of the ecosystem—whether it is wildlife, urban water supply, agriculture, tourism, recreation activities, or fishing—are all dependent upon the same lifeblood, the Everglades, the River of Grass. Decades of diking, damming and using the Everglades for singular purposes has so endangered the health of the Everglades that in the future the ecosystem may not be available to be used for any purpose.

Mr. MACK. The State of Florida has made extraordinary efforts to address the complex problems of the region and to restore this precious resource. Because south Florida is home to 7 of the 10 fastest-growing metropolitan areas in the Nation, we are at a critical crossroad in the Everglades restoration. Together the State of Florida and the Federal Government can continue their developing partnership to consummate Everglades restoration.

Mr. GRAHAM. While it is understood that a significant gap exists in our scientific knowledge about the ultimate ecological and water management needs of the Everglades ecosystem—which necessitates continued detail studies—the framework for restoration and design of major projects for land acquisition, water storage, and restored hydrology are clear. Restoration of one of the largest functioning ecosystems in the world is a massive undertaking. Congress has acknowledged that success will depend on the Federal Government, the State of Florida, and local, regional and tribal interests working in tandem.

Mr. MACK. In acknowledgement of this responsibility, Congress has provided $200,000,000 and possibly as much as $300,000,000 to expedite Everglades restoration activities, which will include acquisition of the highest priority lands needed to improve water storage and water quality critical to the restoration effort. This unprecedented commitment of $200,000,000 will be provided to the Secretary of Interior to either carry out the restoration activities or to provide funding to the State of Florida or the U.S. Army Corps of Engineers to carry out restoration activities. Congress does not intend for these funds to supplant any previous funds committed to any agency of the Federal Government or the State of Florida for the purpose of Everglades restoration, including the commitment to fund STA 1E, a component of the Everglades Restoration Project.

Mr. GRAHAM. Specifically, the legislation does the following:

Section 506(a) directs the Secretary of the Treasury to transfer to the Secretary of the Interior $200,000,000 of any funds not otherwise appropriated.

Sections 506 (b) and (d) authorize the Secretary of the Interior to use the $200,000,000 until December 31, 1999 to conduct restoration activities in the Everglades ecosystem in South Florida. In implementing these sections, the Secretary may rely upon the priorities, programs, projects, and initiatives identified by the Federal South Florida Interagency Task Force.

Under Section 506(b)(3), the Secretary of the Interior can conduct restoration activities that include the acquisition of real property interests intended to expedite resource protection.

Under Section 506(c) as may be appropriate, the Secretary of the Interior and transfer the restoration funds to the U.S. Army Corps of Engineers or the State of Florida or the South Florida Water Management District to carry out restoration activities in the Everglades ecosystem.

Section 506(e) requires the Secretary of the Interior to submit an annual report to Congress that describes what activities were carried out under the initiative.

Section 506(f) also established a special account to be funded by the sale of surplus Federal property in the State of Florida. The special account is to be managed by the Secretary of the Interior to carry out restoration activities. The Secretary of the Interior is limited in his ability to use the special account funds to acquire real property or an interest in real property. The Secretary can use these special account funds for real property acquisition only if the State of Florida contributes or has contributed an amount equal to not less than 50 percent of the appraised value of the real property interest to be acquired. The actual sale of surplus property is to be managed by the Administrator of the General Services Administration. This account will not exceed $100,000,000.

And finally, under section 506(g), the Secretary of the Interior is directed to submit a report to Congress that assesses whether any unreserved and unappropriated Federal lands are suitable for disposal or exchange for the purpose of conducting restoration activities in the Everglades ecosystem. Section 506(g) is not intended to amend or supersede any applicable Federal statute that governs Federal land management, exchange or disposal.

Mr. LEAHY. Mr. President, I thank my distinguished colleague from Florida for his kind words. I note that he and his colleague from Florida worked very, very hard with both Senator LUGAR and me on this issue. It is one where we came together to address not only a Florida issue but what is truly a national issue.

Mr. LUGAR. Mr. President, I thank the distinguished Senator from Florida.

Mr. MCCONNELL. Mr. President, I congratulate Senator LUGAR, our conference chairman, and his staff, Senator LEAHY and his staff, Chairman ROBERTS and his staff, and Congressman DE LA GARZA and his staff for helping us get to this important day for American agriculture.

Policymaking decisions in agriculture have never been simple or easy. Chairman LUGAR and the ranking Democrat, Senator LEAHY, chartered a course that led them toward a bipartisan bill. Farmers and ranchers across the country are now awaiting the passage of this important legislation.

For the first time in 60 years, we have a commonsense approach that will release farmers from the bureaucratic controls of USDA. Under this approach, farmers will no longer be told what to plant, where to plant, or how much to grow. Uncertain deficiency payments tied to market prices are eliminated and replaced with preset and market transition payments that farmers can count on with confidence.

This legislation, formerly titled the Agricultural Market Transition Act, has been renamed the Federal Agricultural Improvement and Reform [FAIR] Act of 1996. This legislation not only reforms commodity programs but also includes rural development, conservation, credit, research, trade, and nutrition.

Highlights of the bill include:

Eliminates the requirement to purchase crop insurance to participate in commodity programs.

Establishes an Environmental Quality Incentives Program.

Export and promotion programs are reauthorized and refocused to maximize impact in a post-NAFTA/GATT environment.

Maintains the Conservation Reserve Program.

Reauthorizes nutrition programs.

Reauthorizes Federal agricultural research programs.

Provides for dairy reform. Eliminates the budget assessment on dairy producers, phases down the support price on butter, powder, and cheese over 4 years. Consolidates marketing years.

Provides funding for Florida Everglades restoration.

Establishes fund for rural America to be used for rural development and research.

Retains the 1949 Agricultural Act as permanent law.

Streamlines and consolidates rural development programs to provide a more focused Federal effort while encouraging decisionmaking at the State level.

When we began the process of formulating an agricultural policy about 14 months ago, the message I got was that farmers wanted less Government, less redtape, and less paperwork. They said we need planting flexibility and less regulation—to put it more simply let farmers be farmers.

Mr. President, many commodity programs and provisions in the 1990 farm bill expired on December 31, 1995. It is now late March. Spring planting is already underway in many Southern States, and it is imperative that producers know the requirements of the commodity programs. The farmers in this country already have their schedules altered by Mother Nature—they shouldn't have to wait for Congress too.

Producers who raise wheat and feed grains and other commodities want to know what kind of program will be in operation before they make their planting decisions and seek money for their operating loans. Program announcements are usually made in early- to mid-February, and farmers usually begin to sign up for the programs at the beginning of March.

Farmers in my State and across the country can wait no longer. We need a new farm program in place—quickly. It is time to pass responsible legislation that provides the agriculture sector with policy for the next several years.

There are many other provisions that deserve to be highlighted, however I wanted to mention a few that I took an active role in trying to resolve. I support this package and believe it provides a safety net and the opportunity for the agriculture sector to meet the challenges that lie ahead.

First, I am grateful that language concerning the regulation of commercial transportation of equine to slaughter is included. Under this provision the Secretary of Agriculture is provided authority to develop sound regulations that will protect the well-being of equine that are commercially transported to slaughter. Often these horses are transported for long periods, in overcrowded conditions and often in vehicles that have inadequate head room. Some of these horses are in poor physical condition or have serious injuries. These regulations would allow horses to get to a slaughter facility safely and as quickly as possible with the least amount of stress to the animal. I want to make it very clear this provision does not authorize the Secretary to regulate the transportation of horses other than to slaughter or the transportation of livestock or poultry to slaughter or elsewhere.

Second, I also want to thank Senator COCHRAN for his assistance in confronting what may be the most serious health crisis facing the U.S. equine population. I'm referring to the Department of Agriculture's recent decision to grant a waiver allowing the importation of horses infected with equine piroplasmosis, also known as EP, so that they may compete in the Olympic games to be held in Atlanta this year. With help from Senator COCHRAN we have strong report language stating that the 20-point plan that has been agreed upon by the European Union, the Georgia Department of Agriculture, and the U.S. Department of Agriculture must not be relaxed and the conditions must be followed and administratively enforced.

Third, dairy policy has always been a contentious issue and it was no different during this farm bill. One provision I felt must be included was the continuation of the Fluid Milk Promotion Program. Building a stronger demand for milk is essential to the entire dairy industry. Fluid milk sales account for about 35 percent of the total amount of milk produced, which means changes in this category are significant. I believe continuation of this processor-funded program is a very good way to attack misperceptions and to keep people drinking milk. We need to continue to increase people's understanding of the benefits and importance of milk and continue to show consumers new ways to keep milk in their diets.

Fourth, conservation concerns in Kentucky have centered around how to help farmers improve water quality. A new program—the Environmental Quality Incentive Program [EQIP] will target over $1 billion for 7 years to assist crop and livestock producers with environmental and conservation improvements on their farms. I believe

this program will be very beneficial to the farmers in Kentucky in providing cost-share and technical assistance in improving water quality.

Another issue I heard loud and clear from my Kentucky farmers dealt with the mandatory purchase of catastrophic crop insurance [CAT]. I made this one of my top priorities, and I am happy to report that my fellow conferees also heard similar comments from their farmers. The conference agreement eliminates mandatory catastrophic crop insurance, but requires producers waive all Federal disaster assistance if they opt not to purchase CAT insurance. This means that tobacco farmers and grain producers don't have to purchase CAT crop insurance to participate in a commodity program or to get their marketing card. Eligibility to purchase crop insurance is no longer linked to conservation compliance and swampbuster for producers who choose not to participate in farm programs.

Mr. President, today's 2 million farmers and the 19 million workers employed in our food and agriculture system generate over 16 percent of our Nation's income. We must keep the farmer, the rancher, the food, and the agriculture sector healthy and growing. It is time to give our Nation's farmers and ranchers some answers and to pass this conference report today.

Again, I thank our committee chairman, ranking member, and staff for their dedication and hard work.

Mrs. KASSEBAUM. Mr. President, I rise today in support of the final passage of the conference report on H.R. 2854, the Federal Agriculture Improvement and Reform Act of 1996. In some ways, it is only natural that this farm bill occurred like one of the other major factors affecting agriculture, the weather. With the weather, you're never sure when the rains will come, but inevitably, it will rain. This legislation brings an end to the waiting and uncertainty currently surrounding farmers and ranchers in my state, as well as around the country.

I would like to thank Senate Agriculture Committee Chairman LUGAR and ranking member LEAHY for their tireless work to bring together the many different sides and address their concerns in this farm bill. And of course, a hearty congratulations to my fellow Kansans and members of the Kansas agricultural triumvirate, House Agriculture Chairman ROBERTS, Senate majority Leader DOLE, and USDA Secretary Glickman.

As a supporter of Congressman ROBERTS' freedom-to-farm bill, it is rewarding to see its inclusion in the final legislation. For production agriculture, this bill represents producer flexibility, program simplicity, and stability—all important priorities that will allow U.S. agriculture to successfully compete in the world marketplace. For the taxpayer, this legislation shows the continued commitment by agriculture to lower spending and reduce the deficit. Clearly, if all government programs displayed agriculture's commitment towards reduced spending, there would be no deficit today.

Many other important programs are also included in this legislation. A clear priority was given to conservation programs, including a strong Conservation Reserve Program [CRP]. The CRP has proven to be a valuable tool to promote wildlife habitat, reduce soil erosion, and improve water quality. Reauthorizing this program at its current level and allowing increased flexibility for the producer will allow current program benefits to be retained and increase the focus of this program to improve the most environmentally sensitive lands.

It should be noted that this farm bill is truly comprehensive legislation that will affect all Americans. Included in this bill is important trade legislation that maintains our commitment to providing valuable food aid to those nations in need, strengthens our ability to open new markets, and encourages the development of emerging trading partners. Research, nutrition, rural development, and credit programs are all included in this bill to ensure to their future viability.

Mr. President, it is true that the rains will inevitably come. However, no action by Congress can remove the uncertainty of how much, when, and where it will rain; but we in Congress can and should remove the uncertainty surrounding agricultural programs by passing this legislation.

SECTION 147

Mr. LEAHY. Mr. President, the chairman and I want to discuss in more detail what was intended in section 147 of H.R. 2854, the section which grants congressional consent to the northeast interstate dairy compact, subject to certain conditions.

This compact will allow the six New England States to regulate the price of all class I drinking milk sold in those States. The regulation may apply to any class I milk sold in the New England States but produced elsewhere, as well as to such milk produced by New England farmers. The compact also provides that farmers from beyond New England receive its benefits as well as their New England counterparts.

The conditions of congressional consent are intended to ensure the compact operates in harmony with the Federal milk market order program, and in complement with the changes otherwise being imposed on that program by this act. Seven conditions of consent are identified.

The condition in section 147(1) requires that the Secretary of Agriculture make a finding of compelling public interest in the compact region before the compact may be implemented. This provision ensures a determination by the Secretary of the compact's need in the region before the compact's authority to regulate interstate commerce, as granted by the consent provided by this act, can become operational.

The next four conditions of consent outlined in section 147(2) through section 147(5) constitute substantive restrictions on the compact's operation, as entered into by the States. In response to concerns raised by some conferees, section 147(2) limits the compact's regulatory authority to only class I milk. Notwithstanding any provision of the compact to the contrary, the compact commission will not be able to regulate other classes of milk. This condition limits the compact's regulatory reach to only the local and regional, fluid milk market. It ensures that the compact will have no effect on the national market for manufactured dairy products.

Section 147(3) constitutes a procedural limitation on the compact's operation. This condition establishes a finite time limit for the provision of congressional consent to the compact. The section establishes that congressional consent terminates concurrently with the completion of the Federal milk market order consolidation process required under section 143 of the act.

Also in response to concerns raised by committee conferees, conditions in section 147(4) alter the procedure by which additional States may enter the compact. The list of potential new entrants is limited to a named few. Such States may only join if contiguous to a member State and only upon approval by Congress.

Section 147(5) requires the compact commission to compensate the Commodity Credit Corporation [CCC] for purchases by the Corporation attributable to surplus production in the New England States. This condition was necessary for the compact to ensure that there would be no score from the Congressional Budget Office. The compact commission's responsibility to make compensation is to be measured by the Secretary's reference to a comparison of the rate of increased production. The compact commission would have the responsibility to provide compensation for those CCC purchase attributable to an increase in the rate of New England milk production in excess of the national average rate of increase.

Section 147(6) provides for cooperation by the Department of Agriculture in the compact's operation. The Department has in the past construed findings of fact in the Agricultural Marketing Agreement Act of 1937 as precluding the Department's cooperation in the operation of State over-order pricing programs. This condition makes clear these past departmental determinations do not apply to the compact, and that the Department shall provide such technical assistance as requested by the compact commission and requires that the compact commission will reimburse the Department for that assistance. The provision is designed to avoid duplication in

audit procedures and any other mechanism needed to administer the compact, and thereby to reduce the compact's regulatory burden and cost.

Except in one regard section 147(7) provides only language of clarification, rather than imposes any additional, substantive, or procedural restriction on the compact's operation. This condition in the main part clarifies that the commission may not limit or prohibit the marketing of milk or milk products in the compact region from any other area in the United States. It also clarifies that the commission may not alter or amend procedures established under Federal milk marketing orders relating to the movement of milk between or among orders.

Neither of the first two sentences of that section is intended to limit the compact commission's authority to establish a compact over-order price regulation for all fluid milk marketed into the compact region in any form, packaged or bulk, produced in another production region in the United States. The last sentence of this section 147(7) delineates this point.

The one substantive restriction of this condition is its limitation of the use of compensatory payments under section 10(6) of the compact. Because the use of compensatory payments is disfavored in milk marketing law, the compact itself placed strict restrictions upon their use in section 10(6). Their use even as so restricted proved to be of some concern, accordingly, the conference report further restricts their use under section 147(7).

Does the chairman agree that this description accurately reflects the views of the conferees.

Mr. LUGAR. That is correct.

Ms. MOSELEY-BRAUN. Section 334 establishes a new conservation program called the environmental quality incentives program. One of the purposes of the program, as stated in section 1240(2)(B), is to assist ''farmers and ranchers in complying with this title and Federal and State environmental laws.'' Could the Senator explain to me how this might occur?

Mr. LEAHY. In order to provide the opportunity for an environmental quality incentives plan to be designed to assure that a producer is in compliance with other Federal State rules, regulations, and laws, USDA should enter into agreements with the appropriate agencies to assure that USDA is the only agency with routine decision-making authority and oversight of development and implementation of the plan. These inter-agency agreements should focus on the development process of the plan, not specific conservation practices or management techniques; strive for maximum flexibility due to the variability of agricultural operations and resource conditions; provide that specific practices in the plan may be implemented in varving timeframes within the duration of the plan; assure that implementation of the plan is not interrupted by frequent revisions caused by changes in agency agreements; and recognize the need to encourage producers to develop plans by allowing reasonable implementation periods that provide for economic recovery of costs. If a plan is designed to assure that a producer is in compliance with other Federal or State rules, regulations, and laws, the producer may request plan revisions when necessary to accommodate any significant operational changes or unforeseen technical problems within the farming or ranching enterprise.

Mr. LEAHY. Mr. President, I yield, from the time of the distinguished Democrat leader, Senator DASCHLE, to the Senator from Wisconsin such time as he may need to speak in opposition to the bill.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KOHL. Mr. President, I thank the Senator from Vermont.

Mr. President, we have heard many good things about this farm bill and the promises of market orientation and positive reform that it brings to farm policy, but I believe a more critical examination of this bill demonstrates something entirely different, and so I want to refute some of the assertions that have been put forth during this debate.

I think every Member of the Senate would agree that agricultural policy needs reform. The realities of production, markets and budgets change rapidly, and therefore what is demanded is a periodic revamping of agricultural policy. I agree that we need greater market orientation in farm policy, and I agree that we need less Government intervention into the production decisions of farmers. However, we also need a farm policy that is defensible to all citizens of our country, and I believe that this bill will ultimately fall short in this very important regard.

The structure of current farm programs is basically to provide a safety net, making supplemental payments to farmers only when prices are low, and freeing farmers to make their money from the market when prices are sufficiently high, as they are currently.

In contrast, this bill offers farmers a so-called guaranteed payment every year for the next 7 years, based entirely on their past production, regardless of market prices. If market prices are high, as they are today, farmers will receive the same payments as they would in times of low prices. In fact, farmers will not even be required to plant a crop in order to get the Government payment. I have a very hard time defending this as a wise expenditure of Federal dollars.

Another assertion about this bill that I challenge is the idea that the goal of simplification and flexibility in farm programs requires guaranteed payments to farmers, even if they do not plant a crop. We all agree that farmers should have greater planting flexibility and that the Federal Government should get out of the business of dictating planting decisions to farmers. But again, farm programs must be defensible to all citizens of our country, not just those few in a position to reap short-term windfall profits from the Government.

Another assumption that the casual observer of this farm bill debate might be tempted to make after listening to the debate is that this bill cuts the cost of farm programs. Yet, a quick analysis of the cost projections for this bill indicates that in the first 2 years of this bill the taxpayer will be required to pay an additional estimated $4 billion for farm programs over what they would pay under the current program. Why? Because the taxpayer will be required to make large cash payments to farmers in times of expected high market prices, as opposed to making payments to farmers only in those years when prices are low.

While these are a few of my concerns about the overall structure of the bill, as a Senator from Wisconsin, my overriding concerns are with the dairy provisions of this bill. And in that regard I believe that this bill offers a very mixed and a dangerous message.

On the one hand, I am hopeful that the milk marketing order reform provisions of the final farm bill will give the USDA the tools that are necessary to bring about greater regional equity in milk pricing policies and to make the milk marketing order system more reflective of today's markets.

The bill instructs the Secretary of Agriculture to consolidate and reform orders within 3 years, and essentially instructs him to do so without consideration to the existing price system established by the 1985 farm bill. I think this is a positive change, and I am very hopeful it will bring about a marketing system that is more defensible in today's economy and more equitable to all the dairy farmers of our country.

However, I am stunned by the inclusion of another provision of this bill, which I believe goes in the complete opposite direction of market orientation, and that is the northeast interstate dairy compact. While the bill does not approve the compact, it does explicitly give the Secretary of Agriculture the authority to do so on a temporary basis if the Secretary determines that there is a compelling public interest in the area.

My colleagues will recall that during the Senate consideration of the farm bill, we voted to strike the northeast dairy compact from the bill. In doing so, the majority of the Senate demonstrated their disagreement with efforts to establish what amounts to regional dairy cartels, and on the House side the northeast dairy compact never was included.

So it is very hard for me to understand how a dangerous provision like this can appear in a conference report when it has been clearly rejected by both Houses of Congress. In my mind, Mr. President, that is back-room dealing at its worst.

It is true that some provisions have been added to the compact to try to blunt its negative effects. Other safeguards that had been agreed to in previous debates were deleted. But my overriding concern about the northeast dairy compact is now and always has been one of dangerous precedent.

Since my first day in the Senate, I have fought to make Federal dairy policy more equitable to the dairy farmers of the Upper Midwest. Most agricultural economists, and now even the Secretary of Agriculture, agree that the current milk pricing policies have had a disproportionately negative effect on the farmers of my region, and I am hopeful that the milk market order reform provisions of this bill will help reverse that injustice. But I fear that even the most equitable milk market order reforms will be meaningless in the long run if we start allowing regions to segregate themselves from the rest of the country economically through efforts like the Northeast Dairy Compact.

Our country and its Constitution are built on the concept of a unitary market without barriers. While I appreciate the efforts that have been made to water down the ill effects of the compact, I strongly believe that the long-term ramifications of this compact on a State like Wisconsin, which depends so heavily on national markets, are ominous.

A New York Times editorial this past weekend stated the following about the Northeast Dairy Compact:

> A House-Senate conference committee has managed to tarnish the most important farm bill in years by inserting a last-minute provision for a New England milk cartel that would gouge consumers and violate the free market concept that has made the 1996 farm bill worthwhile. The regional milk monopoly is the very opposite of the kind of reform this bill was meant to provide.

It will now be up to those who support true market-oriented dairy pricing reform to make that case to the Secretary of Agriculture and to assure this regional compact does not come into effect.

Lastly, while this farm bill eliminates the 10 cent per hundredweight budget assessment that all dairy farmers hate, its net effect on dairy farm income will be negative. In fact, I know of no other farmers that are asked to give up their price safety net as dairy farmers are through the elimination of the Milk Price Support Program without providing some sort of direct transition payment to soften the blow. While I question the wisdom of the overall structure of this bill, it would seem only logical to apply that structure equitably across commodities, and this bill does not do that with respect to the dairy farmer. So I will cast my vote against this farm bill.

I yield the remainder of my time.

Mr. LUGAR addressed the Chair.

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

Mr. LUGAR. I yield 10 minutes to the distinguished Senator from Pennsylvania [Mr. SANTORUM].

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I thank the Chair.

Mr. President, I rise in support of this legislation, and I do so enthusiastically, although I must say I do have some reservations about a few of the titles which I will talk about later.

Overall, this bill does move in the right direction. It moves toward freedom to farm, which I think is absolutely important for agriculture in America, to be not only profitable for the farmer but to be able to produce goods that can be sold all over the world.

I am very proud of the conservation title in this legislation. I think the dairy title takes a step in the right direction. Dairy, as has been said by various people on the floor, is probably the toughest area to reform, but we have taken steps in the right direction. It is going to take a little bit longer to get the kind of reforms in dairy that are necessary to be more free market oriented, but I think we have moved substantially in the right direction, and I support this bill.

I have some problems with respect to sugar and peanuts, but they will not keep me from voting in favor of this legislation and to commend both Chairman LUGAR and Senator LEAHY, the ranking member, for a job well done in putting this agreement together under fairly serious time constraints as we approach the planting season.

Let me first focus on the conservation title because this Congress has been excoriated by many in the national media for being an anti-environmental Congress. I suggest this farm bill is the most proenvironmental farm bill ever passed. It makes some terrific reforms by focusing on incentive-based programs, where we encourage farmers to be good stewards of the land. Farmers are good stewards of the land, by and large. We should have programs to complement their natural tendency, which is to take good care of the land that they need to grow their crops or to raise their cattle or sheep or whatever the case may be.

This is a very important step in the right direction. We should commend the leaders here, and the Congress, for putting this bill forward in an area, as I said before, where we are being criticized for not being sensitive to the environment. We have established new programs, incentive-based programs, that I believe will have a tremendously positive effect on the environment in rural America.

As a sponsor of the Environmental Quality Incentive Program that Senators LUGAR and LEAHY introduced and incorporated into this bill, I am particularly encouraged by the cost-shared assistance that will be available for livestock and crop farmers.

Senator LUGAR mentioned the Farms for the Future Program earlier. This is an amendment I offered on the floor of the Senate to provide $35 million for farmland preservation. It is an incredibly successful program in Pennsylvania. In fact, we have an overwhelming demand for this program in Pennsylvania that we simply cannot meet. This is an attempt to have the Federal Government help out to preserve high-quality farmland that happens to be located in an area near an urban area that is under very intense pressure for development. What we are seeing happen, obviously, as the urban sprawl continues to move out into the rural area, we are losing very valuable farmland. In fact, in many of my counties, particularly in southeastern Pennsylvania, we are seeing the whole farm economy destroyed because of the pressure of development. I know it is not just happening in Pennsylvania. It is happening across the country. Farmland preservation is a way to recognize that the farm economies in these areas where we have such high quality farmlands and we have a good agriculture base are worth preserving and protecting. This is a way to do it. So I am very excited about this aspect of the conservation title.

Finally, the whole freedom to farm concept is important with respect to the environment. Instead of dictating our farm policy from Washington, we are now giving flexibility to farmers. So they are not going to plant the same crop on the same ground, year after year. This practice requires increased uses of pesticides and fertilizers, because you are draining the ground of nutrients every year because you are planting the same crops. Now, you will see different crops planted and a reduction in the use of pesticides and herbicides. That is a very important, environmentally positive aspect to the freedom to farm approach.

So, there are a lot of things in this farm bill we should be very excited about from that perspective. I want to congratulate, again, the Agriculture Committee and the conferees, for keeping these programs strong and crafting a good title.

Let me now move to an area I am concerned about and that, obviously, is sugar and peanuts. But one other thing before that. I am disappointed we were not able to eliminate permanent law. Permanent law is from 1949. It is a law that is obviously not in use. It is superseded every few years when we do a farm bill, as we will this time. We will suspend permanent law, but it is still on the books. We say, ''What does it matter if it does not come into effect? Why is it so important that you want to get rid of this?''

Permanent law is really the hammer held over our heads, that if we do not pass a farm bill, if we do not keep these farm programs going and we do not repeal permanent law, we kick back to this permanent law which means we have outrageously-priced commodities. This is, really, one of the reasons I believe we continue to pass farm bills and we continue to have an interfering Government hand in agriculture.

If we got rid of permanent law, then the farm bill would have to be passed based on its merits as a bill, not because there is a hammer out there that would throw the economy into disruption if we did not pass a farm bill. So, retaining the permanent law hammer gives me a little bit of trepidation that, when this farm bill comes up again for reauthorization, the transition to more free markets could be hampered because of that hammer. So I am disappointed in that. But, again, it is another fight for another day.

Finally, on the sugar and peanuts—I could talk at length about both, but I am going to focus my attention on what I see is the more egregious of the two programs and that is the peanut program. I stood on the floor right at this spot and offered an amendment on peanuts, which was a gradual phase-down of support price. The opponents of that amendment got up here and demanded—they said, ''Look, you guys do not understand. We have real reform in here.'' They just said, ''This is substantially reformed in the original bill. You do not have to go this far. This is outrageous reform, the Senator from Pennsylvania is talking about. This is just too severe. We have real reform in this underlying bill. As a result, you can be for reform of the peanut program and not vote for the amendment of the Senator from Pennsylvania.''

Well, as I knew at the time and as I said at the time, I said: Yes, there are some reforms in here. They are not substantial. It is lipstick on a pig. But, yes, you can argue there are reforms here. But you know what is going to happen. These folks, who are advocates of this program, they are going to get in conference and they are going to gut all the reforms and they will come back and it is business as usual.

Surprise, what happened? They get to conference and almost all the minimal reforms that occurred in the original bill are gone. They are gutted. There is almost no reform in this bill anymore with respect to the peanut program in particular. That is fine. I should have known better. In a sense, I did know better. But I will state right here, that this program, while it is only reauthorized every few years—5, 7, whatever years it is—may be only reauthorized that often, but we are going to have another vote on the peanut program this year, maybe more than one vote. We are going to do it on appropriation bills. We may do it on who knows what other bills. We are not going to continue to sandbag reform on peanuts and then go to conference and gut it and have it included in the big bill where you cannot get to it anymore.

This battle is not over. There will not be any argument anymore from the other side that we actually reformed it because you did not reform it. Now we are going to talk about the merits of this program, as to whether it should go forward. Let me talk about the merits of this program. Yes, we cut the support price of peanuts from $678 a ton down to $610 a ton for quota peanuts.

By the way, the world price for peanuts is $350 a ton, but we are now at the tough, mean-spirited rate of $610 a ton, if you are on quota. We have two classes of citizens in peanuts, who grow peanuts. We have people who are lucky enough that their granddaddy was able to get a quota or license from the Government to grow them, and you get $610 a ton. If your granddaddy was not around when they were giving out the quotas, you only get, if you sell them on the additional market to the Government, $132 a ton.

It is the same quality peanuts, maybe grown by the same farmer, some are quota some are additional. But you get $132 versus $610. OK? The world market is $350.

So we have two classes of people out here. You say, ''Well, yeah, you reduce the price.'' ''Well, yes, we reduce the price. Guess what? We now have made this a no-cost program.'' That is the way they sort of got around it.

No, it is not reform. It is not going to cost money anymore. How do they do that? Every year the Secretary of Agriculture estimates what the consumption of peanuts will be in this country and sets the quota. Let us say it is 1.2 million tons of peanuts, and he sets the quota.

The Secretary cannot allow the Government to be a big buyer of peanuts, and the reason is because we cannot get stuck with a lot of expensive peanuts and not be able to sell them.

Mr. President, I ask for 2 additional minutes.

Mr. LUGAR. I yield 1 additional minute.

Mr. SANTORUM. So the problem is, he will have to go out and short the market; in other words, he will have to have a lower quota than they actually expect so they do not end up buying a bunch of peanuts and being stuck with the cost.

We had two provisions in there that actually penalized farmers 5 percent every time they sold their peanuts to the Government when they had a price equal to the quota price available on the market. Well, they gutted that provision. They gutted that provision completely.

How do they do it? First, they said the farmer has to put up his entire crop. What do you mean ''entire''? You put up 99 percent of your crop and you sell 1 percent on the open market, and you avoid all penalties. That is No. 1. There is a big loophole here, No. 1.

No. 2, it says that you have to sell your entire crop to the Government for 2 consecutive years, and then you get penalized. One year one producer sells it all to the Government, the next year another one does, and you play games with producers so nobody gets caught. That is another big loophole in this.

I can go on with a whole variety of other gutting amendments that occurred in conference. But the fact of the matter is this program is not reformed in this bill. We are going to have plenty of opportunities on the floor of the Senate over the next 6 months to reform it, and I am looking forward to that debate.

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

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. LEAHY. How much time does the Senator wish?

Mr. HEFLIN. Ten to twelve minutes.

Mr. LEAHY. I yield 10 minutes to the Senator from Alabama. My time is dwindling, so I yield 10 minutes.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, I rise today to talk a few moments on the farm bill conference report that is before the Senate. Last year, when the farm bill process began, farmers came to me representing all types of commodities enthusiastically supporting the continuation of the present programs which provided a safety net for farmers in times of disaster or low market prices. They told me the programs were working well, and, particularly in the South, these programs had worked exceptionally and extremely well, specifically in regard to cotton.

However, there was substantial Republican opposition to the continuation of such programs, even within budgetary limits. Therefore, the Republicans pushed the Agricultural Market Transition Act of 1996, formerly known as the freedom to farm bill, in which the farm program payments were decoupled and all Government programs would ultimately be phased out at the end of 7 years.

In order to gain producers' support for a farm program phaseout, the Republicans advocated fixed, but declining, payments regardless of market prices. The program that they advocated guaranteed payments to farmers whether they needed them or not. This program, in my opinion, constituted a welfare program.

In regard to cotton, it is understood that if you can produce cotton and get a price close to the target price, which is 72.9 cents a pound, you can make a living. The target price was based on the idea of taking the cost of production and the minimum amount necessary to have a return on equity comparable to what business groups endeavor to try to have as a return on equity, on a conservative basis.

But we find that under this program, this freedom to farm act, that if cotton went up to 85 cents a pound, which would be a bonanza year for profits and for prices, nevertheless under this, you would get a Government payment, a mailbox payment. If cotton went, as it did last year, to $1.06 a pound, you would, nevertheless, under the Republican proposal, get a Government subsidy. There is no point in paying money to people who do not need it, and that would be what would have happened last year under this particular program. Support for farmers

should be available during times of low market prices or uncontrollable natural disasters. Payments should not be made to farmers when commodity prices are as high as they currently are.

I oppose such an approach, feeling that this program could not survive close public scrutiny and is simply not good policy.

However, in the Senate, there was extended debate, there were cloture motions filed, and it appeared that cloture would not be obtained at one point, so compromises were worked out. Senator LEAHY took a lead in trying to work out a compromise, and I commend him for the end result. I do not like all the compromises, but at least with the circumstances with which we were faced, we did achieve a bill.

One aspect of the compromise was reinstating permanent law. Permanent law will ensure that Congress in the future must address farm programs and not simply allow them to expire.

The addition of permanent law as a part of the now called Federal Agricultural Improvement and Reform Act of 1996 is a vital element for assuring that the Federal Government will refocus its attention on agricultural policy and ensure that we maintain a partnership with rural America and not abandon our agriculture producers at the end of 7 years.

The Senate compromise also reauthorized conservation programs, including the Conservation Reserve Program [CRP] and permitted new CRP enrollments. The conservation title of the farm bill demonstrated a very strong commitment to the environment.

In addition, the very important nutrition programs were also reauthorized.

Discretionary agricultural programs, such as research, trade, rural development and credit were also rolled into the final bill.

The conference report before us today contains much of the Senate bill, and even some improvements were achieved in conference, including improvements in the peanut program. However, to me, this bill contains about an equal amount of good and bad, and this is so even after the compromise changes were included in the conference report.

If I had to weigh the good and the bad on a scale, they would come out about equal. But we are faced today with the fact that the planting season is upon us. A day has not passed in which I do not hear from farmers anxious for some direction from Congress regarding farm programs. Time is of the essence. The planting season is upon us, and that is an element that we must consider.

Nevertheless, I cannot overlook my strong concerns regarding the outyears when it is predicted that commodity prices will fall and the farmers will need an adequate and certain safety net.

The agricultural policy in China, for all practical purposes, is today controlling cotton prices in America, among others. They have vast billions of citizens to feed, and whatever policy they may establish concerning agriculture, it certainly affects the commodity prices in America today. If Chinese agricultural policy changes immediately, or in the next couple of years, then we will again experience commodity price fluctuations and the safety net provided in the bill before the Senate does not provide an adequate safety net to deal with this potential problem, and this concerns me deeply.

But at the same time, we also are faced with another situation. In my State of Alabama and in the Southeast, and in other sections of the country, last year saw disastrous conditions that affected the production of farm commodities. In the cotton belt, we had to deal with the boll weevil, the tobacco budworm, and the beet armyworm. Alabama also experienced a terrible drought, and then had to deal with two hurricanes unfortunately at harvest time. Alabama, along with other regions of the country, each had their share of uncontrollable factors to deal with this last season. Unfortunately, catastrophic crop insurance proved to be inadequate and many farmers struggled to make back their cost of production, and many did not. We tried to pass some limited degree of disaster assistance for cotton farmers during agriculture appropriations, but this effort was unsuccessful. So we are looking at a situation today where the first payment under the, as I call it the freedom to farm act, would act as a disaster payment to farmers for the disastrous situations experienced last year.

Therefore, while I believe this bill to be flawed in some areas, I have decided to vote for the conference report. I base this decision on weighing the good and the bad, and I believe it to be about equal. The fact that it is late in the day and this bill does provide some immediate assistance to farmers, I will, with reservation, vote for this conference report. I have hopes in the future that we will come back and take a responsible look at the policy, a year from now or 2 years from now, and look again at the overall policy pertaining farm programs.

I would like to commend Senator LEAHY for his work in this regard.

Mr. LEAHY. I will yield another minute for that, Mr. President.

Mr. HEFLIN. I think he did a great job and he reestablished a great deal of Democratic principles into the policy that we have, particularly research and conservation and environmental as well as others in regard to it.

I would briefly like to mention the peanut program. In my judgment the peanut program reform went far too far. According to studies that were made by Auburn University, the final version of the peanut program being voted on today will result in a 28-percent loss of income to the peanut farmer. While other commodity producers are receiving transition payments, the peanut producer is seeing nearly a one-third reduction in his income. In my judgment, the degree to which the program was reformed was unnecessary and punitive.

Mr. President, as I am looking at this farm bill, this will be the last farm bill that I will participate in, since I am retiring at the end of the year. I have long been a supporter of the American farmer. My commitment to agricultural producers has been constant throughout my career. I am concerned that the bill before us today does not provide the kind of safety net that I would prefer to see and leave as a legacy for future generations of farmers. I hope that in the future, Congress will not turn its back on American farmers in the event that commodity prices fall and farmers are left without any price protection.

I ask the Senator if I could have a couple more minutes.

Mr. LEAHY. I yield another minute to the Senator.

Mr. HEFLIN. Basically, I think that the farm bill ought to have balance. Take for example feed grains. Feed grains are important to the producers, and the structure of their program is important to them. But so on the other hand are the users of feed grains, such as the producers of cattle, hogs, and catfish. It is so necessary to have a balance. So I hope that as we look to the future and look again in regard to these matters, that we will attempt to achieve a balance between producers and users of agriculture commodities.

I would like to recognize Senator LUGAR for his work on this farm bill. Senator LUGAR has been a good chairman. I disagreed with him on many aspects of the bill and of the overall policy but he was certainly a gentleman throughout; he made certain that everybody had an opportunity to be heard. I think that he wants to achieve a balance in regard to farm policy and hopefully this will be addressed in the future.

So, as we look forward toward the future, we hope we can have a farm policy that has balance. At some time in the future I will deliver a speech to the Senate relative to balance—balance relative to trade, balance in regard to agriculture policy. But today, Mr. President, I will vote for the conference report.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, we are going back and forth. I see a Member on the other side of the aisle. But I note, if I might, the distinguished chairman. I do intend to make a statement later in praise of both Senator HEFLIN and Senator PRYOR, two of our most distinguished Members, who are leaving the committee at the end of this year.

Mr. LUGAR. Mr. President, Senator GRASSLEY is prepared to wait for Senator KERREY's speech. Senator KERREY has been on the floor. I will ask recognition for him to speak following Senator KERREY.

Mr. PRYOR. Mr. President, I am not seeking recognition to speak, but merely to ask the question, is there a possibility that we could seek, once the speakers coming up are through—I have been here for a good while this morning. In fact, I have enjoyed being over here this morning listening to some of this debate. But I see some of my colleagues, Senator KERREY, Senator BRYAN. I would be glad to follow them, if I just knew some order.

Mr. LEAHY. I wonder on our side, as we go back and forth on the Democrat side, I wonder if my colleagues would be willing to have it be the sequence of Senator KERREY, Senator BRYAN, Senator PRYOR. Is that what the Senator is suggesting?

Mr. PRYOR. I would be glad to follow my colleague, Senator BRYAN.

Mr. BRYAN. If I might, the distinguished Senator from Arkansas has been here longer than I.

Mr. LEAHY. Why not Senator KERREY, Senator PRYOR, Senator BRYAN, as we take our turns. That is assuming there will be a chorus between each Democrat of a Republican seeking recognition.

Mr. LUGAR. If the Chair would permit, following Senator KERREY, Senator GRASSLEY would be the Republican speaker, to be followed then by the two Democratic speakers, and then any Republican that comes on the floor.

Mr. LEAHY. I thank the chairman

Mr. PRYOR. So I will not surprise either of the splendid managers of this piece of legislation, I am going to vote against this bill. But there is one section I find very appealing in this legislation. I want to talk about that section just for a while, 4 minutes.

Mr. LEAHY. Those in opposition will have time yielded by the distinguished Democratic leader, and we will take that at that appropriate time.

The PRESIDING OFFICER. The Democratic leader has 84 minutes.

Mr. LEAHY. Is the Senator from Nebraska speaking in opposition?

Mr. KERREY. Yes. I ask for 10 minutes, to be charged against the Democratic leader's time.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. KERREY. Mr. President, first let me praise the conferees. Given the acrimony surrounding the debate, and given the lateness of the hour, it is entirely possible for conferees to look and produce nothing, or to produce a bill which the President would have had to veto. I appreciate very much—I know a great deal of movement had to occur in order to resolve many of the conflicts. I applaud them for having produced a piece of legislation that the President has indicated that he will sign and that he would like to revisit next year.

Mr. President, I would like to go through some of the things I see are good in this bill. I do intend to vote against it, but there are a number of things that are quite good.

First, in the area of conservation, one of the great success stories of farm programs over the past 60 years has been the tremendous improvement in conservation of soil and of water that has occurred on the private property in this country. Very often one of the political lines is used when describing the farm program as ''What a failure it has been.'' But one need only look at the snapshot of what this country looked like in the 1930's versus what it looks like in the 1990's. Indeed, you can go back to the 1980's and see considerable progress just in the last 10 years. It has been a great, often untold story, this success story in this country.

This bill authorizes the CRP at 36.4 million acres through 2002. All conservation programs are going to become more responsive to State and local needs since the technical committees that control will be required to include agriculture producers as well as nongovernmental organizations, giving them an expanded role.

This is no small item, Mr. President. It empowers people at the State level to come up with plans for the CRP that dovetails with their plans for conservation, their plans for tourism, their plans for water quality. We have tried that at the State level in Nebraska, and I can alert colleagues that groups that typically opposed one another have been able to reach agreement as a consequence of being given the power and control over making these kinds of decisions.

There is simplified conservation planning in this legislation for farmers through the Environmental Quality Incentives Program and the Conservation Farm Options. It is a tremendous improvement. I applaud the conferees for including it.

It provides for pilot wetlands mitigation projects to give farmers flexibility in managing their frequently cropped wetlands that have been badly degraded.

It makes many improvements to the law dealing with good-faith violations of conservation requirements and granting of variances from conservation requirements, stemming from ''abandonment'' of farmed wetlands and in defining ''agricultural land'' so the U.S. Department of Agriculture will be the agency responsible for delineating wetlands on pasture, rangelands and tree farms.

Next, the Resource Conservation and Development Program, which has also been very successful in my State, is reauthorized through the year 2002. The next big thing I identify is something quite good, spoken at length by many other people, but we have retained permanent authority for farm programs. Thus, we are not phasing out the farm program, not only at the end of 7 years, but the door is open if this program turns out not to be successful, for us to revisit and perhaps change the law.

Third, it increases planting flexibility, though we take a step backward from the 1990 farm bill in planting flexibility for farmers who want to plant fruits and vegetables. I am pleased the conferees adopted a provision I requested regarding alfalfa and other forages. For the first time, farmers and ranchers will not be penalized for harvesting alfalfa and other forages on their base or contract agencies. This will help farmers meet their conservation compliance requirements and may result in more conserving-use species being grown on environmentally sensitive land.

I point out there was an alternative, called the Farm Security Act, providing tremendous flexibility and simplicity by reverting to the normal crop acreage system, what we, on the Democratic side, proposed and tried to get supported. It would have retained a market orientation but would have provided tremendous new simplicity and flexibility for the farmer.

In addition, the rural development programs are improved. The creation of the Rural Community Advancement Program will give States more flexibility to address their individual needs, and the Fund for Rural America will provide additional resources for addressing needs in both rural development and in research.

Next, on the negative side, now moving from the good to the bad, depending on your point of view, my point of view is that it is very bad to create a fixed payment system that is, in essence, ignorant of the market, ignorant of the farmer's revenue, and ignorant of whether the farmers even plant a crop. This decoupled program of so-called guaranteed payments is far from being market oriented. It is market ignorant. American taxpayers would not stand for our Government giving AFDC payments to a family making $100,000 a year, any more than they will stand for our Government giving producers a freedom-to-farm payment—up to $230,000, in fact—when that farmer has received record-breaking profits or when he decides not to plant at all.

Next, it overpays farmers when revenue is high but leaves farmers without adequate protection during bad years when they need Federal support the most. Worse, the loan rate is capped for the 1995 levels. It can go down, but it can never go up. In a time when farm prices have increased and are projected to remain high for several years, these cap loan rates quickly become as outdated as the crop basis of previous farm bills.

Wheat and feed grain farmers, the individual producers themselves, came and said, ''If you take these caps off, we will pay for it by taking reduced guaranteed payments,'' but the majority party refused to make this commonsense change.

In 1996, the farm program was expected to cost very little. To be clear

on this, in 1985 the farm program cost $26 billion; last year, $10 billion. This year was going to cost $6 billion; next year it is forecasted to be $3 billion as a consequence of prices being high. Farmers are getting a decent income from the market, and the taxpayers are benefiting from the greatly reduced cost of the farm bill.

As much as I dislike many of the aspects of the 1990 farm bill, it is undeniable, from a taxpayer's perspective, that the 1990 farm bill was working. Our deficit will actually increase by $4.5 billion by the end of 1997 as a result of this bill.

Yesterday, we heard the Secretary of Agriculture come before the Agriculture Appropriations Subcommittee and present the President's budget for 1997 to Congress, and he had to say, ''We did not know what the farm bill would be, so we could not include the farm bill consideration.'' But his budget, assuming spending needs would be the same as they have been under the 1990 farm bill, shows that there is a $3 billion increase in the mandatory side of the farm program payments.

So, please understand for those who will vote for this thing and issue the press release talking about how it will be cheaper in the first year, and the budget that we will debating this year, the budget will actually increase on the mandatory side by $3 billion. Increasing mandatory spending by $3 billion in 1997 can mean one of only two things, Mr. President: Either the deficit will increase, or discretionary spending will have to decrease.

In the President's 1997 budget, budgetary authority for discretionary spending amounts to $13 billion. Budget authority for mandatory spending is $59 billion, including the nutrition programs. That $13 billion is a $200 million increase over last year. With inflation running about 2½ percent, that is an actual cut, Mr. President. With this $3 billion increase in the mandated side, unless we bust the budget or find an offset someplace else, we will have to take the discretionary programs down even further than is being recommended by the President.

Next, Mr. President, our Nation's neediest people are shortchanged by this bill, since the Food Stamp Program is reauthorized for only 2 years. Only 2 years' authorization of food stamps, while farmers are supposedly guaranteed payments up to $230,000 for 7 years.

Research is shortchanged as well, Mr. President, with programs being authorized only through 1997. This is a result of the House insistence that we should force ourselves to craft a new bill dealing with research within that time period. I agree our research program should be reexamined and updated. However, if the past 14 months is any indication of how quickly the House and Senate Agriculture Committees and Congress as a whole will act to reauthorize agriculture-related programs, the majority's insistence of only a 21-month authorization for research is not a very good idea.

Less planting flexibility for farmers who grow fruits and vegetables is the next objection I have, Mr. President. Potatoes, in particular, is a crop grown increasingly in my State, and not only grown but also processed. So it is an important source of jobs. Under the 1990 farm bill, the current law, any farmer could plant potatoes as long as that farmer agreed to give up any Federal subsidy on the acres that were planted to potatoes. That is fair policy.

Unfortunately, I was unable to persuade the majority that we should adopt the same policy of planting flexibility for potato growers under this bill. Instead, the conferees adopted a provision that will create an allocation system, a quota, Mr. President, for farmers who want to plant potatoes or other fruits and vegetables on contract areas. Instead of allowing any farmer to plant potatoes, if the farmer agrees to forego his Federal subsidy it limits potato production on contract acres to three situations: First, a region with a history of double planting; next, a planting history that includes potatoes; and farmers that can prove to the U.S. Government, the USDA, they have grown potatoes in the past, but that farmer is limited to planting no more than his average production of potatoes in the 1991–95 period.

So in conclusion, we are saying freedom to farm, more flexibility, but you are not able to do what you are allowed under the old farm bill, which is, if you want to plant an alternative crop you are allowed to take a decreased payment off your normal base. I object to this arbitrary planting restriction, particularly since farmers of each of the three situations must also give up their guaranteed payment.

Mr. President, the last time the Congress failed to enact a farm bill during the year it was due was in 1947. I point out, in 1990, when this bill was being debated, when the current law was being debated, in July 1990, there was a great debate over an amendment offered by the Senator from Texas, Senator Bentsen. What he said was, we are going to authorize the Secretary—any section of this farm bill is extended during that 5-year period to reauthorize the rest of the farm bill. Why? Because the Republicans at this time were quite concerned—there was a colloquy between the distinguished Senator from Indiana and the Senator from Kansas saying, we have to do this because July is too late.

We waited far too long, Mr. President, this time around. 1947 was the last year when this happened. That year there was a Democrat in the White House and Republicans controlled the House and the Senate. In my judgment, we are going to have to do the same thing that the voters did in 1948 to break the current logjam we have on the farm bill and the appropriations bill if the American people's will is not going to continue to be frustrated.

However, the conference committee—as I said at the beginning, I must revert to praise—the conference committee does a terrific job. They could have ended the day and passed nothing. They were up against a time line—self-imposed, in my judgment—as a result of not getting the work done. That having been said, it would have been very easy for them to have passed something the President could not have signed.

I hope that the political changes in 1996 present us with an opportunity to revisit this bill on behalf of farmers who need income, on behalf of people in communities who depend upon that income for jobs, on behalf of the taxpayers who are going to pay for it, and, most important, on behalf of the American consumer.

I yield the floor.

Mr. LUGAR. Mr. President, I yield 10 minutes to the Senator from Iowa, Senator GRASSLEY.

Mr. GRASSLEY. Mr. President, Congress and the Senate takes up today the passage of legislation regarding the farming community and is presenting legislation as a basis for a safety net for the agriculture of the next century. The programs of this century are outdated for the agriculture of the next century.

Now, Mr. President, the opponents of this bill take great delight in calling this a welfare bill for farmers. Well, of course, that shows a complete lack of understanding of the farm economy and of farm programs.

First of all, farmers have relied on a Government program for the past 60 years. The urban press has always referred to Government programs as ''welfare'' because they are too stupid to understand the interrelationship between food production and what goes on in cities and the jobs that it creates.

But what the press does not tell you is what the farmers have done for the American consumer. Farm programs have helped farmers to supply us with the best and the cheapest food supply in the world. Is this welfare? Everyone—most of all, the consumer—has benefited from farm programs, and they will continue to do so under this bill.

But Congress has passed, in this bill, the most sweeping changes in farm programs in 60 years. We will not, in this new environment of change, pull the rug out from under farmers in this legislation.

We are providing in this legislation a glidepath to the free market type of agriculture that most farmers want. This bill provides a glidepath. It provides guaranteed, certain payments to farmers to allow them to adjust to a new era of agriculture.

This era will be heavily influenced by free market forces instead of Government programs. This new era will also be influenced by the opening of markets in Europe and the Pacific rim when free-trade agreements, such as GATT, are allowed a chance to work.

Most farmers welcome the opportunity to meet every competitor abroad, compete in every market, and send a clear signal—which this bill does—that we are going to supply that market. We are going to be in the market to stay.

But, of course, during transition, there must be an adjustment period. The Government safety net must continue in order to ease the transition. This bill accomplishes that goal.

And anyone in this Chamber who thinks farmers will take this market transition payment and not plant a crop has a total lack of understanding not only about farming but about economics in general.

The farmers I know cannot afford to pay the property tax on their land and to take these payments and expect to make a living from them. They will have to earn income from the land. Not only do they have to do it, they want to do it. They have to produce and market a crop in order to provide such a living.

With all due respect to any of my colleagues who think otherwise, it is insulting to our farmer constituents to insinuate that they will take a Government payment and fly off to Florida and let the productivity of their land and the return from that productivity be nonexistent.

Obviously, you are not talking to the same farmers that show up at my town meetings and visit my office. These farmers want to continue to farm the land and make a living from that land.

So let us give farmers just a little bit of credit. Let us trust them not only to do the right thing, but to do the only thing that makes sense economically. That is what most of this farm bill is all about—letting farmers make their own decisions, instead of Government making all of their decisions for them.

Mr. President, I simply cannot, on another point, buy the argument made by the opponents of this bill that we have failed to provide an adequate safety net for farmers. The farmers I talk to do not think the current program is any safety net at all.

If you want to see how the current program would work for some farmers if it were extended, talk to the farmers in southern Iowa, western Illinois, and northern Missouri who did not get a crop planted in 1995, and ask them about a safety net. They had little or no crop to market this year. Yet, they did not receive a deficiency payment because prices are so high. They lost a lot of income, and many of them are on the verge of going out of business. Yet, some of my colleagues want to extend the 1990 farm program because they think it is a better safety net.

This new farm bill has all the components of an adequate safety net. First, it makes guaranteed, fixed payments to farmers for the next 7 years—something they can count on. It lets farmers manage their income from the Government, instead of some bureaucrat in Washington doing it.

Since we know the amount that we have to spend on the farm program over the next 7 years—and we have to know that if we are going to get to a balanced budget—why not let the farmers manage this money instead of Washington? Once again, the opponents of the bill would rather keep the powers in the hands of unelected, faceless bureaucrats, when the farmers, business people, as they are and must be, are competent to do this and want to do it and welcome the freedom to do it.

This farm bill also has a strong Marketing Loan Program. This represents the true safety net for our farmers. It protects the farmers against rapid decline in prices. Finally, we establish a new program in this farm bill called revenue insurance. In fact, it is already being used in Iowa under the name of crop revenue coverage. This new product is a public-private partnership that represents the future of farm programs. The farmers I talked to in town meetings over the past weekend are very excited about this product. They feel that it is the only safety net that they need, one that they can control, and one that is related to the marketplace.

So let us not substitute our judgment for that of our farmers. It is their business, their livelihood, and there is nobody who knows better how to manage the 350-acre average-size farm in Iowa than the man who is operating it or the woman who owns and operates it. They know better than many people here. Let them decide what a sufficient safety net is for their business. I think most of them will decide that this new revenue insurance product is a very strong safety net.

Also, Mr. President, the opponents of this bill argue that we are ending Government involvement in farming, and that this is just plain wrong. These are scare tactics designed to undermine the intent of this bill.

First of all, permanent law, specifically the 1949 act, is still in place as an incentive for Congress to consider farm legislation after the year 2002.

Second, I understand from the Congressional Budget Office that agriculture will have about a $4 billion baseline for farm programs after 2002.

Finally, and most significantly, the bill establishes a strong insurance program. This program will be a public-private partnership that provides a very strong safety net for family farmers.

So Government will continue to play a very important role in farming. But the role will be much more limited. It is accurate to say that farmers' business decisions will no longer be made in Washington. But the Federal Government will continue to play a role in providing a safety net.

Maybe the opponents of this bill want the Government to continue to control all aspects of agriculture. But farmers do not want that, and the supporters of this bill do not want that. But it is just fear-mongering to insinuate that the Federal Government will pull the rug out from under the family farmers. This simply will not happen under this very good piece of legislation.

I commend the manager of the bill for writing a very good piece, as well as the Senator from Vermont.

I yield the floor.

Mr. LEAHY. Mr. President, I yield time from the time of the distinguished Democratic leader to the Senator from Arkansas.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank the distinguished ranking member, Senator LEAHY, for yielding to me. I want to compliment not only Senator LEAHY but also our friend and chairman of the committee, Senator LUGAR of Indiana.

This has been a very, very difficult process indeed—Mr. President steering this particular piece of legislation through the Agriculture Committee ultimately onto the floor of the Senate. In my opinion, it is long overdue. We will not fight that battle now. That has been the battle of the past days, and perhaps it could be a battle for a future day. But at least let me say that our two ranking members, our two managing members, this afternoon have worked very hard and very closely to bring this matter to the floor of the Senate this afternoon.

I would like to take just a moment to highlight section 926 of the farm bill conference report to my colleagues in the U.S. Senate. I find myself in a very unusual position of pointing to something in this report which I actually support, and those sections are few and far between. But this is section 926 that I strongly support.

As many of my colleagues know, I have not nor will I today support the freedom-to-farm concept espoused in the philosophy of this legislation. I believe it ends the much-needed safety net for our family farmers. However, I have stated my opinion numerous times on this floor, in the Agriculture Committee, and most recently in the last week or so as a member of the conference committee that brought this bill to the floor of the U.S. Senate.

Nevertheless, I would like to very quickly highlight one particular provision which was included to recognize one of our distinguished colleagues in the U.S. Senate. Section 926 of the report designates the research facility operated by the Agricultural Research Service—ARS—near Booneville, AR, as the ''Dale Bumpers Small Farms Research Center.''

Booneville, AR, by the way, is less than 15 miles south from an even smaller Arkansas town known as Charleston. The reason I bring this up is that Charleston, AR, just so happens to be the hometown of our colleague, the senior Senator from Arkansas, the Honorable Dale Bumpers. At one time Senator BUMPERS not only operated a small business, which was a hardware store, but he was also an attorney in Charleston, AR. He took great pride in stating that he was not only the only

attorney but that he was the best attorney in Charleston, AR.

Mr. President, naming this research facility after the Honorable DALE BUMPERS could not be more appropriate, and I am very pleased today to play a very small part in making this distinction possible. Senator DALE BUMPERS has been a tremendous ally for the farmers and ranchers of Arkansas and across the whole country.

As chair and now ranking member of the Agriculture Appropriations Subcommittee, Senator BUMPERS has worked and continues to work tirelessly on behalf of the agriculture community. He is also, as we all know, the former chairman of the Senate Small Business Committee.

It was early 1976 when the Booneville Chamber of Commerce went to work to find a better way to utilize State-owned land near this particular town. With the tireless help of Senator DALE BUMPERS, the necessary groundwork began, and this truly grassroots project was off and running. After consideration of all possible uses for this land, the overwhelming conclusion was that a research facility to benefit small farms would be the most valuable use. I so well remember this project. It seems so many years ago, as I was Governor at the time and did what I could at the State level to push this project forward.

Over the next couple of years working with Senator BUMPERS, with his help, vision, and foresight with the feasibility studies that he was responsible for when they were conducted, additional backing was gained. Certainly they showed that a research facility for small farmers in small farming operations was justified. Since it was State-owned and State-involved, Mr. President, support from the Governor was crucial. And when my successor, Governor Bill Clinton, entered office in 1979 he quickly recognized the merit of establishing a small farms research center. Approval from local organizations was also obtained, and the citizens of Booneville traveled to Washington, DC, to the Nation's Capital to follow through on their efforts. I remember so well those meetings. I also remember the leadership of Senator DALE BUMPERS—that much-needed fire that got these funds committed, and the project was then off the ground.

Finally, in 1980, Mr. President, with all of the planning, and all of the studies finally completed, about 15 acres of State-owned land was leased to the University of Arkansas, which in turn was leased to the Department of Agriculture to be used in research. All of this would not have been possible without the leadership and the vision—and certainly the commitment—of the Honorable DALE BUMPERS.

On behalf of the citizens of Booneville, AR, and throughout our entire State, on behalf of the farmers and the ranchers who have and will continue to benefit from the important research conducted there, let me at this time express the much-deserved appreciation for all of Senator BUMPERS' efforts in making a worthy project become reality. We hope that this small token of recognition will demonstrate our gratitude to Senator DALE BUMPERS.

Let me conclude, Mr. President, by stating that this idea to name this particular facility has been kicking around I must say for a long time. For a long time many members of the community of Booneville have thought that the appropriate name for this center would be the ''Dale Bumpers Small Farms Research Center.'' We have leaders like Jeral Hampton, Rick Lippard, Gene Remy, Don Dunn, A.B. Littlefield, and John T. Hampton who served on a committee to steer this center from the blueprint stage to the active research stage that it finds itself in today.

It is a great opportunity, and I must say a great challenge that lies ahead to benefit not only small farmers in our State but small farmers in research across this great country of ours.

It is a great honor for me. It is great to be able to assist in the proper naming of this U.S. Department of Agriculture research center after our distinguished colleague and senior Senator from the State of Arkansas.

Mr. President, I yield the floor.

Mr. LEAHY. Mr. President, I understand that under unanimous consent Senator BRYAN would be recognized.

Mr. BRYAN. Responding to the floor manager's inquiry, I will speak for less than 10 minutes, hopefully.

Mr. HARKIN. Parliamentary inquiry: This Senator would like to know what the speaking order is that is coming down the pike?

The PRESIDING OFFICER. Let us defer to the floor manager.

Mr. LUGAR. Mr. President, may I suggest to the Chair that it might be appropriate after Senator BRYAN is recognized that Senator JEFFORDS be recognized on our side, and then Senator HARKIN, if that would work out with the arrangement. We have attempted to alternate back and forth. But there was no Republican present when Mr. BRYAN appeared and, therefore, I recognized that he was the next speaker on that occasion. But after him, I would like to proceed to Senator JEFFORDS.

The PRESIDING OFFICER. I understand Senator BRYAN, Senator JEFFORDS, and Senator HARKIN, in that order.

The Senator from Nevada is recognized.

Mr. BRYAN. I thank the Chair. I thank the majority floor manager for accommodating me and recognizing me in sequence.

Mr. President, I rise today in opposition to the conference report and to speak about an aspect of this farm bill that is particularly troubling to me and has been troubling to me for many years.

Again and again this Senate has passed provisions to reduce and to reform the Market Promotion Program which is also known as MPP. Each and every time the Senate has called for reform of MPP the conference committees which convened subsequent to the passage of those reforms have removed the reform language from the final conference report.

By way of background, Mr. President, the Market Promotion Program was created to encourage the development, maintenance, and expansion of exports of U.S. agricultural products. MPP is a successor to the Targeted Export Assistance Program [TEA] which was established in 1986. TEA was originally created to counter or offset the adverse effect of subsidies, import quotas, or other unfair trade practices of foreign competitors directed at U.S. agricultural exports. Since 1986, the Federal Government has spent $1.43 billion on TEA and MPP.

The General Accounting Office has pointed out that the entire Federal Government spends about $3.5 billion annually on export promotion. While agricultural products account for approximately 10 percent of total U.S. exports, the Department of Agriculture spends about $2.2 billion each year or 63 percent of that total. By contrast, the Department of Commerce spends $236 million annually on trade promotion.

MPP is operated through approximately 64 organizations that either run market promotion programs themselves or pass the funds along to individual companies to spend on their own advertising efforts. In fiscal year 1994, about 43 percent of all MPP activities involved generic promotions while 57 percent involved brand-name promotions.

In fiscal years 1986 through 1993, $92 million of MPP funds went to foreign companies.

Mr. President, when I talk about MPP funds, I am talking about tax dollars collected from American citizens who remit their taxes to the Federal Government each year. That $92 million represents nearly 20 percent of the total funds allocated for brand-name promotions during those 8 years. In fiscal year 1994, more than 140 foreign companies received MPP funds.

Although the stated goal of MPP is to benefit U.S. farmers, the program can also benefit foreign enterprises. By funding foreign firms, the General Accounting Office has contended that MPP can make it more difficult for U.S. firms to compete and to obtain a foothold in foreign markets. While it has been argued that the funding of foreign companies may produce short-term gains in the export of U.S. agricultural commodities, those gains are likely to come at the expense of U.S. firms gaining a more permanent foothold in overseas markets.

On September 20 of last year, the Senate voted 62 to 36 to reform the MPP Program and to lower the amount of Federal Government money supporting it. This amendment was cast in the

form of the Bumpers-Bryan amendment and would have made three reforms to MPP.

First, under the provisions of the amendment, only small businesses and Capper-Volstead cooperatives would be eligible for financial assistance.

Second, no funds would be used to provide assistance to foreign trade associations.

Third, the funding level would be reduced to $70 million.

When the fiscal year 1996 agriculture appropriations conference report came back to the Senate on October 12 of last year, it was passed on a voice vote. The conference committee had removed the Senate language reforming MPP and restored its level of annual funding to $110 million.

Again we tried to reform MPP when the 7-year farm program authorization first came before the Senate last month. The Senate passed the Bryan-Kerry-Bumpers-Reid amendment by a vote of 59 to 37, and it contained the same provisions that were previously included in the Bumpers-Bryan amendment, the reforms as well as reducing funding to $70 million annually. Now the farm bill conference report has come back to the Senate and, again, repeating the pattern of the past MPP reforms that passed the Senate, have been removed.

Let me make specific reference, Mr. President, to language contained in the conference report itself that addresses this subject, and I quote:

> Funds shall not be used to provide direct assistance to any foreign for-profit corporation for the corporation's use in promoting foreign-produced products.

Now, at first blush, a superficial reading of the language might suggest that foreign companies would be excluded from receiving money through MPP, but this apparent reform is disingenuous. While the language adopted by the conference committee might prohibit direct assistance to foreign companies, it does not prohibit indirect assistance to foreign companies by nonprofit associations. And in what may be the ultimate irony, the conference report implies that a new reform is being enacted that would preclude payment to foreign corporations for foreign-produced products. MPP was never designed—and I repeat never designed—to compensate corporations for foreign-produced products. This claim of reform is illusory.

At a time when the gospel of budgetary restraint has reportedly been embraced by all, a majority of the agricultural conferees continue to pursue a taxpayer giveaway to foreign corporations.

Finally, this conference report adds a new and rather curious mandate. It officially changes the name of the Market Promotion Program to the Market Access Program [MAP] as it will now be designated. Is this reform? I would submit that if it looks like a duck, walks like a duck, quacks like a duck, swims like a duck, it is a duck. Whether it is called MPP or MAP, this program remains what it has always been, a frivolous use of taxpayer money and a prime example of a corporate welfare program that should be eliminated.

Mr. President, I yield the floor.

Mr. LUGAR. Mr. President, I yield 5 minutes to the distinguished Senator from Vermont, Senator JEFFORDS.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. First of all, I commend the chairman of the Committee on Agriculture, along with the ranking member, for the incredible work that they have put into this bill. I believe it is an excellent piece of legislation that provides stability, enhances markets, streamlines outdated programs, creates incentives to protect the environment, and benefits all farmers from all regions of the country. Having worked on several farm conferences in my period in the House, I know how difficult and how hard it is to come through with a consensus. Not only do you have to worry about all the farm interests but also you have to worry about all of those who are affected by farm policy. It is a tremendous piece of work which they have accomplished. I also thank the Members in the House with whom I worked for many years, for their support at the critical time on the conference committee. Without their help this could not have come about.

I am especially pleased that the conference reached a comprehensive dairy title that reflects the interests of all regions of the country. I was most keenly concerned about the Senate farm bill's inability to give our dairy farmers at least a fair deal. It was this concern that motivated me to vote against the bill for the first time in my 20 years in Congress.

Fortunately, through the help of our chairman and ranking member from my good State of Vermont, the conference committee, after hours of intense consideration produced a dairy title that provides stability for our farmers and true reform in the dairy program. The dairy title eliminates the 10-cent-per-hundredweight assessment paid by dairy producers, returning $150 million annually to dairy producers throughout the country at this difficult time for them. It reforms and consolidates the Federal milk marketing order system, consolidating the orders from 34 to between 10 and 14 will help bring more uniformity in prices throughout the country. It continues price support purchases from December 31, 1999, followed by a recourse loan program for butter, nonfat dry milk and cheese beginning on January 1, 2000, giving the industry the means to compete in world markets and enhancing the future of a strong, renewed dairy industry. Most significantly for the farmers of New England, the bill grants consent to the Northeast Interstate Dairy Compact.

Mr. President, in March of last year, I introduced the Northeast Interstate Dairy Compact along with the entire New England delegation. The dairy compact is intended to help give farmers and consumers fair and stable milk prices in New England. It will establish an interstate commission consisting of one delegation from each of the six New England States. The commission will have the authority to hold public hearings on the fluid class 1 milk market in New England.

The dairy compact originated in the Vermont legislature over 7 years ago. It has universal support among Vermonters and throughout New England and is critical to the maintenance of the region's dairy industry, if not its survival, offering both income stability and income enhancement. The compact has been overwhelmingly approved by the legislatures of all six New England States and simply needed the consent of Congress.

What the State legislatures offered was not at all a novel idea. The widespread support for and central importance of the dairy compact to New England has been throughly emphasized by the regions Governors, legislatures, consumers, farmers, and local processors.

The single most overwhelming fact about the economics of dairying in New England is that the price to the consumer continues to increase at the same time the price to the farmer continues to go down. In fact, current farm milk prices are, as low as they were over 10 years ago while the price to consumers is substantially higher.

The hard working dairy farmers of New England have seen federally set minimum prices return less money than it costs them to produce their milk. The result, during the 1980's, 40 percent of the New England farms ceased to operate. In my own State of Vermont, where agriculture is such an important part of our economy and way of life, nearly 50 percent of the farms have been lost in past 10 years.

The inclusion of the dairy compact in the conference report is a tribute to the hard-working dairy farmers of New England, who are such a vital part of the region's heritage. The compact ensures that family farms from St. Albans to Pawlet, to those in the Northeast Kingdom and all across New England will have the ability to survive and remain economically viable into the next century.

Mr. President, milk processing plants, feed and equipment dealerships, veterinarians, banks, and many others suffer when farms in their communities go out of business.

Not surprisingly, the dairy processors' lobby fought hard to prevent Congress from approving the compact. After all, they have benefited for a long time on both ends of their business from cheaper farm milk and higher consumer prices.

Several of my colleagues have heard from large milk processors in their States about how this compact could hurt the national dairy industry or the farmers in their own State.

Such claims are false. The compact would in no way prevent milk from coming into the region or affect the price of milk in any other region of the country. Despite the claims of the processors' lobby, the fact remains that the compact is very similar to existing State over-order programs currently in place. Like those programs, the compact would not conflict with or alter the Federal milk marketing order system, but only complement its operation. In short, New England States are working cooperatively as a region only to maintain a healthy dairy industry in New England, without adverse effect on the rest of the country.

The compact has been carefully crafted so that it will not affect the national dairy industry. Nonetheless, in order to address any concerns that the conference committee may of had of how the compact will work in practice several additions were included.

The compact limits the ability of other States to join; allows farmers outside New England who sell milk within the region to benefit from the compact; restricts the interstate commission to regulate class I milk only, and will terminate concurrent with the Secretary's implementation of the dairy pricing and Federal milk marketing order consolidation and reforms.

Mr. President, I am also pleased that this bill takes great strides at addressing conservation practices. USDA conservation programs have traditionally addressed the problems faced by producers growing row crops. The technical and financial assistance that livestock producers need have not been well addressed by our current set of conservation programs. This bill creates a new Environmental Quality Incentives Program to help farmers with conservation projects, creating new incentives for farmers to protect and enhance the use their land.

In addition, the bill includes a $35 million initiative to buy easements on farmland threatened by development and $50 million wildlife habitat program. These provisions, along with several others will help farmers from throughout the country deal with water quality, erosion and other conservation challenges.

Mr. President, the hard work and partnership with both the House and Senate has produced a comprehensive bill that reflects accountable reform, important market stability, and environmental responsibility.

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

Mr. DOMENICI. Mr. President, I rise in support of the conference agreement on the farm bill.

This is the first major, fundamental change in Federal agriculture policy since the first farm programs were created in the 1930's.

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.

This conference agreement provides farmers with that mechanism through the Market Transition Program.

The Market Transition Program moves agriculture in a new direction which will give farmers the freedom to plant what they want, when they want.

The Market Transition Program also ends the production control programs of the Depression era.

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.

This conference agreement gives the farmer the flexibility to base business decisions on market conditions and not on Government programs.

Mr. President, this conference agreement allows the Department of Agriculture to spend $67.7 billion on commodity, trade, research, rural development, and conservation programs over the next 7 years as estimated from the December 1995 baseline.

CBO's preliminary estimates indicated that this conference agreement saves $2.1 billion over the next 7 years.

This conference agreement does not achieve the $4.6 billion in savings that was included in the Vetoed Balanced Budget Act of 1995. However, it does provide a down payment toward a balanced budget and is a step in the right direction.

Mr. President this bill also adds spending discipline to the commodity programs by including a spending cap. Spending for commodity programs through the Commodity Credit Corporation has varied widely from $600 million in 1975 to $26 billion in 1986.

The spending cap will limit unforseen spending increases which have frequently occurred in past years.

Mr. President, on a more parochial issue, the bill includes a provision regarding the New Mexico valencia peanut pool.

The Senate-passed bill included an amendment to clarify the original intent of the law. The House passed bill had no such provision.

Mr. President, as part of the 1985 farm bill, Congress created an exclusive pool for New Mexico valencia peanuts, and the provision was retained in the 1990 farm bill.

The original intent of the law is to allow only those valencia peanuts physically grown in New Mexico to enter the pools of the State.

However, peanut growers in my home State have notified me that valencia peanuts grown in Texas have entered the New Mexico pool because of a loophole in existing regulations.

It is my understanding that the USDA regulations allow a producer to enter valencia peanuts grown on a Texas farm if that producer has a combined New Mexico-Texas farm that is administered in New Mexico.

The compromise reached in this agreement clarifies that valencia peanuts must be physically produced in New Mexico in order to enter the New Mexico valencia peanut pool for 1996 and subsequent crop years.

The compromise also grandfathers those producers who entered valencia peanuts grown in Texas during the 1990 to 1995 crop years.

Producers may enter Texas grown valencia peanuts in the New Mexico pool, but the amount is limited to the 6-year average—1990 to 1995—that the producer entered into the pool during that period.

For example, producer ''A'' entered 10 tons of Texas grown valencia peanuts for each year during 1990 to 1995—a total of 60 tons for the 6 year period. Producer ''A'' would have a 6-year average of 10 tons.

Producer ''A'' will be able to enter up to 10 tons of Texas grown valencia peanuts per year into the New Mexico pool.

Producer ''B'' also has a combined New Mexico-Texas farm administered in New Mexico. But, producer ''B'' has no history of entering Texas grown valencia peanuts into the New Mexico pool during the 1990 to 1995 crop years.

Under this scenario, producer ''B'' would not be allowed to enter Texas-grown valencia peanuts into the New Mexico pool for future crop years. Producer ''B'' could, however, continue to participate in the New Mexico pool with peanuts physically grown in New Mexico.

Mr. President, this conference agreement also includes other provisions which are important to native Americans and the operations of the Commodity Supplemental Food Program.

I thank the distinguished chairman and ranking member of the Agriculture Committee for their review and consideration of this and other issues that I brought to the committee's attention.

I urge the adoption of the conference agreement.

Mr. BAUCUS. Mr. President, I rise today to express my support for the conference report to H.R. 2854, the Federal Agriculture Improvement and Reform Act—the farm bill.

Mr. President, this is a bill which has been too long in coming to the floor of the Senate. The authority contained in this bill expired on New Year's Eve. This debate began on the 1995 farm bill. And with the tardiness of our action this bill will barely be in time for the 1996 crop.

I will cast my vote in favor of adopting this report. I feel that it is essential that we get this legislation passed and to the President for his signature. It is time for our Nation's food producers to know what their program will be in the coming year.

It is my hope that by next week, this bill will be signed into law. The Secretary of Agriculture has recommended that the President sign it. And the President has indicated he will do so. So I am pleased that today we will pass this bill.

There are a number of important items which have been included. In my mind, the most important inclusion is

retaining the 1949 Agricultural Act as underlying, permanent law. Mr. President, I am convinced that the 1949 act is the reason we have had this farm bill debate. And I expect that 7 years from now, it could very well be the reason we have a farm bill debate at the sunset of this bill.

This legislation contains a number of valuable conservation programs. In our part of the country, the Conservation Reserve Program, the CRP, is a major factor in wildlife habitat conservation, water quality enhancement, and soil conservation. We are continuing this valuable program. And we are authorizing a new Environmental Quality Incentive Program which will help producers of both crops and livestock to make management changes for the improvement of the natural resource on which their future and their livelihood depends. This program will also provide for cooperative efforts with conservation organizations to enhance wildlife habitat. It's a win-win for States like Montana.

I am pleased that this is comprehensive legislation—it extends beyond the commodity programs. In addition to conservation, we have addressed credit, research, trade, rural development, and promotion activities. In the arena of trade we have authorized the important Market Access Program, the Export Promotion Program, and the Foreign Market Development Program. These programs are vital to our export activities.

Agriculture trade is a real bright spot in our total trade effort. Our agriculture exports last year were over $54 billion dollars. This year, we are expected to exceed that, reaching $60 billion. That will leave us a positive agriculture trade surplus of $30 billion.

The commodity program featured in this bill directs our farmers to obtain an ever-increasing percentage of their income from the marketplace. In today's world, that means American producers will need to be very competitive and expand their exports. And while our export programs are not funded at levels I would prefer, they will go a long ways toward our export goals.

The commodity programs will provide farmers the flexibility to plant crops which the market demands. No longer will the Government be making planting decisions. While that will be helpful to many farmers that flexibility will carry with it a need to develop and improve alternative crops to grow more successfully in arid climates like that in Montana. Only then will Montana farmers have true planting flexibility. The work at Agricultural Research Stations like the one in Sidney, MT will be an important part of this equation.

In this year, with good prices and sizeable payments it should be a pretty good year for our Montana producers. I hope that the prices we are now experiencing can be maintained. If so, this program should work well for the entire 7 years it is authorized. However, we need to take advantage of the strong price cycle we are in to reform the crop insurance program so it is a more functional system of risk management. If we fail to accomplish this task we could be in for tough times in the late years of the bill.

There are other problems I see in this bill. I am disappointed that this will end the Emergency Livestock Feed Program. And I would like to see the loan rate caps removed. I would also prefer that the research title was authorized for the entire 7 years. This forces a research title to be authorized next year or to risk authorization by appropriation in our important research program. Some might find these to be small concerns, however, to my State they are important.

Before I close Mr. President, I want the record to reflect my appreciation for the work of our Senate conferees on this issue. They had a difficult task and I would like to thank them because this bill is far preferable to the bill brought to conference by our colleagues across the Hill. So I would thank the conferees, especially the chairman and the ranking member for their efforts in getting this accomplished.

And with that Mr. President, I urge my colleagues to approve this conference report and I yield the floor.

Ms. MOSELEY-BRAUN. Mr. President, I am pleased that the Senate has finally reached closure on the farm bill.

Bringing the farm bill to this final stage in the legislative process has not been an easy task. As we approach the end of this debate, I am reminded of the words of Thomas Jefferson, who once said ''Were we directed from Washington when to sow and when to reap, we should soon want bread.''

While we are far from wanting bread in America, Jefferson's words sound almost as if they had been said by a farmer only 2 hours ago, instead of two centuries ago. Farmers today, like farmers in Jefferson's time, want to get their profits from the market, with as little Government interference as possible.

The new approach to farm programs embodied in this bill, known as the Market Transition Act, or freedom to farm, finds its roots in these views. The new commodity programs are designed on the belief that it is important to reduce Government interference with planting decisions. These new programs have been fashioned to provide farmers with the simplicity, flexibility, and certainty that they seek.

I have great reservations about some aspects of this new approach, however. Farmers still need a system in place to help moderate risk, and provide a financial safety net. In this regard, the Market Transition Act falls profoundly short. And that is a very serious flaw we must revisit as quickly as possible.

Perhaps these problems would have been resolved had the farm bill been handled by this Congress as farm bills have been handed in the past. For over 40 years, farm bills were considered early, and passed on time. Farm programs, which are so very important to rural America, and which can have far-reaching effects, were rigorously debated and reviewed well in advance of their expiration date. While the results may not have been perfect, previously Congresses gave farm bills the time and attention they deserved.

But, I am not running the Senate. And the hour is late. There is a time to debate, and a time to act. Planting season is upon us. We must move beyond politics, and move ahead. Farmers need a farm bill in place—now.

The Market Transition Act may need to be revisited. But it is time to enact a law. My vote for the 1996 farm bill was a vote to end debate, pass a farm bill, and provide farmers with the certainty they need for this crop year.

There are good things about this farm bill. The bill is strong in the areas of conservation, environment, rural development, and research. The Conservation Reserve Program is maintained at 34.6 million acres. The Environmental Quality Incentives Program is authorized at $200 million per year to help livestock and crop farmers control pollution and erosion. The Fund for Rural America, a program I support, was created to provide $300 million for rural development and research initiatives. The Market Promotion Program, now known as the Market Access Program, survived and is authorized at $90 million to promote U.S. agriculture exports overseas. And permanent law is retained, lessening the danger that in 7 years, Federal support for agriculture will end.

I am particularly pleased this bill includes my proposal to increase the marketing loan rate for oilseeds. For soybeans, a major Illinois commodity, the marketing loan rate will be set at 85 percent of the Olympic 5-year average, but no less than $4.92 or no more than $5.26 per bushel. Allowing the soybean loan rate to rise by 5 percent if prices increase helps to treat soybeans equitably with other crops, allows soybeans to compete more effectively for acreage, and provides some protection for small producers against increased volatility in production and prices that may result from full planting flexibility.

With other aspects of this bill, however, I have serious concerns.

I am greatly disturbed by the decision of the conferees to include the Northeast interstate dairy compact. These provisions were soundly rejected by the Senate, not considered by the House, and, therefore, without question, should never have been included in this conference report. I intend to work with my Midwestern colleagues in the Senate to ensure that the U.S. Department of Agriculture never implements this compact, which would set dangerous constitutional precedent and have a serious impact on both dairy farmers and dairy companies in Illinois.

I am also concerned that food stamps have been reauthorized for only 2 years. Roughly 27 million Americans are served by food stamps, 1.2 million of whom are Illinoisans, and over half of whom are children. Food stamps are about providing the nutrition necessary to ensure that mothers and babies remain healthy, students remain alert, and the unemployed make it through tough times. It is poor policy for Congress to play political games with programs designed to support the health of children, working families, and the elderly.

Many of the improvements in this bill would not have been possible without the leadership of the distinguished Democratic leader, Senator DASCHLE. While he will vote no on this bill, he has worked to make this a better bill, and I commend his leadership on agriculture issues which are so very important to his State.

I would also like to thank the distinguished majority leader, Senator DOLE, and Senators LUGAR, LEAHY, GRASSLEY, and COCHRAN for their work on this bill, and for their assistance and support for programs important to the State of Illinois.

Mr. President, agriculture programs must change with the times. The economic practices and social trends in rural America are vastly different than in decades past. These changes aren't just important to farmers and rural communities. They are not just about dry statistics buried in some obscure report. They are about issues that are critically important to everyday people.

That is why changes to farm programs must be made judiciously. Major changes to Federal farm policies must receive careful attention before they are made, so that inadvertent mistakes that could be very harmful to farmers are avoided.

We can do far better than this bill. But doing nothing—having no bill—is not an option, and that is why I will vote in favor of the 1996 farm bill.

Mr. WELLSTONE. Mr. President, I am pleased that we finally have a farm bill which will pass and will be signed by the President. The bill is long overdue. Farmers should not have to wait any longer for certainty regarding the programs they will operate under.

I regret that the bill has taken so long. The process itself has contributed to a poor outcome for American agriculture and for rural American communities. There are some positive sections of the bill—conservation, nutrition, and needed funding for rural development. But the commodity provisions take us exactly in the wrong direction. The bill decouples Government support from production and from market prices. It caps loan rates at low levels. And it directs the majority of taxpayer payments to the largest, most affluent farms to the same degree as the status-quo programs which operate so unfairly now.

It would be more appropriate to refer to this legislation as the ''corporate agribusiness bill'' than as a farm bill. After a few short years, American farmers will be left to the tender mercies of a global marketplace that is dominated by corporate conglomerates and trading boards.

We might have produced a better farm bill if our debate over it had been more timely and deliberate. The effort to include an entire 7-year bill in last year's budget reconciliation bill, with little debate and practically no input from Democrats, followed by the now-successful push to pass a plan that was not subjected to extensive hearings or substantial input from rural America has produced a bad bill. Better proposals were offered in both the House and the Senate, including a reform bill introduced here last year by Senate Minority Leader DASCHLE, which I was proud to cosponsor. But those proposals were never given real consideration.

This bill is as deeply flawed now as when I voted against its original Senate version. It was not improved by the conference committee. It does not represent good farm policy and will not likely promote economic revitalization in rural America. I will vote against it now, and it is my hope that as this bill's flaws become even more apparent in its implementation, the result will be its reconsideration by the next Congress so that more genuinely progressive reform of Federal farm policy can be enacted.

Some people, including some Minnesotans, believe that the so-called freedom-to-farm approach to farm policy is the best way forward for American agriculture. I profoundly disagree with that judgment. I believe it is designed to benefit large corporate agribusiness and will actually harm most family farmers. It will likely increase current trends toward economic concentration in agriculture, to the disadvantage of small and moderate-sized farm operations.

I have consistently favored long-term Federal farm policy that would promote family agriculture and revitalize our rural economy. That is not what freedom-to-farm represents. It is such bad policy that it will discredit farm programs forever. The public will not support farm programs that write checks to farmers when prices are high, and no matter what, or even whether anything, is planted.

During initial consideration, Senator DORGAN offered an amendment which I supported, which would have required that farmers plant a crop in order to receive the guaranteed Government payment. That was voted down. I don't think this is the kind of policy that reaches out to the general public for support at a time when we are looking at slashing the budgets for health care and education programs.

Freedom-to-farm represents a dubious carrot followed by a very real stick. What is the short-term carrot? The carrot is so-called ''contract'' payments, or ''transition'' payments on the way to the elimination of farm programs. Farmers who have some debt, or who have had a poor crop in the past couple of years, or who did not get good prices last year, would like a Government payment this year on top of decent prices. There is no question about that.

I understand why some people consider that promise attractive. They believe that a promise of 7 years of payments is the best they will get from this Congress. But the contracts cannot be guaranteed. Congress can do another budget bill at any time and reduce or eliminate the payments. The entire purpose of freedom-to-farm is to reduce farm-program spending, then eliminate it. Even current policy, which I have never supported, offers farmers more protection over seven years than freedom-to-farm.

What is the medium-term and the long-term stick? Prices will not stay where they are likely to be this year. Freedom-to-farm caps loan rates at 1995 levels. As the so-called guaranteed payments diminish, and then when they run out, how many Minnesota farmers can make a living off of $1.89-a-bushel corn, or $2.58-a-bushel wheat? Is that the future we want to leave our young farmers?

That is the reality of freedom-to-farm. It ultimately leaves farmers to the tender mercies of the grain companies and the railroads and the Chicago Board of Trade—$1.89 corn is what freedom-to-farm is about. Maybe not this year. But who believes that prices will always be strong? I voted for an amendment to lift the caps off the loan rates. That amendment failed. If farm policy were designed to deliver farmers a fair price in the marketplace, there would be no need for any Government payments. But this bill is designed to encourage maximum production and low prices.

I have supported what I consider to be genuine reform of farm programs. I cosponsored a 7-year proposal last year which called for a targeted marketing-loan approach. That plan would provide farmers the planting flexibility they need. But it also would provide needed long-term protection from some of the uncertainties that farmers face—uncertainties of weather, and of markets that are dominated by large multinational companies. It also would raise loan rates and target farm-program benefits to family-size farmers. I still believe that our proposal, modeled after the Farmers Union plan and endorsed by the Minnesota corn growers, was the best proposal. Perhaps the debate over agriculture policy in the United States will be resumed next year. I intend to see that it is.

Mr. President, I have been working since I arrived to the Senate 5 years ago to achieve an improvement in Federal dairy policy and meaningful reform of the Federal milk marketing orders. This bill does not achieve that goal. Some small improvements in dairy policy were included in the conference committee, notably the elimination of assessments. But not nearly

enough. And the bill now will allow creation of a Northeast dairy compact, despite our overwhelming vote here during initial consideration of the farm bill against that outcome, and despite the fact that the compact was not in either the House or Senate version of the bill. The Northeast compact would only further forestall real Federal order reform. It would cut a special deal for one region's dairy farmers to the detriment of dairy farmers in the Upper Midwest. And it would set a bad precedent for interstate commerce in milk by creating new regional barriers. We need good national dairy policy. And I will continue to resist establishment of a Northeast compact in the absence of substantial reform which will benefit the Midwest. Minnesota and Wisconsin are the best natural dairy-producing states in the country. It is not rational that Federal policy should drive thousands of Minnesota producers from business.

Mr. President, I am pleased that we finally have authorized the enrollment of new acres into the successful and popular Conservation Reserve Program [CRP]. I worked very hard on that. And I am pleased that we could include some additional conservation, rural development and nutrition provisions. It is very important that we ensure that rural development efforts include assistance for farmer-owned, value-added processing cooperatives, which represent an extremely hopeful development in rural America. They are the best of rural America's innovative, self-help tradition, which keeps capital and jobs in local communities.

SAFE MEAT AND POULTRY INSPECTION PANEL

Mr. BRADLEY. Mr. President, I am very concerned about the inclusion in the farm bill conference report of language establishing a Safe Meat and Poultry Inspection Panel. This seemingly innocent-sounding organization may actually be a device to delay needed food safety reforms, and give power over crucial safety decisions to a part-time, administratively unworkable group. Under the terms of the conference report, it would be superimposed over the Food Safety and Inspection Service as one more, unaccountable layer of government.

Authorization for this new panel was contained in neither version of the farm bill, and it was not subjected to hearings in either body. It was slipped into the report at the last minute and has had no public or press scrutiny. Not only would it duplicate existing bodies such as the National Advisory Committee on Microbiological Criteria for Foods, the panel would also be exempt from the Federal Advisory Committee Act and its open-government requirements. Even worse, should it be used to delay or restrict needed safety reforms, the result will be disastrous, not just for consumers but also for the industry itself.

At a time when Britain may be compelled to kill its entire cattle herd because of mad cow disease, the meat industry cannot afford any more actions which will diminish public confidence in our food supply.

I am especially concerned that the new panel would delay issuance of the final version of the proposed pathogen reduction; Hazard Analysis and Critical Control Point System [HACCP] rule. This set of regulations, more commonly known as the E. coli rule, is crucial for controlling this deadly organism and modernizing American meat inspection.

Mr. President, a year ago last March I introduced the Family Food Protection Act which built on these regulations and extended them even further. I was moved by the death of Katie O'Connell, a beautiful, happy 2-year-old girl from my home State of New Jersey who died from eating a hamburger at a fast food restaurant. Although her meal was contaminated with the deadly pathogen called E. coli, the meat that Katie ate had been declared safe by inspectors from the U.S. Department of Agriculture.

Katie died from a disease that should have been detected through our Federal meat inspection system. Katie is no longer alive because that system failed her and her family and has failed thousands of others across the country.

Diseases caused by foodborne illness often strike those most vulnerable in our society: our children. Two summers ago, health officials in New Jersey battled another outbreak of the disease that killed Katie O'Connell. One family, the McCormicks of Newton, NJ, had two of their children (ages 2 and 3) hospitalized. Their lives were in danger because they, too, ate meat that was declared safe by Federal inspectors in the Department of Agriculture.

These cases are far from isolated: the Centers for Disease Control estimates that over 9,000 people die and another 6.5 million get sick from food borne illnesses each year.

The USDA regulations proposed a year ago February would require a daily testing for salmonella at meat and poultry processing plants across America. Additionally, each of the Nation's 6,000 slaughterhouses and processing plants would have to develop operating plans designed to minimize possible sources of contamination—in other words, to design systems to avoid contamination in advance instead of fighting it after it breaks out.

This proposal represents a significant improvement over the current system which has remained in place remarkably unchanged for over 90 years—since the reforms put in place in the wake of Upton Sinclair's wrenching expose, ''The Jungle.''

Ironically, a cost-benefit analysis was done on the proposed rule. Even though it used a very conservative figure for the value of human life, the ratio was still extremely favorable. According to the analysis, while the rule would cost $250 million per year initially, falling to $220 million a year once it was fully implemented, the benefits were at least $1 billion per year. If a more generous value were used for human life, the cost-benefit ratio was, of course, even more positive.

And $220 million would be the cost to consumers only if every penny of the system's costs were passed along—just two- tenths of a cent per pound. That's right. Two-tenths of a cent per pound. So a consumer would have to buy 5 pounds of hamburger before incurring even a penny of cost. Contrast this with the cost to consumers of $1 billion to $3.7 billion per year attributable to lost wages and medical costs that otherwise would occur without the rule. Surely, the typical American would be more than willing to pay this modest price to avoid sickness or even death to a loved one.

I don't want any more children to die. According to the USDA, the summer months are the prime time for food borne diseases. I question the need to reinvent the wheel at this time.

Unfortunately, these proposed regulations have been the subject of countless hearings, roundtable meetings with industry and consumer groups, and on and on. At one point the industry even claimed that the E. coli organism was not technically an adulterant under our food safety laws in an attempt to deny the agency the ability to regulate. This new panel is yet another attempt to delay.

Do we really need to waste years, lives, and money redoing old analyses and creating new ones in an effort to stall or even defeat these regulations?

Mr. President, I am concerned that these regulations are already a target of members in the other body who would try to delay them further through appropriations riders and other techniques. Instead of delay, I urge my colleagues to stop interfering with these regulations. They are exactly the kinds of regulations we claim to want. They are cost-effective, deal with a serious problem, and have been subjected to close scrutiny by a wide variety of interests. We should not misuse the farm bill to thwart these important regulations.

Mr. FEINGOLD. Mr. President, my colleagues have been speaking today about their frustrations with the 1996 farm bill. I share those frustrations as well as dismay about the process in which this body has been engaged.

In early February we considered this legislation on the Senate floor. The specific commodity program provisions of that bill were never once the subject of a Senate Agriculture Committee markup, and in fact, were not even the subject of a single hearing in that committee. That the commodity provisions represented a drastic change from both the philosophy and mechanics of current policy appeared irrelevant to the sponsors of this bill.

The process for consideration of this bill was flawed in numerous ways. For example: The text of the underlying bill considered on the floor was written

in the backroom, separate even from the eyes and ears of members, of many members of the Agriculture Committee; Almost immediately after the bill was introduced, the majority leader filed cloture to limit debate on the measure before debate had even begun; This bill was considered on the floor with just 10 hours for members to offer and debate amendments prior to final passage; Farmers, the public, and even Senators were not given an adequate opportunity to review this bill before it passed on the floor of the Senate.

Contrast that to consideration of the 1990 farm bill in which each title of the bill was considered separately by the Agriculture Committee during extensive public markup sessions. Consideration of the 1990 farm bill, reported on June 21, 1990, gave Senators nearly a month to study the bill and another 7 days of floor consideration before final passage. Senators were free to iron out their differences with the managers and were provided time for full and open debate with adequate opportunity to offer amendments to the bill.

The 1985 and 1981 farm bills provided similar opportunities for review and debate. Senators had roughly 2 months to review the 1985 farm bill after it was reported and had 12 days of active floor debate. Following the filing of the committee report on the 1981 farm bill, Senators were provided with over 3 months to study and review the bill before its passage in September after 5 days of floor debate.

It is no wonder that the general public is frustrated with Congress. Based on this farm bill process they have every right to be. The conference agreement on which we are to vote in just a few hours was printed in the RECORD just 2 days ago. I ask how many of my colleagues have had an opportunity to read this bill? There are numerous provisions in this bill that were in neither the House nor the Senate bill. The implications of these provisions have not been fully explored.

I wonder if Senators are aware that this bill gives broad authority to the Secretary of Agriculture to propose and implement commodity promotion programs without an initial congressional authorization. In fact, producers of any commodity could be assessed a mandatory tax under this proposal for a period of 3 years before they ever get a chance to vote on the promotion program they have been forced to pay into. This bill contains no protections for consumers in the event that agricultural processors wish to establish mandatory promotion programs and pass those costs directly on to consumers.

Are Senators aware that section 501 of this bill attempts to rewrite 30 years of legislative history with respect to commodity promotion programs in an effort to combat Federal court challenges to these programs? Mr. President, that language was in neither the House nor the Senate bill and has not been the subject of hearings or debate in either Chamber of Congress. I want to make clear that the legislative findings in section 501 of this bill are not indicative of the views of more than a handful of farm bill conferees. Many of these findings, in fact, do not even make sense unless one is aware of the efforts of dissenting farmers to reform programs or are familiar with the first amendment challenges to these programs. Indeed Mr. President, this bill contains some very creative language intended to rewrite an already well-established history as to the purpose and intent of these programs.

I think this has been a shameful process, Mr. President, irresponsible to farmers, consumers and taxpayers, and completely inconsistent with our responsibilities to carry out a deliberative legislative process.

It seems the Congress can't even decide what this farm bill is about. Since its inception, the name of this farm bill has changed 3 times. First we were told this bill was the freedom to farm bill. Then it became the Agricultural Market Transition Act—a name which perhaps most accurately described the motivation of the sponsors of this legislation: to transition farmers away from the basic safety net provided by existing programs. Now, Mr. President, it is called the Federal Agricultural Improvement and Reform Act, or FAIR. That name creates a catchy, if not superficial, acronym, but is about as inaccurate a name as could be found. It presumes this bill represents both reform and improvement of existing programs. In my opinion, this bill does neither.

Even the catchy acronym is a misnomer. To whom is this bill fair? I don't see any fundamental fairness in this bill.

Is it fair to the average farmer to be given an ultimatum on the very programs that help manage the vagaries of farming caused by factors beyond his control? Because that is what many farmers in Wisconsin felt they were given. They were told that Congress was going to eliminate farm programs in any case, so they had better grab the money in these transition payments while they can.

However, when some of these farmers argue in favor of the bill, they really appear to be arguing for the maintenance of the safety net, not in favor of termination of these programs and the so-called transition payments. They argue that farm programs are critical in allowing family farmers to secure credit. They argue that farm programs provide them with the security to adopt forward-looking business plans. They argue that without farm programs, the attrition rate in farming will only increase while younger people will be unable to enter farming. I have not heard substantive arguments in favor of eliminating the basic safety net for farmers and replacing it with guaranteed but declining payments that aren't tied to market prices.

Is it fair to small farmers who rely more on the existence of farm programs for their survival than larger corporate farms, that this declining pot of money is not targeted more toward their needs? This bill bases a farmers' payment on what he received in the past. Large farmers continue to get large payments under this bill. How does that help small farmers transition away from their reliance on Federal programs? The answer is, it doesn't, Mr. President.

This bill could have provided a tremendous opportunity to reform farm programs by targeting limited Government funds to smaller farmers. While this bill takes some steps to reduce corporate welfare, Congress could have made far greater reductions in the payment limitations. Instead the bill makes a slight reduction in the maximum deficiency payments one can receive but fails to eliminate loopholes that allow large farmers to get twice that amount. Eliminating loopholes and reducing payment limitations would have likely achieved greater Federal savings in commodity programs than the commodity titles in the so-called FAIR Act without hurting America's family farms. Instead, this bill depletes the small pot of money for farmers by providing transition payments in the same proportions as they are now provided. That doesn't sound very fair to me.

Is this bill fair to taxpayers who will now be asked to provide annual checks to farmers even when market prices are good? The fact is that these market transition payments cannot be justified on sound fiscal grounds. While this bill may save money over 7 years, based on CBO projections, it results in far greater costs in the next 2 years for commodity program payments compared to current law. That is because we don't make unnecessary payments under the current farm bill. Government costs are low when market prices are high. Existing programs make payments to farmers only when market conditions are poor and farm income is depressed. But market conditions are expected to be favorable in the next few years. Even so, the FAIR Act doles out the money to producers even if they are making a profit through the marketplace. This bill is fiscally irresponsible and fundamentally unfair to taxpayers. USDA reports that, based on their estimates, taxpayers will pay out $25 billion more to farmers under this bill than under current law. Every taxpayer should ask why they should pay farmers when market prices are high.

Is this bill fair to consumers when the most costly programs from their perspective, such as the sugar and peanut programs, are left fundamentally untouched? Is it fair that the program which has very little effect on consumer prices, the dairy price support program, is the program eliminated in the name of consumer protection? Is it fair to consumers that this bill virtually ignores the aspects of Federal milk marketing orders that do have a substantial impact on consumers—that is the federally established

prices for fluid milk that are excessive in many parts of this country? No, Mr. President. This bill is not fair to consumers, particularly on dairy policy. It is a fraud from the standpoint of consumer protection, making only token changes in the programs that most offend the pocketbook.

In my opinion this bill should be called the unfair act of 1996 because it is most unjust to dairy farmers in the upper Midwest. Fundamentally, this bill includes major provisions strongly opposed by the upper Midwest dairy industry. This bill provides congressional consent to the Northeast Dairy Compact and includes much of the House-passed Solomon amendment which the upper Midwest had opposed.

The provisions of the House-passed dairy amendment were improved somewhat in the conference committee but are still devastating to America's family dairy farmers. The House passed amendment reduced dairy farmer income by $4 billion over the next 7 years by eliminating the price support program for milk. The conference agreement is expected to cause only slightly less pain because the support level is not reduced as much prior to program termination. However, the conference agreement eliminates the price support program in 1999 rather than 2000 as provided by the House bill.

It is ironic the dairy price support program is eliminated in this bill given that it was the lowest cost of all commodity programs in fiscal year 1995, except for no-net cost programs such as sugar and tobacco. The program cost less than $4 million in fiscal year 1995 according to USDA. Interestingly, the no-net cost programs all operate under strict supply control mechanisms in order to extract the support price from consumers through higher market prices. The dairy price support program does not rely on supply control and has had little impact on consumer prices unlike the sugar and peanut programs.

And yet, the dairy price support program is the only commodity program actually terminated in this legislation and dairy farmers the only producers not provided with transition payments. Not only do producers of other commodities continue to benefit from their underlying programs maintained in this bill, but they also receive sizable transition payments annually.

As a result, most observers expect dairy farmers to suffer from a larger decrease in family farm income than producers of any other commodity affected by this bill. Producers of some other commodities will actually enjoy income increases out of this so-called reform bill, at least in the next 2 years. But dairy farmers are asked to suffer.

Mr. President, I am baffled as to the reason why this was agreed to in this conference report. The dairy price support program has made great strides toward market orientation and operates truly as a safety net. While the conference agreement authorizes a processor recourse loan program for dairy after price supports are terminated, such a program can merely act as a price stabilizer, not as a price support mechanism.

I am extremely concerned about the impact of terminating the price support program. Wisconsin loses over 1,000 dairy farmers annually. I am fearful that without a basic safety net, that rate will increase in the coming years, particularly if the inequities of the Federal milk marketing order system are not eliminated.

I have spoken often on the floor and to the Agriculture Committee about the need to reform Federal orders to eliminate market distortions, regional inequities, and consumer-related costs caused by excessive class I differentials. Even Secretary of Agriculture Dan Glickman has conceded that Federal orders have created regional inequities and that upper Midwest producers have suffered as a result. I had hoped the farm bill process would ultimately provide for those much needed changes.

I am concerned, however, that this bill does not ensure that such discriminatory features will be eliminated. The House bill provided exceptionally limited reform of the Federal milk marketing order system, which is among the most outrageous commodity programs in existence.

Unfortunately the minimal reforms in the House bill were made only slightly stronger by the conferees. The agreement requires the Secretary to reduce the existing number of orders to between 10 and 14. That is certainly a step in the right direction. However, consolidation alone does not guarantee a fundamental restructuring of class I prices nor does it ensure that Eau Claire, WI will no longer be used as the basing point for pricing milk. These should have been simple assurances to provide if the conferees were sincere in their reform efforts as some claim.

The conference agreement appears to release the Secretary from compliance with statutorily required class I differentials in the reform process, but provides no further guidance on what factors the Secretary is to consider in these deliberations. All too often, those factors are political, not economic, and they do not work in our favor. There is absolutely nothing in this bill to ensure that class I differentials will be reformed or substantially altered from their current levels. In fact, the report language appears to specifically allow for an outcome in which reformed differentials are virtually the same as the current excessive statutory minimums. I will work to ensure that does not happen.

I think, however, that the greatest blow to the upper Midwest is the inclusion of the Northeast Interstate Dairy Compact in the conference agreement. The compact was not only defeated in the Senate, it was also excluded from the House bill. Its emergence in the final conference agreement is outrageous and unconscionable. While many might contend that the conference agreement provides a scaled back version of the compact, I am still concerned about its ultimate approval, its precedent, and its potential impact.

The conference agreement gives congressional consent to the compact subject to the Agriculture Secretary's determination that it serves a compelling public interest in the Northeast. I have a number of concerns with this. First, while this may put some members at ease, I caution those who think the Secretary of Agriculture will be more resilient against the political forces that came to bear upon the entire U.S. Congress and which resulted in the inclusion of this language. Second, a finding of a compelling public interest in the compact region is not an appropriate test for approval of this compact. The U.S. Constitution requires Congress to approve interstate compacts in order to protect the national interest. We can assume that the States agreeing to the compact have already determined that this is in their States' overall public interest. That test should be irrelevant. Rather, Congress should be able to ensure that the compact serves a compelling national public interest. I think the Northeast Dairy Compact would fail that test. Third, I think it is quite cowardly for the Congress to abdicate its role in the approval of this very controversial compact by making the Secretary do the dirty work. Authority for compact approval resides in the legislative branch, not the executive branch. This is a congressional responsibility, and this bill shirks it.

That the term of congressional consent for the compact is tied to the implementation of consolidated Federal orders, is somewhat of an improvement over a compact of indefinite term. I would provide two caveats to those who think this provides protection to dairy producers elsewhere, and in particular in the upper Midwest. First, once consent is provided, it will be easier to reinstate after expiration. Second, the compact could remain in place much longer than the 3-year deadline for implementation of order consolidation. Consolidation can be delayed if the Secretary is enjoined by a court order from implementing order changes, thus providing continuing consent for the compact.

The conference agreement attempts to provide safeguards to prevent the compact from interfering in interstate commerce by keeping noncompact milk outside of its borders. However, the compact commission will still be able to require that anyone buying milk from outside the compact region pay the compact over-order price. That provision, coupled with transportation costs, is still an extremely effective barrier to trade.

I urge my colleagues to keep in mind that the fight over the compact was not just about the regional walls it erected. It was also about the impacts

the compact would have on national markets for milk and dairy products. And, Mr. President, the dairy compact will have impacts outside its region. Increasing prices in the compact States, particularly to the levels anticipated by those farmers, will cause increased production. That production will likely spill over from fluid markets into manufactured product markets. That will ultimately impact the base price that all farmers receive for their milk, since prices nationwide are linked to prices for manufactured dairy products. In fact, the conference agreement neglected to include language contained in Senate Joint Resolution 28, ensuring that such production responses would not impact the national market.

Furthermore, the conference agreement will allow the compact States to provide their processors with export subsidies so that they can export their high cost product to other parts of the United States that are playing by the rules. This is the type of subsidy we are asking other countries to eliminate through our trade agreements, yet we are creating our own domestic export subsidies through this compact.

The Senate made clear by voting down the compact during consideration of the farm bill that this type of price fixing compact is not acceptable. And yet here we are again, fighting the Northeast Dairy compact. Having won this issue in the Senate we will now be forced to fight this administratively as well. And if it is approved administratively, we will have to fight when the Northeast comes back to Congress seeking renewal of this consent. And finally, we will fight this battle as other regions come to Congress looking for approval of similar price fixing agreements for dairy farmers in their regions.

Mr. President, I ask unanimous consent that an editorial from the New York Times regarding the compact be printed in the RECORD.

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

[From the New York Times, Mar. 23, 1996]

MILK SOURS THE FARM BILL

A House-Senate conference committee has managed to tarnish the most important farm bill in years by inserting a last-minute provision for a New England milk cartel that would gouge consumers and violate the free-market concept that has made the 1996 farm bill worthwhile. The full House and Senate need to excise this noxious favor to the New England dairy lobby before approving the bill in voting set for next week.

The dairy interests achieved their victory in the conference committee after failing to persuade either chamber to enact such a proposal earlier. The conferees accepted the bill's major reform, a seven-year phaseout of subsidies for corn, wheat, rice and cotton. That could save billions eventually and release farmers to make their own marketing decisions free of government supervision. But the conferees adopted a weak Senate provision that would reinstate the subsidies after 2002 unless Congress again votes them out.

The conference committee also weakened the Government's ability to preserve wetlands, something neither house had done on its own. The committee wants to restrict the Agriculture Department's valuable program to prevent diversion of fishing streams that run through Federal land.

There were some environmental gains. At least $200 million was approved to buy and restore major stretches of the Florida Everglades. A program to encourage farmers not to develop environmentally fragile land was renewed, as were food stamp and nutrition programs. A program to help farmers keep their animal waste and other pollutants from running off into waterways was adopted.

But the regional milk monopoly is the very opposite of the kind of reform this bill was meant to provide. The bill would authorize the Secretary of Agriculture to permit the six New England states to set high prices and erect tariff hurdles against outside competition. That is totally alien to the central idea of agriculture reform, which is to set loose the forces of free-market competition.

How could such a backlash occur? The agriculture committees of both Senate and House are dominated by farm and dairy interests. By appointing conferees from this limited group, Congressional leadership vests tremendous power with the members least responsive to the current popular concern over the environment and over consumer prices. The full Senate and House can do better.

Mr. FEINGOLD. Mr. President, at the beginning of the 104th Congress I thought it inconceivable, given the deregulatory and market-oriented rhetoric of some of our Senate leaders, that the Northeast Dairy Compact would be granted approval. It is the antithesis of market orientation. It seeks to protect agricultural producers in one particular region by imposing artificially high costs on consumers.

In fact, this compact flies in the face of the rhetoric associated with this very farm bill. I've heard so many Senators claim this bill allows farmers to make decisions based on the market, not on Government payments. But the compact attempts to insulate a small group of farmers from the very market conditions this bill embraces so tightly.

Mr. President, I am opposing this farm bill for the many reasons I have outlined today. And I know this bill will pass. I intend to fight hard for the upper Midwest as both the Northeast compact and Federal order measures proceed through the administrative process. I will work with Secretary Glickman to ensure that meaningful reform of Federal milk marketing orders is implemented in a timely manner.

And if, as the minority leader has suggested, this is a 1 year farm bill, I will be back on this floor trying to improve dairy farmer income which is so badly slashed in this bill.

I yield the floor.

Mr. CHAFEE. Mr. President, on March 15, 1996, I wrote to Chairman LUGAR to express my concerns about the potential undermining of wetlands conservation provisions in the farm bill. Proposals to exempt a vast number of wetlands from the Swampbuster Program and changes to the definition of ''agricultural land'' for purposes of wetlands delineations were among the specific concerns raised in my letter. I am pleased to report that Chairman LUGAR has responded to these concerns. A letter written by Chairman LUGAR upon the completion of the conference states:

The bill makes no changes to the existing definition of a wetland, and does not exempt any lands based solely on cropping history or size. Although the report does define ''agricultural lands'' for the purpose of implementation of the interagency memorandum of agreement on wetlands delineations, it does not amend Section 404 of the Clean Water Act or require any changes to the 1987 Army Corps of Engineers wetlands delineation manual.

Mr. President, I ask unanimous consent that a copy of this letter dated March 23, 1996, be printed in the RECORD following this colloquy. I congratulate Chairman LUGAR and ranking member LEAHY for their efforts in crafting a sound conservation title that will benefit the environment and the economy well into the next century.

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

(See exhibit 1.)

Mr. LUGAR. I want to thank the Senator from Rhode Island for his kind words. As I mentioned in the letter, I believe that this conference report is the most environmentally responsive and responsible farm legislation in our Nation's history. As chairman of the Environment and Public Works Committee, which has jurisdiction over the Clean Water Act and the Federal Wetlands Program, Senator CHAFEE's support means a great deal to me.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, DC, March 23, 1996.

Hon. JOHN H. CHAFEE,
Chairman, Senate Committee on Environment and Public Works, Dirksen 410, Washington, DC.

DEAR CHAIRMAN CHAFEE: Thank you for your letter of March 15 in which you expressed interest in the conservation provisions of the 1996 farm bill. I am pleased to report that the Conferees agreed to what I feel is the most environmentally responsive and responsible farm legislation in our nation's history.

You specifically mentioned a concern that existing wetland conservation provisions might be undermined in the farm bill. In fact, the Conference agreement makes several common-sense updates to the ''swampbuster'' compliance requirements that will make the program more flexible for producers while still protecting wetland functions and values. The bill makes no changes to the existing definition of a wetland, and does not exempt any lands based solely on cropping history or size. Although the report does define ''agricultural lands'' for the purpose of implementation of the interagency memorandum of agreement on wetland deliberations, it does not amend Section 404 of the Clean Water Act or require any changes to the 1987 Army Corps of Engineers wetland delineation manual.

In other areas, the Conference agreement established the new Environmental Quality

Incentives Program, which stands to make a significant positive impact on water quality. In addition, the Conservation Reserve Program and Wetlands Reserve Programs are reauthorized through 2002, with new provisions that will make the WRP more attractive to producers. Combined with the new crop planting flexibility provisions in the commodity title, these conservation efforts represent an impressive commitment to addressing the potential adverse environmental impacts of agricultural production. I know that, as Chairman of the Environment and Public Works Committee, you can appreciate the tremendous investment made in this new farm bill. I hope you can enthusiastically support the Conference Report when it is debated on the floor later this week.

Sincerely,

RICHARD G. LUGAR,
Chairman.

Mr. GRASSLEY. I am pleased that the conferees agreed to include a provision in the bill that I originally authored regarding revenue insurance. I and the farmers in my State truly believe that revenue-based risk management tools are a vital resource for today's and tomorrow's American farmer as the weather, market, and global trading patterns continue to fluctuate and pose often unpredictable risks for farmers worldwide.

The FAIR Act would require the Federal Crop Insurance Corporation to offer pilot revenue insurance programs for a number of crops for crop years 1997 through 2000 so that by 2002 and the end of the production flexibility contracts provided under this bill, we will have well-tested revenue based risk management products available for farmers.

It is very important to note, however, that it was never my intent to restrict the authority of the Federal Crop Insurance Corporation as it currently exists under law to conduct pilot programs. There are two revenue insurance pilot programs currently operating for crop year 1996. I, and I do not believe the conferees, intend for this new language in any way to interfere with the operation or expansion of these existing programs to other crops under the same terms and conditions under which they are currently operating. Rather, my intent was to encourage the Corporation to expand current efforts to other crops and speed the development of such products for the American farmer. Does the chairman agree with this interpretation—that the FAIR Act language is not intended to restrict the existing authority of FCIC to approve pilot programs under similar terms as the 1996 revenue pilot programs—for example on a whole State basis, although in a limited number of States?

Mr. LUGAR. Yes; I would agree that the conferees intended for this language not to restrict FCIC authority to implement the revenue insurance pilot program authorized by this Act.

Mr. GRASSLEY. I thank the chairman. I strongly urge the Corporation to further experiment with revenue-based insurance products and to do so under similar terms and conditions represented by the 1996 crop year revenue insurance programs.

Mr. FEINGOLD. Mr. President, the Federal Agricultural Improvement and Reform Act of 1996 eliminates the requirement that farmers buy catastrophic crop insurance in order to participate in other USDA farm programs. However, as I indicated in my letter to you on March 20, there is some concern that language as drafted may not technically delink the crop insurance purchase requirement for forage. The language in the bill delinks the crop insurance purchase requirement for crops planted in spring of 1996. However, forage crops, as perennials, are typically planted once every three or four years. Thus, forage crops which will be harvested in 1996 may have been planted several years ago, and may not be captured by the language in the bill.

It is my understanding that it was the intent of the conference committee and the intent of this legislation to delink crop insurance purchase requirements for participation in other USDA programs for all crops, including forage. Is that correct?

Mr. LUGAR. The Senator is correct. section 193(a)(2) of this bill is intended to allow delinkage of the purchase of catastrophic crop insurance for all crops including forage harvested in 1996 and beyond. Producers of forage crops harvested in 1996 should be able to participate in all USDA programs without purchasing catastrophic crop insurance, regardless of when that forage crop was planted. There was no intent to exclude forage from these delinkage provisions and the Secretary should interpret section 193(a)(2) as such.

Mr. FEINGOLD. I thank the Senator.

Mr. LEVIN. Mr. President, I had hoped to be able to support the farm bill conference report. On balance, however, the conferees did not make enough improvements to the bill passed by the Senate for me to do so. In several important ways, the conferees have made it worse. It is unfortunate that this Congress, overdue in completing action on a farm bill, has produced this bill in apparent haste to get something down.

The conferees have included a dairy title that treats milk producers very differently from other agriculture sectors, and is potentially damaging to Michigan milk producers. This bill reauthorizes the basic dairy price support program that we have today, but reduces the price support level from $10.35 per hundredweight [cwt.] in 1996 to $9.90/cwt. in 1999. Then, in the year 2000, the program is somehow to magically transform into a recourse loan program. This type of experimentation, without adequate consideration or hearings on its economic effects, could seriously harm the dairy sector and producers income, not to mention supply and price stability. I regret that the conferees did not incorporate more of the comprehensive and cost-effective Gunderson approach into the final product.

Further, the bill opens the door for establishment of the Northeast Dairy compact, a door that we had closed in the Senate bill. It gives the Secretary of Agriculture the authority to create the compact if he finds a ''compelling public need in the [Northeast] region.'' This is a mistake and I will join efforts to repeal this provision if this bill becomes law.

I have been open to producers' desire to increase their flexibility, in the context of Federal farm programs, so long as it has not required crops like fruits and vegetables to unfairly compete against crops that receive Federal price supports. This bill continues that protection, which is important for Michigan's diverse and productive fruit and vegetable sector. But, my colleagues and producers should remember why the Federal Government has a farm program—our Nation needs a secure and stable supply of food. Producers have always had the flexibility to not participate in these programs.

The contract payments in the bill may assist producers to achieve greater flexibility and encourage them to be more sensitive to the market. But, I am still disturbed that the Government payments bear no direct relation to market prices. Producers will receive these payments in times of high prices even though they are doing well. That makes no sense. There are no provisions for a safety net when prices drop. That makes no sense either.

The managers of the bill have informed me that there is no requirement that a contract payment recipient actually engage in farming on contract acreage for the 7 years that the contract runs. At a time when we are reforming welfare and emphasizing work, I find it unacceptable to give taxpayers dollars away to a producer or owner who might decide to leave contract land fallow and still collect a tidy Government payment.

Simplification of Federal agriculture programs is generally a good idea. That is one positive concept in the bill before us, which I hope will bear out in implementation. I am also pleased that this bill contains most of the important conservation programs, particularly the Conservation Reserve Program, and the trade, and research titles that were included in the Senate bill. And, we have been able to prevent any serious damage to the sugar program.

In my judgement, however, Congress could and should have put together a better farm bill than this one, and in a more timely way. The majority should have put the farm bill higher up on its agenda so that we would not be acting hastily now to give producers some direction on Government agriculture policy so far into the crop year. This bill charts a controversial and uncertain course for 7 years. But, at least we have retained permanent law so that Congress must revisit agriculture policy no later than 2002.

Mr. FAIRCLOTH. Mr. President, I rise to speak on behalf of the Federal

Agriculture Improvement and Reform Act.

Mr. President, I am one of only a few working farmers in Congress. Having worked the land most of my life, I know, first hand, what it is like to try to make a living under Federal farm programs. As my colleagues began crafting a new farm bill, I believed we had an historic opportunity to change the way our farm sector operates while still maintaining a strong commitment to conservation practices that truly protect the environment.

Now that our work is complete, I can tell you that Congress is steering the farm community in the right direction. Through the FAIR Act, farmers will no longer be told by someone in Washington what to plant, how much to plant and even how much not to plant. Farmers will now have the freedom to make their own planting decisions based on market demands rather than mandates from Washington.

The age of micro managing the farm sector from a corner office at the USDA is over. And it should be. The world has changed dramatically since I first took over the farm from my father. Whether we like it or not, NAFTA and GATT are now the law of the land. Fortunately, Congress recognized this and crafted a farm bill that gives farmers the freedom to respond to these new market demands. Had Congress not done their job by producing the FAIR Act, farming in this country would have been left behind in the cold.

This farm bill also goes a long way toward protecting the environment. Mr. President, it only makes common sense that farmers would support strong conservation practices because a healthy environment is essential to a good harvest. As a matter of fact, the conservation title attracted strong bipartisan support because it reauthorized and expanded the Wetlands Reserve Program and the Conservation Reserve Program and created new conservation initiatives like the Environmental Quality Incentive Program. Through strengthening the conservation title, this Congress has proven our commitment to protecting the environment while allowing farmers to make a living from their land.

I am proud of the work done by my colleagues in both the Senate and the House. Senator LUGAR, Representatives ROBERTS, and the conferees have produced a farm bill like no other in the history of this Nation and they should be commended for it.

Mr. HELMS. Mr. President, in many ways this farm legislation is historic. In my 23-plus years as a member of the Senate Agriculture Committee, I have never been faced with so many changes in the overall structure of American agriculture—and, in large measure, for the better most of America and the farmers of this country.

I doubt that anymore seriously imagined that this Congress could succeed in streamlining agriculture programs and increasing the effectiveness of agriculture. This bill includes reforms to most of the major commodity programs, including peanuts, cotton, dairy, feed grains, and wheat.

In my home State of North Carolina, agriculture has long been a leading industry, providing jobs and economic opportunity for countless small family farmers and their communities. This legislation will give North Carolina's farmers stability for at least next 7 years while removing the strong arm of government controls over our commodity programs. It will ease the strain on rural America.

Mr. President, I applaud the two chairman for undertaking these market-oriented reforms that will unquestionably help the family farmers adapt and adjust to 21st century. As a former chairman of the Senate Agriculture Committee, I know and understand the difficult and painstaking process that has consumed weeks and months.

I am convinced that this farm bill will help farmers become more productive, and will continue to save tax dollars and it will improve the rural environment.

At a time when the Federal debt has climbed beyond the 5 trillion dollar mark, Congress owes it to the farmers and taxpayers of this country not to enact a meaningless temporary solution, but to establish a sound new policy of agricultural reform.

That is what happened, and I, for one, believe both Agriculture Committees, House and Senate pursued the real reforms that were needed. In that, I am proud of the peanut farmers of my State and other States for embracing a no net cost program and sacrificing close to $500 million out of their pockets to contribute to balancing the Federal budget in 7 years. In order to save the peanut program we all had to sacrifice, but in the end, this bill retains the peanut program and reforms it to make it more efficient for the farmers and less costly for taxpayers.

This bill offers a future to the farmers of America, who can now wake up everyday and knowing what their future payments will be. The taxpayers will know how much of their money will be spent. U.S. agriculture now has a future—our farmers have a future.

Mr. CAMPBELL. Mr. President, I would like to offer my full support for the farm bill conference report. I believe this bill, carefully crafted after many months of hard work and compromise, will offer much needed stability to farmers across America. In addition, it symbolizes a new path for our agricultural industries, leading us away from the Depression-era policies of the past and towards a freer, more flexible system which will empower our farmers to face the challenges of the 21st century.

I am particularly pleased and supportive of the conservation and nutrition components of the bill, which I believe illustrates the strong bi-partisan collaborative work that crafted this compromise. The environmental provisions will help farmers protect agricultural lands through specific appropriations that will conserve farmland from development. With my homestate of Colorado facing a tremendous growth in population, this will enhance the precious preservation of private land, open space and wildlife habitat from developers and subdivisions. In addition, by recognizing the inexorable ties between agriculture and water, this bill will provide much needed support to farmers to help protect our water supplies and maintain water quality.

I also want to congratulate the managers of this bill—Senators LUGAR and LEAHY, and the conferees in maintaining and extending the Food Stamp Program. This will reiterate the commitment of the Federal Government to families, women and children that rely on this vital program for their daily subsistence. I know there are many issues that still need to be resolved for welfare reform legislation, but I am glad that the farm bill recognizes the importance of the Food Stamp Program.

Mr. President, I would like to conclude my statement by reiterating the fundamental importance of agriculture to my homestate of Colorado's economy, environment, and identity. The importance of this bill to my constituents is tremendous, and I hope these dramatic reforms will breathe new life into the farms of America to revitalize the industry for the next century.

Mr. WARNER. Mr. President, as you know, every 5 years Congress undertakes a rewrite of farm legislation. Some years this process is relatively painless, some years it is more difficult. Farm programs are bipartisan efforts, with both sides working to achieve the best result possible for the nations farmers.

This year has proven to be the most contentious, hard fought farm bill in memory. I am fortunate, through seniority, to have become a member of the Senate Agriculture Committee—the first Senator from Virginia, I might add, in nearly 30 years.

For close to 1 year the Agriculture Committee has been working diligently to craft a new farm bill for our country. On September 30 of this past year, the old farm bill expired. Under the necessary budget changes and spending priorities that we set forth, a large portion of the farm bill was part of the Balanced Budget Act that Congress passed and sent to the President. The President, unfortunately for America, vetoed it. This veto created a critical problem for U.S. agriculture.

The problem is that commodity support programs for the next 7 years were wiped out with the President's veto of the Balanced Budget Act. Existing authority for those programs had expired. All the remain are outdated statutes from 1938 and 1949.

The solution required action. Chairman LUGAR skillfully negotiated the regional and political obstacles that

could have doomed this effort. Certainly, there are areas still to be addressed and work to be done. But today we take a major step forward in farm policy—a step toward the future.

Mr. President, the farm bill debate is a microcosm of the larger debate we have witnesses over the balanced budget. It represents a struggle with those who are comfortable with the status-quo, who want to continue the failed policies of big government intervening in people's lives and dictating their decisions. We are ending Washington control of farm policy.

Reformed farm policy is one step towards our goal of smaller government and a balanced budget. But, as you know, this is a new direction. Even the name of this bill—the Agricultural Reform and Improvement Act—indicates the direction toward which farmers want to go.

Briefly, this farm bill will accomplish several things. The bill will reform and modernize farm programs; provide a more certain income safety net for farmers through direct payments; strengthen conservation programs; and, provide broad planting flexibility.

In short, we give farmers what they want—greater flexibility and freedom from Government intervention. Farmers like the plan because it is good for the bottom line. Support is broad because it will have the most positive impact on farm income. The plan is simple, certain and efficient. It eliminates layers of bureaucracy and accompanying regulations. Best of all, this bill shifts decision making from Washington back to the farm.

The bill calls for the end of Government planting controls. It provides an entirely new outlook for American agriculture, which I find very exciting both as a member of the Committee responsible for farm policy and as somebody who has owned and operated a farm.

The plan is simple, in contrast to the needless complexity of current programs.

It offers certainty. Farmers will know what their future payments will be. Taxpayers will know how much these programs will cost. U.S. agriculture will have more security against future budget cuts.

Finally, it is market oriented. Farmers' payments will be the same even if they choose to plant alternate crops. Producers' planting decisions will be based on the market—as these decisions should be. Under this bill there will be planting freedom, not arbitrary government controls.

This bill is good for the environment. It strenghtens conservation programs, enhances wetlands protection, and emphasizes improving water quality, which is of critical importance to Virginia and the Chesapeake Bay.

This bill's agricultural provisions are a long-term plan endorsed by a broad spectrum of agricultural groups, including, in my State, the Virginia Farm Bureau and the Virginia Agribusiness Council. Let us be clear: U.S. producer and agribusiness organizations nationwide support this plan. We owe it to those who work in agriculture in our respective States—not to those who would dictate farm policy from behind a desk—to pass this bill.

Mr. President, I have heard many Senators lament the delay in enacting a new Farm Bill. While this bill is a few months late—due in large part to President Clinton's veto of the balanced budget bill—the reforms it contains are years overdue.

I am proud to have participated in this historic legislation during my first term as a member of the Agriculture Committee. And I commend Chairman LUGAR and his able staff on a job well done.

SECTION 389

Mr. BROWN. Mr. President, section 389 comes as a result of many hours of negotiations involving the U.S. Department of Agriculture, the U.S. Forest Service, the U.S. Fish and Wildlife Service, and various Members of Congress. The language agreed to by the conference committee is a step forward in an effort to ensure that the Forest Service does not take water from existing users without providing proper compensation.

My amendment, as modified by the conference committee, provides for an 18-month moratorium on any U.S. Forest Service decision to require bypass flows or any other relinquishment of the unimpaired use of a decreed water right as a condition of renewal or reissuance of a land use permit. Nothing in this section changes current law regarding the allocation of water or rights to the use of water, and the expiration of the moratorium is not intended to be a recognition or grant of authority to the Forest Service for imposition of bypass flows.

The amendment also creates a water rights task force to study, make recommendations, and report back to the Congress and the administration on questions of: First, whether, and the manner in which, a Federal water right should be acquired by the U.S. Forest Service for minimum instream flow, environmental and watershed management purposes on the National Forests domain either through purchase from or a lawful exchange of valuable consideration with a willing seller; second, measures, if any, deemed to be necessary to protect the free exercise and use of decreed non-Federal water rights which require land use authorization permits from the U.S. Forest Service; and third, the legal and economic effects of creating a Federal environmental water right upon existing state laws, regulations, and customs of water usage and measures that would be useful in avoiding or resolving conflicts with any regulatory taking of a valuable decreed water right pursuant to conditions for the reissuance of a special use permit.

This language is intended to reaffirm the fact that for over 150 years, the United States has followed a policy of deferring to State laws governing the use and allocation of water in the western United States. As the Supreme Court observed in *California* v. *United States*, 438 U.S. 645, 653 (1978):

> The history of the relationship between the Federal Government and the States in the reclamation of the arid lands of the Western States is both long and involved, but through it runs the consistent thread of purposeful and continued deference to state water law by Congress.

It is also necessary to understand that national forests were created to protect and allow water uses, not as an excuse to take water away from people that have been using it for decades. The national forests were created pursuant to the Organic Administration Act of 1897, 16 U.S.C. 481, which explicitly provides for the use of water from national forests for domestic, mining, milling, or irrigation purposes. In *United States* v. *New Mexico*, 438 U.S. 696 (1978), the United States Supreme Court rejected claims by the Forest Service that the Organic Administration Act authorized the assertion of claims to the use of water for fishery and other secondary purposes of the national forests. The Supreme Court held that the Organic Administration Act was enacted by Congress ''principally as a means of enhancing the quantity of water that would be available to the settlers of the arid west.'' The Court rejected the Forest Service claims to the use of water for secondary purposes because they would defeat the purpose for which the national forests were created, in part because these claims would result in a gallon-for-gallon reduction in the water supply available for use by farmers and cities in the West. The bypass flows that the Forest Service now wants to require are for the same secondary purposes, and would result in the same, or even greater, losses of water by existing users.

The assignment of land management functions to a Federal agency in and of itself does not provide an appropriate legal basis for assertion of water rights by Federal agencies to preempt State law with regard to the expropriation of already existing decreed water rights. The enactment of the Multiple Use and Sustained Yield Act [MUSYA], 16 U.S.C. 528–31, and the Federal Land Policy Management Act [FLPMA], did not change or expand the primary purposes for which the national forest lands are to be managed pursuant to the Organic Administration Act. In fact, the National Forest Management Act [NFMA] expressly provides that any change in land use authorizations ''shall be subject to valid existing rights,'' 16 U.S.C. 1604(i). In addition, sections 701 (g) and (h) of the Federal Land Policy Management Act [FLPMA] contain explicit savings provisions regarding the management and use of water, specifically disclaiming any delegation of authority to ''affect'' the use of water. The provisions make

it clear that these acts create no new Federal authority over the use or water, and most certainly do not authorize the imposition of bypass flows on existing facilities.

It is also important to recognize that any Federal claims to water for the Organic Administration Act, Federal Land Policy Management Act [FLPMA], National Forest Management Act [NFMA], or other Federal purposes, whether based upon appropriative rights, riparian rights or reserved rights, must be asserted and established pursuant to the McCarran amendment, 43 U.S.C. 666.

In conclusion, Mr. President, I ask that the Senate act favorably to pass the conference report to H.R. 2854, the Agricultural Market Transition Act, which includes my amendment containing the subject moratorium and task force language. I would hope that in the coming 18 months an agreement will be reached on this subject—an agreement which will ensure the adequate protection of western water.

Mr. KEMPTHORNE. Mr. President, I join my colleagues in supporting the final passage of the conference report for the farm bill, and applauding the efforts the members of the Senate and House Agriculture committees. In particular, I call attention to the efforts of Senator CRAIG, coauthor of the compromise which this body adopted a few weeks ago, and which formed the basis for the bill we are adopting today.

Mr. President, this bill is an important step forward for our Nation's agricultural policy. For Idaho's farmers, it means the freedom to have the Federal Government off their backs and out of their tractors. For the first time in a century, they will be able to plant crops according to the market, instead of according to Uncle Sam's outdated policies. The 7 year contracts and loan programs provided in the bill give farmers the safety net they need to make this transition.

Under the bill, Idaho's wheat farmers will have the security to analyze market demands. Idaho's growing dairy industry will be better prepared to take their place in the world market. And Idaho's sugarbeet growers will be in an excellent position to compete as domestic market restrictions are removed.

This bill grants agricultural producers the freedom to meet the demands of growing international markets. They will be able to step back and look at their crop rotation plans, and to try new and innovative crops that might not have been allowed under the old programs. Some of those new crops may well prove to be the solution to soil erosion, or a dependable alternative source of income. Such individual innovation and specialization were not possible under the old bureaucratic dictates.

Mr. President, this bill is important because of what is changes, but it is also important for what it strengthens, and that is our Nation's commitment to research and international trade development. Of all the concerns raised by Idaho's farmers since we began debate on the bill, commitment to research and international trade has been at the top of their list.

Under the new rural development provisions, and specifically through the agriculture competitiveness initiative, we will see a strengthened agriculture research program, the key to our Nation's strong food supply system. This research program will encourage the development and application of new technologies, such as the precision farming research being conducted at the Idaho National Engineering Laboratory in Idaho Falls.

The bill also maintains a strong commitment to international market development programs. So long as our Nation's agriculture producers face subsidized competition in our foreign markets, we will need to ensure that our producers are in a position to meet that challenge. We have maintained the Export Enhancement Program and the Market Promotion Program, and elevated the Foreign Market Development Program to an independent status. These programs are vital tools for Idaho commodities, such as wheat, beans, peas, and lentils, to help them develop their overseas markets.

The bill also removes needless burdens and provides important incentives. It eliminates the requirement that farmers sign up for crop insurance and encourages private insurance companies to fill the gap. It streamlines current USDA conservation programs, and provides new incentives to help farmers achieve these national goals. I am particularly pleased to see that successful conservation programs, including the Conservation Reserve Program and the Wetlands Reserve Program, will continue to be a tool to protect the environment and provide habitat for wildlife.

Agriculture is Idaho's No. 1 industry. Its diversity forms the foundation for the rest of the State's economy. There is still work to be done to remove regulatory and tax burdens on farmers, these small-business people who are the stewards of our Nation's open spaces. This includes our efforts to reform the Delaney clause and its unrealistic limitations on pesticide tolerances, and to remove disincentives to re-registration of minor crop pesticides. But this farm bill is the first step to bringing Idaho's and the Nation's farmers into the 21st century and I urge my colleagues to support its passage.

Mr. McCAIN. Mr. President, first let me express my sincere admiration and respect for the chairman of the Agriculture Committee, Senator LUGAR of Indiana. Senator LUGAR is a man of vision and reason with respect to our nation's agricultural policies, and the Senate is fortunate to have a man of his caliber as Chairman of the Agriculture Committee. It is an extremely challenging position, due to the pleadings of numerous regional and narrowly-focused agricultural groups that descend in droves upon the Congress every 5 years. They urgently request more and more Federal aid, lest the extent of their taxpayer-funded subsidies, price supports, and grant programs stray too far from the status quo.

A Senate that is split between Members dedicated to fiscal responsibility, and those equally dedicated preserving virtually every aspect of Federal largesse, is not a promising forum for a boldly reformist farm bill. For those of us that were hoping for a significantly less costly, less expansive farm bill, this is deeply regrettable. I cannot support a massive new farm bill that does little to lighten the heavy burden that price supports and farm programs have long placed on taxpayers, and I will oppose this conference report.

Mr. President, the unprecedented election of 1994 has been interpreted in many ways; its signals meant different things to the diverse Members of this body, and among the luminous commentators who purport their views to represent the pulse of the masses. My personal beliefs about what the American people are calling for often run head-on into the resistance of this body. I can, however, confidently convey my judgment about one meaning of the November, 1994 election without reservation. Clearly, the new Congress was not empowered to cautiously piece together an expensive array of farm programs, and pass the bill to taxpayers. This Congress was not directed to timidly wander among agricultural special interest groups and seek a consensus that would offend no one. No one, of course, except for taxpayers, who unknowingly will be stuck with the bill.

I oppose this conference report with regret. I supported H.R. 1541 with the understanding that it would actually reduce the cost of farm programs by 15%. The Senate-passed version of S. 1541 was widely described as a substantial reduction of spending on farm subsidies. I also hoped that the House would make further reductions and fiscally responsible reforms. I was mistaken. This conference report contains almost $50 billion in direct farm subsidies over the next seven years, and in its entirety will cost taxpayers close to $70 billion over that time. If any savings are achieved they will be modest, and I am all too familiar with the outcome of previous farm bills, which routinely cost billions more than anticipated.

This is simply unacceptable, Mr. President. We are acquiescing to the well-organized interests who are satisfied with nothing but a bigger trough from which to feed.

At a time when Congressional overspending has already rung up a $5 trillion dollar debt; and when we must fight the administration and its free-spending allies every step of the way for even the most modest restraints on spending, a $70 billion farm bill is simply indefensible. I cannot justify voting

for such a bill to my constituents in Arizona, who this year must work five months a year just to pay their taxes!

The logic of passing a new, $70 billion farm bill escapes me, Mr. President, but I think it will prove positively unfathomable to most Americans. A large segment of the Congress seems to operate in a world completely disconnected from any sense of urgency about deficit spending. News reports which mindlessly turn reductions in increases into life-threatening cuts—as we saw with the School Lunch Program last year—cynically feed this atmosphere. This manipulative shell game will go on and on, I'm sure, until a decisive majority of the Congress—with the support of a President who has the courage to lead—stands up and simply says, ''Enough!''

To the contrary, this conference report—and this Administration—continues to say: ''No problem.''

Just last week the Washington Post had a prominent story about how the fiscal year 96 deficit will be dramatically lower than expected. It will undoubtedly bolster the administration's confidence in striving for billions more in domestic spending. Of course, there was no mention in the article about how this year's cheery, refreshingly low deficit means that at best, the Federal Government will spend $400 million more each day than it takes in. This farm bill will keep the tab on that credit card rolling along with respect to agricultural spending for the next 7 years.

During the initial Senate debate on the 1996 farm bill, I was optimistic that the freedom to farm concept of decoupling farmers from bureaucratic crop controls would be a ground-breaking, cost-effective reform. It has not turned out that way. With this conference report, farmers do get a freedom to farm, but lurking just below its surface is the same, dusty maze of permanent price subsidies that the Congress purportedly wanted to move away from.

Let me point out several other areas where this conference report has stumbled badly away from the Senate bill I supported. First, it has several dairy provisions which boggle the mind of anyone interested in cost-efficient, pro-market farm policies. The Northeast Dairy Compact—a price control consortium reminiscent of the very best of Soviet block agricultural policies—is given new life despite being previously rejected by the Senate. Furthermore, this conference report will allow dairy interests in the State of California to impose a new trade barrier on out-of-state milk. California's price-enhancing dairy regulations jack up milk prices for its nearly 30 million consumers, and they will now be codified in Federal law to shield California's dairy industry from fair and open competition. The California solids-added provision is incontestably anti-competitive, anti-market, and definitely anti-consumer. However, even in 1996, those dubious attributes are not enough to exclude them from being tucked into a farm bill.

There are many more areas of great concern for me in this measure. A new, $300 million-a-year rural development program—added at the behest of the administration—was the subject of some thirty seconds of debate in the Senate; There is a $360 million grant program for private grazing lands; a $600 million grant program for livestock activities; $360 million for a new twist on the Market Promotion Program. And, of course, cherished, old standbys like the sugar and peanut programs.

Let me emphasize, Mr. President, I support providing a credible level of truly-needed assistance to farmers in America. I would oppose pulling the rug out from under them with a complete elimination of farm programs. Many agricultural producers in Arizona have relied on price support programs, and dozens of rural communities in my State have greatly benefitted from important rural development initiatives. We should continue meritorious farm programs that work, and that also comply with the fiscal discipline necessary to balance the budget.

I want to express my gratitude to Senator LUGAR for preserving an amendment that will assist Native American community colleges. Indeed, I recognize that if Senator LUGAR was able to fully develop all of his ideas for federal agricultural policies, our country would be in much better shape. I regret that his best efforts have been dissipated by interests unwilling to yield in their defense of a status quo we can no longer afford.

I cannot support a massive package of $70 billion in agricultural spending at a time when the administration and the Congress has been unwilling to stem the tide of deficit spending. It represents too little real reform, not enough relief for taxpayers, and too much toleration of business as usual.

Mr. GLENN. Mr. President, I rise today in opposition to the conference report on the the farm bill. While I strongly favor some aspects of the bill, I have serious reservation about the 7-year contract and the dairy provisions.

This bill ends the system of giving subsidies to farmers when market prices drop. Instead farmers sign a 7-year contract to get annual market transition payments regardless of market conditions. I support moving to a market oriented farm policy. However, I think it is wrong to pay farmers regardless of market conditions and I strongly oppose paying farmers when they do not plant a crop. In times when commodity prices are high, such as now, farmers will receive big checks they do not need, in bad years farmers will receive little or no support.

I also oppose giving the Secretary of Agriculture the authority to implement the Northeast Interstate Dairy Compact. This provision allows six States more leeway in setting their own prices. I think we need to take a good look at our current system of dairy price supports and move dairy along with the other commodities into a realistic market oriented system.

I support the conservation provisions put forward in this bill which emphasize land management options for farmers and livestock producers, not simply land retirement, to reduce the harmful environmental and economic impacts of agriculture activities. For example, the bill authorizes the Environmental Quality Incentives Program [EQIP] which combines the functions of several current conservation programs into one voluntary incentive and cost-share program for crop and livestock producers. I am pleased that the bill channels additional needed funds to rural development and agricultural research programs through the Fund for Rural America.

I do not believe this bill is good public policy. I am concerned it will cost us more to phase into the new program than to maintain current law. And finally, I also feel that the Congress will be forced to return to this issue as soon as less favorable market conditions return for farmers.

Mr. HOLLINGS. Mr. President, I rise today to voice my opposition to the 1996 farm bill. Although the conferees have worked hard on this legislation and have obtained many good things for rural America, overall the bill is a bad bill, it is bad policy, and it is bad for the small family farmer in South Carolina. With this bill, Congress isn't the goose that laid the golden egg. It's the goose that is laying the rotten egg. And like rotten eggs, this bill stinks.

As I said, this farm bill does have some positive aspects. We establish the Fund for Rural America to infuse $300 million into research and rural development—something that South Carolina and other rural States can definitely use. We create a new Environmental Quality Incentives Program that will help smaller farms with conservation projects.

We also reauthorize the Conservation Reserve Program, a program which is extremely popular among farmers and which improves millions of highly erodible acres across the country. Finally, we reauthorize several nutrition programs for 7 years. I am disappointed that the conference committee chose to reauthorize food stamps for only 2 years, but I hope we will revisit this issue soon.

Despite the few good portions in this farm bill, it remains bad farm policy. Here's how absurd the bill is. Instead of the current price support system in which we help farmers recover their losses with deficiency payments, this bill allows the Government to pay farmers in each of the next 7 years—regardless of whether they have a good or bad year, regardless of whether they plant anything at all or regardless of market prices. Do you know what that means to the budget? It means we'll

have to spend a lot more money than we currently spend on farm programs. It is estimated that this farm bill will cost the taxpayers an additional $4 billion over the next 2 years compared to current law. The current system works—why fix it? Current law provides that farmers do not receive Government subsidies in good years. But under this bill, we'll essentially give farmers a bonus in good years—like this year. That makes no sense to me in this environment of fiscal responsibility in which everybody and his brother is trying to find ways to save money.

The small family farmer—especially the South Carolina farmer—comes under attack in this wrong-minded legislation. Through this bill, payments to farmers will decline over the next 7 years. But farming, like history, occurs in cycles. This bill doesn't take the cyclical nature of farming into account. Over the next 7 years, prices almost certainly will decrease from the high prices we now enjoy. But, at the end of this 7-year farm bill, prices likely will be low at the same time that payments are low. In other words, farmers who might be living high on the hog now will be scraping to make ends meet later on. I am worried that this will have catastrophic effects on the small farmer in my State and that many small farmers will have no choice but to harvest their fields for the last time.

And that, in turn, could lead to the expansion of corporate farming. While I do believe there is a place for corporate farming, I don't believe that their successes should come at the detriment of small family farms. These folks, including many of my friends in Mullins, Dillon, Manning, Kingstree, Bamberg, Hampton, Orangeburg, and Charleston, have faithfully cultivated their land for many years. I believe they should be able to continue their profession, not be forced out of it by ill-conceived legislation. This bill is shortsighted. Down the road, it will hurt farmers.

Mr. President, we should have passed a farm bill last year and farm policy should never have been considered as part of the budget package. The hour, however, is late. Farmers need to know where they stand for the coming crop year. For this reason, I understand that the Secretary of Agriculture has reluctantly recommended that the President sign this legislation, and that the President has agreed to sign it with serious hesitation. The President, however, also has indicated that he will continue to work with Democrats in the Congress to propose more farmer friendly legislation next year. I look forward to working with the President on this issue because, as sure as I stand here today, I guarantee that this farm bill won't be around for the 7 years it stipulates.

The so-called freedom to farm concept has been flawed from the start. This piece of legislation, although it may have a different name, follows in the same disastrous direction. I refuse to turn my back on the family farmers of South Carolina and I believe it is wrong for us to pay money to farmers when they do not need it. As a result, I will vote against the farm bill this afternoon. I look forward to revisiting this issue again next year.

I thank the chair.

Mr. SIMON. Mr. President, In many important ways, this farm bill is a good bill for Illinois. While it is not a perfect bill, I'm pleased to see that some of the most meaningful programs were protected. The bill offers farmers limited certainty in the area of income protection and provides a safety net for farmers in future years. In addition, it improves conservation efforts and reauthorizes important nutrition programs, as well as trade and research titles.

Illinois is second only to Iowa in soybean production, with 9.7 million acres planted to soybeans. Exports for soybeans and soybean products totaled $7.9 billion in 1995, making soybeans the largest export, in terms of value, in U.S. agriculture.

This bill raises the marketing loan rate for soybeans to 85 percent of an Olympic 5-year average, with a ceiling of $5.26 per bushel. Despite a 3-percent annual growth in world demand for vegetable oil and protein meal, U.S. oilseed acreage has declined by 17 percent since 1979. This slight increase in the marketing loan rate creates some incentive for soybean production here at home, which helps our trade balance.

The bill also retains permanent law for farm programs. Agriculture policy should protect family farms as well as consumers. The original freedom to farm proposal eliminated permanent law for farm programs, allowing no safety net past the year 2002. Through the leadership of Senator DASCHLE, Democratic Members of the Senate were able to guarantee a safety net for farmers in year 7.

I strongly object to language in the bill giving the Secretary of Agriculture authority to implement the Northeast Interstate Dairy Compact and will work to see that it is not implemented. Dairy farmers in the Midwest cannot compete against this kind of regional price fixing. It is bad policy, legally questionable and the Senate voted to remove it from the Senate bill.

In addition, we are making a big mistake authorizing the safe meat and poultry inspection panel. The role of the panel is to delay implementation of proposed meat inspection regulations. We need to modernize our meat and poultry inspection system and speed up efforts to implement the proposed hazard analysis and critical control point system, not set up road blocks to improving the system. Meat and poultry inspection is a human health issue. At a time when the world is facing serious food safety problems, such as the British beef crisis, the rejection of United States poultry imports to Russia due to Salmonella contamination and the E. coli disaster in the United States, it is simply irresponsible and shortsighted to be stalling efforts to improve the system. I will work with my Democratic colleagues to prevent funds from being appropriated for the panel.

Ms. MIKULSKI. Mr. President, I will vote against the farm bill conference report. I believe that the farm bill, in its present form, goes against the true purpose of a farm bill—to help America's farmers. While I support the reauthorization of the Conservation Reserve Program and other conservation and nutrition programs, I do not believe this bill is in Maryland's interests.

I realize that spring planting is fast approaching, but that is no reason to be forced into accepting a bill that will hurt Maryland farmers and the Maryland industries that depend on our farmers. This bill does just that.

I believe that the Freedom to Farm Act, included in this bill, will have harmful long-term effects on the family farmer in Maryland. This bill puts the family farm up for sale. The bill does not provide a strong enough safety net for farmers. Setting a flat subsidy rate, then removing it in 7 years, without allowing flexibility during extreme economic conditions or natural disasters, is dangerous for farmers in Maryland and across the country. Under this conference agreement, producers will be paid even when prices are high, but will not receive necessary protection when prices are low.

I am particularly concerned that this bill continues and expands the Sugar Price Support Program to the detriment of cane refiners such as Domino in my hometown of Baltimore. This sugar program jeopardizes the future of the cane refining industry. It provides additional protection to domestic growers that would increase the price of raw cane sugar and put Domino and its 600 employees out of business. This is totally unacceptable. Sugar cane refining is one of the few manufacturing industries still left in our inner cities. The farm bill conference report threatens Domino's future. I see no reason why a farm bill must threaten an entire industry.

Also of deep concern to me is the fact that this bill reauthorizes the Food Stamp Program for only 2 years. What happens to Maryland's poor after that? To add insult to injury, while it provides a helping hand to the most impoverished in our communities for only 2 years, this bill guarantees corporate welfare to huge agribusiness for 7 years.

During this Congress, we have debated the issue of a balanced budget. We need a balanced budget, and I regret that we have not succeeded this year in finding consensus and the sensible center on a plan to eliminate the deficit. This bill will make this task even more difficult. Originally designed to save billions of dollars, this conference report will end up costing

the American people an extra $1.3 billion.

It is for these reasons that I must vote against the farm bill. I acknowledge that this bill will likely pass and be signed into law by the President. But I also believe that the flaws in this conference report are so severe that Congress will need to revisit these issues next year. I hope at that time we will be able to produce a workable farm bill, one that addresses the best interests of farmers, business, and families.

Mr. NICKLES. Mr. President, I want to compliment my friend from Indiana, chairman of the Agriculture Committee, and all of my colleagues involved in the farm bill debate for their hard work in crafting legislation which reforms our Nation's agriculture policies. The conference report on the Federal Agricultural Improvement and Reform Act represents a long-term plan to get the Government out of the farming business—an idea I strongly support. The final agreement offers farmers flexibility, simplicity, certainty, opportunity and growth and I urge my colleagues to support its adoption.

Under the provisions of this bill, farmers will have the flexibility to plant the crop or crops that best suit their climate, conditions and market opportunities. No longer will the Government tell farmers which crops to plant and no longer will the Government tell farmers to leave productive land idle in exchange for a Federal handout.

Current agriculture programs will be simplified by allowing farmers to enter into 7-year contracts. After the initial sign-up, many farmers will never need to visit USDA again. I strongly support provisions in the bill which eliminate the countless rules and costly regulations that accompany today's farm programs.

The conference agreement provides certainty to farmers by ensuring they will know all program parameters and payment rates for the next 7 years. Under current programs, payment rates often change after program sign-up and payments in future years are unknown. A fixed stream of payments bolsters confidence in farm lending and all areas of farm business decisions.

I believe in the opportunity this legislation provides to farmers. Decades-old planting patterns that limit profits are eliminated and replaced with flexibility and fixed market transition payments. Farm income will grow as farmers are no longer limited to planting stagnant, low-value, market crops.

With respect to haying and grazing provisions included in the conference agreement, I want to thank both the House and Senate Committees for their commitment to allowing farmers to hay and graze their lands. I was involved in amending the original bill, which restricted haying and grazing, and I thank my colleagues for their continued interest in providing the utmost flexibility to those who earn their living in agriculture.

Finally, as many of you know, Oklahoma and other Western States have suffered a severe drought during the past 6 months. Farmers tell me that if Congress doesn't enact this farm bill many will be forced out of business. Frankly, I do not want to see that happen.

Congress has a responsibility to farmers in Oklahoma and every other agricultural State to enact a farm bill this week. I support the conference report before the Senate and urge my colleagues to vote for its adoption.

APPLICABILITY OF THE CONGRESSIONAL REVIEW ACT

Mr. LUGAR. I would ask the sponsor of the just-passed Congressional Review Act of 1996, the Senator from Oklahoma, Mr. NICKLES, whether the bill, if signed by the President this week, will apply to the Department of Agriculture's rules that will be promulgated under the Agricultural Reform and Improvement Act.

Mr. NICKLES. Yes, I will inform the chairman of the Agriculture Committee that all Federal agency rules will be subject to congressional review upon enactment of the Congressional Review Act.

Mr. LUGAR. I ask the Senator from Oklahoma if the Department of Agriculture were to issue major rules under the Agricultural Reform and Improvement Act, that is rules that would have a large economic impact on the agricultural community might be held up for 60 calendar days by the Congressional Review Act?

Mr. NICKLES. Yes, my colleague is correct. If any Federal agency issues what the Congressional Review Act defines as ''major'' rules, those rules would not be allowed to go into effect for at least 60 calendar days. However, I advise my colleague that the President, by Executive order, may declare a health, safety, or other emergency, and that particular major rule would be exempt from the 60-day delay. I would add, that the President's determination of whether there is an emergency is not subject to judicial review.

Mr. LUGAR. As the Senator from Oklahoma may know, we in the conference on H.R. 2854 did not contemplate such prompt enactment of the congressional review bill. I would inform the chairman that H.R. 2854 requires that the Secretary of Agriculture, within 45 days of enactment, offer market transition contracts available to eligible producers. These contracts must not be further delayed, or they will not be effective for the 1996 planting season. Moreover, these contracts are worth billions of dollars, and are certainly going to qualify as major rules under the Congressional Review Act. Would the chairman agree that these major rules are the type that are contemplated by his committee as qualifying for the emergency exception available to the President?

Mr. NICKLES. Yes, I agree with the chairman of the committee that the other emergency exception from the 60-day delay of major rules was included for this kind of circumstance. Certainly, it would be totally appropriate for the President to determine by Executive order that the market transition contract rules promulgated this spring under the Agricultural Reform and Improvement Act are emergency rules that would not be subject to the automatic 60-day delay.

Mr. LUGAR. I thank the Senator for that clarification.

Mr. KERRY. Mr. President, today the Senate is considering the conference report on the farm bill. I had hoped that the conference would produce a bill that would be more fiscally responsible than either its House or Senate predecessors. However, I regret that in my view it does not achieve that fiscal reform. I voted against final passage of the Senate's farm bill, S. 1541, when the Senate acted on it last month because, while it was improved considerably in some key respects from the bill that the Republican leadership originally introduced, ultimately, it was not the reform package that I believe our Nation needed and had the right to expect. Unfortunately, neither does this conference report provide the improvements that would be needed to secure my support.

I understand that the President, with some reservation, is expected to sign into law the conference report now before us. I know that farmers, as they head into the spring planting season, need to know the conditions under which they must operate. And I acknowledge that this bill is probably the best package that could be expected to emerge from a conference with the House in the contentious, partisan environment which pervades Capitol Hill. Indeed, the conference package is far better than the House bill, which, in fact, was not complete legislation because it did not reauthorize important conservation and nutrition programs that have traditionally been addressed in omnibus farm legislation.

It is imperative that I congratulate and sincerely compliment the Senators who worked diligently to secure an agreement at least as good as the one before us today. Agriculture Committee Ranking Democrat PAT LEAHY deserves our commendation for his successful struggle to insist that adequate conservation and nutrition provisions be included. Chairman LUGAR again on this bill demonstrated his well-known and respected ability to place the Nation's interests as his first objective instead of partisan scoring and ideological rigidity. The way in which Senators LUGAR and LEAHY worked together in pursuit of responsible legislation that could pass both houses and receive the President's signature is a model that others in this body would do well to emulate.

I compliment Senator LEAHY, also, for his instrumental role in including in this conference agreement a provision important to me and my New England colleagues allowing the Northeast

Interstate Dairy Compact to go into effect upon the approval of the Secretary of Agriculture. As a cosponsor of the compact legislation, I am very pleased that it will be included in a bill that apparently will become law.

This conference agreement includes important rural development programs that are important to farmers in my State of Massachusetts as well as to farmers across the country. The bill retains new development initiatives such as the multimillion-dollar Fund for Rural America and the new structure for delivery for rural development programs, the Rural Community Advancement Program [RCAP]. RCAP provides important flexibility to States to allow them to develop innovative approaches to their unique rural development problems by permitting each State director to tailor assistance to local needs. This is a vast improvement over the previous Republican proposal for block grants to the States.

But on the central question of the way it deals with farm incomes, I reluctantly must conclude this conference report fails to make the grade. While it eliminates the current price support structure for many commodities programs, it replaces it with an extremely costly fixed direct payment to farmers. The Congressional Budget Office estimates that for the first 2 years under this new proposal—fiscal years 1996 and 1997—the Treasury will pay out $5 billion more to farmers than would be paid under a continuation of the current price support programs.

While some claim that this 7-year direct payment program is necessary to wean farmers off Federal support, that argument is significantly weakened by the provision in the bill that retains the outdated 1949 Agricultural Act as the permanent law governing Federal commodity programs. According to the United States Department of Agriculture, the 1949 statute, if enacted today, would cost taxpayers $10 billion for 1996 alone, substantially more than the recently expired provisions.

I remain convinced that we need a new approach to farm policy. We need to transition to a situation where we permit the free market to function with much less interference, regardless of how well-intentioned it may be. When this issue first came before the Senate, I supported cloture on the Leahy-Dole reform package—although it was far from ideal in my mind—because it would have replaced the 1949 statute and the financial support provided by the current price support programs with a 7-year phase-out plan. Also, importantly, that package would have reauthorized critical conservation and nutrition programs, including food stamps, through 2002. The conference agreement reauthorizes food stamps for only 2 years.

Today we must vote yes or no on the conference package in its entirety. While it contains many important and acceptable nutrition, conservation and rural development provisions, it falls well short of the kind of bill we ought to be passing. While I accept the explanation of Senators LUGAR and LEAHY that this is the best bill they could get their House counterparts to approve, it falls too far short of what our Nation needs and there will be too little to show for too great an expenditure of tax dollars for me to be able to vote affirmatively.

Mr. President, for these reasons, I will cast my vote in opposition to this conference report.

Mrs. MURRAY. Mr. President, this Farm Bill Conference Report represents a bold new direction for the future of this Nation's agricultural policy. A direction I do not support. The removal of the safety net for our farmers will prove itself to be a mistake, I think. Undermining the safety net is easy now since prices are relatively high, but when prices drop, and we all know they will, I fear this farm bill may come back to haunt us. In fact, it may well come back regardless of prices. It may come back because of the so-called market-transition payments: guaranteed payments to farmers regardless of market conditions or production. I am truly afraid that the American public will not view these payments as a safety net to maintain a safe and stable food supply. They will view the payments as a give-away. Those of us who understand the importance of farm programs know better than to undermine farm support structures in this way. That is why we think the payments should continue to be tied to production and the marketplace.

Many have expressed the sentiment that after the 7 years of Freedom to Farm, we will continue to maintain some kind of farm program. While the preservation of permanent agricultural law in the conference report provides some assurance that this will be the case, I am not so confident. The proponents of ''Freedom to Farm'' have made it explicitly clear that they view the market transition payments as a transition to nothing. Moreover, I am also concerned that public outcry over these direct payments will force us to revisit the farm bill sooner than 7 years. If this occurs, I am not at all convinced that Congress will seek to rectify the situation by reinstating a more traditional safety net, they may well decide just to end the payments, period.

Which just goes to the point: we had the opportunity to appropriately address national agricultural policy and we failed. Instead, we chose to let budget priorities drive farm policy. By putting forward policies that could not even make it out of committee, we undermined the process and the result is far from satisfactory. Congress has let our farmers down. The farm bill has traditionally been bipartisan with considerable time provided for debate and discussion. Congress sought to provide all parties a chance to provide their input. That tradition has ended with this bill. Take the dairy provisions for example. There is still a considerable amount of disagreement over these provisions, a compromise has not been achieved.

Despite all this, our farmers do need certainty for the 1996 season. I spoke with the wheat growers in my State of Washington yesterday. While they share many of my concerns with this farm bill, they told me they need something for this season. It would be unfair to hold the farmers of America hostage to our disagreements. While in the long term, I have serious concerns about the future of our farms under this bill, in the short term, they need to know what to plant for. I therefore will support this conference report, with serious reservations, in order for my farmers to have the certainty they need this season. I am committed to protecting the ability of our farmers to continue producing a safe and stable food supply for this Nation and the world. I will be watching the impacts of ''Freedom to Farm'' on our Nation's farms closely as the program, or lack of program, moves forward.

The PRESIDING OFFICER. Who seeks time?

Mr. LEAHY. Mr. President, on the procedure we have, we have been going back and forth. I know the distinguished Senator from Iowa was seeking recognition.

I yield, from the time of the Democratic leader, time to the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, there are really two parts to this farm bill. One component was in general put together in a very bipartisan and cooperative manner. That process has produced a number of sound provisions that deserve broad support.

There are many good features in the titles of this bill dealing with conservation, for example, the continuation of the Conservation Reserve Program and the Wetlands Reserve Program, the Environmental Quality Incentives Program and improvements in the wetlands conservation rules. The wetlands rules are something that has concerned me greatly. They have been very confusing and frustrating to many farmers in Iowa, but there some positive changes in this bill that should make wetlands conservation rules more reasonable and workable for farmers.

One of the wetlands changes involves farmland that has been converted in the past and drainage tiles have been put in, but for one reason or another, such as tile plugging up, the land has returned to wetland again. Farmers in this situation have had problems with the rules in trying to reopen their drainage systems. This bill will allow farmers to go in and unplug their tiles and go ahead and drain those fields, if they have already been previously converted. That is very important.

This bill also provides that farmers can take a wet spot, a small spot in the

field, and go ahead and convert it and farm it if they mitigate the loss through improving, restoring or creating wetlands in the area. Sometimes that is the best thing to do, because there may be a better area for a wetland than where it is existing right now in the middle of a field. And the bill also calls for clarifying the rules on the types of wetlands that are so insignificant that they are not subject to wetlands rules. So these are very good changes for our farmers.

Although there are a number of positive features in the bill, there is one aspect of the bill that outweighs everything else, and for that reason I cannot support this farm bill. I am speaking about the commodity program provisions in this bill. They are the most substantial part of the bill: $35.6 billion in direct payments alone. Commodity programs involve by far the largest amount of Federal agricultural outlays, and they will have, naturally, the largest effect on the agricultural economy of my State of Iowa. So, if the commodity programs in the farm bill will not be good for the farm families in my State, I simply cannot support the bill. Regrettably, that is the case with this bill.

It is true it is late in the season. This farm bill is at least 6 months late—more like 9 months late. Farmers, at least in my area, are starting in their fields. They are wondering why the leadership of this Congress could not get its work done to pass the farm bill on time. I will not be forced into voting for a farm bill simply because the Republicans could not get their act together and get it done last year.

I have here the CONGRESSIONAL RECORD from July 26, 1990. I was here. I was working on the farm bill at that time, the 1990 farm bill to take effect with the 1991 crop. Here is what the minority leader, Senator DOLE, said at that time, July 1990:

> Mr. President, we are rapidly approaching the August recess, and back in my home State of Kansas farmers are preparing for the seeding of the winter wheat crop. Even as they reflect upon the record Kansas wheat crop recently harvested, uncertainty lies ahead. That is because Congress again has been unable to finish the farm bill in a timely manner so that producers of fall crops will know their program in advance.

Here is the Senator from Kansas, Senator DOLE, complaining in July 1990, that we do not have the farm bill done in July 1990 to cover 1991 crops. Here it is March 1996 and we do not have the 1995 farm bill done to cover 1996 crops.

Again, it was the other side that was in charge. We could have had a farm bill out here on the floor last fall. We passed commodity provisions out of our committee last September. We could have had a farm bill on the floor in October or November or December. We sat here and twiddled our thumbs, waiting to try to get some kind of budget deal that was never agreed upon. We could have had the farm bill done at that time, but the leadership did not bring it up. So now we have a gun held to our heads, saying we have to pass it now, it is awfully late. I do not like to operate in that atmosphere, and I will not vote for it on that basis—just on that basis.

I cannot support the bill because it sets up a farm program with payments that have no relationship to commodity prices, crop production, or farm income levels. This bill has it exactly backward. It will provide far less protection against low farm income than previous farm bills. But then it turns around and makes substantial payments to farmers in good times, when there are good prices and high incomes. What this is going to mean is it will hurt agriculture's image and undermine support for any sound farm policy in the future.

A sound farm policy is one that promotes good farm income from the market, but helps farm families survive circumstances beyond their control, when the market goes down or they have a disaster. The farmers I know want to farm for the market and not the mailbox. This bill says no matter what the market does, no matter how good your income, you are going to get a check in that mailbox. Most farmers I know do not want to farm like that.

I want to make it clear that I want reform in farm programs with full planning flexibility, less paperwork, less redtape, less hassle. We can do that. There was general agreement on both sides of the aisle, in a bipartisan fashion, to make those reforms. We can provide that planting flexibility without adopting the payment scheme in this bill that will send checks to farmers, even when they have a good income from the market.

I want farm programs that work better for farmers, but this bill goes far beyond reasonable reforms to destroy the farm income safety net. It is absolutely unnecessary to take the radical approach in this bill in order to achieve the commonsense reforms that farmers have told me they want.

The proponents of this farm bill are not really telling farmers the whole story. The payments may look good now, but if commodity prices and farm incomes fall—and past cycles in the farm economy show how quickly and devastatingly that can happen—this bill sets farmers up for a big fall. By the time we get to the later years in this farm bill, the maximum payment for corn is about 28 cents a bushel—no matter how low the price may fall, 28 cents a bushel.

Have no doubt about it, what this bill does is it shifts risk. It is a tremendous shift of risk onto farmers. They are being told to produce all they can so that grain companies will have plenty of grain to trade, but if surpluses and low prices develop, as they most certainly have many times before, it will be the farmers who get the short end of the stick.

They will have much less help in working out of that low-price situation than we have had in the past. There will be no farmer owned reserve, for example, because this bill specifically takes it out, and the bill also raises the CCC interest rate by a full percentage point above the cost of money to CCC. I offered amendments here on the Senate floor to put the farmer owned reserve back in and take out the CCC interest rate hike. Only two Republican Senators voted for those amendments and neither was approved.

To see how the farm income safety net is slashed in this bill, let us take, for example, an Iowa farmer with a 350-acre corn base. If the price of corn, let us say, is $1.90 in 2002, that farm will have about $23,000 less income protection under this bill than it would have under the 1990 farm bill. That is because this bill will not respond to low prices.

I suppose some of you might say, "Well, $1.90 a bushel, we won't get to that price." I have been around long enough to remember when Earl Butz in the 1970's said that American farmers should plant "fence row to fence row" to meet burgeoning world demand for U.S. agricultural exports. In my State of Iowa, we plowed up a very large share of the hills in southern Iowa, planted soybeans and planted corn. I tell you, we had a ride. There was a boom. Farmers had a good ride and a lot of them went deeply into debt. Why shouldn't they? There was supposed to be no end to it. Land prices skyrocketed. A lot of big new tractors and combines were bought. Many young farmers, in particular, took on a lot of debt to get started or to expand. Then in a few short years the crash came and out went the young farmers. We had a devastating time in the 1980's. I am very concerned this bill is setting farmers up for that same kind of situation again, because it does not have enough protection against low prices and farm incomes.

This bill also imposes a new cap on loan rates for wheat and feed grains, which is another weakening of the farm income safety net. The loan rate for corn cannot go above $1.89 a bushel, but it can go below $1.89. I offered an amendment in conference, backed by the National Corn Growers and the National Association of Wheat Growers, to lift the cap on loan rates for wheat and feed grains, but, again, I could not get one vote from the Republican side of the aisle.

To illustrate the lack of farm income protection in this bill, I did some rough calculations and determined that if this bill had been in effect in Iowa for the last 5 years of the 1980's, Iowa's farm families would have had about $2 billion less in farm income than they had under the farm bill in effect at that time. That would have been devastating for Iowa's farm families and rural communities. That kind of situation could develop again, and if it does this bill will be woefully inadequate.

I am convinced this bill will hasten the trend to larger farms and the decline of the family farm. The largest

share of these contract payments will go to the larger farms, and there will be much less income protection for the smaller farms against low prices and incomes. Do not take my word. Here is an article that appeared in the March 24, 1996 Sunday New York Times:

> The new approach, called Freedom to Farm by its supporters, would accelerate the ongoing consolidation of smaller less profitable farms into larger, more efficient corporate farms. That has serious implications, not only for the face of farming in America but also for the livelihoods of rural communities.

That is from the New York Times. I might also point out, Mr. President, that the New York Times, the Washington Post, and the Wall Street Journal have all editorially endorsed this so-called freedom-to-farm type of program. I tell farmers in Iowa, any time the New York Times, the Wall Street Journal, and the Washington Post all editorially endorse a farm program, I get worried, I get really worried.

Let us talk about fiscal responsibility. Here we are trying to reduce the deficit. We want to get a balanced budget. I support that. We ought to be as tight as we possibly can with taxpayers' dollars. If someone needs help, yes, that is when you come in with some assistance. But if you do not need help, why spend taxpayers' dollars?

This bill will spend $35.6 billion on direct payments to farmers, even if prices are high and farm incomes are high. Those payments, made whether they are needed or not, hold huge potential for embarrassing farmers and those who support sound farm policy. We should save that money for farmers when and if they need it.

Going back to the example of the Iowa farm with the 350-acre corn base, that farmer would get a payment of about $13,000 in 1997, even if corn is $3 a bushel and yields are good. No matter what that farmer makes from the market, the Government will send out a check for $13,000. I just do not see how that is fiscally responsible when we are trying to balance the Federal budget.

Here is another example: a large Kansas wheat and grain sorghum farm, with 1,800 acres of wheat and 600 acres of grain sorghum. Let us assume wheat is selling for $5 and grain sorghum for $3 in 1998. That farm would have a net income of about $195,000 after costs. That is net farm income. On top of that, Uncle Sam will write a check to that farmer for just under $40,000. Furthermore, if a farmer arranges his or her business carefully to take full advantage of the programs and maneuver around the payment limitation, that one individual farmer could receive as much as $80,000 in a year in direct cash payments from Uncle Sam, even if the farmer makes a net income of over $195,000, as in the example, or more. That money will be paid out regardless of how much money that farmer makes in the market.

I want someone to explain to me why the taxpayers—especially taxpayers living in rural communities across this Nation trying to make ends meet in small businesses or working at low wages—should be asked to pay for a farm program that makes sizable payments to farmers, even if they are making a good income from the market?

Where is the fairness in a system of income transfers from taxpayers who are struggling to make a living if that money will be spent in providing payments to other people when they do not need the help?

And the impact of this bill on taxpayers could be substantial. The Congressional Budget Office has estimated this bill will send out over $5 billion more in direct farm payments during fiscal 1996 and 1997 than would be the case under the 1990 farm bill. USDA estimates that this bill will result in direct income support payments of about $25 billion more over the 7-year period than would have been the case if we had just continued the 1990 farm bill.

Mr. President, here is the conference report on the farm bill. I know not too many people read these documents. I just want to read one sentence out of section 113. It is titled ''Section 113. Amounts Available for Contract Payments,'' and it spells out for every fiscal year how much money would be available. It amounts to about $35.6 billion. But listen to this:

> The Secretary shall, to the maximum extent practicable, expend the following amounts to satisfy the obligations of the Secretary under all contracts.

''The Secretary shall, to the maximum extent practicable'' make these payments. Wait a minute. I thought we were trying to save money for the taxpayers. I thought we were trying to reduce the deficit and balance the budget. Here is a bill that says USDA has to pay it out no matter what happens, no matter how much money farmers make; to the maximum extent practicable, it has to make those payments.

I would like someone to show me one other bill passed by this Senate or House that says, for example, that the Secretary of Health and Human Services has to pay out, to the maximum extent practicable, a sum of money for welfare payments. Or let me see a bill stating that the Secretary of Education has to pay out, to the maximum extent practicable, money for title I. I do not believe you will find such a provision anywhere.

I certainly have never seen anything like this in an agriculture bill in all the time I have been here. I just do not see how anyone who claims to be a conservative can be in favor of mandating that the Secretary shall make the maximum payments possible no matter what commodity prices or farm incomes are.

I offered an amendment on this very point. My amendment said that payments under this bill could not be any higher than they would have been under the 1990 farm bill, except in the case of a farmer with a disaster loss. Farmers with disaster losses would receive the whole contract payment. Any money saved in a fiscal year through my amendment would be rolled over and reserved for payments to farmers in later years when they may have a greater need for them.

Here is an article from the front page of the Iowa Farm Bureau Spokesman dated November 18, 1995, quoting Dean Kleckner, the president of the American Farm Bureau Federation. Mr. Kleckner is not a member of my political party, and we have disagreed on issues in the past. But here he is, quoted just a few months ago, expressing opposition to the payment mechanism that is in this bill, just as I have:

> ''In order to provide a long-term safety net, the conference committee should develop a program that maintains a price-payment linkage and allows budgeted funds not expended in years of high prices to be available in years when farm income is low,'' the Rudd, Ia., farmer said in a letter to House and Senate budget conferees last week.
>
> ''Failure to resolve this issue will render farm programs either an ineffective income support mechanism or subject them to being an irresistible political target,'' Kleckner said.

Mr. President, I offered an amendment in the conference committee to do just that. It would have kept the money in reserve in times of high prices; USDA would not have paid out any more than under the 1990 farm bill unless the farmer had a disaster. Any money that was not paid out would have been rolled over for use in making payments in future years when the need may be greater because of lower prices or disaster losses. Again, my amendment was rejected along strict party lines. Every Republican voted against it.

Some people get pretty edgy and touchy when they hear it said that this farm bill makes farmers vulnerable to criticism that they are receiving welfare payments. If this bill becomes law, I can only say, get used to it; get used to it. The national press, who have never been friendly to agriculture, will have plenty of new material. There will be television stories and the same editorial writers at the New York Times, the Washington Post, and others will go to work. You mark my words. There will be editorials about USDA making large payments to large farmers no matter how much money they are making from the market.

The editorial writers do not understand what is going on in agriculture anyway, but what I am concerned about is the damage this bill threatens to do to the public's image of farmers and of agriculture programs. Farmers do not want to be perceived as receiving something for nothing, regardless of whether they need it. I do not believe farmers receive welfare, or that farm programs are welfare. Farmers work very hard for their money. They are proud people. They want to get their income from the market and not

from the mailbox. There is real potential for this bill to contribute to an impression among the public that farm programs are welfare.

What I am saying is that I firmly believe and most sincerely believe that those who support this program are doing a great disservice to farmers because it sets up farmers for this kind of attack, that they are receiving welfare, getting payments even though they are making good money from the marketplace. It is setting up farmers, I think, for a big fall.

Not only are farmers going to have a greatly reduced farm income safety net under this bill, they are also likely to suffer damage to their public image because of the payment scheme in this bill. We should not pass a bill that gives critics of farmers and sound farm policies more ammunition to fire away in the national press. It can only be damaging to hard-working farmers in Iowa and across our land. It is hard enough sometimes to explain to our urban counterparts why we need a decent farm policy, without having to overcome the image created by this bill.

Mr. President, farm programs should be there as a safety net to provide adequate protection when times are hard, not to pay out over $35 billion to the maximum extent practicable even when commodity prices and farm incomes are high. This bill slashes the farm income safety net, and it is not fiscally responsible. For those reasons, I cannot in good faith support this farm bill. I hope we can come back next year, perhaps, and readjust this bill so that we will have enough money available for farm programs in the years when it is really needed.

I hope and pray this radical so-called freedom-to-farm approach will not devastate our farm families. I am very concerned that the payments made in the next year or so will create a political liability. When we do have a downturn in the farm economy and there is a real need for an adequate farm income safety net, the political capital required to pass the necessary legislation will have been used up. Those of us who care very deeply about family farms and about rural America will not be able to get anything through here to help them through their tough times.

For these reasons, Mr. President, I cannot support this farm bill. I see the train is on the track expect this bill will pass. I understand the President has indicated he will sign it reluctantly. I must say, in all candor, I am disappointed that the President did not rely upon his authority under the existing law to carry out a decent farm program and avoid being cornered into signing a bill as objectionable as this one. Farmers should not be in the position of having an entirely new farm bill enacted at this late date. We should not have been in a position of writing a farm bill with a gun held to our head, instead of working together in a bipartisan fashion to hammer out a really good, sensible farm bill for farmers. I am just sorry the President did not use his authority to avoid this situation. I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, let me commend the distinguished Senator from Iowa for his excellent statement. I do not know that anyone could say it any better. He has capsulized very well what many of us feel about this legislation. He has been in the trenches and has fought the fight and has led the effort in many cases. I applaud him for his statement and for the contribution he has made to this debate again this morning.

As I consider the contributions made by many of our colleagues, let me also call attention to the fact that this is the last farm bill that the Senator from Alabama, Senator HEFLIN, and the Senator from Arkansas, Senator PRYOR, will probably be involved in. Over the years they have been remarkable advocates of sound farm policy and leaders in their own right in so many ways. The people of Alabama and the people of Arkansas could do no better than to have the representation that they have had in Senators HEFLIN and PRYOR. They will certainly be missed as we consider farm legislation in the future.

Let me commend as well our distinguished ranking member and the chairman for their work in bringing us to this point. We may not agree entirely on many of the issues involved in farm policy or ultimately on what we should do with this legislation, but no two people have worked harder and in a more bipartisan manner to bring us what we have been able to achieve today. So I again publicly thank them for their leadership.

As I said last night, Mr. President, this bill is long overdue. I do not have an explanation as to why, as late as it is, we are dealing with the 1995 farm bill in 1996, but we do know this, we know that farmers need certainty. We do know that it is too late to start over. We know that the winter crop will soon be harvested. We know that southern crops are already in the ground. We know that midwestern farmers are ready to begin planting.

In fact, just recently a farmer from Volga, SD, called me from a supply store trying to decide what kind of seed to buy for spring planting because the seed was going to be determined in part by what the ground rules are for the farm bill. How much planting time he had available to him, what the planting year was going to be like was going to be determined by what we decided. He simply said, ''We can't wait any longer. Get it done. Get it done.''

So we are here with that realization. We know we need to get it done. We received hundreds of calls to do something, to provide certainty, to take what we can now and to fix the rest later. That is exactly what we are doing. I do not know what the farm programs eventually will be, but I do know this, that the time for action is long overdue. I know and farmers know that we cannot wait any longer.

As a result, the President is going to be forced to sign this legislation, forced to sign a bad bill because of a late date. He shares our concern about the safety net and the decoupling in this legislation. But with our ranking member and with others, we intend to fight another day, to come back, to do even more to ensure that farmers will have the kind of certainty, the kind of assurances that they have had in past farm legislation.

There are some good provisions in this bill. No one should be misled in that regard. The continuation of the Conservation Reserve Program is a good thing. The incorporation of many of the conservation programs and the adequate funding for those programs is a good thing and would not have happened without the effort made by the ranking member.

The Fund for Rural America is a good thing. That it guarantees spending on rural development and research, that it addresses the needs of rural America, especially in creating new value-added markets all over the country, is a good thing. We provide assistance for value-added processing facilities through the Fund for Rural America. I must tell you, it is one of the best features of this farm legislation.

The increased flexibility for some producers also is a good thing. Simplification is a good thing. Perhaps most importantly of all, the guarantee that we will have permanent law, with the expiration of this legislation, is perhaps the most important thing of all. Ensuring that permanent law will be there, regardless of circumstances, regardless of our inability to find some consensus about what to do after this legislation expires, in my view, is perhaps the best thing.

In spite of all of that, and that does represent a significant amount of bipartisan consensus, there are at least six serious flaws, Mr. President, that in my view, bring me to the same conclusion that the Senator from Iowa has just expressed. I cannot support this bill in large measure because, simply, it fails to provide the safety net that we believe is so essential in any piece of farm legislation.

Loan rates are capped in this bill. They can go down. They can never go up. The farmer owned reserve is eliminated. There is no possibility for farmers to truly have the freedom to farm if they do not have the freedom of access to the tools necessary to farm. The farmer owned reserve is one of the best tools farmers ever had. It is no longer there. It is not freedom to farm when you take the tools, financially and otherwise, away from the same farmers that ostensibly have such freedom today. The Emergency Livestock Feed Program is gone, another tool that undermines a real opportunity to provide

the freedom that we all say we want for farmers today.

Not long ago, three South Dakota farmers met with the President. If they expressed anything in the short time they had with the President of the United States, it was this: ''Mr. President, we need that safety net. Mr. President, we know we will face national disasters. We will face natural calamities in South Dakota and throughout the Midwest, and for that matter in all parts of the country that will require we have a safety net, an insurance program. Do not be a part of taking that away.''

The second and perhaps equally as significant a problem I see with this bill is it pays producers, regardless of price. It requires guaranteed payments, as the Senator from Iowa has indicated today, probably in an unprecedented fashion. It requires the Government to pay producers, regardless of their circumstances. As the Senator so ably said, where else in law today are people required to get a payment, regardless of need, regardless of circumstance? I must say, Mr. President, of all the things in this bill, that is the one that troubles me the most.

Third, while we do have some degree of flexibility, some degree of new-found simplicity in this legislation, no one should be misled about the fact that there are some who have less flexibility. Vegetable producers are treated differently than grain producers. A potato producer in South Dakota is not given the freedom to farm, is not given the flexibility he may need to be able to compete effectively in the marketplace. Why? Because we are protecting other potato producers in other areas of the country.

That kind of freedom to farm is not articulated very well by proponents of this bill. Instead of getting signals from the market, some producers are receiving stronger signals from the Government for certain products, such as potatoes.

Fourth, the research program, in my view, Mr. President, is one of the greatest concerns as I look to the long-term future of farm legislation. What happens in 2 years to research? How do we assure those who are involved in research today in our colleges and universities across this country, in agricultural clinics and laboratories all over the country, what we are going to do with regard to basic and applied research 2 years from now? We do not have the luxury of turning the spigot on and off. We do not have the luxury of telling a researcher out there, ''Go ahead and do it, but we cannot give you any guarantees 2 years from now you will have any assurance that money will continue.'' What kind of a vote of confidence is this? Researchers want to know that when it comes to new production or new markets, we are going to stand, ready in partnership, with research to make sure that agriculture continues to be what it is today.

Mr. President, I am also concerned about the deficit consequences of this legislation. No one denies this bill increases the deficit in the first 2 years by more than $4 billion. In rooms just down the hall we are trying to figure out how to cut billions of dollars from education, the environment, national service, programs that directly affect people in virtually every walk of life. We are cutting billions there and adding billions on the floor as we speak—$4 billion in the next 2 years, largely in payments given to farmers who will tell you privately this is not the year they need them. You do not need farm payments when prices are as high as they are in grain today, but we are going to provide them. We are going to mandate them. We are going to tell farmers you go out and do whatever you want, get as much money as you can from the marketplace, God bless you, we will still give you $50,000, $100,000, $200,000 in some cases.

Mr. President, the nutrition program, as well, troubles me a good deal. How we can reauthorize farm program benefits and these payments to farmers for 7 years, but payments to nutrition for children for only 2 years, is troubling in many ways.

Having said all of that, we recognize the good things. We wish we could improve those that are not good. We recognize that we will fight another day. We recognize that there are a lot of people out there struggling who want certainty. Bob Ode, a farmer near Brandon, SD, who was just in my office the day before yesterday. He is concerned about the lack of a safety net. He has told me that grain farmers and livestock producers in our State 2 years ago lost 13 percent of their income. Last year, they lost 18 percent of their income. In the last 2 years, many farmers have lost over 30 percent of their income, and our response today is to say we are going to take away your safety net. It is no longer there. You are on your own.

Are we really prepared to do that? Do we want to tell Bob Ode and farmers across this country that is the best we can do? Mr. President, we can do better. We must do better. We must come back, whether it is next year or at some time in the not-too-distant future. We must address these deficiencies. We cannot conscientiously allow this to happen.

I am very pleased that the President has promised to join forces with us, next year, to make that happen. We can do better. I yield the floor.

Mr. LEAHY. I understand the Senator wishes to speak in opposition to the bill?

Mr. BUMPERS. Yes.

Mr. LEAHY. I yield 5 minutes, from the distinguished Democratic leader's time.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. I thank the distinguished ranking member, my good friend from Vermont.

First, I want to express my profound gratitude to my colleague, Senator PRYOR, for the very laudatory and kind words he delivered on the floor a moment ago when he referred to a provision in the bill to name the U.S. Department of Agriculture Small Farmer Research Center in Arkansas after me.

As I sat there in my office watching Senator PRYOR deliver those accolades I couldn't but help question if it was really me he was describing. He laid it on pretty thick.

The thing that makes Senator PRYOR easily the most popular politician in Arkansas is because he is one of the most generous to a fault and one of the hardest working people I have ever known. You never see his name mentioned in the Arkansas press that it does not say, ''Senator PRYOR, the most popular politician in Arkansas,'' as the lead to whatever story they are reporting.

I have been deeply honored to have him as a colleague, and deeply distressed to know that he will depart this body at the end of this session of Congress. We have had what I think is probably as fine a working relationship as any two Senators in the U.S. Senate have ever had. But I want to publicly express my gratitude to Senator PRYOR for all the kind things he did say about me.

He gave me much too much credit. Of course, that is one of the things that makes him so popular back home. He gives other people credit for everything that happens, no matter what his role was in it.

In this particular case I can honestly say the Senate would have been justified in naming that after an aide, my agriculture assistant back in those days, Rhona Weaver. It was essentially Rhona's idea. She worked with the State leaders and the leaders of the community. I would be remiss if I did not pay tribute to her. We politicians take credit for everything, but the truth of the matter is most of it originates with our staff, and this is a classic case in point.

I am deeply honored, Mr. President. And now, because I detest this bill so much, I am in the very ambivalent position of having to vote against a bill that places a great honor on me. Nevertheless, I have no choice but to vote no.

Let me just say, in these few remarks, that I personally thought the bill before us, which will probably be always remembered as the freedom-to-farm bill, was fatally flawed in concept. Senator CONRAD of North Dakota said it more appropriately several times, and it bears repeating. This bill is like the people who followed Jim Jones down to Guyana, and he told them, when they were committing mass suicide, to drink the Kool-Aid, it tastes good, and the children drank the Kool-Aid. It was after they got it down that the problems began. And so it is with this bill. It is going to taste good to the farmers, initially, because they

are going to be paid a handsome bonus on top of record commodity prices. They do not even necessarily have to farm to get the bonus. The conference report did make one improvement from the earlier Senate version. To get the bonus, they at least have to engage in some sort of agricultural activity. But I can think of all kinds of activities that I can argue are ''agricultural'' in nature but do not resemble farming as farmers in my State would recognize it. You are going to see ''60 Minutes'' stories of farmers who are maybe getting 80 cents or a dollar a pound for cotton, plus a very handsome, generous payment from ''Uncle Sugar.'' To make matters worse, depending on how they finally define ''agricultural activity,'' you might see farm payments being paid to people who no longer plant a seed or turn a clod of dirt.

That is not what farmers want. They do not want welfare. That is what this is, pure and simple. Actually, I suppose you could argue that welfare is what you give to people who need it, which may not be the case with these freedom-to-farm handouts. But the problem is going to be just like drinking the Kool-Aid. Seven years from now, or sooner, when these payments have been terminated or have dwindled to nearly nothing, if commodity prices are back where they were 2 years ago, I do not know what is going to happen. We either go back to the drawing board and draft a bill similar to the one we are abandoning, or we just say ''adios'' to the farmers of America. I might remind my colleagues that in 1987 when the farm credit crisis was at its worst, the Congress did not abandon America's farmers. We stood by them in bad times as well as good and helped many of them make a substantial come-back. But with this bill, we are virtually saying ''don't let the door hit you on the way out.''

The tragedy of this is that many aspects of current law—the marketing loan in particular—that we have used all of these years is working. And they are working as they were intended. According to the CBO baseline estimates—one of our more esoteric exercises—USDA will show a $4 billion reduction in spending of farm programs in 1995 below what we anticipated less than a year ago. While terms like ''baseline'' do not mean anything to laymen, we all understand that we spent $4 billion less last year than we anticipated because wheat, cotton, and corn are well above the target price. Rice is really the only major commodity that is below the target price, and under current law, rice farmers would benefit. If commodity prices in the next 7 years stay as high as they are right now, the freedom-to-farm bill will cost $21 billion more than current law. In fact, if prices stayed at current prices, and rice improved a little, then every penny paid out as freedom-to-farm welfare is money we have no business spending this way. I can think of lots of better uses of this money for rural America. We are cutting conservation, we are cutting research, we are cutting rural water and sewer programs, we are cutting rural housing, and the list goes on and on. If you will give these billions of dollars that you are willing to give farmers already making record profits to us on the Agriculture Appropriations Subcommittee for discretionary spending, I will show you how we can put it to use in a way that can really make a difference in farming communities in every State of this Nation.

Finally, Mr. President, let me speak about the Market Promotion Program, which Senator BRYAN and I have tried to kill as religiously as I have tried to kill anything in my life. On a very handsome vote in the U.S. Senate, we cut the Market Promotion Program—the program that subsidizes Tyson, McDonald's, Hiram Walker, Gallo Brothers, and many other of the biggest corporations in America These subsidies were paid to them for advertising they ought to be, and perhaps would be, doing on their own, according to the GAO. Finally, we got that program cut back to $70 million less than 2 months ago on the floor of the U.S. Senate. What do you think? Here it is reincarnated in this bill at $90 million.

Senator BRYAN has already spoken on some of the ways the reforms he and I successfully brought to this program were dismantled one by one. Defenders of this program may have tried to hide their changes by changing the name of the program or by using language that appeared to be making reforms but were actually just a restatement of current law. MPP may have become MAP—and I won't begin here to describe the fun the press can have with this new name when you consider some of the former program beneficiaries—but it is really nothing new. Fortune 500 companies will still find ways to taxpayer-finance their already huge advertising budgets and foreign companies can still get the federal government to advertise in a way that might be adverse to similar U.S. companies. And so, is the only reform a provision to prohibit giving federal assistance to foreign companies for the purpose of promoting foreign agricultural production? And they call this bill the Federal Agriculture Improvement and Reform Act [FAIR]? This measure is hardly an improvement or a reform, and it certainly isn't fair.

So MPP, MAP, or whatever it ultimately gets called, lives on. I guess that is one of the unique things about the U.S. Senate. Nothing ever really dies. Rasputin finally died, but it seems that the Market Promotion Program, or whatever you call it, never will. So while there may be some things in the bill that have some redeeming value, they seem to have miraculously escaped my attention under the glare of such unbelievable policies as those I have just described.

So, Mr. President, when the roll is called, I will have no choice but to vote ''no'' on this. That is not to say that I do not admire the distinguished chairman and ranking member for their endless hours of trying to craft something that this body could agree on and that the House could agree on. Maybe it is the very best anybody could do. I do not know. But those best efforts do not require me to vote ''aye.'' Therefore, I will vote ''no.''

I yield the floor.

Mr. LEAHY. Mr. President, I will speak on my own time. I always enjoy hearing the distinguished Senator from Arkansas. I told him before that one of the joys of coming here is that we came in the same class. He is one of the best friends I have had for 22 years here. I almost hate to go into this speech and muddy the water with facts, but one that I point out is on the Market Promotion Program, which I voted to cut and change over the years. There are significant changes. We made significant reforms to this program in 1993, and we gave a great deal of flexibility to the Secretary to carry out the reforms we had. I agree that participation in this program should be limited. This program is designed to help those who do not have large marketing organizations or deep pockets. It is designed for the small dairy co-ops in Vermont that use it now to promote exports to Canada, and other places, or the small rice dealers in Arkansas, who might use it. And bit by bit, this supertanker is being turned around, I tell my friend from Arkansas. We are improving it and will continue to do so.

I also tell my friend from Arkansas—and he knows this, as I do—that nobody ever brought to the floor a farm bill where they liked every single page of it. There is no legislation that comes before this Congress that is more a product of having the balanced interests of regions, individuals, of commodities, and balance of the needs of people who are not directly involved with farming, but have an actual interest—people who see the legislation in here to protect the Everglades and to help rehabilitate the Everglades, and those who see a Conservation Reserve Program continued and strengthened, those who see permanent law maintained, those who see improvements in some of our nutrition programs, as well as several new environmental initiatives like the EQUIP program, added here. These are things that effect every one of us, whether we are farmers or not. There are those throughout the country, farmers or not, who applaud these initiatives in this bill.

I would like to take this time, Mr. President, to thank several of my colleagues for their work on behalf of agricultural interests, who will not be here in the next farm bill. One, of course, is the distinguished ranking Member of the House Agriculture Committee, Representative KIKA DE LA GARZA. He went out of his way to be not only bipartisan in his own body, but in this body, as we have tried to bring together competing interests of

farm bills. His most recent success was accomplished while chairman of the House Agriculture Committee, with a reorganization of the USDA and overhaul of the Federal Crop Insurance Program.

Then, in our body, let me speak of two Members I will miss greatly, both in serving with them on the Agriculture Committee and serving with them in the Senate.

One is my colleague from Alabama, Senator HEFLIN. I am proud to say I have served for 15 years on the Agriculture Committee with Judge HEFLIN. I served with him also on the Judiciary Committee. But I think in many ways I have relied on his expertise and his good humor. His ability to help forage consensus and coalition has been on the Agriculture Committee. His expertise and his judgment is going to be sorely missed. He has been the spokesman for southern agriculture. Certainly nobody ever discussed peanuts without Judge HEFLIN being there, and so much else of southern agriculture.

I think of the times when I traveled to his State of Alabama with him, with he and his wife, Mike, and on occasion when my wife was able to join us. I remember going to one function—a dinner in a school—where there were several hundred people there. I am positive that the judge called every one by name and asked about members of their family by name. I was then chairman of the Senate Agriculture Committee. I was nothing but a spear carrier on that trip to Alabama. I can assure the Chair, they were there to see Senator HEFLIN and this Eastern Senator who came with him, and who talked funny as far as they were concerned.

So I want to thank Senator HEFLIN for all he has done to further agriculture programs and, in particular, the rural development programs—the rural development programs that helped Alabama but also helped rural Vermont, and have helped rural areas throughout our country.

Another person I want to recognize from that committee is Senator DAVID PRYOR. I never have known any Member of the Senate, Republican or Democrat, who did not have great affection for DAVE PRYOR. I know I have been proud to serve on the Committee with him and proud that he has been one of my close friends in the Senate over the years.

Again, DAVID PRYOR is one who has time and again helped us bring coalitions together—his quiet dedication, his obvious knowledge of the facts, but also his knowledge that, as a Senator, there are certain prerogatives, especially debate prerogatives, that are available to all of us, and my memory of that goes back to the 1985 farm bill.

Senator PRYOR and his colleague Senator BUMPERS were concerned that the bill would cut Federal price supports for the rice industry. They came to the Senate floor and they delayed action by reading their favorite rice recipes into the CONGRESSIONAL RECORD. The opposition finally gave in to these Southern gentleman when Senator PRYOR announced that he knew of 1,000 rice recipes. I checked that figure with Senator PRYOR this morning, and the distinguished Senator from Arkansas told me that not only did he know them but that he kept copies of them in his desk should the need arise to add to our education in the Senate. Should he suddenly be called upon to give us time for reflection, he is prepared to talk about rice recipes.

That kind of dedication is going to be sorely missed. But these are people—Senator HEFLIN and Senator PRYOR—who have improved the Senate Agriculture Committee by their presence and have left a great legacy for all of us.

Mr. President, I have sometimes joked that Senators are merely constitutional impediments to their staffers, or constitutional necessities for their staffs. But I must say that this bill was made possible by the hard work of staff. And I think of those on my side of the aisle that I was able to appoint who have worked tirelessly in 1995 and 1996 on this farm bill.

I am particularly indebted to my staff director, Ed Barron. He joined me in 1987, and he has been a great fountain of education, encouragement, and tireless work. He is a good friend. He is a good adviser.

In the past he was the lead staff person who handled nutritional and rural development programs. The continuation of the nutrition programs in this bill is a tribute to his commitment to these issues. Ed also had a critical role in getting the dairy compact included in the final bill. His attitude on the compact reflected mine: ''Never give up.'' And he never did.

Ed worked tirelessly in a bipartisan manner demonstrating superb political judgment and negotiating skills.

I thank him for his hard work. And, I believe his sons, James and Stephen, and his wife, Bonnie, will be delighted to know that they finally are going to see him again. They will have him back this weekend.

Jim Cubie, my chief counsel, has been with me over a decade on both appropriations matters and agriculture matters. His commitment to conservation and environmental issues has helped make this the most environmentally progressive farm bill in history. Without his dedication, there would not have been such a strong connection between farm policy and conservation initiatives.

Working alongside Jim was Brooks Preston whose commitment to the environment was forged during a childhood spent outdoors. Brooks provided invaluable legislative support for both my personal office and the committee on environmental and forestry issues.

Pat Westhoff, my chief economist, poured endless amounts of energy providing economic analysis for the committee on commodity program and budgetary issues. I felt confident knowing that Pat was leading the complex negotiations needed to fine tune the intricate details of the bill. Pat, your dedication and service to this committee is recognized and commended.

Thanks, as well, to Pat's wife Elena and to his children Christina, Ben, and Maria for letting us borrow Pat for what seemed to them to be about 50 years.

Kate Howard, my counsel for international trade, joined the staff for the 1994 GATT deliberations. Since then, Kate has continued to play a lead role in the trade, international food aid, and agricultural credit programs. Kate's efforts to build a bipartisan consensus for the international programs in this bill, and her support for the international food assistance programs, is especially appreciated.

Tom Cosgrove played a leading role in the passage of the dairy compact and other dairy reforms. On my committee for the past 5 years, Tom has worked endless hours on behalf of dairy farmers in Vermont and across America. Born on a dairy farm himself, Tom connected with the dairy community and understood their concerns, enabling him to effectively translate their needs into legislation.

David Grahn spent countless hours drafting the bill and deserves a special mention. Without him, the drafting of this legislation would not have been as successful. David would be here now—except that he and his wife just had a baby during the last 2 weeks of the farm bill. Congratulations, David and Jill, on your baby girl, Carolyn Elizabeth Grahn.

Bob Paquin has worked tirelessly for me on agriculture issues in Vermont. I appreciate that he flew down to Washington to help out on the compact at the critical moment. His talents are greatly appreciated.

Diane Coates, who started in my Vermont office and has been working on the committee for 2 years, provided invaluable support to Ed Barron. Her work on nutrition programs was particularly helpful.

Kevin Flynn, who started with me in the Washington office and joined the committee last fall, provides excellent support for everyone on the committee.

I was also very fortunate to have on staff several people as fellows or from the Department of Agriculture. Rob Hedgerg provided invaluable expertise in the areas of conservation, research, and rural development. Kate DeRemer's efforts ensured that the final bill included a research title that prepares our farmers for the next century.

Ron Williams, who arrived right in the thick of things, provided critical assistance. His patience and unflappable personality are invaluable.

There are a number of people who are no longer on the committee but worked very hard to help get us to the point we have reached today. Nick Johnson did

a superb job for Vermont and me on rural development and nutrition and I wish him all the best at the Center for Budget and Policy Priorities.

Craig Cox, who left my committee to join the Natural Resources Conservation Service at USDA, spent countless hours over the past 3 years to help lay the foundation for the conservation title that we included in the farm bill.

Bryant Farland, who left the committee last year to enter law school, provided excellent support to the committee. His professional attitude and cheerful approach to every assignment is sorely missed.

Senate legislative counsel—especially Gary Endicott, Tom Cole, and Janine Johnson—deserve a lot of credit for their willingness to stay late and their excellent work.

I must also thank Secretary Glickman, and his chief of staff, Greg Frazier, as well as the Secretary's dedicated staff at USDA for countless hours of support during this long process.

But I have emphasized over and over again that this is bipartisan legislation. I compliment my good friend from Indiana, as I have before, Senator LUGAR, who listened and worked so hard with me so that we could pass this bill. We agreed on some issues and disagreed on others. But, we know that we can always take each other's word.

I think many times staff reflect the Members they work for. Chuck Connor deserves a great deal of credit for that. He works for one of the most honest, dedicated, hard-working Senators here. This is reflected in the type of person Chuck Connor is. He is someone I have respected in all of the years that I have worked with him. I consider him one of the finest staff in this body. I compliment him, and I thank him for his work and the direction he gave to Randy Green, Dave Johnson, and Michael Knipe, and others.

Mr. LUGAR. Mr. President, our side will be represented ably by the majority leader in a moment as he will make a final statement.

For several decades, the U.S. Department of Agriculture subsidized farmers with target prices and deficiency payments. Target prices for wheat, feed grains, cotton, and rice were set at levels believed to represent a fair price for the crops.

Whenever the average market price was below the target price, the Federal Government paid farmers the difference. This was called a deficiency payment.

Now Congress is considering a plan that would scrap deficiency payments and target prices and replace them with fixed payments. The farmer receives the same subsidy payment whether prices are high or low. Advocates for change believe this system provides the certainty farmers need with regard to payments and the predictability taxpayers demand with regard to balancing the target. Defenders of the status quo criticize this plan because farmers receive payment during periods of extremely high prices.

While no one wants subsidies paid when they are not needed, the current system of deficiency payments and target prices fails even the most modest standards of targeting or means testing.

Deficiency payments are a poor indicator of farm wealth. Price represents only one-half of the farm income picture. Cash receipts in farming are a product of price per bushel multiplied by the quantity produced.

Recent history is a case in point: 1994 was a remarkable year for corn production. Total corn production for the country exceeded 10 billion bushels—a feat most thought was impossible. In the Midwest, whole fields averaging over 200 bushel per acre were commonplace.

Large supplies caused prices to fall. The average corn price for the year was $2.26 per bushel—almost 50 cents below the target price. According to our system of calculating farm wealth, 1994 was a terrible year because prices were lower. Taxpayers came to the rescue with substantial subsidies even though farmers harvesting 200 bushels per acre corn at $2.26 per bushel grossed a record breaking $450 per acre.

As is often the case in farming, 1995 was different than 1994. Weather problems and pestilence plagued farmers throughout the year. Many farmers who harvested 200 bushels per acre in 1994 saw their production fall to 90 bushels or less in 1995. Some farmers lost their entire crop. With falling production and strong demand, prices were substantially above target price levels. Corn farmers received $3.00 per bushel or more for their crop.

1995, however, was a very difficult year for many farmers because they had little, if any, crop to sell at higher prices. Ninety bushels per acre at $3.00 per bushel represents a per acre gross of $270 per acre—40 percent below 1994. Yet the USDA declared 1995 as a good income year, and took away all subsidies for the 1995 crop. Generous subsidies were paid to 80 percent of the corn farmers in America in 1994.

Freedom to farm gets the Government out of the business of estimating good income years and poor income years. The 7-year baseline payment levels are distributed—on a declining basis—to farmers over the next 7 years without regard to commodity prices.

Will there be years in which farmers receive a subsidy even though their income was high? Perhaps. But this is no more the case than under present law. The current system has indeed failed to identify genuine need. Let's give the USDA something better to do with their time.

In short, Mr. President, although it has been suggested that the freedom-to-farm bill would not be a good idea in the event that a bad year came along on the farm, the fact is the current program has not been particularly helpful. In those years in which we have had a great abundance of crops in and great revenue from the fields, we have also had target prices in addition or great deficiency payments. That is an important point to make, and I make it for the RECORD.

Mr. President, I thank, once again, the distinguished ranking member, Senator LEAHY, for an extraordinary opportunity to work with him and to create, I believe, a remarkable farm bill.

Today, as we pass a farm bill that shapes the outlook of agriculture for the 21st century, it is time to recognize the tireless efforts of one of the finest staffs on Capitol Hill.

I want to start by recognizing the efforts of the professional staff of the committee led by senior professional staff member, Robert (Randy) Green. Randy deserves special credit for his outstanding professional efforts in translating complex ideas into effective legislation. Often working through the night into the mornings and on countless weekends, Randy and his staff exemplified a dedication to the truth in the details of the committee conference process. While respecting the views of others, the professional staff crafted a bill in a manner that was fair. They have worked on endless proposals and through many very tough negotiating meetings to achieve the exciting new concepts about agriculture that were passed today. Katherine Brunett McGuire, David Stawick, Darrel Choat, Terri Nintemann, Terri Snow, Elizabeth Johnson, Douglass Leslie, Patrick Sweeney, and Bill Simms combined their extensive knowledge of agricultural issues to create this landmark revision of Agriculture policy. They are the unsung heroes who took the plight of the American farmers seriously and kept their shoulders to the task until we have arrived at the conclusion of this conference.

Dave Johnson, chief counsel, Marcia Asquith and Michael Knipe, counsels, spend endless hours giving assiduous attention to the details in the drafting of legislation to forge compromises on the most difficult issues. They worked diligently to negotiate provisions that would be effective and yet pull together diverse interests. Patiently drafting and redrafting a great many ideas that ultimately were not part of this legislation, but necessary in arriving at the concluding language, they never gave up and determinedly made the resulting Farm Bill a strong one.

Chief economist, any Morton, spent hours crunching numbers for the committee to ensure that the bill's cost fell within budgetary constraints. It is a tribute to his ability that this bill is scored so successfully by CBO and achieves the numbers that are required. Andy's knowledge of agricultural economics has proven to be a most valuable resource to the committee.

Andy Fisher did a superb job of keeping the press informed of the bill's

progress and his ability to translate complex agricultural issues for the press and operate under severe time constraints ensured that the public was well informed.

Chief clerk, Robert Sturm, along with Debbie Schwertner, Danny Spellacy, David Dayhoff, Mary Kinzer, Jill Clawson, Cathleen Harrington and Barbara Ward kept the office running smoothly throughout this process. In conducting many hearings, both here and in the field, responding to hundreds of letters, answering thousands of telephone calls, and tracking a very active staff they demonstrated their diligence and loyalty to the Committee.

I also want to thank Gary Endicott, Janine Johnson and Thom Cole from the legislative counsel's office for their willingness to respond to the committee's requests and for lending their valuable expertise to the development of this bill.

As well, I want to commend the minority staff of the committee who contributed greatly with their professionalism and cooperation. In particular, I want to thank minority staff director, Edward Barron and chief counsel, Jim Cubie. They led the way to agreement through many continuous issues.

I would especially like to commend staff director, Chuck Conner for his tremendous contribution to the committee. Chuck's leadership and broad expertise in agricultural policy provided the committee with sound guidance on key issues. His resolute attitude and strong convictions kept the conference advancing when the process seemed mired in difficulty. Chuck molded a superb staff and prepared them with precision so that they could navigate a steady course to the passage of this legislation. The public rarely sees the work of the Senate staff but they give so much to our country. Their sacrifice and long hours are shared by their families and I applaud their efforts.

Mr. DOLE. Mr. President, we have had a number of farm bills discussed and passed since I have been in the Senate. Of course, the first question is, is it good for agriculture and good for the consumers and good for the American people generally? I think we can say that the answer is in the affirmative in each case.

I certainly thank Senator LUGAR, the chairman of the committee, and Senator LEAHY, the ranking Democrat on the committee. They have worked together, as we must, in agriculture. I have always found that if you bring a bill to the floor that is too partisan, either Democratic or Republican, it is not going to pass. And so, as has been the case in the past 20, 30 years, as far as I can recollect, this is a bipartisan piece of legislation. It should be bipartisan or nonpartisan. I do not believe that to the American farmer who is sitting out there making his decision on what is good or bad it depends on whether it has a D or an R behind it. But if it is worked out in Congress, as it has been, on a bipartisan basis, then I believe the American farmer, rancher, and, of course, the American taxpayer, too, is generally more satisfied.

This bill is also a good environmental bill, as I will touch on later.

I would like to also congratulate my friends and colleagues on the other side of the Capitol, PAT ROBERTS, and Congressman DE LA GARZA. I have worked with them over the years. My friend, PAT ROBERTS, is my Congressman in western Kansas. He has done an outstanding job working with the Senate and working with the House and again in coming up with a very important piece of legislation. It is truly a bipartisan effort.

I congratulate my colleagues, particularly those who were conferees. It has required a lot of patience and a lot of perseverance, qualities which farmers and ranchers have to have themselves. They have to have patience and persistence or they would not be in business very long.

The legislation before us will transition America's farmers into the 21st century without disrupting the farm economy or land values, and farmers, as other Members in the Chambers have said, finally are going to plant for the market and not for the Government.

In addition, this legislation provides farmers with what they have asked for the most—certainty, simplicity, and flexibility. As I travel across America, farmers and ranchers tell me the same thing: Keep it simple. All Government programs, and especially all regulations, must be simpler and less intrusive. The farm program should pass the common sense test.

As I said, another big winner in this bill is the American taxpayer. This legislation ensures reasonable and responsible spending through a capped entitlement. If we are to balance the budget—and we will—the American farmer will tell you that everyone must contribute including himself. Farmers often remind me that they are taxpayers, too. And as taxpayers, farmers want a balanced budget because they know under a balanced budget, spending on interest payments are projected to decline $15 billion over 7 years. And the farmers would be one of the greatest beneficiaries in that event.

For family farmers who often struggle to make ends meet, the money saved through reduced interest payments could make the difference between success and failure.

This is landmark legislation. The bill contains one of the most significant conservation packages ever enacted. Instead of mandates and the heavy hand of Government, this bill reflects a common sense approach. This historic farm bill is one that conservationists can be proud of.

This legislation includes elements from the conservation bill authored last year by Senators LUGAR, CRAIG, GRASSLEY, and myself, also known as S. 1373, the Agricultural Resource Enhancement Act.

For example, this farm bill continues the Conservation Reserve Program which, at 36.4 million acres, makes the program twice the size of the National Wildlife Refuge System. This program is the Nation's biggest and the most successful private lands conservation program.

The bill streamlines cost-share incentive programs into one revitalized program, the Environmental Quality Incentive Program. The program will spend $200 million per year on cost-share assistance for crop and livestock farmers as they work to control pollution and erosion.

For years, farmers have been planting the same crops year after year which leads to excessive use of fertilizer, chemicals, and tillage to control pests and maintain crop yields. This bill provides farmers with complete planting flexibility, allowing them to plant environmentally sensitive crops.

The bill also ensures sound conservation practices on over 300 million acres. This legislation continues the successful record of the 1985 and 1990 farm bills by requiring participating producers to meet soil conservation and wetlands protection standards.

In addition, the bill provides funding for the restoration of the Florida Everglades, balances conservation compliance regulations, expands mitigation options for wetlands, and authorizes new conservation and wildlife enhancement programs.

Several national farm organizations have praised the conservation provisions as providing a more common sense balance between practical conservation methods and protection of natural resources and wildlife.

As I see it, this bill is not the end but a beginning. It is a positive first step in a larger effort to ensure that rural America prospers. From here, we can address other issues. Tax and regulatory reform are a must. Property rights protection and health care reform are vital. I am committed to taking action on these issues, so that rural America can realize a brighter future.

American agriculture is ready and waiting for policies that will help prepare it for a successful 21st century. This legislation lays a solid foundation for sustained growth.

Like other members on the Ag Committee—and I have been proud to be a member of that committee for a long time—I certainly have had outstanding staff, headed by Mike Torrey, who has worked closely with Chuck Conner and others, along with Dave Spears, who is in my Kansas office but has been back here from time to time to help us on this legislation, and Bruce Knight, who helped us a great deal with the conservation title.

I want to thank my three staff members, in addition to all the others that have been mentioned by Senator LEAHY

and Senator LUGAR. Without staff, I do not believe we could be here today, on the verge of voting for this historic legislation.

This is historic legislation. This is a complete departure from the past when it comes to agricultural legislation.

Again, I want to particularly commend our distinguished chairman, Senator LUGAR, along with Senator LEAHY and others, who have made it possible.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, do I have time remaining?

The PRESIDING OFFICER. The time has expired.

Mr. LEAHY. Is the Senator from Montana speaking in favor of the bill?

Mr. BURNS. In favor of the bill.

Mr. LEAHY. How much time does the Senator wish?

Mr. BURNS. Two minutes or less.

Mr. LEAHY. I will yield to the Senator, not to exceed 5 minutes.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I thank Senator LEAHY, the ranking member of the Ag Committee, and of course Senator LUGAR, who has displayed great leadership crafting this legislation.

I rise today in support of the conference report of the Federal Agriculture Improvement Act of 1996, now known as FAIR. I see this as a positive move forward for agriculture and agricultural production in America. This is a bill—and an idea—that is overdue and now the time has come for the implementation.

As I review this conference report, I see many components that I favor, and of course there are provisions that I think are softer than they should have been for the good of the producer and the good of the Nation and its economy. Positive steps have been taken in the Commodity programs and in the marketing and foreign trade provisions. However, I do believe that we could have provided greater flexibility for our producers in some of the conservation programs.

I have listened to many of the Members of the Senate in the past day discuss that this will doom the future of agriculture, and that we are providing welfare for the American farmer. This is truly not the case. This act will provide for the future of the American farmer in a way that Congress has not had the nerve to address for almost 60 years. This bill will assist many young farmers to have access to the land and allow for the future development of agricultural production in this country.

I have heard many times that we have not provided for a safety net for the small farmer. As I look at the programs that were enacted to protect the small family farmer in the past, they have not done a very good job at offering protection to these people that make their living of the land. In recent years, due to many circumstances, we have seen a decline in the number of small family farmers.

What we have done is bring American agriculture into the future. Gone are the days that a producer can take grain to the elevator and figure that the job is done as they watch the grain drop through the grate. American producers are going to have to take an active role in marketing their own products, from the field to the final product.

I suggest that with the passage of this bill our work has just begun. We now need to work on the improvements for the future of agriculture in our Nation. With the passage of this measure we will finally take a step toward getting Government out of the farming business. We need to set our sights on those areas of law and Government assistance that Government should work on. The role of Government in this new future will be those areas that the individual farmer has little or no real access to. The role of government in the future should be in the development and expansion of research assistance in the marketing in both domestic and foreign markets. This is how we can and should develop the future for our producers.

As we place our producers in the world market, we need to provide them with the tools to compete in this market. To do this we need to offer to them the advancements that will keep American agriculture a lead player in the world. At a time when we see a trend in declining yields, we need to provide our producers with the best research in developing resistant crops. The market is there for them to be active in, but they need the tools available to them to see meaningful gains in the amounts that they can earn from their had labor. Just recently, we have found the presence of a fungus in grain that could, if it was not properly dealt with, permanently damage our access to foreign markets. I would like to commend the Department of Agriculture for the work that they have done with the recent discovery of karnal bunt within our country. With a meaningful and dedicated research effort, we can and should be able to find a way to develop a resistant seed to this and many of the diseases that target our crops in the United States.

In addition, we need to offer to our producers the understanding and assistance in marketing their commodities. As I have previously stated, many producers think that their job is done when it reaches the elevator. As we move into this new program, our producers are going to need the knowledge and the access to information and opportunities to improve their ability to make a return on their investment. In my discussions around the State of Montana, many farmers, young and old, have stated that they are glad to have the Government out of their business. What they would like to see from Government now is a little assistance in learning what it takes to market their product. They do not want Government directly involved. They would like assistance in marketing their efforts, both here in the United States and on the world market. This was one of the major reasons that I worked hard to have this legislation include wording on the foreign market development cooperators program.

Finally, but not least of all, we need to address a major concern in the agriculture community: tax reform. This Congress has been called upon by the people to institute tax reform to address the concerns of all Americans. Any progress that we make on this front will greatly benefit the American small family farmer. Provisions must include changes in the inheritance tax code, to allow more families to keep their operations in the family. For generation after generation, our farm families have worked to keep their operations within the family, yet current tax structure seeks to penalize those people who want to keep the operation in the family.

Another of the Tax Codes that we need to address is the capital gains tax. There are a great number of Montanans who would like to sell their operation. However, with current structure and the price of land, they are not in a position to put their property on the market. Action in this tax will allow many new and younger farmers to move onto land that may now be out of production. This must be addressed, and we must do so soon.

We have taken the first step to address the future of American agriculture. It is only the first step. The future is upon us and we must make the most of it for the family farmer in America. I support this first step and I hope the Senate will endorse it fully for the producers in the field.

I want to make a further comment. I think there are some areas where we have to continue to work. I think the market development amendments we got put in there to develop markets abroad, our foreign trade—we know agricultural exports are one of the great, bright, and shining spots of our trade. But I think tax reform for agriculture still remains a very, very important part of our work to be done here on the floor of the Senate.

We had a hearing this morning on agricultural appropriations and the work of the ARS. Of course, with the inspection service, we know we still have problems. Sometimes we look at the funding. Maybe it is not quite enough in our Agricultural Research Service. We have to continue to do research on how do we produce food and fiber for America, this great Nation, and also, over in the area of inspection, on how do we isolate these very disastrous things that can happen to us in agriculture.

I will give you an example, karnal bunt now in wheat. They got it isolated. They knew what to do. But it is a situation that could have devastated the durum wheat industry in our part of the country. In Montana, it is karnal bunt. All we have to do is look

across the ocean and take a look and see how important APHIS is to us, the inspection service on plants and animals, when we take a look at England and the situation they are in with their ''mad cow'' situation.

So I congratulate the leadership on this bill. We will be supporting this bill. It is a departure from even the carryover from the 1930's.

I thank the leadership, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SIMON. Mr. President, my understanding is we will go to discussion on minimum wage at this point?

The PRESIDING OFFICER. Time remains on the farm issue.

Mr. SIMON. I yield the floor.

Mr. DORGAN. Mr. President, my understanding is the minority leader has 12 minutes remaining. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. Mr. President, let me yield myself as much of that 12 minutes as I shall use. I shall not use the entire 12 minutes.

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

Mr. DORGAN. Mr. President, my colleague from Montana just a few moments ago spoke of something my colleague from North Dakota spoke about earlier this morning. Let me just make a comment about that topic. I also want to make a couple of final comments about the conference report that is on the floor before us.

My colleague from Montana, Senator BAUCUS, and my colleague, Senator CONRAD, talked about actions Canada has taken in the last 24 hours with respect to the restriction of durum, durum wheat, moving into Canada because of a fungus called karnal bunt. I have in the last couple of hours talked to Chief of Staff at the White House, Leon Panetta, who is going to be contacting the agriculture secretary of the trade ambassador to talk about the actions Canada has taken. It has the possibility of causing some real chaos in our ability to export durum grain, because that durum goes through ports on the Saint Lawrence Seaway that are Canadian facilities. To suggest somehow American durum could not move through those facilities could have a devastating impact on our ability to export durum grain.

The Canadians, I think, have created a circumstance that is fundamentally unfair. Karnal bunt does not survive above the 35th parallel, we are told by the scientists. The suggestion that they can use karnal bunt as some sort of an excuse to injure our ability to serve export markets is, I think, a transparent attempt to create advantage for themselves in international trade at our expense. I have asked the President to take some immediate action to respond to this issue.

But the reason I make that point now is my colleague from Montana made the point about things like karnal bunt and the problem they pose in the marketplace. There are a whole series of things that can cause significant changes in grain prices. We had someone out here recently talking about, ''Well, we have a loan rate in this bill which provides a safety net. So there is, in fact, a safety net.'' However, the fact is that the loan rate in this piece of legislation creates a safety net that is so far below the market price that, for family farmers to make a living, it is not much of a safety net at all.

The point I wanted to make finally in this discussion is one about market power. I brought to the floor a story that was written following the Senate passage of the farm bill. This news story says that the big grain trading firms won in the U.S. Senate, the meat companies won, the millers won, the grocery manufacturers won. The biggest economic interests got a full plate when the Senate passed this farm bill.

The fact is, when the big grain trading firms win in farm policy it means family farmers lose. What happens is, you set people loose in a survival of the fittest circumstance and say, ''You just battle it out, out there in the marketplace,'' And what do you face in the marketplace? You face grain trading firms, one of which has more storage capacity in one firm than all of the wheat raised in my State, one grain trading firm can store all the wheat that is raised in North Dakota—that is market power.

Now, if you put 8 or 9 grain trading firms at the choke neck of the bottle through which all that grain has to move and then you say to the 30,000 North Dakota farmers, ''Each you should compete in these circumstances,'' guess who wins and guess who loses? It is not a surprise. The story I showed on the floor of the Senate describes it accurately.

This bill is a major victory for the biggest grain trading firms, the biggest millers, grocery manufacturers and others, because they like lower grain prices in the long run. They are in the marketplace in order to nick grain prices back, to keep them down. What does that mean? Family farmers cannot survive. The deck is stacked against them. The odds are against them. The fact is, there will be fewer yard lights out there, fewer families able to live on the farm and make a decent living.

When you see those yard lights, those economic blood vessels that serve small communities and create a rural life style, turn out, you lose something important. When those blood vessels shrink away, you devastate something I think is very important in our country.

The reason I keep talking about family farmers is I care who farms this country. It makes a difference to me. It makes a big difference to me, whether an corporate agrifactory is farming America from California to Maine, or whether America is dotted with yard lights where families exist out on the land, trying to make a living.

We had an world renowned author from North Dakota who died last year, whose name was Critchfield. He wrote several wonderful books about what this country gains from the rural parts of America. He talked about the nurturing of values that comes from the farms to the small towns and to the cities, as people move in our country.

I think to suggest somehow that those values, which have always started at the family farm, are not important is a mistake. These values have moved their way through this country of ours—I'm talking about helping one another, shared sacrifices and so on—and to suggest that this is not important in our future is a regrettable oversight for this country.

It does matter who farms in this country. If we do not have a farm bill that stands up for the interest of family farmers, let us not have a farm bill at all; we do not need it. And if we have a farm bill, let us have a farm bill that stands up and speaks for the economic interests of families out there trying to make a living. We need a farm bill for those trying to make a living in circumstances where, if they plant a seed, they may not get a crop, and if they get a crop, they may not get a price. Family farmers face twin risks that no one else in this country faces.

Time after time when international prices drop—and they will and they do—family farmers go bankrupt. That is why we for years have decided we will provide a basic safety net to try to give family farmers a chance to survive over those price valleys.

This bill, for all of the huffing and puffing of those who support it, basically pulls the safety net out from under family farmers. Yes, it is attractive in the first year. Yes, there will be money in the first year, the second year and people will like it. But that money is labeled ''transition money.''

What is the transition from? The transition is to move farmers away from a safety net. If we do this we will be left one day with more expensive food produced by corporate agrifactories that farm all of this country. There will be precious few lights dotting America's prairies because this Congress says family farmers do not matter.

I will make one final comment. This issue is over this year. We are a year late, we are pretty short on the correct policy initiatives, but this issue is not over for the long term.

Next year there will be a different Senate, and those of us who believe that we ought to invest in the future of family farmers will be here. We will be here to give family farmers a chance to make it in a marketplace where there are a lot of larger interests that want lower prices and do not care whether family farmers survive. Those of us who believe in a different philosophy in a different approach will be back. We will be back to rewrite a farm bill

based on a policy approach that is more appropriate for the long-term economic interests of those families who today struggle against the odds.

Mr. President, with that, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I know of no one else who wishes to speak. I have been authorized by the distinguished Democratic leader, Senator DASCHLE, and the ranking member, Mr. LEAHY—and I have exhausted my time—to yield back all time.

The PRESIDING OFFICER. All time is yielded back.

PRESIDIO PROPERTIES ADMINISTRATION ACT

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

The assistant legislative clerk read as follows:

A bill (H.R. 1296) to provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayer.

The Senate resumed consideration of the bill.

Pending:

Murkowski Modified amendment No. 3564, in the nature of a substitute.

Dole (for Burns) amendment No. 3571 (to amendment No. 3564), to provide for the exchange of certain land and interests in land located in the Lost Creek area and other areas of the Deerlodge National Forest, Montana.

Dole (for Burns) amendment No. 3572 (to amendment No. 3571), in the nature of substitute.

Kennedy amendment No. 3573, to provide for an increase in the minimum wage rate.

Kerry amendment No. 3574 (to amendment No. 3573), in the nature of a substitute.

Dole motion to commit the bill to the Committee on Finance with instructions.

Dole amendment No. 3653 (to the instructions of the motion to commit), to strike the instructions and insert in lieu thereof ''to report back to April 21, 1996 amendments to reform welfare and Medicaid effective one day after the effective date of the bill.''

Dole amendment No. 3654 (to amendment No. 3653), in the nature of a substitute.

AMENDMENT NO. 3573

The PRESIDING OFFICER. There will now be 30 minutes equally divided prior to the cloture vote.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I yield myself 2½ minutes.

We are talking about the minimum wage. We are talking about 12 million Americans who can benefit, and what that means to 12 million Americans, people who are struggling, I do not think I need to spell out for most people. But unfortunately, in the U.S. Senate, we have to spell it out.

We ought to spell it out, among other things, in terms of welfare. I have heard the phrase ''welfare reform'' on the floor of the Senate over and over again this year and last year. Let me tell you, this minimum wage bill will do more to help people on welfare and for welfare reform than any welfare reform bill that has been before us. And it will save money for the Federal Government.

Once in a while, we can do the humanitarian thing and save money. We will save welfare money. We will save money on the earned income tax credit if this is adopted. So for people who are interested in saving money, moving toward a balanced budget, here is one practical way of doing it.

But let me mention one other observation that I think is important, and that is the way we finance campaigns and distort what is taking place. Probably before this session of Congress is over, we are going to reduce the capital gains tax. Primarily 10,000 people will benefit from that. People are going to come out with the numbers, but 60 percent of the benefits go to 10,000 people. But those 10,000 people are contributors on both sides of the aisle, and we listen to them.

How many of the 12 million people earning the minimum wage are big campaign contributors? Virtually none. So their voice is muted in this process. We ought to today speak up for 12 million people who are not big campaign contributors but need our help.

Mr. President, I see you are about to gavel me down, so I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. There are 12 minutes 15 seconds remaining on your side and 15 minutes remains on the other side.

Mr. KENNEDY. I yield 3 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, this minimum wage increase is a very simple and straightforward proposition. Minimum wage right now is $4.25 an hour. You can work 52 weeks a year, 40 hours a week and you still do not make poverty wages. This is important for working families in Minnesota and across the country—almost 200,000 workers in my State—much less their children.

We are talking about a 90-cent increase over 2 years—90 cents over 2 years—to try and respond to the concerns and circumstances of working families in the United States of America, working families in Minnesota.

Let me put it another way. The U.S. Senate a few years ago voted itself 1 year a $30,000 increase in salary. That is almost four times the total yearly income of what minimum wage workers make right now in our country. The U.S. Senate voted itself a $30,000 increase in 1 year, which is almost four times the total annual salary of a minimum wage worker and his or her family in this country, and we cannot raise the minimum wage for working people?

I do not consider this to be partisan strategy. I do not consider this to be a game. I do not consider this to be tactics. People in the United States of America make it a plea that we respond to the issues that they care about; that we respond to fundamental economic justice questions. That a worker in our country should be able to see his or her wage raised from $4.25 an hour to $5.15 an hour over 2 years is a matter of fundamental economic justice. It is what I call a Minnesota economic justice issue, and I urge my colleagues to vote for cloture.

Mr. KENNEDY. Mr. President, I yield 3 minutes to my colleague from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, thank you. I am pleased to join with my colleagues in asking the rest of my colleagues to join with all of us in voting for this increase in the minimum wage.

This vote is not a vote on process, it is not a vote on cloture, it is not a vote on who controls the Senate, it is not a vote on Presidential politics; it is a vote on whether or not people who are today working at the minimum wage who are at a record almost 40-year low in the purchasing power of that wage are going to get a raise.

We hear colleagues try to make diversionary arguments: ''Well, this is going to lose jobs.''

We have heard those arguments, Mr. President. We put the minimum wage in America into effect in 1938 at 25 cents. Obviously, to get up to the $4.25, it has been raised in the meantime.

In 1989, we raised it here, and 89 U.S. Senators, Democrat and Republican alike, joined in raising the minimum wage. We raised it each time against the arguments that, ''Oh, this is going to lose us jobs.''

Finally, in the last 5 years, because that argument keeps being raised, a series of studies have been done, study after study. More than two dozen of them have shown you do not lose jobs when you raise the minimum wage. As long as you obviously raise it to a reasonable level, you increase employment.

The study by Lawrence Katz, of Harvard, and Alan Krueger, of Princeton, most recently has showed what happened in New Jersey. New Jersey, Mr. President, raised the minimum wage to a level that is well above the $5.15 that we are seeking. If you had a comparable level today to what they raised it in New Jersey, it would be the equivalent of $5.93. We are only asking to raise it to something that is still 13 percent below the level the minimum wage had in the 1980's. We are not asking to raise it to the full level of purchasing power the minimum wage has had in the past.

America was never slowed by having it at that level in the past. We have increased employment in this country. In fact, after adjusting for inflation, studies would show that if we raised it now to just $5.15 an hour, you would still be below the purchasing power level of the minimum wage in prior years.