now proceed with the agriculture appropriations bill?

The PRESIDING OFFICER. The Senator is correct.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. 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 President, I ask unanimous consent that the order for the quorum call be rescinded.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. COCHRAN. Mr. President, what is the business now before the Senate?

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1997

The PRESIDING OFFICER. Under the previous order, the clerk will report the agriculture appropriations bill.

The assistant legislative clerk read as follows:

A bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic).

H.R. 3603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes, namely:

TITLE I

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed $75,000 for employment under 5 U.S.C. 3109, $2,836,000: *Provided,* That not to exceed $11,000 of this amount, along with any unobligated balances of representation funds in the Foreign Agricultural Service shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary**[**: *Provided further,* That none of the funds appropriated or otherwise made available by this Act may be used to detail an individual from an agency funded in this Act to any Under Secretary office or Assistant Secretary office for more than 30 days**]**: *Provided further,* That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104–127.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $4,231,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $25,000 is for employment under 5 U.S.C. 3109, $11,718,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $5,986,000.

CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $4,283,000: *Provided,* That the Chief Financial Officer shall actively market cross-servicing activities of the National Finance Center.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $613,000.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for the operation, maintenance, and repair of Agriculture buildings, $120,548,000: *Provided,* That in the event an agency within the Department should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account. In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, **[**$5,000,000**]**, *$25,587,000* to remain available until expended; making a total appropriation of **[**$125,548,000**]** *$146,135,000.*

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, $15,700,000, to remain available until expended: *Provided,* That appropriations and funds available herein to the Department for Hazardous Waste Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, **[**$28,304,000**]** *$30,529,000,* to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: *Provided,* That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558*: Provided further, That of the total amount appropriated, not less than $11,774,000 shall be made available for civil rights enforcement.*

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, including programs involving intergovernmental affairs and liaison within the executive branch, **[**$3,728,000**]** *$3,668,000*: *Provided,* That no other funds appropriated to the Department in this Act shall be available to the Department for support of activities of congressional relations: *Provided further,* That not less than $2,241,000 shall be transferred to agencies funded in this Act to maintain personnel at the agency level.

OFFICE OF COMMUNICATIONS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, $8,138,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins.

OFFICE OF THE INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, as amended, $63,028,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, as amended, including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed $95,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95–452 and section 1337 of Public Law 97–98: *Provided,* That funds transferred to the Office of the Inspector General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as a participating agency, as an equitable share from the forfeiture of property in investigations in which the Office of the Inspector General participates, or

through the granting of a Petition for Remission or Mitigation, shall be deposited to the credit of this account for law enforcement activities authorized under the Inspector General Act of 1978, as amended, to remain available until expended.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, $27,749,000.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, $540,000.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, [$54,176,000] *$53,109,000*: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture notwithstanding 13 U.S.C. 142(a–b), as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, [$100,221,000] *$98,121,000*, of which up to $17,500,000 shall be available until expended for the Census of Agriculture: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL RESEARCH SERVICE

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100, [$702,831,000] *$721,758,000*: *Provided*, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed $250,000, except for headhouses or greenhouses which shall each be limited to $1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed $500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or $250,000, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, [$59,600,000] *$59,200,000*, to remain available until expended (7 U.S.C. 2209b): *Provided*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including [$163,671,000] *$168,734,000* to carry into effect the provisions of the Hatch Act (7 U.S.C. 361a–361i); [$19,882,000] *$20,497,000* for grants for cooperative forestry research (16 U.S.C. 582a–582–a7); [$26,902,000] *$27,735,000* for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222); [$44,235,000] *$46,068,000* for special grants for agricultural research (7 U.S.C. 450i(c)); $11,769,000 for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)); [$96,735,000] *$93,935,000* for competitive research grants (7 U.S.C. 450i(b)); [$4,775,000] *$5,051,000* for the support of animal health and disease programs (7 U.S.C. 3195); [$650,000] *$500,000* for supplemental and alternative crops and products (7 U.S.C. 3319d); [$500,000] *$700,000* for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended; $475,000 for rangeland research grants (7 U.S.C. 3331–3336); $3,000,000 for higher education graduate fellowships grants (7 U.S.C. 3152(b)(6)), to remain available until expended (7 U.S.C. 2209b); $4,000,000 for higher education challenge grants (7 U.S.C. 3152(b)(1)); $1,000,000 for a higher education minority scholars program (7 U.S.C. 3152(b)(5)), to remain available until expended (7 U.S.C. 2209b); [$2,000,000] *$1,500,000* for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241); $4,000,000 for aquaculture grants (7 U.S.C. 3322); [$8,000,000] *$8,100,000* for sustainable agriculture research and education (7 U.S.C. 5811); $9,200,000 for a program of capacity building grants *(7 U.S.C. 3152(b)(4))* to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee University [7 U.S.C. 3152(b)(4),] to remain available until expended (7 U.S.C. 2209b); $1,450,000 for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103–382; and [$9,605,000] *$10,644,000* for necessary expenses of Research and Education Activities, of which not to exceed $100,000 shall be for employment under 5 U.S.C. 3109; in all, [$411,849,000] *$418,358,000*.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For establishment of a Native American institutions endowment fund, as authorized by Public Law 130–382 (7 U.S.C. 301 note), $4,600,000.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension, and teaching programs of the Department of Agriculture, where not otherwise provided, [$30,449,000] *$55,668,000 (7 U.S.C. 390 et seq.)*, to remain available until expended (7 U.S.C. 2209b).

EXTENSION ACTIVITIES

Payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative extension work under the Smith-Lever Act, as amended, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93–471, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, [$260,438,000] *$268,493,000; $2,500,000 for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3))*; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, [$58,695,000] *$60,510,000*; payments for the pest management program under section 3(d) of the Act, $10,783,000; payments for the farm safety program under section 3(d) of the Act, [$2,855,000] *$2,943,000*; payments for the pesticide impact assessment program under section 3(d) of the Act, [$3,214,000] *$3,313,000*; payments to upgrade 1890 land-grant college research, extension, and teaching facilities as authorized by section 1447 of Public Law 95–113, as amended (7 U.S.C. 3222b), [$7,549,000] *$7,782,000*, to remain available until expended; *$1,700,000 for institutional capacity building grants at the 1994 Institutions (7 U.S.C. 301 note), to remain available until expended (7 U.S.C. 2209b);* payments for the rural development centers under section 3(d) of the Act, [$908,000] *$936,000*; payments for a groundwater quality program under section 3(d) of the Act, [$10,733,000] *$11,065,000*; payments for the agricultural telecommunications program, as authorized by Public Law 101–624 (7 U.S.C. 5926), [$1,167,000] *$1,203,000*; payments for youth-at-risk programs under section 3(d) of the Act, [$9,554,000] *$9,850,000*; payments for a food safety program under section 3(d) of the Act, [$2,365,000] *$2,438,000*; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, [$3,192,000] *$3,291,000*; payments for Indian reservation agents under section 3(d) of the Act, [$1,672,000] *$1,724,000*; payments for sustainable agriculture programs under section 3(d) of the Act, [$3,309,000] *$3,411,000*; payments for rural health and safety education as authorized by section 2390 of Public Law 101–624 (7 U.S.C. 2661 note, 2662), [$2,628,000] *$2,709,000*; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321–326, 328) and Tuskegee University,

[$24,337,000] *$25,090,000*; and for Federal administration and coordination including administration of the Smith-Lever Act, as amended, and the Act of September 29, 1977 (7 U.S.C. 341–349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301 note), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [$6,271,000] *$11,331,000*; in all, [$409,670,000] *$431,072,000*: *Provided,* That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, Agricultural Marketing Service, and the Grain Inspection, Packers and Stockyards Administration, $618,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426–426b); and to protect the environment, as authorized by law, [$435,428,000] *$432,103,000*, of which [$4,500,000] *$5,000,000* shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: *Provided,* That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further,* That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts: *Provided further,* That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year 1997 the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Of the total amount available under this heading in fiscal year 1997, $98,000,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account.

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, $3,200,000, to remain available until expended.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $90,000 for employment under 5 U.S.C. 3109, [$37,592,000] *$47,829,000*, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided,* That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701).

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $59,012,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided,* That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Appropriations Committees.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than $10,576,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,200,000.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $25,000 for employment under 5 U.S.C. 3109, $22,728,000: *Provided,* That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING SERVICE EXPENSES

Not to exceed $43,207,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: *Provided,* That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Appropriations Committees.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, $446,000.

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, the Poultry Products Inspection Act, as amended, and the Egg Products Inspection Act, as amended, [$574,000,000] *$557,697,000*, and in addition, $1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1017 of Public Law 102–237: *Provided,* That this appropriation shall not be available for shell egg surveillance under section 5(d) of the Egg Products Inspection Act (21 U.S.C. 1034(d)): *Provided further,* That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the [Consolidated] Farm Service Agency, Foreign Agricultural Service, and the Commodity Credit Corporation, $572,000.

FARM SERVICE AGENCY

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of

programs administered by the Farm Service Agency, [$746,440,000] *$795,000,000*: *Provided,* That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: *Provided further,* That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: *Provided further,* That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $1,000,000 shall be available for employment under 5 U.S.C. 3109.

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101–5106), $2,000,000.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, $100,000, to remain available until expended (7 U.S.C. 2209b): *Provided,* That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government: *Provided further,* That this amount shall be transferred to the Commodity Credit Corporation: *Provided further,* That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), $1,000,000, to remain available until expended.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, $600,000,000, of which $550,000,000 shall be for guaranteed loans; operating loans, $2,345,071,000, of which $1,700,000,000 shall be for unsubsidized guaranteed loans and $200,000,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $1,000,000; for emergency insured loans, [$25,000,000] *$75,000,000* to meet the needs resulting from natural disasters; *for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $15,384,000;* and for credit sales of acquired property, $25,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, $27,975,000, of which $22,055,000 shall be for guaranteed loans; operating loans, $96,840,000, of which $19,210,000 shall be for unsubsidized guaranteed loans and $18,480,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $54,000; for emergency insured loans, [$6,365,000] *$19,095,000* to meet the needs resulting from natural disasters; *for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $2,000,000;* and for credit sales of acquired property, $2,530,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $221,046,000, of which $208,446,000 shall be transferred to and merged with the ''Farm Service Agency, Salaries and Expenses'' account.

[OFFICE OF RISK MANAGEMENT

[For administrative and operating expenses, as authorized by the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 6933), $62,198,000: *Provided,* That not to exceed $700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).]

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act, as amended, such sums as may be necessary, to remain available until expended (7 U.S.C. 2209b).

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 1997, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed (estimated to be $1,500,000,000 in the President's fiscal year 1997 Budget Request (H. Doc. 104–162)), but not to exceed $1,500,000,000, pursuant to section 2 of the Act of August 17, 1961, as amended (15 U.S.C. 713a–11).

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

For fiscal year 1997, the Commodity Credit Corporation shall not expend more than $5,000,000 for expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961: *Provided,* That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation in this Act.

TITLE II

CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, $693,000.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed $100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, [$619,392,000] *$638,954,000,* to remain available until expended (7 U.S.C. 2209b), of which not less than $5,835,000 is for snow survey and water forecasting and not less than $8,825,000 is for operation and establishment of the plant materials centers: *Provided,* That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed $250,000: *Provided further,* That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further,* That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974, as amended (43 U.S.C. 1592(c)): *Provided further,* That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f) in demonstration projects: *Provided further,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e–2)*: Provided further, That of the total amount appropriated, no more than $250,000 may be available for purposes authorized under sections 351–360 of Public Law 104–127.*

WATERSHED SURVEYS AND PLANNING

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001–1009), [$10,762,000] *$14,000,000*: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $110,000 shall be

available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001–1005, 1007–1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), and in accordance with the provisions of laws relating to the activities of the Department, $101,036,000, to remain available until expended (7 U.S.C. 2209b) (of which up to $15,000,000 may be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further,* That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93–205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010–1011; 76 Stat. 607), the Act of April 27, 1935 (16 U.S.C. 590a–f), and the Agriculture and Food Act of 1981 (16 U.S.C. 3451–3461), $29,377,000, to remain available until expended (7 U.S.C. 2209b): *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $6,325,000, to remain available until expended, as authorized by that Act.

TITLE III

RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, $588,000.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, as amended, to be available from funds in the rural housing insurance fund, as follows: $3,300,000,000 for loans to section 502 borrowers, as determined by the Secretary, of which $2,300,000,000 shall be for unsubsidized guaranteed loans; $35,000,000 for section 504 housing repair loans; $15,000,000 for section 514 farm labor housing; $58,654,000 for section 515 rental housing; $600,000 for section 524 site loans; $50,000,000 for credit sales of acquired property; and $600,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, $89,210,000, of which $6,210,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, $11,081,000; section 514 farm labor housing, $6,885,000; section 515 rental housing, $28,987,000[: *Provided,* That no funds for new construction for section 515 rental housing may be available for fiscal year 1997]; credit sales of acquired property, $4,050,000; and section 523 self-help housing land development loans, $17,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $366,205,000, which shall be transferred to and merged with the appropriation for ''Rural Housing Service, Salaries and Expenses''.

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, as amended, $493,870,000; and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided,* That of this amount not more than $5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed $10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further,* That agreements entered into or renewed during fiscal year 1997 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated.

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), $26,000,000, to remain available until expended (7 U.S.C. 2209b).

RURAL HOUSING ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, agreements, and grants, as authorized by 7 U.S.C. 1926, 42 U.S.C. 1472, 1474, 1479, *1485,* 1486, and 1490(a), except for sections 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, [$73,190,000] *$136,435,000,* to remain available until expended, for direct loans and loan guarantees for community facilities, community facilities grant program, *rental assistance associated with and direct loans for new construction of section 515 rental housing,* rural housing for domestic farm labor grants, supervisory and technical assistance grants, very low-income housing repair grants, rural community fire protection grants, rural housing preservation grants, and compensation for construction defects of the Rural Housing Service: *Provided,* That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further,* That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary[: *Provided further,* That no funds for new construction relating to 515 rental housing may be available for fiscal year 1997]: *Provided further,* That of the funds made available in this paragraph not more than $1,200,000 shall be available for the multi-family rural housing loan guarantee program as authorized by section 5 of Public Law 104–120: *Provided further,* That if such funds are not obligated for multi-family rural housing loan guarantees by June 30, 1997, they remain available for other authorized purposes under this head*: Provided further,* That of the total amount appropriated, not to exceed $1,200,000 shall be available for the cost of direct loans, loan guarantees, and grants to be made available for empowerment zones and enterprise communities as authorized by Public Law 103–66: *Provided further,* That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1997, they remain available for other authorized purposes under this head.

SALARIES AND EXPENSES

For necessary expenses of the Rural Housing Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, as amended, title V of the Housing Act of 1949, as amended, and cooperative agreements, [$53,889,000] *$66,354,000*: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $520,000 may be used for employment under 5 U.S.C. 3109.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, [$18,400,000] *$17,270,000,* as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): *Provided,* That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That these funds are available to subsidize gross obligations for the principal amount of direct loans of [$40,000,000] *$37,544,000*: *Provided further,* That through June 30, 1997, of the total amount appropriated $3,345,000 shall be available for the cost of direct loans, for empowerment zones and enterprise communities, as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993, to subsidize gross obligations for the principal amount of direct loans, $7,246,000.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, $12,865,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, $2,830,000. In addition, for administrative expenses necessary to carry out the direct loan program, $654,000, which shall be transferred to and merged with the appropriation for ''Salaries and Expenses.''

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901–5908), [$6,000,000] *$10,000,000* is appropriated to the alternative agricultural research and commercialization revolving fund.

RURAL BUSINESS—COOPERATIVE ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, except for 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, [$51,400,000] *$53,750,000*, to remain available until expended, for direct loans and loan guarantees for business and industry assistance, rural business grants, rural cooperative development grants, and rural business opportunity grants of the Rural Business—Cooperative Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That $500,000 shall be available for grants to qualified nonprofit organizations as authorized under section 310B(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932): *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That, of the total amount appropriated, not to exceed $3,000,000 shall be available for cooperative development*: Provided further, That of the total amount appropriated, not to exceed $1,300,000 may be available through a cooperative agreement for the appropriate technology transfer for rural areas program*: *Provided further*, That, of the total amount appropriated, not to exceed $148,000 shall be available for the cost of direct loans, loan guarantees, and grants to be made available for business and industry loans for empowerment zones and enterprise communities as authorized by Public Law 103–66 and rural development loans for empowerment zones and enterprise communities as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1997, they remain available for other authorized purposes under this head.

SALARIES AND EXPENSES

For necessary expenses of the Rural Business-Cooperative Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, as amended; section 1323 of the Food Security Act of 1985; the Cooperative Marketing Act of 1926; for activities relating to the marketing aspects of cooperatives, including economic research findings, as authorized by the Agricultural Marketing Act of 1946; for activities with institutions concerning the development and operation of agricultural cooperatives; and cooperative agreements; $25,680,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $260,000 may be used for employment under 5 U.S.C. 3109.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: 5 percent rural electrification loans, $125,000,000, 5 percent rural telecommunications loans, $75,000,000; cost of money rural telecommunications loans, $300,000,000; municipal rate rural electric loans, $525,000,000; and loans made pursuant to section 306 of that Act, rural electric, $300,000,000, and rural telecommunications, $120,000,000, to remain available until expended.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), as follows: cost of direct loans, $4,818,000; cost of municipal rate loans, $28,245,000; cost of money rural telecommunications loans, $60,000; cost of loans guaranteed pursuant to section 306, $2,790,000: *Provided*, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $29,982,000, which shall be transferred to and merged with the appropriation for ''Salaries and Expenses.''

RURAL TELEPHONE BANK PROGRAM ACCOUNT

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During fiscal year 1997 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be $175,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), $2,328,000.

In addition, for administrative expenses necessary to carry out the loan programs, $3,500,000.

DISTANCE LEARNING AND MEDICAL LINK PROGRAM

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa et seq., as amended, [$7,500,000] *$10,000,000*, to remain available until expended, to be available for loans and grants for telemedicine and distance learning services in rural areas: *Provided*, That the costs of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

RURAL UTILITIES ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, except for 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, [$496,868,000] *$657,942,000*, to remain available until expended, for direct loans and loan guarantees and grants for rural water and waste disposal, and solid waste management grants of the Rural Utilities Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That, through June 30, 1997, of the total amount appropriated, $18,700,000 shall be available for the costs of direct loans, loan guarantees, and grants to be made available for empowerment zones and enterprise communities, as authorized by Public Law 103–66: *Provided further*, That, of the total amount appropriated, not to exceed $18,700,000 shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of the Consolidated Farm and Rural Development Act, as amended: *Provided further*, That, of the total amount appropriated, not to exceed [$5,000,000] *$5,400,000* shall be available for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That an amount not less than that available in fiscal year 1996 be set aside and made available for ongoing technical assistance under sections 306(a)(14) (7 U.S.C. 1926) and 310(B)(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932).

SALARIES AND EXPENSES

For necessary expenses of the Rural Utilities Service, including administering the programs authorized by the Rural Electrification Act of 1936, as amended, and the Consolidated Farm and Rural Development Act, as amended, and cooperative agreements, $33,195,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $105,000 may be used for employment under 5 U.S.C. 3109.

TITLE IV

DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Consumer Service, [$454,000] *$554,000*.

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751–1769b), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1772–1785, and 1789); except sections 17 and 19; [$8,652,597,000] *$8,654,797,000*, to remain available through September 30, 1998, of which [$3,218,844,000] *$3,221,044,000* is hereby appropriated and $5,433,753,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)[: *Provided*, That none of the funds made available under this heading shall be used for new studies and evaluations]: *Provided, That not to exceed $2,000,000 of the funds made available under this heading shall be used for studies and evaluations*: *Provided further*, That up to $4,031,000 shall be available for independent verification of school food service claims.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $3,729,807,000, to remain available through September 30, 1998: *Provided*, That none of the funds made available under this heading may be used to begin more than two studies and evaluations: *Provided further*, That up to $6,750,000 may be used to carry out the farmers' market nutrition program from any funds not needed to maintain current caseload levels[: *Provided further*, That, of the total amount of fiscal year 1996 carryover funds that cannot be spent in fiscal year 1997, any funds in excess of $100,000,000 may be transferred by the Secretary to other programs in the Department of Agriculture, excluding the Forest Service, with prior notification to the House and Senate Appropriations Committees]: *Provided further, That once the amount for fiscal year 1996 carryover funds has been determined by the Secretary, any funds in excess of $100,000,000 may be transferred by the Secretary of Agriculture to any loan program of the Department and/or to make available up to $10,000,000 for the WIC farmers' market nutrition program*: *Provided further*, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics

except those that have an announced policy of prohibiting smoking within the space used to carry out the program: *Provided further,* That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786)*: Provided further, That State agencies required to procure infant formula using a competitive bidding system may use funds appropriated by this Act to purchase infant formula under a cost containment contract entered into after September 30, 1996 only if the contract was awarded to the bidder offering the lowest net price, as defined by section 17(b)(20) of the Child Nutrition Act of 1966, unless the State agency demonstrates to the satisfaction of the Secretary that the weighted average retail price for different brands of infant formula in the State does not vary by more than five percent.*

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. [2011–2029] *2011 et seq.*), [$27,615,029,000] *$28,521,029,000*: *Provided,* That funds provided herein shall remain available through September 30, 1997, in accordance with section 18(a) of the Food Stamp Act: *Provided further,* That [$100,000,000] *$1,000,000,000* of the foregoing amount shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations[: *Provided further,* That none of the funds made available under this heading shall be used for new studies and evaluations]: *Provided further, That not to exceed $6,000,000 of the funds made available under this heading shall be used for studies and evaluations*: *Provided further,* That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further,* That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further,* That $1,174,000,000 of the foregoing amount shall be available for nutrition assistance for Puerto Rico as authorized by 7 U.S.C. 2028.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), the Emergency Food Assistance Act of 1983, as amended, and section 110 of the Hunger Prevention Act of 1988, $166,000,000, to remain available through September 30, 1998: *Provided,* That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), [section 4(b) of the Food Stamp Act (7 U.S.C. 2013(b)),] and section 311 of the Older Americans Act of 1965, as amended (42 U.S.C. 3030a), [$205,000,000] *$141,250,000,* to remain available through September 30, 1998.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, [$104,487,000] *$107,769,000,* of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law: *Provided,* That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $128,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), [$128,005,000] *$138,561,000,* of which [$2,792,000] *$3,231,000* may be transferred from the Export Loan Program account in this Act, and [$1,005,000] *$1,035,000* may be transferred from the Public Law 480 program account in this Act: *Provided,* That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392)[: *Provided further,* That funds provided for foreign market development to trade associations, cooperatives and small businesses shall be allocated only after a competitive bidding process to target funds to those entities most likely to generate additional U.S. exports as a result of the expenditure].

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701–1715, 1721–1726, 1727–1727f, 1731–1736g), as follows: (1) [$216,400,000] *$218,944,000* for Public Law 480 title I credit, including Food for Progress programs; (2) $13,905,000 is hereby appropriated for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act and the Food for Progress Act of 1985, as amended; (3) $837,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) [$29,500,000] *$40,000,000* is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title III of said Act: *Provided,* That not to exceed 15 percent of the funds made available to carry out any title of said Act may be used to carry out any other title of said Act: *Provided further,* That such sums shall remain available until expended (7 U.S.C. 2209b).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct credit agreements as authorized by the Agricultural Trade Development and Assistance Act of 1954, as amended, and the Food for Progress Act of 1985, as amended, including the cost of modifying credit agreements under said Act, [$177,000,000] *$179,082,000.*

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, as amended, to the extent funds appropriated for Public Law 480 are utilized, [$1,750,000] *$1,818,000.*

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, [$3,381,000] *$3,820,000*; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which not to exceed [$2,792,000] *$3,231,000* may be transferred to and merged with the appropriation for the salaries and expenses of the Foreign Agricultural Service, and of which not to exceed $589,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Farm Service Agency.

EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than $5,500,000,000 in credit guarantees under its export credit guarantee program extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 202 (a) and (b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; $907,499,000, of which not to exceed $87,528,000 in fees pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act may be credited to this appropriation and remain available until expended: *Provided,* That fees derived from applications received during fiscal year 1997 shall be subject to the fiscal year 1997 limitation: *Provided further,* That none of these funds shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701.

In addition, fees pursuant to section 354 of the Public Health Service Act may be credited to this account, to remain available until expended.

In addition, fees pursuant to section 801 of the Federal Food, Drug, and Cosmetic Act may be credited to this account, to remain available until expended.

[None of the funds appropriated or made available to the Federal Food and Drug Administration shall be used to implement any rule finalizing the August 25, 1995 proposed rule entitled ''The Prescription Drug Product Labeling; Medication Guide Requirements,'' except as to any specific drug or biological product where the FDA determines that without approved patient information there would be a serious and significant public health risk.]

GENERAL PROVISIONS

SECTION 601. EFFECTIVE MEDICATION GUIDES.—

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Department of Health and Human Services shall request that national organizations representing health care professionals, consumer

organizations, voluntary health agencies, the pharmaceutical industry, drug wholesalers, patient drug information database companies, and other relevant parties collaborate to develop a long-range comprehensive action plan to achieve goals consistent with the goals of the proposed rule of the Food and Drug Administration on ''Prescription Drug Product Labeling: Medication Guide Requirements'' (60 Fed. Reg. 44182; relating to the provision of oral and written prescription information to consumers).

(b) PLAN.—The plan described in subsection (a) shall—

(1) identify the plan goals;

(2) assess the effectiveness of the current private-sector approaches used to provide oral and written prescription information to consumers;

(3) develop guidelines for providing effective oral and written prescription information consistent with the findings of any such assessment;

(4) develop a mechanism to assess periodically the quality of the oral and written prescription information and the frequency with which the information is provided to consumers; and

(5) provide for compliance with relevant State board regulations.

(c) LIMITATION ON THE AUTHORITY OF THE SECRETARY.—The Secretary of the Department of Health and Human Services shall have no authority to implement the proposed rule described in subsection (a), or to develop any similar regulation, policy statement, or other guideline specifying a uniform content or format for written information voluntarily provided to consumers about prescription drugs if, not later than 120 days after the date of enactment of this Act, the national organizations described in subsection (a) develop and begin to implement a comprehensive, long-range action plan (as described in subsection (a)) regarding the provision of oral and written prescription information.

(d) SECRETARY REVIEW.—Not later than January 1, 2001, the Secretary of the Department of Health and Human Services shall review the status of private-sector initiatives designed to achieve the goals of the plan described in subsection (a), and if such goals are not achieved, the limitation in subsection (c) shall not apply, and the Secretary shall seek public comment on other initiatives that may be carried out to meet such goals. The Secretary shall not delegate such review authority to the Commissioner of the Food and Drug Administration.

SEC. 602. Section 3 of the Saccharin Study and Labeling Act (21 U.S.C 348 nt.) is amended by striking out ''May 1, 1997'' and inserting in lieu thereof ''May 1, [2002] *1998*''.

SEC. 603. AMENDMENTS TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.—

(a) IMPORTS FOR EXPORT.—Section 801(d)(3) of the Federal Food, Drug, and Cosmetic Act is amended—

(1) by striking ''accessory of a device which is ready'' and inserting ''accessory of a device, or other article of device requiring further processing, which is ready'';

(2) in subparagraph (A), by striking ''is intended to be'' and inserting ''is intended to be further processed by the initial owner or consignee, or''; and

(3) in subparagraph (C)—

(A) by striking ''part,'' and inserting ''part, article,''; and

(B) by striking ''incorporated'' and inserting ''incorporated or further processed''.

(b) LABELING OF EXPORTED DRUGS.—Section 801(f) of the Federal Food, Drug, and Cosmetic Act is amended—

(1) in paragraph (1), by striking ''If a drug'' and inserting ''If a drug (other than insulin, an antibiotic drug, an animal drug, or a drug exported under section 802)''; and

(2) in paragraph (2), by adding at the end the following new sentence: ''A drug exported under section 802 is exempt from this section.''.

(c) EXPORT OF CERTAIN UNAPPROVED DRUGS AND DEVICES.—Section 802(f)(5) of the Federal Food, Drug, and Cosmetic Act is amended by striking ''if the drug or device is not labeled'' and inserting ''if the labeling of the drug or device is not''.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, $21,350,000, to remain available until expended (7 U.S.C. 2209b).

RENTAL PAYMENTS (FDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313 for programs and activities of the Food and Drug Administration which are included in this Act, $46,294,000: *Provided,* That in the event the Food and Drug Administration should require modification of space needs, a share of the salaries and expenses appropriation may be transferred to this appropriation, or a share of this appropriation may be transferred to the salaries and expenses appropriation, but such transfers shall not exceed 5 percent of the funds made available for rental payments (FDA) to or from this account.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

For necessary payments to the Farm Credit System Financial Assistance Corporation by the Secretary of the Treasury, as authorized by section 6.28(c) of the Farm Credit Act of 1971, as amended, for reimbursement of interest expenses incurred by the Financial Assistance Corporation on obligations issued through 1994, as authorized $10,290,000.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed $25,000 for employment under 5 U.S.C. 3109; [$55,101,000] *$56,601,000,* including not to exceed $1,000 for official reception and representation expenses*: Provided,* That the Commission is authorized to charge reasonable fees to attendees of Commission sponsored educational events and symposia to cover the Commission's costs of providing those events and symposia, and notwithstanding 31 U.S.C. 3302, said fees shall be credited to this account, to be available without further appropriation.

[FARM CREDIT ADMINISTRATION

[LIMITATION ON ADMINISTRATIVE EXPENSES

[Not to exceed $37,478,000 (from assessments collected from farm credit institutions and from the Federal Agricultural Mortgage Corporation) shall be obligated during the current fiscal year for administrative expenses as authorized under 12 U.S.C. 2249.]

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1997 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 667 passenger motor vehicles, of which 643 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902).

SEC. 703. Not less than $1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, and July 28, 1954 (7 U.S.C. 427, 1621–1629), and by chapter 63 of title 31, United States Code, shall be available for contracting in accordance with said Acts and chapter.

SEC. 704. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed $2,000,000: *Provided,* That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 705. New obligational authority provided for the following appropriation items in this Act shall remain available until expended (7 U.S.C. 2209b): Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, fruit fly program, and integrated systems acquisition project; Farm Service Agency, salaries and expenses funds made available to county committees; and Foreign Agricultural Service, middle-income country training program.

New obligational authority for the boll weevil program; up to 10 percent of the screwworm program of the Animal and Plant Health Inspection Service; [Food Safety and Inspection Service, field automation and information management project;] funds appropriated for rental payments; funds for the Native American institutions endowment fund in the Cooperative State Research, Education, and Extension Service, and funds for the competitive research grants (7 U.S.C. 450i(b)), shall remain available until expended.

SEC. 706. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 707. Not to exceed $50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94–449.

SEC. 708. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 709. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

SEC. 710. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of space rental and related costs in excess of the amounts specified in this Act; nor shall this or any other provision of law require a reduction in the level of rental space or services below that of fiscal year 1996 or prohibit an expansion of rental space or services with the use of funds otherwise appropriated in this Act. Further, no agency of the Department of Agriculture, from funds otherwise

available, shall reimburse the General Services Administration for payment of space rental and related costs provided to such agency at a percentage rate which is greater than is available in the case of funds appropriated in this Act.

SEC. 711. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 712. With the exception of grants awarded under the Small Business Innovation Development Act of 1982, Public Law 97–219, as amended (15 U.S.C. 638), none of the funds in this Act shall be available to pay indirect costs on research grants awarded competitively by the Cooperative State Research, Education, and Extension Service that exceed 14 percent of total Federal funds provided under each award.

SEC. 713. Notwithstanding any other provisions of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 714. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 1997 shall remain available until expended to cover obligations made in fiscal year 1997 for the following accounts: the rural development loan fund program account; the Rural Telephone Bank program account; the rural electrification and telecommunications loans program account; and the rural economic development loans program account.

SEC. 715. Such sums as may be necessary for fiscal year 1997 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 716. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c; popularly known as the ''Buy American Act'').

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a ''Made in America'' inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 717. Notwithstanding the Federal Grant and Cooperative Agreement Act, marketing services of the Agricultural Marketing Service and the Animal and Plant Health Inspection Service may use cooperative agreements to reflect a relationship between Agricultural Marketing Service or the Animal and Plant Health Inspection Service and a State or Cooperator to carry out agricultural marketing programs or to carry out programs to protect the Nation's animal and plant resources.

SEC. 718. None of the funds in this Act may be used to retire more than 5% of the Class A stock of the Rural Telephone Bank or to maintain any account or subaccount within the accounting records of the Rural Telephone Bank the creation of which has not specifically been authorized by statute*: Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this Act may be used to transfer to the Treasury or to the Federal Financing Bank any unobligated balance of the Rural Telephone Bank telephone liquidating account which is in excess of current requirements and such balance shall receive interest as set forth for financial accounts in section 505(c) of the Federal Credit Reform Act of 1990.*

SEC. 719. None of the funds appropriated or otherwise made available by this Act may be used to provide food stamp benefits to households whose benefits are calculated using a standard deduction greater than the standard deduction in effect for fiscal year 1995.

SEC. 720. None of the funds made available in this Act may be used to provide assistance to, or to pay the salaries of personnel who carry out a market promotion/market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) that provides assistance to the U.S. Mink Export Development Council or any mink industry trade association.

SEC. 721. None of the funds appropriated or otherwise made available by this Act shall be used to enroll in excess of 130,000 acres in the fiscal year 1997 wetlands reserve program, as authorized by 16 U.S.C. 3837.

SEC. 722. Of the funds made available by this Act, not more than $1,000,000 shall be used to cover necessary expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture except for panels used to comply with negotiated rule makings *and panels used to evaluate competitively awarded grants.*

SEC. 723. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out an export enhancement program if the aggregate amount of funds and/or commodities under such program exceeds $100,000,000.

[SEC. 724. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a farmland protection program in excess of $2,000,000 authorized by section 388 of Public Law 104–127.

[SEC. 725. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a wildlife habitat incentives program authorized by section 387 of Public Law 104–127.

[SEC. 726. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a conservation farm option program in excess of $2,000,000 authorized by section 335 of Public Law 104–127.]

SEC. 727. None of the funds made available in this Act may be used to pay the salaries of employees of the Department of Agriculture who make payments pursuant to a production flexibility contract entered into under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 7 U.S.C. 7211) when it is made known to the Federal official having authority to obligate or expend such funds that the land covered by that production flexibility contract is not being [used for the production of an agricultural commodity] or is not devoted to a conserving use, unless it is also made known to that Federal official that the lack of agricultural production or the lack of a conserving use is a consequence of drought, flood, or other natural disaster] *used for an agricultural or related activity, including conserving use, as determined by the Secretary.*

SEC. 728. None of the funds appropriated or otherwise made available by this Act shall be used to extend any existing or expiring contract in the Conservation Reserve Program authorized by 16 U.S.C. 3831–3845.

[SEC. 729. None of the funds made available in this Act may be used to maintain the price of raw cane sugar (as reported for an appropriate preceding month for applicable sugar futures contracts of the Coffee, Sugar, and Cocoa Exchange, New York) at more than 117½ percent of the statutory loan rate under section 158 of the Federal Agriculture Improvement and Reform Act (title 1 of Public Law 104–127).]

SEC. 730. None of the funds appropriated in this Act may be used to carry out the provisions of section 918 of Public Law 104–127, the Federal Agriculture Improvement and Reform Act.

[SEC. 731. (a) IN GENERAL.—Any owner on the date of enactment of this Act of the right to market a nonsteroidal anti-inflammatory drug that—

[(1) contains a patented active agent;

[(2) has been reviewed by the Federal Food and Drug Administration for a period of more than 96 months as a new drug application; and

[(3) was approved as safe and effective by the Federal Food and Drug Administration on January 31, 1991, shall be entitled, for the 2-year period beginning on February 28, 1997, to exclude others from making, using, offering for sale, selling, or importing into the United States such active agent, in accordance with section 154(a)(1) of title 35, United States Code.

[(b) INFRINGEMENT.—Section 271 of title 35, United States Code shall apply to the infringement of the entitlement provide under subsection (a).

[(c) NOTIFICATION.—Not later than 30 days after the date of the enactment of this section, any owner granted an entitlement under subsection (a) shall notify the Commissioner of Patents and Trademarks and the Secretary for Health and Human Services of such entitlement. Not later than 7 days after the receipt of such notice, the Commission and the Secretary shall publish an appropriate notice of the receipt of such notice.]

SEC. 732. [Funds] *Hereafter, funds* appropriated to the Department of Agriculture may be used for incidental expenses such as transportation, uniforms, lodging, and subsistence for volunteers serving under the authority of 7 U.S.C. 2272, when such volunteers are engaged in the work of the U.S. Department of Agriculture; and for promotional items of nominal value relating to the U.S. Department of Agriculture Volunteer Programs.

[SEC. 733. It is the sense of Congress that, not later than the date of the enactment of this Act, the Secretary of Agriculture should—

[(1) release a detailed plan for compensating wheat farmers and handlers adversely affected by the karnal bunt quarantine in Riverside and Imperial Counties of California, which should include—

[(A) an explanation of the factors to be used to determine the compensation amount for wheat farmers and handlers, including

how contract and spot market prices will be handled; and

[(B) compensation for farmers who have crops positive for karnal bunt and compensation for farmers who have crops which are negative for karnal bunt, but which cannot go to market due to the lack of Department action on matching restrictions on the negative wheat with the latest risk assessments; and

[(2) review the risk assessments developed by the University of California at Riverside and submit a report to Congress describing how these risk assessments will impact the Department of Agriculture policy on the quarantine area for the 1997 wheat crop.]

SEC. 734. Not to exceed 10 percent of the amounts appropriated or otherwise made available by this Act for the Rural Housing Assistance Program, the Rural Business-Cooperative Assistance Program, and the Rural Utilities Assistance Program may be transferred between these programs for authorized purposes.

SEC. 735. None of the funds appropriated or otherwise made available to the Department of Agriculture by this Act may be used to detail or assign an individual from an agency or office funded in this Act to any other agency or office for more than 60 days, unless the Secretary provides notification to the House and Senate Committees on Appropriations that an employee detail or assignment in excess of 60 days is required.

SEC. 736. Section 747(e) of the Federal Agriculture Improvement and Reform Act of 1996 is amended by inserting, ''effective October 1, 1996'' following ''The Secretary shall make grants'' in Section 747(e)(2).

SEC. 737. LABELING OF RAW POULTRY PRODUCTS.—

(a) IN GENERAL.—Notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be used to implement or enforce the final rule related to the labeling of raw poultry products promulgated by the Food Safety and Inspection Service on August 25, 1995 (60 Fed. Reg. 44395), and the final rule shall not be effective during fiscal year 1997.

(b) FINAL RULE.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture shall issue a revised final rule related to the labeling of raw poultry products that—

(1) maintains the standard that the term ''fresh'' may be used only for raw poultry products the internal core temperature of which has not fallen below 26° Fahrenheit;

(2) deletes the requirement that poultry products the internal core temperature of which has ever been less than 26° Fahrenheit, but more than 0° Fahrenheit, be labeled as ''hard chilled'' or ''previously hard chilled'', except that—

(A) the products shall be prohibited under the rule from being labeled as ''fresh'' but shall not be required to bear any specific alternative labeling; and

(B) nothing in this section shall be interpreted as modifying the requirements for labeling of all poultry products the internal core temperature of which has ever fallen to 0° Fahrenheit as ''frozen'';

(3) provides for a tolerance from the 26° Fahrenheit standard established by the rule of—

(A) 1° Fahrenheit for poultry products within an official processing establishment;

(B) 2° Fahrenheit for poultry products in commerce;

(4) exempts from temperature testing wings, tenders, hearts, livers, gizzards, necks, and products that undergo special processing, such as sliced poultry products; and

(5) in all other terms and conditions (including the period of time permitted for implementation) is substantively identical to the rule referred to in subsection (a).

(c) REVISED LABELING STANDARDS.—Not later than 60 days after the issuance of a revised final rule under subsection (b), the Secretary of Agriculture, acting through the Administrator of the Food Safety and Inspection Service, shall issue a compliance directive for the enforcement of the revised labeling standards established by the rule, including standards for—

(1) temperature testing that are based on measurements at the center of the deepest muscle; and

(2) sampling methods that ensure that the average of individual temperatures within poultry product lots of each specific product type (such as whole birds, whole muscle leg products, and whole muscle breast products) meet the standards.

(d) SEVERABILITY.—If any provision of this section or the application thereof to any person or circumstance is held invalid, the validity of the remainder of this section and of the application of the provision to any other persons or circumstances shall not be affected.

SEC. 738. Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended by adding at the end the following:

''(j) ELECTRONIC BENEFIT TRANSFERS.—

''(1) DEFINITION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—In this subsection, the term 'electronic benefit transfer system' means a system under which a governmental entity distributes benefits pursuant to this Act by establishing an account that may be accessed electronically by a recipient of the benefits or payments.

''(2) APPLICABLE LAW.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1692b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.

''(3) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper-based food stamp issuance system.''.

Mr. COCHRAN. Mr. President, I am pleased to present to the Senate today the bill making appropriations for the Department of Agriculture and related agencies for the fiscal year 1997. This bill provides funding for all of the activities under the jurisdiction of the Department of Agriculture, except for the U.S. Forest Service. It also funds the activities of the Food and Drug Administration, the Commodity Futures Trading Commission, and pays for expenses and payments of the Farm Credit System.

This bill recommends total new budget authority of $54.3 billion. This is $9 billion less than the 1996 enacted level for these programs and these activities. It is $4 billion less than the President's fiscal year 1997 budget request. It is $1.2 billion more than the level recommended by the House.

Over 76 percent of the total to be spent under this bill will go for funding of the Nation's domestic food assistance programs. That represents $40.5 billion of this $54.3 billion bill. This is up from 63 percent of the total funding in the bill in 1996. These programs include food stamps, the national school lunch and elderly feeding programs, and the supplemental feeding program for women, infants and children.

The bill recommends total discretionary spending of $13.118 billion in budget authority and $13.409 billion in outlays for fiscal year 1997. These amounts are consistent with the allocation the subcommittee has received under the Budget Act.

Senators should also be aware these allocations are approximately $510 million in budget authority and $440 million in outlays less than what would be required under a freeze. The suggestion this year, for those who are following the budget debate, was that spending under the discretionary programs of the Federal Government ought to be held level with last year's spending. That was the goal, that was the objective. This bill meets that target and then some. There is actually a reduction in spending from the freeze level in this bill as compared with last year's or the current fiscal year's budget and appropriations levels.

We do have some parts of this bill where spending is increased. Among the discretionary spending increases recommended are an additional $12.8 million to continue the efforts of the Food Safety and Inspection Service to ensure the safety of our Nation's food supply. The level recommended for the Food Safety and Inspection Service is adequate to maintain the current inspection system and to provide the needed investments required to implement the new hazard analysis and critical control point meat and poultry inspection system. We are hopeful that by bringing this new system online we can take advantage of new technologies, new scientific advances, in the detection of those contaminants in the food supply that we would not be able to detect otherwise, and we will help ensure that we are doing everything that possibly can be done to safeguard the food supply and the consumers of food in America from harm and ill health.

In order to implement the system, the bill provides funding to fill all inspector vacancies, funding to train inspectors in the new inspection system, and funding for the annualization of fiscal year 1996 pay raises and anticipated 1997 pay raises. This demonstrates the high priority this committee places on the safety of our Nation's meat and poultry and our commitment to ensure that American consumers continue to have the safest food in the world.

Another area of emphasis in this bill is agriculture research. The bill provides $1.1 billion for funding of agriculture research. This is approximately $7.3 million below the level requested by the administration, but it is $25 million above the House-recommended level. Included in this amount is $52 million for food safety research. The committee has provided the full increase of $7.5 million requested for food safety research.

For extension activities, the bill recommends $431 million, which is $3.3 million above the fiscal year 1996 level. The Smith–Lever and Hatch Act formula funding are continued at 1996 levels. The increase recommended for extension activities will provide first-time funding for institutional capacity

grants and extension work at the 29 tribally controlled colleges, or 1994 Institutions.

Farm credit programs are funded by the bill, which provides $3.1 billion in loan levels for the coming fiscal year. This is an increase of $65 million over the House-recommended level.

The bill also recognizes that efficiencies can be gained through the consolidation of programs to improve their efficiency in terms of administrative costs and paperwork and the like. So the bill consolidates funding for 14 rural development grant and loan programs into a rural community investment program. It is divided into three subprograms: housing, business cooperative assistance, and rural utilities assistance. The 1996 appropriations act created the first of these consolidations for rural utilities. The funding levels provided for all three of the programs were equal to the comparable levels requested in the budget.

On an aggregate basis, the funding levels in the bill represent an increase of $231 million more than the House-passed bill. The bill funds, as I mentioned before, the Commodity Futures Trading Commission and the Food and Drug Administration. We are trying to provide levels of funding that will enable these two agencies to do the job they are required to do by law and that will enable them to discharge their responsibilities under the law.

The bill also carries a provision to ensure the continuation of WIC Program funding and Food Stamp Act funding, as well. The bill includes a provision to amend the Food Stamp Act, to exclude electronic benefit transfer systems for the delivery of food stamp benefits from the Federal Reserve Board's ''Regulation E.''

There are other provisions of the bill that seek to deal with challenges in the food service area, and we hope Senators will find that we have demonstrated a sensitivity to the needs of those who cannot adequately provide for their own nutrition needs and need Government help to do it. But we also reflect in this bill changes and reforms that have been made by law to try to ensure that there is a sense of personal responsibility for one to take care of himself and his family, and that also is reflected in this legislation.

Senators may remember that, last year, when this bill was on the floor, there was a big debate over a regulation being proposed by the administration—the Food Safety and Inspection Service, specifically—dealing with when poultry products could be labeled as ''fresh'' or ''frozen.'' Well, I am happy to report to the Senate that a compromise has been reached among those who were directly interested in the debate last year, so that the definition of the term ''fresh,'' as used in labeling of raw poultry products, is reflected and included in this legislation. We hope that resolves the issue. Of course, the administration still has differences of opinion about it, and those may be heard at some point in the debate.

We think this is a responsible way of resolving that issue. There are other provisions related to legislative changes the House recommended that we deleted. The House rewrote some provisions that were included in the farm bill, and we did not go along with those House provisions. So Senators will notice that we do not provide a cap on the price of raw sugarcane, for example. We do not approve a provision relating to planting requirements under the farm bill that would be required to meet eligibility standards for a market transition payment. We revised that to make it consistent with the language of the law, the farm bill that was passed by both Houses and signed by the President. So we do not try to go in and rewrite the farm bill in this bill. We urge Senators not to try to do that with amendments.

Only 24 percent of the total funding recommended by this bill is discretionary. These have been difficult challenges for the committee to resolve, trying to determine how to allocate scarce funds that are made available to this subcommittee under the budget resolution. We hope Senators will agree that we have undertaken this and presented a bill that is done in a fair way, so that those essential activities in the Department of Agriculture that are authorized and required by law are funded. But we have tried to be responsible, and we hope Senators agree that we have. These are recommendations that we make to the Senate, which we hope will be approved.

Let me say that this bill could not have been written without the excellent cooperation and dedicated and intelligent assistance of the distinguished Senator from Arkansas, the ranking Democrat on the subcommittee. He has served as chairman of this subcommittee in the past, and it has been a pleasure to work with him and the members of his staff in the development of this bill.

We had hearings all through the earlier parts of this year. We heard from all of the agencies and departments, whose budgets were reviewed by our subcommittee very carefully. We have considered the suggestions of others outside of the Congress, who have opinions to be expressed on these subjects. So we have tried to consider all of the relevant evidence and facts that ought to be considered before presenting this bill to the Senate. We hope the Senate will approve it, and we recommend that it be adopted.

We know that Senators may have amendments. If they do have amendments, we will be glad to debate them. Let me repeat the suggestion of the majority leader when he was asking consent to go to this bill today. We hope to complete action on this bill today. That means that all amendments that are going to be offered should be offered today and debated today. We will reserve any votes on those amendments, and any vote on final passage, until tomorrow. We appreciate the cooperation of Senators that will enable us to accomplish that goal.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, parliamentary inquiry. Has there been a unanimous-consent agreement entered that we would start back-to-back votes on welfare bill amendments in the morning?

The PRESIDING OFFICER. At 9 o'clock, yes, that is correct.

Mr. BUMPERS. Does the consent agreement continue on what we will do after those votes and final passage on the welfare bill?

The PRESIDING OFFICER. The Chair is reminded that it is at 9:30 that we vote and 9 o'clock that we meet. After getting rid of the list of votes, we will resume consideration of the agriculture bill.

Mr. BUMPERS. That is the reason I was asking. I hope we do not have to resume. I hope we can finish the bill this afternoon and this evening.

I am pleased to join my very able colleague, Senator COCHRAN, in bringing to the Senate floor the fiscal year 1997 appropriations bill for Agriculture, rural development, the Food and Drug Administration, and related agencies. This bill, reported by the Senate Committee on Appropriations, provides $54.276 billion in total obligational authority for the coming year. That is $1.224 billion more than the House provided and $4 billion below the President's request. It is within the subcommittee's 602(b) allocation. This bill is nearly $10 billion below the amount under which we are operating this year, 1996. That will be $10 billion less than in 1997. The subcommittee's discretionary allocation has again been reduced this year from $13.31 billion in budget authority for 1996 to $12.102 billion for 1997. That is a reduction in discretionary spending of $529 million dollars. Unfortunately, we have received an increase of $300 million-plus in our allocation, which gets us a little closer to last year's level, but still the bottom line is that we have less to spend again this year.

Mr. President, in all of my years on this subcommittee, the Agriculture Subcommittee, this year has been the most difficult. That causes me to, again, congratulate Senator COCHRAN for his leadership in working through these very difficult problems and crafting a bill to meets the expectations of most Senators. It meets the hard-pressed needs of rural America and, also, America's dependence on a safe supply of food and drugs.

There are still plenty of unmet needs in rural America, but, given the constraints under which we are operating, this is an excellent bill.

One item in the bill is very important to all of us, and it is greatly improved over last year's funding level.

The Water and Sewer Program in the U.S. Department of Agriculture, in my opinion, is just about the very best investment we make. It improves the quality of life for all people when they have pure water and sewer systems that are safe. Last year, these programs were severely underfunded. But this year, Senator COCHRAN has been able to provide an increase that almost brings us to our budget request. That is an admirable achievement.

Let me digress to point out that people who travel around the world find that there are very few countries that you can visit where you can turn on the tap water and feel relatively safe in drinking it. As a matter of fact, I can only think of one or two right now where you can do that. The people who live in and near Washington, DC, have just recently found that not only happens in other countries but it happens right here in the United States in some of the major metropolitan areas.

In other areas, this bill provides level funding for the WIC Program—women, infants and children. Historically, this program has witnessed annual increases in funding that have actually exceeded the caseload. So we have been carrying over money in the WIC Program. This program has accumulated, and it has reduced the pressure on us to continue increasing the amount of money every year. Even considering the general budget constraints, we are within reach of full funding for WIC, a goal which I believe is shared by every Member of the U.S. Senate.

As WIC administrators work this coming year to provide nutritional assistance to women, infants, and children, I hope that next year we will finally reach the goal of full funding and the more important goal of full participation.

Last year, Congress passed and sent to the President a new farm bill. This year, when the bill was considered by the House, a number of provisions were included to change some of the underlying philosophy of the farm bill. I did not vote for the farm bill. I did not like it, and I still do not like it. But that is beside the point at this stage of the game.

Contracts that farmers all across America thought would guarantee them payments for 7 years were being reduced by the House Appropriations Committee even before the farmers got their first payment. Regardless of my views of the so-called freedom to farm payments, we need to remember that farmers are now in the middle of their growing season. Their investments are on the line, and they deserve to know what to expect and that the rules are not going to be changed in the middle of the game. The chairman has already alluded to the fact that he hopes Senators will not try to redebate that bill. In the bill before us, we have taken great pains not to amend the basic rationale for last year's farm bill.

There is one major concern I have that deserves mention. When the President's budget was presented to this subcommittee, loan authority assumptions were much too high to be met considering the small subsidy provided. Mr. President, let me just explain that.

Every loan program is scored by OMB and the Congressional Budget Office as to how much money you have to assume you are going to lose. If you are going to loan $1 million, you have to put some amount in there for what the banks would call reserve for loan losses. That is called the subsidy rate. The subsidy rate in this bill as provided by the administration, in my opinion, is much too small to fund the authority of loans set out in all of these different Federal programs. In my opinion, we are not going to be able to loan as much unless we have a supplemental appropriation sometime next spring to raise that subsidy level.

We are including in the managers' package an amendment that will allow the Secretary to transfer excess WIC funds to meet the needs of loan programs such as those tied to water and sewer programs in rural housing.

Mr. President, before anybody thinks that is cruel and taking money from women, infants and children to fund a subsidy rate for water and sewer programs, bear in mind that this is money not used by WIC. This is similar to an amendment I offered last year that provided an additional $36 million in the Water and Sewer Program with no detrimental effect to the WIC participation. This amendment will help, but it probably will not provide enough additional budget authority to achieve full program levels. That is the reason I mention additions to the subsidy in some supplemental appropriations next spring.

I hope in future budget submissions, the administration will take greater care to make sure that rising interest rates or other economic conditions do not provide falsely optimistic assumptions of what may be the reality on the first day of the following fiscal year.

I also want to mention an issue which I raised during subcommittee consideration of this bill related to an FDA proposal to require certain labeling requirements for prescription drugs—the so-called med-guide rule.

Let me digress just a moment to say that—this is a little personal—I recently had an illness. I went to the drugstore to get four different medications. I have studiously avoided taking aspirin all of my life. I hate medicine. I do not like to take it. But in this case it was required. For the first time in my life, the pharmacist with each of the four prescriptions handed me a rather detailed description of the medicine—what it was designed to do, contraindications to look for, any reactions that you might have. I read it very carefully. It is the first time I had ever gotten anything like that.

As it turned out, I was allergic to one of the drugs, which caused me to have a fever, a rash, and I had to quit taking it. But the informational sheet that the pharmacist gave me had pointed out that that very thing might happen.

That is good information. It is the information that the pharmaceutical-buying public is entitled to. I understand—and I agree with the concerns of the Food and Drug Administration—that consumers need to be provided with this information.

As I pointed out, some pharmacies are already doing it on a voluntary basis. Of course, they are getting their information from the pharmaceutical manufacturers of those drugs. But all pharmacies are not doing this now. In some cases, the information is not totally accurate or complete.

So in the full committee, I offered report language that will help relieve some of the concerns that Commissioner Kessler expressed to me about the statutory language contained in this bill. I understand the House has similar language but of a nature more to the liking of the commission. In my report, language is designed to give FDA assurances that the information to be provided to consumers will be appropriately crafted and higher rates of participation by pharmacies will be obtained.

Mr. President, that concludes my remarks. Again, I want to congratulate my good friend and colleague, Senator COCHRAN and his able staff in drafting the bill now before us.

Mr. President, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Arkansas for his kind remarks and again repeat my expression of appreciation for his hard work and his good assistance in the preparation of this legislation.

Mr. President, I ask unanimous consent that the committee amendments which are at the desk to H.R. 3603 be considered and agreed to en bloc; that no points of order be waived thereon; that the measure, as amended, be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The committee amendments were agreed to.

Mr. COCHRAN. Mr. President, I know that some Senators are considering amendments. One Senator has just come to the floor—Senator GREGG of New Hampshire—who wanted to give the Senate notice that he intended to offer an amendment on a subject. Maybe, if he can tell us when he wants to do that, we can reach some agreement as to the time. I know there are a couple of other Senators who have asked that they be permitted to offer amendments early in the consideration of the bill. Senator MCCAIN is one, and there may be others.

So we are ready to accept the suggestions of Senators for changes in the bill. I would be happy to yield to my

friend from New Hampshire if he would like to respond to my inquiry.

Mr. GREGG. I am happy to respond to the inquiry of the Senator from Mississippi. I would like to offer my amendment when it is convenient to the Senator from Mississippi.

I ask if he would ask unanimous consent that no second-degree amendments be offered to my amendment.

Mr. COCHRAN. Mr. President, I can say that we have gotten notice—and maybe the Senator from Arkansas has heard of this—from one Senator on this side of the aisle who asked that no unanimous-consent agreement be made on any amendment relating to the issue of sugar.

Having heard that—I do not know whether the Senator has heard that or not—I do not know of any objection to any agreements on this side of the aisle on that subject. We have not heard of any. My thought would be if the Senator has an amendment to simply go ahead and offer it and let us see what happens. If Senators want to debate it, they can come and debate it.

Mr. GREGG. In a prior discussion with the Senator from Mississippi, it was my understanding this was going to be subject to a time limitation of 40 minutes.

Mr. COCHRAN. I have no objection to that. I have heard there may be an objection on the other side of the aisle. There is no objection on this side.

Mr. BUMPERS. There will be an objection, I say to the Senator from Mississippi, on this side.

Mr. GREGG. I guess if I had known that I would not have foreclosed my rights on other parts of this bill.

Mr. COCHRAN. The Senator has all of his rights. There are no rights of his whatsoever that have been extinguished in any way or diminished in any way.

Mr. GREGG. There are a few that have been extinguished and diminished, I point out to the Senator, in allowing——

Mr. COCHRAN. The committee amendments to be adopted.

Mr. GREGG. The committee amendments to go forward. It was my understanding that committee amendments would go forward because I was going to be given a specific time and time limit. That does not appear to be the case. I find that to be inconsistent with the understanding I had. And I guess I just have to accept the fact things happen that way around here.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. If I may just in a general colloquy with the distinguished chairman of the committee say that normally when we have a series of amendments to be offered on a bill like this, we sort of go back and forth between the Democratic side and the Republican side. I would suggest that that is fine if you have the Republicans and Democrats waiting to offer amendments, but that very seldom happens on this bill. And if there are three Republicans and no Democrats in the Chamber waiting to offer amendments, then I suggest we take them and not sit around waiting for somebody on the other side to come and offer amendments in order to accommodate a protocol we have used in the past.

Would the Senator agree with that?

Mr. COCHRAN. I certainly agree with the Senator. We want to complete action on all the amendments. The majority leader wanted to have votes on whatever amendments have to be voted on tomorrow and final passage tomorrow. To do that we are going to have to move along because I have seen a list of amendments that we have heard may be offered, and there are some 20 on that list. So in order to expedite the handling of those amendments, I agree with the Senator that we should move along. We would like for Senators to come now to the floor and start offering these amendments so we could dispose of them.

Mr. BUMPERS. I noticed that the Senator and I each have an amendment which I think have been agreed to. The Senator has one to provide for electronic warehouse receipts, is that correct? Could we dispose of that one now?

Mr. COCHRAN. Senator PRESSLER was going to offer that. We could offer it for him, but if he wants to be here and offer that amendment, we will give him an opportunity to do so.

Mr. BUMPERS. All right.

Mr. COCHRAN. Maybe we will let him know he should come and offer that amendment if it is convenient at this time for him. We are actually waiting on some language before we could offer that. The Senator could go ahead and proceed to offer his amendment, if he would like.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, we are scratching through here trying to find this amendment. Until we can find it, let me suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislate bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 4958

(Purpose: To transfer $50,000 from CSREES research and education to extension activities)

Mr. COCHRAN. Mr. President, I send an amendment to the desk and I ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes an amendment numbered 4958.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 12, line 25, strike ''$46,068,000'' and insert in lieu thereof ''$46,018,000''.

On page 14, line 10, strike ''$418,358,000'' and insert in lieu thereof ''$418,308,000''.

On page 17, line 8, strike ''$11,331,000'' and insert in lieu thereof ''$11,381,000''.

On page 17, line 8, strike ''$431,072,000'' and insert in lieu thereof ''$431,122,000''.

Mr. COCHRAN. Mr. President, this amendment would reduce the total recommended for special research grants under research and education activities of the Cooperative State Research, Education, and Extension Service by $50,000 and increase the amount recommended for Federal administration under extension activities of the service by the same amount.

The amendment would affect only funds recommended for research and extension work in Mississippi. It would create a new grant under Federal administration for an extension specialist in Mississippi of $50,000 to cover an unfunded requirement which was just brought to my attention. To offset this additional funding, the amount recommended for aquaculture research in Mississippi would be reduced from the $642,000 to $592,000, eliminating the additional funds recommended to enable the National Center for Physical Acoustics to provide additional support to the National Warmwater Aquaculture Center.

Mr. President, we have shown this amendment to the other side, and we understand there is no objection.

Mr. BUMPERS. Mr. President, that amendment is acceptable to this side. Has it been agreed to?

The PRESIDING OFFICER. It has not been agreed to.

Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 4958) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GREGG. 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. GREGG. Mr. President, since it is 3 o'clock, this being the time I was advised to bring this amendment to the floor and at that time there was to be a time agreement, which appears now will not occur, I thought I would discuss my amendment and point out some of the problems with the sugar program and then make a decision later on as to whether or not I will

offer it in this context or not. But essentially what this amendment deals with is the sugar program.

For those who may be following this debate in some other venue other than this floor, because I know everybody who is a Member of the Senate understands the sugar program, the sugar program is the last vestige of gross corporate welfare in the farm community.

In the farm bill that was just recently passed, there was a major initiative undertaken to try to put the farm community generally on a more market-oriented approach, although some arguments might claim it is even less market oriented. At least it was an attempt to have some forces brought to bear on what farmers would plant, how much they would plant of a certain commodity which would be something other than a decision made by a Government leader. It would be the marketplace.

However, there still exists this sugar program which has just the opposite approach toward financing and growing and creating of sugar in this country. The sugar program, as it is basically structured today, is a classic, what can best be defined as a Marxist system of economics. Essentially, the Government sets a price for a commodity which far exceeds what the marketplace would set for that commodity were the marketplace allowed to work in its ordinary fashion, and then it requires the consumer to pay that price no matter what the consumer's interest may be. As a result, the growers of that product grow it, make a great deal of money and have no relationship between what they grow and what the market wants or what they grow and what the market wishes to pay. It is a classic definition of Marxism.

In fact, this program is so outrageous that it costs the American consumer approximately $1.4 billion a year of subsidies to a very small cadre of very influential sugar growers. In fact, I think the number I saw was something like less than 70 sugar growers obtaining a huge percentage of the income from this program.

This subsidy is a function of the fact that it costs about 23 cents a pound for sugar in the United States, whereas on the world market, it costs about 13 cents a pound for sugar. Think about that for a minute. It is hard to believe that an American product would cost American consumers twice what the world market is. You might expect that in the old Soviet Union. You might even expect it in Cuba today. But in the United States, for somebody to be paying twice the cost of a product that is paid by people in other countries for that same product when that product is fully fungible around the world is incomprehensible. It just runs against the whole concept of a market economy, of an American system, what the United States theoretically stands for in the international community, what we stood for years against the Soviet system and what has theoretically, at least, won the debate of international economics—something called market forces.

If a commodity costs 10 cents or 13 cents in Brazil, or let's take a more industrialized state—although Brazil is a very industrialized state—say, Spain, Japan, or France, and that commodity, that item you want to buy costs 13 cents, in this case that is called a pound of sugar—if you wanted to make some chocolate chip cookies maybe or a cake—and in the United States, it costs 23 cents, you would say, ''Well, that can't be, that can't be. Why would that be?''

Why, in a country that professes a free-market approach to economics, an international world free market, would one commodity that we grow in the United States that is grown around the world and moves from country to country with fair ease, why would that commodity cost 10 cents more in the United States per pound than it does in some other reasonably industrialized nation?

The reason is because the influence of the people who make all the money on this product is so great that they are able to set up a system which benefits a few at the cost of many. It is pretty much the last surviving system of this type of productivity in our country in the farm program area. There is still some of this, obviously, in the peanut area, and to a slighter degree, you can argue in the dairy area, but a much slighter degree. But clearly, sugar is unique in having this level of perversion of the marketplace for the benefit of a few at the expense of the many, at the rather significant expense, $1.4 billion of expense.

You might think that people who would be getting a $1.4 billion extra price for their product beyond what the market usually bears or would reasonably bear, would think that they were satisfied, but that is not the case here. I suppose greed feeds on greed, and it is inevitable, if you have proven that you can be really greedy and successful, you can get even greedier.

So this group of great troughers—by troughers, I mean porker, corporate pork—this group of magnificent troughers—these folks would win just about any contest at any country fair in the pork-producing category—decided that not only do they have to have a price that is almost twice the world price for the product, which the American consumer has to pay, they do not even want to have to pay off—when they borrow from the Federal Government to produce that product, should they by some unbelievable process lose money, they do not even want to pay it off.

Not only do they want a product that is priced at twice what it is worth, but should they actually lose money producing a product that is priced twice what it is worth—it is hard to believe they might lose money—but should they lose money, they do not even want to have to pay it off. They have something called the Nonrecourse Loan Program. This is almost beyond belief. It is so egregious in its attack on all sensibility relative to the marketplace—a nonrecourse loan.

If you are a student in the United States and you find yourself going to a school that costs you more than you can afford to pay from the summer job you have been working for the last 5 or 6 years, and it costs more than your parents can afford to pay because they cannot simply scrape together enough, because a college education has become so expensive, if you are a student and you borrow $1,500, $2,000 from the Federal Government, and you cannot pay it back, does the Federal Government say, ''That's OK, forget it, you don't have to worry about it''? No. The Federal Government requires you to pay it back. We do not do a very good job of collecting it. I admit that. We have to change our collection system. But to those people who are honest and sincere—that is the majority of our American students—they have to pay their loans back.

But not the sugar industry. No. The sugar industry, after ripping the American public off, after the $1.4 billion a year, after being the biggest porkers in America, they do not even want to pay back their loans.

If you are a veteran, and you get a VA loan, have served this country—maybe you have even given blood for this country, maybe you are even a wounded veteran—and you get a VA loan, and you find that you cannot pay that loan back, does the American Government say, ''OK. OK. Forget it. We won't collect that debt''? No. It does not. It duns your VA benefits, probably garnishes them, takes them as payment even though you may not be able to afford it because you may have other expenses at that time.

But do we say that to the sugar producers in this country? No. We do not. To the sugar producers, we say, because they have the power to demand it, ''If you don't want to pay your loans back, tens of millions of dollars of loans back, it's OK. Forget it. That's all right. The American taxpayers are already paying $1.4 billion to your industry. Why not pay a little bit more through a nonrecourse-loan process?''

If you happen to be a homeowner who borrows money through the HUD program, and you have your first home, and something goes wrong with your family finances, and the Government comes in and takes your home—which might be similar to a recourse loan—does the Government stop there, to the nonrecourse loan? No. It does not. No. It does not. If there is a debt above the obligation that is available through the repossession of your home, the Government has the right—may not exercise it—but it has the right to collect that extra debt from your wages.

So if you own a home, and through some real tragedy or some unfortunate situation your home is taken from you as a result of your not being able to

pay back that debt—and it is a Government loan—the Government has the right to sell the home, and to the extent that the price of that home, as sold, does not cover the cost of your loan, and you personally are liable, you personally, you, John or Mary Jones, working down at the pizza store or working on an assembly line in Detroit or working at a computer shop in New Hampshire, you are personally liable for that loan.

Is the sugar producer—even though his or her company may have borrowed millions of dollars—are they liable for that loan? No. They are not. No. They are not. It really is hard to believe that that would be the case in this economy, in this structure we would have that sort of situation. But that is the way it is. That is the way it is structured, as unbelievable as it may seem.

I guess it survives because of the fact that it has what is known as logrolling. ''You scratch my back; I'll scratch your back.'' There are enough people producing this product in the country, although many of them are not very large compared to the big guys, that they all feel they have to protect the program and, therefore, everybody helps everybody else out. But it is pretty hard to defend this program under any sort of—you do not have to look through a magnifying glass to defend this, to look at this program, and see it is an outrage. You can take this glass of water, and put this on top of the program, and you would see that this program is just an unbelievable outrage on the body politic of the American consumer, and $1.4 billion a year in the process.

Nonrecourse loans. Just imagine it. If you are a student you have to pay your loan back. If you are a homeowner, you have to pay your loan back. If you are a veteran who served this country, you have to pay your loan back. Even if it is only $1,000, you have to pay it back.

If you are a sugar grower, processor, you do not have to pay it back. You do not have to pay it back. That is after you made the price of the product twice what it is worth. Pretty outrageous. ''Sweetheart deal'' I think is the term that most appropriately comes to mind. Corporate pork would be an understatement.

There is some logic, I suppose, to say that small farmers need to be protected. Maybe you will hear small farmer stories. Well, maybe small farmers do need to be protected. And to the extent we have good stories about small farmers, I suspect there will be some nice sad stories told. But the fact is that the amendment I am going to offer is not going to affect any small farmers. It is going to affect farmers of over $10 million in sales. And that is not a small farm. This is not a small farm in New England, not small anyplace. And $10 million is a good many sales. So small farm stories are not applicable to this issue at this time, although certainly they will be raised.

This issue, the issue of the sugar program, has been brought up on a number of occasions in this body. It has always been defeated. Any attempt to address the sugar program has been defeated. It was defeated last year even in the midst of major rewriting of the farm programs generally, as I mentioned earlier. Defeated a couple of years ago. It has always lost, but usually the amendments have been directed at substantive reform of the pricing mechanism. You know, this fact that you, the consumers, are paying 23 cents for a pound of sugar when your neighbors, maybe relatives in Canada, are paying 13 cents.

So that has been the usual target of the amendments. That has been soundly defeated because the influences I mentioned of so many different groups growing this product around the country is so pervasive. So my amendment—which the recourse issue does not take on that core issue of pricing policy, although pricing policy certainly should be addressed. And I would be happy to do it if I thought I had a chance of being successful. But I know I do not. My amendment takes on the issue of recourse.

As a practical matter nobody in this body should object to this, because, as I mentioned, the price of the product has been made so high that how can you object to the concept of having to pay back your loans when you are already getting such a huge subsidized price? Then if you compare the fact that you are requiring people to pay back their loans who are fairly large businesses—$10 million in sales—well, that is not too outrageous, not too outrageous, to require them to pay back their loans.

So I am talking about really a peripheral amendment here. I have to admit to that. I wish it was more at the heart of the sugar program. I wish it went to the pricing mechanism. But you know, I accept reality. I cannot win that one. I got 35 votes last year, probably about the same this year. So what this amendment does—I hope my fellow Members of the Senate will take a look at it who voted against affecting the pricing mechanism. It does not address that. So all the sugar beet growers and all the sugarcane growers are still going to get their 23 cents a pound out of the American consumer. They are going to get their pound of sugar out of the American consumer.

What they should not get, however, is this nonrecourse treatment that we do not give to students, we do not give to homeowners, we do not give to veterans. I mean, let us have some decency around here. Let us admit that we will let them go to the trough and maybe eat everything in it, but let us not let them eat the trough, too. It is getting a little outrageous.

So that is the purpose of this amendment. And I regret that the context of offering this amendment puts me in a difficult position, because I understand that I am not going to be protected on second-degrees, and I understand I am not going to be protected on time. I will say this, however, that I do think this is an important issue to vote on, that we will vote on this issue, I hope, before we complete this bill. I have no desire to delay this bill.

I know the Senator from Mississippi and the Senator from Arkansas have worked hard to move this bill quickly, and they have done a superb job of getting it out of committee. On the general farm programs, they have done an extraordinary job of funding those in, I think, a responsible way. This program, really, is independent of that effort. They have done an excellent job on this bill. I do not want to delay it. I want the bill to get through as soon as it can.

I do think this has to be voted on. I hope when I send this amendment to the desk, it will not be subject to a second-degree amendment. It can be couched in a variety of terms, so obviously we can return to this issue if it is, ad nauseam.

AMENDMENT NO. 4959

(Purpose: To prohibit the use of funds to make loans to large processors of sugarcane and sugar beets unless the loans require the processors to repay the full amount of the loans, plus interest)

Mr. GREGG. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 4959.

At the end of the bill, add the following:

SEC. . REPAYMENT OF CERTAIN SUGAR LOANS.

None of the funds appropriated or otherwise made available by this Act may be used to make a loan to a processor of sugarcane or sugar beets, or both, who has an annual revenue that exceeds $10 million, unless the terms of the loan require the processor to repay the full amount of the loan, plus interest.

Mr. GREGG. I thank the clerk for reading the amendment. I did want the whole amendment read so it would be understood. It is an amendment which on its face says, as I stated, if somebody is going to borrow from the Federal Government, even when they are getting twice the price for their product they should be getting, if somebody is going to borrow from the Federal Government, they ought to pay the Federal Government back.

Now, some will claim they can take the sugar and then the Federal Government can sell the sugar. That is true, but if there is a difference, the Federal Government eats the difference. There is no reason the Federal Government should be put at that risk. They are not put at risk for students, veterans or homeowners, so we should not be put at that risk for sugar growers simply because they have the capacity to protect themselves in the legislative arena better than students, homeowners or veterans.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is now a sufficient second.

The yeas and nays were ordered.

Mr. DORGAN. Mr. President, I was listening attentively to the Senator describe his amendment dealing with the issue of sugar. He finished by talking about sugar growers. Of course, the Senator understands that no one grows sugar; they grow sugar beets, to be sure, and the beets are processed into sugar.

The issue as presented by my colleague is an interesting issue and an important issue. This morning in North Dakota and elsewhere in the country, some folks got up and ate breakfast early. These were families with a full day's work to do. They need to keep their machinery in order, tend to their land, look over their sugar beet crops. Farmers work pretty hard. They invest a fair amount of money into a farmstead and try to make a living.

One of the circumstances we find in the farm programs is that there are difficult times for people who are out there living. There are difficult times for those trying to make a living because there is so much uncertainty. You can plant, and in no time at all through a whole series of things over which you have no control, you see everything gone. Acts of nature, a whole range of circumstances can conspire to wipe you out completely and quickly.

For that reason, the Federal Government has had a farm program. The Federal Government has said we believe there ought to be a network of family farmers in this country who have an opportunity to make it. So for a whole series of farmers raising crops, we have tried to create a safety net.

Now, within that farm program is a sugar program. The sugar program tries to provide a safety net for those folks, particularly in my part of the country, who raise sugar beets. As I listen to this debate, it is interesting how this issue is described because the description is so at odds with what the reality is.

I hear people stand on the floor of the Senate and talk about 10 cents being the world price for sugar. Well, that is not a legitimate free-market price for sugar. That is the dump price for sugar. People who study this issue understand that most sugar is traded country to country through long-term contracts. Only the residual sugar produced over that is dumped on the open market, at dump prices, dirt-cheap prices, and then some people say that is the true market price. Nonsense. That is not the true market price. It has nothing to do with a true free market price. It is a dump price for residual sugar supplies above that which is needed and above that which is traded country to country.

In this country, we have developed a program that provides loans. Those loans, through the Commodity Credit Corporation, cannot be made directly to sugar cane and sugar beet growers because sugarcane and sugar beets are not storable commodities. So the loans are made to the raw cane farmers and the beet sugar processors. I must point out, in North Dakota, those processors are by and large cooperatives. Those cooperatives are owned by the growers. The growers are the farmers.

The fact is I am proud of what has happened under this sugar program. I am proud because we have a circumstance where one part of this farm program, at least, works well and works to provide some stability in price to the beet growers—yes, in North Dakota and other parts of the country.

Now, that stability has given them an opportunity to make a living out there on the land. This is not, as some would suggest, some giant giveaway program. It is not a program that will require people at the grocery store to pay an extraordinarily high price for sugar. That is not what the program is about.

This program happens to be one of the programs that I think is good for both the producer and the consumer. It is especially good for those consumers who care about whether producers are able to live on a family farm, who understand that this matters to our country. I think it does matter to our country. It is good not only for those objectives, but it is also good for the general consumer.

You go back some years and evaluate what happened in this country when we had a shortage of sugar, and sugar prices jumped up, skyrocketed at the grocery store counter. Then there was a lot of concern about what this meant to the consumer. Well, the consumer, then, had to pay more for sugar because we had uncertain supplies, unstable supplies.

What the sugar program has done is merge two different approaches. One side of the approach says that we will try to provide something that gives some price stability to those who raise beets. The other side of the approach says that we are going to provide an advantage to the consumer who will have price stability on the grocery store shelf.

Is that price stability higher than it might be if, during years of world surpluses, we could have accessed the cheapest possible dump price for sugar? Sure. But is that price lower than it would be in times of shortage because we have a more stable capability in this country of providing for those needs? Yes. My point is this kind of program advantages both the producer, the family farmer being the producer, and also the consumer.

We have fought this battle before. We have had those persons who feel strongly about it come to the floor and say this is a program completely without merit. They say that it is a program that ought to be abolished, and they have tried to abolish it in a dozen different ways.

I must admit this amendment is a crafty technique, I say to my colleague, to try to essentially obliterate the sugar program. However, Congress has reviewed this and Congress has said this program makes sense. This program is not costing the taxpayers money. It is a program that has worked well. It is a program that has achieved its objectives of trying to provide some stability and some help for the family farmers out there, who in my part of the country raise sugar beets. It is a program also that has the ancillary benefits of helping the consumers in this country with some price stability.

Let me mention one other thing. As all of us know, in this debate there are competing forces. There is a force out there in our country—maybe I should not name it—that uses a great deal of sugar. The companies that make candy bars and other things use a great amount of sugar, and they very much want to see the dump price of sugar prevail for a while in this country as the U.S. price. I understand that. I suppose if that were my business, I would be arguing for the same thing. But that happens to be, in my judgment, a selfish position, looking after only their own interests.

But there are other considerations. The Senate and the House have gone through this and debated to try to determine where the reconciliation is here. We have tried to discover how we do this the right way, and is there a need to provide some stability in the price of these commodities. Is there a reason to give a hard working family farmer an opportunity to take advantage of that stability? The answer has been yes. Do we want that level of stability to be something that is so artificially high that it injures others that are involved in other businesses? The answer to that is no. That is what the compromise has been.

This compromise has been worked and reworked. I must say that I compliment the Senator from Mississippi, Senator COCHRAN, and so many others. Let me compliment someone who is leaving this Congress—Congressman KIKA DE LA GARZA. This is his last year in Congress. But those who understand the sugar program, especially in modern days, and its genesis, understand that KIKA DE LA GARZA has played a large role in shaping it. Republicans and Democrats have thought this through to determine what is the best public policy here. They have, I think, come to a reasonable position of supporting the provisions that are now in law, provisions that I think make sense for this country.

On a broader question, one can always, it seems to me, on almost every issue, come to the floor of the Senate and argue some kind of global construct that persuades us that there is a cheaper price somewhere. You can always find a price or position, in some nook or cranny of the economy, that you can access and that somehow

would be beneficial for the country. I do not think that is what we are searching for. I think what we are searching for is public policy, especially in the area of commodities, that represents this country's interests.

Part of this country's interests lie in trying to maintain a network of family farms in our country. I am proud to tell you that at least North Dakota, one of the most agricultural States, has a network of family farms. The Red River Valley contains a network of those family farms that are trying to raise sugar beets. They have come together in cooperatives that process the sugar beets and have been quite successful. I commend them for it. I only wish that our farm programs for other commodities were as successful as this program is.

It seems to me that it ill-behooves this Congress to take a look at what works and take that apart and stop it, as opposed to evaluating what does not work and seeing if we cannot fix it. It really does not serve our interests to start deciding that those things that do function well are things that we ought to try to mess up in one way or the other.

So I very much admire the Senator who is the author of this amendment. We have worked together on many things, and will again, but he is dead wrong, in my judgment, on the sugar program. It is not new to him. He has been dead wrong on it for some long while. I know he feels strongly about it. We have a fundamental disagreement. I do hope that the Senate recognizes the balance that has been struck. I think it is good for producers and good for consumers.

It is a balance that augurs for this kind of a program to try to help family farmers in our country. I hope the Senate will, at the appropriate time, reject the amendment offered by Senator GREGG.

Mr. President, I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I come to the floor this afternoon, once again, to find myself in opposition to my colleague from New Hampshire on an issue that we both feel very strongly about. So for the next few moments let me say to my colleague from New Hampshire that while I disagree with him on this issue—and we very clearly disagree—we remain good friends and working partners on a lot of other issues. I must look at his amendment and what he has said about his amendment in relation to the sugar program in the new farm bill and take issue with it on an item-by-item basis, as I think is necessary. It is important for the record, so that the facts of this issue come forward.

Mr. President, when I first came to Congress in 1980, I came from a farming and ranching background, and for the 1980's, I remained actively involved with my family in farming and ranching. But I must say that my family never was involved in raising program crops. So I, frankly, did not know a lot about farm programs. I did not know a great deal about farm programs and program crops. It was not until I became a Congressman, representing the First Congressional District of Idaho, that I found it necessary to look at these programs on a program-by-program basis, Mr. President, and try to understand what they were all about.

My colleague from New Hampshire and I are pretty much alike. We are fiscal conservatives. We tend to be free marketers. And so when I began to look at the sugar program, I saw something that I had heretofore not understood. One of the first things I found out about it was that no check went to the farmer. The farmer, whether he be a cane grower or a sugar beet raiser, never received a check from the Federal Government. They received their payment from the sugar processor, who they were contracted with to raise the beets, or to raise the cane. So there was no, if you will, direct subsidy to the farmer, direct check to the farmer, as is true in other program crops.

One of the reasons this program had been developed, in a way, in that nature was because both the plant itself, the sugar beet, and the beet itself, in storage, are quite perishable. Because it was a nonrecourse loan program, it would not have been wise for the Federal Government, in this instance, to produce a loan when there was no collateral. And so as a method of even marketing into the system, it became the sugar processor who was the individual who took loans out from the Government inside a Government program, a sugar program, and they used, as collateral, refined sugar. So there was no direct payment to the farmer.

So the Senator from New Hampshire is wrong today. We will not hear a story about the plight of the small farmer. The small farmer, in this case the sugar beet raiser, whether it is in North Dakota or whether it is in Idaho, does not receive a check from the Federal Government. They receive a stable price for their product from a refiner that is engaged in a nonrecourse loan program with the Federal Government, which allows that refiner to market sugar into the market in a stable way.

So I am sorry that I will disappoint my colleague from New Hampshire. No story about the plight of the small farmer. Although I am very much concerned about the small farmer, I will tell my colleague from New Hampshire, with the hundreds of thousands of acres of sugar beets in Idaho, it is a good and profitable crop. One of the reasons it is is not because they get a check from the Government, but because the industry, through the program, is allowed to develop a loan relationship with the Federal Government, which creates stability in the marketplace. Therefore, it affords a stable price for the crop, and that creates stability at the farm itself. That is a point that I think is very important to remember.

So, in essence, the amendment that my colleague from New Hampshire is offering today, which is a cap, if you will—or it says loans are limited to those under $10 million—there is not a refiner in the market that grosses less than $10 million. So the amendment, for all intents and purposes, destroys the sugar program as we know it.

The second point, this is not just a refinement of the existing program. This is a killer amendment of a program that we spent over 12 months negotiating about with the industry and the growers associations. The reason we did that is because I, along with my colleague from New Hampshire, said it was time to reform the farm bill and get Government out of agriculture as much as we could. As a result of that, we put major reforms into the sugar program.

Mr. DORGAN. Will the Senator yield for a moment on that point?

Mr. CRAIG. Yes.

Mr. DORGAN. The Senator talked about family farmers. I want to try to understand the point he made.

The point, as I understand it, is not that this does not help family farmers. This ultimately does help family farmers. But it helps family farmers through price stability—not a Government check. I think that is the point the Senator from Idaho was making.

The reason I asked the question is that I was making the point that this matters to a lot of family farmers. It matters because if you destroy this program you destroy their price stability; and, frankly, a lot of them will not be farming anymore. But this is not a Government check to those farmers. As the Senator from Idaho properly said, it helps the processors to provide price stability for farmers, which is exactly what makes this a successful program and one that does not cost the taxpayers' money.

I appreciate very much the Senator yielding.

Mr. CRAIG. Mr. President, so the point I think that my colleague and I are trying to make here is that, if there is a role for Government in agriculture—I think there is one, and I think it ought to be a very limited one—I see it in one of two or three areas. That is not to directly prop up or to subsidize a producer who has to produce to a market but allowing Government to help facilitate at no cost to the taxpayers anomalies within a market environment that only the Government can maybe help in because of their scope and their size, or in an instance where there is direct competition from foreign markets in which cheap product is produced either because of ''near slave labor'' or because of subsidized Government programs in other producing areas of the world than the necessity of a relationship there where our Government can facilitate without it being a cost to the taxpayer.

In all of those instances the sugar program meets those tests. In the area of trade, where you have real political consideration and political powers vying against each other that distort the marketplace, I believe our Government can be a facilitator to production agriculture, and it works in this instance. And it works so to create stability in the marketplace. When you create stability in the marketplace you benefit the small farmer producer, and you do in real terms because you do not have the kind of gyrations in the market where one year wheat is worth a great deal of money and the next year you ought to plow it under because it is worth no money. That is the kind of instability we saw in the sugar pProgram in the late 1970's and the early 1980's.

Those are some of the issues and items that I learned, Mr. President, when I got here as a freshman Congressman and I knew very little about sugar. I also learned something else: That when we began to make reforms in the program starting back in 1980 when we found out that we could not operate under the kind of program we were living under, and because of the boom and bust in the marketplace, with the tremendous influence of dumping raw cheap foreign sugar on our market we came back to a Government program, or at least a program where the Government became a participant to facilitate.

When we did that we said something very important. We said that this ought not be a subsidy—that it ought to be no net cost to the taxpayer.

Since 1980 my colleague from New Hampshire knows as well as I do that this has been a no net cost to the taxpayer because that is what the law says. And in that context, while I was listening to my colleague a few moments ago, I became frustrated when he began to insinuate that this was costing the taxpayer money—or that in fact it was costing the Government money—that is a nonrecourse loan if defaulted upon costs the taxpayer money.

Two years ago, when we did have some default because the loans were collateralized on refined sugar, the Government took the sugar, sold it, and made money—no net cost. Technically inside the law my colleague from New Hampshire, the Senator from New Hampshire, is right. From a technical point of view he is absolutely right—that, if the price of refined sugar had dropped dramatically, there might be a loss. But the law says no net cost to taxpayers.

As a result of that we have put the loan rate at a rate to cover those margins, and it has no cost. He used an example of the veterans; the homeowner. I must tell my colleague from New Hampshire, my Senator friend, that he knows this—that when the Government loans money on a house they have the house as collateral. And if the person who borrows walks away from the house—and that happens—the Government has the house and they sell the house. They have the sugar and they sell the sugar.

He used student loans. Student loans are the only area where Government loans do not have collateral. Many students have walked away from their loans and the taxpayers had to eat them. That was increasingly so until the Senator from New Hampshire and I came in the early 1980's and said, ''No. You can't do that kind of thing anymore. If we are going to loan money to students they have to pay it back.'' That became an increasing prerequisite of student loans throughout the 1980's and into the 1990's as we increasingly provided more money in the student loan program.

So if you loan money to a GI, in many instances on education, that is an outright gift. If you loan money to a student, you hope they pay it back. They are obligated to pay it back. If they declare bankruptcy and walk away from it, even though we put a no-bankruptcy clause in, some of them do not. Most of them do, thank goodness. But if the Federal Government borrows money on a house and the person walks away from the house, they can follow the person legally through the channels; and, if the person does not have any money, the Government has the house. That is the reality. We know those things.

In a nonrecourse loan to the refiner the Government has the sugar. The example of default cannot be painted to be dramatic because it hardly exists. It rarely exists. Over the last 2 years it has existed, and, when it did, the Government took the refined sugar, sold it, and made a little money above and beyond their expenses.

Mr. President, if the Government can operate a program like that that creates stability in the marketplace, that keeps thousands of farmers producing, that disallows the dumping of cheap sugar in our market and does so in a way that is of no net cost to the taxpayer, I would say that is probably a pretty good program. Maybe that is the way Government ought to work in this instance. It creates the kind of stability we want.

The amendment that the Senator from New Hampshire offers imposes an eligibility test for participation in what is now a new sugar program. For over 12 months we worked at defining a new program, and we put it in a 7-year farm bill. Growers began to plant to that farm bill this spring.

I would have hoped that my colleague would have accepted those reforms. But I understand that he does not. He wants the program eliminated. That is his choice to offer on the floor his amendment, and clearly he does that because nobody in my opinion can largely agree with his $10 million revenue threshold to establish it. If a refined cane miller or a sugar beet processor has annual revenue which exceeds $10 million they are not eligible for the program as written in the farm bill. Currently all U.S. raw cane millers and sugar beet processors have annual revenues above $10 million. Thus, no domestic produced sugar would be eligible for current loan programs if this amendment were enacted. This amendment will invalidate and render useless the hard-fought reform that I have just mentioned that won on this floor of the Senate by 61 to 35 vote.

In the loan program, while I think I have discussed that in a reasonably thorough way, Mr. President, USDA cannot make loans directly to the sugarcane or the sugar beet grower, as I have mentioned.

The reason is that raw sugarcane and beets are perishable, and although my colleague did not specifically speak to the collateralization of the loan, the loans are collateralized by refined sugar, and that is why the Government has not lost any money on this, not only by actual practice but by the law itself.

The loan rate for raw cane sugar is 18 cents under the new program and has been frozen at that level since 1985. The farm bill makes that freeze level a permanent one. The current loan rate is well below the domestic market price of 22 cents. So you have that cushion of protection between the 18 cents and the 22 cents.

USDA loans on sugar have consistently been repaid, as I have mentioned, with interest. It sounds as if our Government, in this instance, was a pretty good banker. The sugar program has been operated at no net cost. Meanwhile, U.S. consumers continue to buy sugar at a price some 28 percent below the average price in the rest of the world's developed countries.

For just a moment, Mr. President, let me speak briefly again about the nonrecourse versus recourse loans that go to the heart of the amendment of the Senator from New Hampshire. Currently, all sugar loans, along with wheat, cotton, rice, and corn, are nonrecourse loans. This means that the only way to collect repayment of the loan is to assume the collateral. Rather than collect massive stocks, USDA operates the program so that there are no loan forfeitures or cost to the Government.

What the opponents suggest is that this system be changed to basically a recourse loan program and the $10 million threshold. Under this system, the Government could use any means necessary to collect the value of a loan. No other commodity has a recourse loan.

Those are some facts that I think are extremely important as we deal with this issue.

Mr. President, because we are now just at the beginning of a new farm bill, and while all of us spent nearly 2 years crafting this document—and the Senator from New Hampshire was directly involved in trying to change it with amendments in this Chamber, which was certainly his right and his prerogative, so he and I and everyone

else have had a substantial part in shaping the new farm policy, but we did it. We put it in effect for 7 years. As a result of that, scores of farm organizations around the country have said now it is time to leave it alone and let it work for a while under the promises that the Government collectively made would be a part of the program.

The American Farm Bureau Federation, the American Sheep Industry, the Society of Farm Managers and Rural Appraisers, the Soybean Association, National Association of Wheat Growers and Barley Growers, the National Corn Association, the National Cotton Council, the National Council of Farm Cooperatives, the National Sorghum Producers, the National Milk Producers Federation, the National Peanut Growers Association, the National Pork Producers Association, and the National Sugar Farmers and Processors, all of them have basically said now that you have crafted a farm bill, we urge you to stay with it because this is something you just do not change overnight. Certainly in my State of Idaho, the millions and millions of dollars of investment it takes to farm and to produce means that you do not quickly change the program if you change it overnight. Of course, the Congress has the right to do that. But we understand the importance of making sure that the program is stable.

I hope I have portrayed my opinion of the effects of this amendment by the Senator from New Hampshire. If not, I am sure he will correct me, and I will stand corrected if I am wrong. But I think it is important to remember that this is a program that since the early 1980's we have refined and shaped and reshaped so that we create stability in the market; that we offer a supply of sugar which is substantially less expensive than sugar and sweetener around the world; that we are in compliance with GATT, and as we move toward that, one of the things which is clearly understandable is that our level of participation in the program reduces as other governments around the world subsidize, sugar levels reduce because of the General Agreement on Tariffs and Trade. All of that is part of how our Government has worked, and I believe properly so, under the direction of the Congress and under the new farm bill that we have before us.

So I hope that my colleagues in reviewing this amendment will reject it. I certainly do not plan to second degree it, and I do not know of anyone else who does. It is not my intention to want to put cute words around it, to try to hide the impact. I believe this program is strong enough to stand on its own, as it has in the past, as it did by a 61 to 35 vote several months ago on the floor of the Senate. And I hope that Senators, in reviewing this, could reject it out of hand and allow the program, which we have effectively refined and developed, to operate for a period of time to see if we get the savings.

Let me also conclude by saying that one of the things which is very important to remember—and I am not sure whether the Senator's amendment would therefore forfeit this figure—one of the results of the program and the no net cost to the taxpayer is the assessments that are generated through the new program that will produce about $300 million in deficit reduction.

Now, if the Senator is still going to say let us keep the assessments but let us kill the program, then, in essence, he has created a new tax on producers, because we not only eliminated marketing allotments, we implemented a 1-cent penalty effectively lowering loan rates and we have an assessment that will generate about $300 million in deficit reduction to the Treasury over the life of the program of 7 years. As a result of that, we think we have put together a positive reform package not only for the American taxpayer, but, in this instance, for the producer-processor to create a stable market for the commodity that they produce.

I yield back the time.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I certainly appreciate the eloquence and the aggressiveness and obviously the effectiveness of the Senator from North Dakota and the Senator from Idaho in defending the sugar program as it impacts their sugar beet growers who, in most instances, I suspect—I suspect in all instances—are very hard working, farm community votes. However, the sugar program itself is structured in a way that it benefits a lot of major corporate farm activity, and that farm activity, as I mentioned before, is extraordinarily expensive to the American consumer in an unfair and unjust and unmarket-oriented way.

The argument on the other side appears to have fallen into a few categories. Let me try to respond to them in some sort of argument.

The first argument is that this amendment would eliminate the program because any processor doing more than $10 million in business would be out of the program. No, that is not true. I think that is simply not true. It would say that any processor who generates more than $10 million in annual sales would have to pay their loans back—just like a student, just like a veteran, just like a homeowner.

Now, there was some representation that we do not collect veterans' loans and maybe they are an outright gift. I do not think so. I think most veterans pay back their loans, but if they are not paid back, the Federal Government has the right to go after them individually. The same thing of a student. If a student does not pay back his or her loan—it happens a lot, unfortunately—the Federal Government has the right to collect that. Of course, in the homeowner's situation, that is a collateralized event. The Federal Government takes the home, sells the home, but if there is a deficiency, in other words, if there is a difference between what that home is sold for under foreclosure and what the note is paid out for and the note exceeded the foreclosure price of the loan, the individual remains personally responsible for that amount.

What we are suggesting is that a $10 million processor as a consortium, as a co-op or as a manufacturing cooperation, the $10 million processor should have to be liable also just like the student is, just like the veteran is, just like the homeowner is for that loan. So the program is still very much available. It is available under approximately the same terms and conditions relative to default and recovery that a loan to a student is, that a loan to a veteran is, and that a loan to a HUD recipient of a home ownership loan is. You have to pay the loan. You have to pay back the Government. That is all we are asking.

So the program is very much vibrant and alive. To reflect the fact that there is a sort of inherent contradiction in this debate that I hear from the other side, the position of the other side, on the one hand, they are saying this proposal, which is to allow people to borrow the money but to have to pay it back, versus borrow the money and then if they decide they do not want to pay it back they can just turn over their sugar to the Government—that this proposal is going to have a disastrous, debilitating, totally scorched earth effect on the farm program; and then I heard that nobody has ever defaulted, or if there has been a default they sold the collateral for more than the loan was worth.

So why is this such a terrible event? Why is it such a terrible event to make it a matter of public policy that people who borrow money from the Federal Government should pay it back? I guess it is a terrible event because it happens to be perceived, I think, as a threat to the sugar growers and the sugar processors. They maybe see it as a camel's-nose-under-the-tent approach to the issue of their $1.4 billion subsidy which they are taking the American consumer to the cleaners with.

But, as a practical matter, the debate on the other side of this issue has defended the position I have proposed in this amendment, because they have stated accurately that there have been no defaults that would have created recourse beyond the collateral, and, therefore, why should it matter to the industry if they find themselves subject to recourse loans? Especially when you have an Agriculture Department that is controlling the importation of sugar so it keeps the price of sugar 4 to 5 cents above what the loan price is? I mean, really. It is like going into a blackjack game and saying, ''You have to deal me both an ace and a jack. If you do not deal me the ace and the jack, I am not going to play.''

In this case we are going to give them the ace and the jack, I guess. But

it makes no sense, that if they should, by some strange coincidence end up losing, they should not at least expect the Federal Government should be paid back. It is hard to believe there is a scenario where under the present scenario they would lose. As long as the Department of Agriculture is going to keep the price 4 cents or 5 cents above the loan price, how do you ever end up with the collateral being less than the loan? It is pretty hard to see that fact pattern occurring.

But I am told this amendment devastates the program. How does it devastate a program when the defense of the opposition has been that there has never been a default, and when the numbers, on their face, speak for themselves that if there were a default, there would not be any recourse?

No, I do not think it devastates the program. It does not affect the program at all. That was my point when I first started this. I said, ''Gee, I would really like to do something about this program but I know I cannot win. But let us at least get ourselves on some sort of even keel relative to the American taxpayer and relative to fairness. If we are going to say to the homeowner and the student and the veteran you have to pay your loans back, let us say to the processor you have to pay your loan back, too. That is the purpose of this.''

So I do not think there is any substance to that argument. I think the substance of it was undermined by the presentation of the defense. To the effect there was a substantive point made in the opposition, it went to the issue of this price stability, which was specifically stated by the Senator from North Dakota and clearly implied and alluded to by the Senator from Idaho.

Essentially, the theme of that position was that if you do not have price stability in sugar, then you are going to have up-and-down years, you are going to have years when the price will go down, when there is dumping, and years when the price will go up. So the idea is to have 23 cents or 22 cents all the time for sugar, even though the world market price is 13 cents. Granted that may be a dump price, for all I know. It may not be, but it could be a dumped price. But there is clearly a heck of a lot of difference, there is a big difference between 22 cents, 23 cents, and 13 cents. So somewhere in there is the real price of sugar one presumes, between those two numbers. It is pretty obvious the American consumer is paying a lot more than the real price, if the world dump market is 13 cents.

So, if that is the case, if the purpose here is to maintain a stable price for sugar, if that is the real gravamen of the argument, and that price always has to be 23 cents or 22 cents—and why is that number picked? That number is picked because the loan price is 18 cents and they do not want anybody defaulting on their loan. If we apply that logic to all the commodities made in this country: All right, let us see, now. A couple of weeks ago my son bought a MacIntosh computer. I bought it for him for his birthday. The price of that computer, as I recall, was somewhere in the $1,500 range. It was a pretty expensive item, but it was for schooling. It seemed like a good investment. His sisters can use it.

All prices of all computers should be $1,500—right? The theory of the sugar program is the price for a commodity should be the same price at all times, because the prices might go up and the prices might go down; if you want to maintain stability—we have a lot more people working in the old computer industry in this world, in the Apple computer industry, I suspect, than make sugar. I bet there are probably more people that work for Apple Computer than produce sugar.

What has happened to Apple computers because they have not had a Department of Agriculture fixing the price of that product? The prices went down. I found out a few days ago I could have bought the same computer I bought a few months ago for $400 less, because there is something called a price war going on in the computer industry. And, worse than that, for the folks at Apple, they are in serious trouble. They have had to lay off thousands of people, because their product was not able to maintain the employment. And the prices of computers and other computers that have been brought on the market that have made that Apple computer, which is a heck of a good computer, I think—especially the software in it—be not as competitive with whatever the appropriate other computer that is competing: Dell, AST, Gateway, Digital. Digital is a great computer, by the way—made in New Hampshire.

The point here, of course, is: It is called a marketplace. It is called America. It is called a market system. It is called capitalism. It is called ''what made this country great.'' It is called competition, worldwide, sometimes.

Take another little commodity called cars. Shall we fix all Chevrolets at the price of Chevrolets sold in the year 1979 or 1985? We could, I suppose. Then we would not allow the Japanese to import to compete.

I think we went through that, did we not? That is why the Big Three had such a tough time, because their quality went down because they did not have the competition. Prices stayed up. Then, when they did get the competition, it took them a while to turn around. Of course, with American know-how they did it pretty quickly, didn't they?

Now you have the most viable and energized car producers in the world, and they are American again. For a while, of course, we had a huge Japanese threat to our industry, but we responded.

Are we to say that the sugar growers in this country would not be able to compete? I do not know, I guess that is exactly what we are saying in this plan. But, essentially, this concept of stable prices, which has been alluded to specifically by the Senator from North Dakota and clearly highlighted or addressed by the Senator from Idaho, is another term for non-market-place economy. It is another term for price fixing. Price fixing does not benefit the consumer. It does not benefit the marketplace. It benefits that small group of people who are able to benefit from the fixed price which, in this case, happens to be a very small group of sugar growers, and it is extremely expensive to the American economy.

There was a statement that there are no tax dollars at risk; the taxpayers pay nothing. Well, if you say that the dollar that a taxpayer pays in taxes and a dollar a taxpayer takes out of his wallet to pay for sugar does not come out of the same wallet, then I guess taxpayers are not impacted. If the taxpayers are some mythical beings out there who don't go to the marketplace and buy food then, yes, there is no impact on the taxpayers.

But if the taxpayers happen to be real, live Americans who go down to the grocery store and buy food with those dollars that are left over after the Government takes their money for taxes, well, then it does impact them quite a bit, because they are paying somewhere around twice the going rate for the price of sugar. They are paying $1.4 billion a year more to buy that sugar than they should have to. But this amendment does not address that issue, that outrageous issue which I would love to address. Unfortunately, I cannot get the votes to address it. But this amendment does not address that issue. This amendment addresses the fact that these are loans that do not get paid back if they go bad.

Granted, it may never happen. It may never happen that the Agriculture Department is able to manipulate, through controlling imports, something that comes close enough to the loan price so that there never is a loan that goes bad. But there ought to be a statement of policy, at least, that this Congress expects the $10 million processor to at least be as liable for his or her loans or its loans from the Federal Government as we expect the struggling student, the veteran and the homeowner.

There were a couple of ancillary issues that were raised that I think need to be addressed. Maybe I already addressed them. I was even more thorough than I thought in my statement, so I yield back the remainder of my time.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me compliment those who participated in this debate for the efforts they made to fully acquaint the Senate with the issue that is before us with the amendment offered by the Senator from New Hampshire.

My reaction to it at this point is that this is an issue that has been before the Senate, was before the Senate, was fully debated when we were undertaking to write the new farm bill, which contained a lot of market transition reforms, included reforms in the Sugar Program and many others, and this issue has been resolved, or at least a bill was passed by the House and Senate, a conference occurred, a conference report was written.

This is the conference report that was compiled by conferees on the part of the House and the Senate, almost 500 pages in length, devoted to farm programs and the role of the Federal Government and the private sector in trying to make available to Americans abundant supplies of reasonably priced foods and commodities.

The President signed the bill, and this is the law. The bill before the Senate today simply funds the activities of the Department of Agriculture and related agencies. It doesn't seek to address suggested changes in agriculture or farm policy, as such, but simply to undertake to allocate to this Department the funds it needs to carry out its responsibilities as defined by the law.

So this is a proposal by the Senator from New Hampshire to change the law and, therefore, it seems to me ought not to be adopted by the Senate. It is very technical, obviously. I was reading section 156 in the conference report that deals with the Sugar Program, and it talks about the nonrecourse and the recourse loans that are a part of that program, and it is very, very technical.

I was thinking, how is a Senator who is not a member of the Agriculture Committee, has not been a party to the hearings and discussions about how this is going to work as a practical matter, how is he going to be able to decide, how is she going to be able to decide whether this is an amendment they want to vote for or against.

These are arguments that have been made on both sides of the issues. I compliment the Senators involved. I think the only thing we can be sure of is we will vote on this. We will vote on this amendment. The yeas and nays have been ordered, and the vote will occur in due course of proceeding on this bill. It will not occur today. But under the order entered for the consideration of the bill today, it would be put over and a vote will occur tomorrow.

I am going to have to come down on the side of the Senator from Idaho and the Senator from North Dakota in arguing that the amendment be voted down. I hope Senators will vote against the amendment, with due respect to my very good friend from New Hampshire, whom I admire greatly.

Mr. President, we are prepared to receive other amendments, or any further debate on this amendment would be in order if Senators care to debate the amendment.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 4968

(Purpose: To restore funding for the Agriculture Research Service at the level approved by the House of Representatives)

Mr. MCCAIN. Mr. President, I ask unanimous consent that the pending amendment be set aside, and I send an amendment to the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 4968.

On page 10, line 18, strike ''$721,758,000'' and insert in lieu thereof ''$702,831,000''.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, this amendment would restore the funding level for the Agriculture Research Service at the House-passed amount. Simply, if the amendment is adopted, we will save $18,927,000, which represents a 3-percent cut from the Senate level.

No Agriculture Research Service programs will be put in jeopardy. No dire outcome will result. Mr. President, it is a very simple amendment. While the Senate does not and should not function as a rubber stamp of House action, the other body was entirely correct when it funded the Agriculture Research Service at $702,831,000.

Mr. President, in the Department of Agriculture appropriations bill, a lot of the unnecessary spending is in the Agriculture Research Service program. Certainly, there is a legitimate need for agricultural research. We all agree on that point.

Let me emphasize, voting for this amendment will not contradict that point. Voting for the amendment does affirm our belief that we must scale back our spending in a responsible manner.

The House funded the Agriculture Research Service at a very reasonable level at $702 million. Again, I want to note that this is a 3-percent cut from the Senate level. I believe that we could cut this nearly $1 billion program by 3 percent.

Mr. President, there is other language in the bill and in the accompanying committee report that concerns me. I would like to raise some of those issues at this time. On page 51 of the bill, the House had language that stated no funding made available under this title shall be used for new studies and evaluations. I applaud the House for inserting this prohibition in the bill. Unfortunately, the Senate struck the House provision and inserted instead the $6 million cap on studies and evaluations. Unfortunately, many of these studies are not necessary or could be privately funded. I hope that when the bill is conferenced, the Senate will recede to the House on this matter.

The committee report continues to recommend funding for a wide variety of specific industry areas. I believe that such earmarking is detrimental to the agriculture industry as a whole because it encourages funding to go to those industries with the best lobbyists or those favored by the members of the committee. All research grants should be based on national priority and competitive bid.

As an example, I would like to comment briefly on the shrimp aquaculture research provisions contained on page 39 of the committee report. The committee recommended a $300,000 increase in Federal funding for shrimp research. Mr. President, the U.S. shrimp industry is a profitable, multibillion-dollar-a-year industry. While it is true that the Asian shrimp industry is much larger than the U.S. shrimp industry—I understand that some desire that we should have an American source of shrimp—it seems that increased Government funding of the shrimp industry is not needed at this time.

Mr. President, my staff met with shrimp industry representatives who explained their ongoing concern with foreign diseases infiltrating our national shrimp farms. I share their concern. However, since the shrimp industry is a profitable industry, and since the Federal Government already spends over $3 million a year on shrimp aquaculture research, this new financial need should be met by the shrimp industry itself.

Again, I hope when the bill goes to conference that the House demand its language on this matter and that Federal involvement with the shrimp industry be kept at a minimum.

I also want to express my concern that the Senate added language to the bill on page 33 that funds the National Natural Resources Conservation Foundation at no more than $250,000. This sounds very good, but it raises many questions. First, according to the act which established the National Natural Resources Conservation Foundation, Public Law 104–127, the foundation is ''a charitable and non profit corporation * * * [and] is not an agency or instrumentality of the United States.''

The law also notes the numerous duties of the foundation, many of which I agree with. But I want to note that the last of the duties proscribed in the law for this private corporation is ''[to] raise private funds to promote the purposes of the foundation.'' The law states this is a private organization that should raise funds and promote certain agricultural activities. I think we should let the corporation follow that law.

Mr. President, isn't the concept of a private corporation that it is private, therefore, not funded by the Federal Government? In general, private corporations should not be funded with Federal dollars. I hope the Secretary of the Department of Agriculture will not use any appropriated money to fund this organization. While there is a legitimate role for some Federal dollars to be used by private corporations for certain select activities that are necessary but which might otherwise go

unfunded, this is not one of those exceptions.

Again, Mr. President, this is a simple amendment. It represents a 3-percent cut in the Agriculture Research Service program and restores the House of Representatives-passed funding level for the program. I hope the Senate will adopt the amendment.

Mr. President, I have read the report language of the bill rather carefully. There are many worthwhile and worthy causes. Some of them I do not quite understand. Some of them are somewhat unusual, to say the least. Grape research, hops, insect rearing, goat grass control, nutrition intervention projects, cotton value-added/quality research, apple research, alfalfa research, corn germplasm research.

Mr. President, all these, I am sure, are worthwhile, but many Americans who are facing cuts in Medicare, cuts in Medicaid, cuts in food stamps, Social Security being in financial jeopardy would ask the question—and I think it is a legitimate one—should the taxpayers be paying for a fish farming experiment laboratory? Should the taxpayers be paying for cotton value-added/quality research? Should the taxpayers be paying for corn germplasm research? Apple research? Alfalfa research? Funding children's hospitals?

Mr. President, the question, I think, is a legitimate one. I have no information that the apple industry in America is in such dire straits that they need to have Federal dollars spent on apple research. I wonder if the apple industry in America could pay for apple research. I have no information that the Arkansas children's hospital is in such bad shape that it needs to have an additional $425,000 of taxpayers' dollars.

Bee research. I did not know that the Hayden Bee ARS Laboratory in Tucson, AZ, required earmarked funding. Mr. President, I did not know that the wheat industry was in such bad shape that it needed an additional $450,000 above the 1996 level for the ARS Pacific Northwest Club Wheat Breeding Program.

What I am saying, Mr. President, is it all gets down to the question about the role of government in our society. I was under the distinct impression that, at least on this side of the aisle, Members felt that the role of government in our society should be prioritized to provide for national security and for those in our society who are unable to take care of themselves who need our help, and certainly otherwise important programs.

I do not understand the logic behind funding with taxpayers' dollars industry, whether it be fish farms or grapes or cotton or wheat or bees, when those industries are not only not in need, but according to the information I have received that agriculture is one of the healthiest industries in America.

So I hope that we will make a modest cut and restore the House level of funding. Mr. President, I have very few illusions as to the prospects of this amendment, but I would suggest that sooner or later the American people will continue to question and question severely this kind of funding. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MCCAIN. Mr. President, I yield the floor.

Mr. COCHRAN. Mr. President, let me respond to the Senator from Arizona by saying that when we looked at the President's budget request for funding of the Agriculture Research Service activities, we, too, thought that the request was too high. Our careful evaluation of the needs for research done by the Agriculture Research Service resulted in our reducing the amount available for this activity by $7 million. So the proposal that is before the Senate is $7 million less than requested by the administration.

Let me also point out one other thing. I noticed the Senator's amendment would cut $18 million from the Senate-recommended figure, $18 million from what the Senate recommended. We are already $7 million below the President's request. He does that, he says, to bring our number to the point where we would agree with the House on the level of funding for these activities. The House number is $702 million in total. The bad part is, if you look at the House numbers individually in all the items in the bill that the House says should be funded, it adds up to $710 million more or less.

Draw the bottom line and put $702 million. He wants us to join that hocus-pocus and suggest we want individual projects funded up and down the line in their bill, and if you add them all up it is $710 million, round numbers, but they draw the bottom line and put $702. I will not submit a bill to the floor of this Senate and do that and say I am cutting spending more than we really are recommending when you look at the individual items.

What they are forcing the Department of Agriculture to do, if the Senate goes along with that, we are misrepresenting to the general public, we are misrepresenting to the Department of Agriculture, what our recommendation is. We are forcing the Department to pick out $7 million in cuts and impose them somewhere, and disavowing any connection with it. We are disavowing paternity with a $7 million cut.

If we are going to impose the cut to $702 million, identify where the cuts are going to be. If you are going to cut the Arkansas Research Program that the Department of Agriculture runs, you have to spell it out. If you are going to cut an Arizona cotton research activity that is a substantial investment of dollars in a new facility, say it. Say you are cutting western cotton research, and point out it is done in Arizona. Just to simply say we are spending more than we need but not say how, where, when, or to what extent, that is not right.

Now, after the Senator completed his proposal where he makes this $18 million cut, he then talked about other parts of the bill he found obnoxious that do not have anything to do with Agricultural Research Service funding. If there are programs that should not be funded, I suggest we ought to spell it out. Amendments ought to target those projects. If that is what the complaint is, offer an amendment that does that. But to offer an across-the-board cut which if we passed would force the Department to make the decisions, we would not have any responsibility for doing that. That is irresponsibility. That is not accountability.

I sympathize with the Senator's proposal that we make sure the dollars that are invested in research are, No. 1, needed, serve some public interest, are reviewed carefully. I can assure the Senate and I can assure the Senator from Arizona that will be undertaken here.

He did specifically mention shrimp research for shrimp farming operations and how they were money-making enterprises and they did not need the research dollars. I convened a hearing just on that issue last year to determine what some of the problems were in aquaculture in fresh water, some salt water shrimp and other aquaculture activities. I found out there was an epidemic of exotic viruses that have attacked the shrimp in those operations and we were, in exchange, importing huge quantities of shrimp from China and other foreign sources because we could not meet the supplies needed here for wholesome, safe shrimp and other seafood. This was a growing industry. It was one that had a lot of promise but it was about to be wiped out. These funds that are made available are made available on condition that the industry come up with its own money to help match the dollars that are put up by the Government to get to the bottom of this problem, and it is a problem.

Here is the hearing. This is a hearing record. This is not something the industry just came in and tried to push over on us. I am convinced the dollars that are made available for that activity are needed. The purpose, to provide high health and genetically improved stocks, to control disease agents, to enhance environmental protection, and to develop animal husbandry methods. All of this is needed if we are going to save this industry from a doom, a doom that will cause us to have to rely on foreign sources of these products. We already do. But we will be completely reliant on them if we are not careful, if we let this virus problem spread, if do not figure out how to stop it. That is needed. I will stand behind it. The record supports the need. I hope the Senate will reject the amendment.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I ask for the regular order.

The PRESIDING OFFICER. The regular order is the Senator's amendment number 4959.

AMENDMENT NO. 4969 TO AMENDMENT NO. 4959

(Purpose: To prohibit the use of funds to make loans to large processors of sugarcane and sugar beets unless the loans require the processors to repay the full amount of the loans, plus interest.)

Mr. GREGG. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 4969 to amendment No. 4959.

Mr. GREGG. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the word ''SEC.'' and insert the following:

REPAYMENT OF CERTAIN SUGAR LOANS.

None of the funds appropriated or otherwise made available by this Act may be used to make a loan to a processor of sugarcane or sugar beets, or both, who has an annual revenue that exceeds $15 million, unless the terms of the loan require the processor to repay the full amount of the loan, plus interest.

Mr. GREGG. This is the same as the underlying amendment, but it changes the amount that is required of processors to have recourse on from a $10 million threshold to a $15 million threshold. After that, it is a more lenient amendment than the first, if we presume we are requiring people to pay back loans.

It does not, I think, aggravate the situation and should not from the standpoint of my colleagues who feel differently on this amendment than I do. I offer it to protect my position in the batting order here.

I make one additional point. There was a point made on the other side, and this is, really, ancillary to the overall debate but needs to be responded to. There was a point made on the other side that the Sugar Program as presently structured actually causes a net ''infloat'' of the Treasury because this is an assessment process. However, if you take into effect in the calculation the cost to the Federal Government of having to buy sugar for products which it uses and food stamps and military feeding and child nutrition at the inflated rate we must pay because the Federal Government is a fairly large consumer—also as I mentioned, and I suspect ad nauseam for my colleagues, the price here is dramatically more than the price the market would be were this a market-oriented program versus price-control program.

GAO has advised us the cost to the Federal Government, by letter of July 18, the cost in 1994 to the Federal Government for purchasing products which had inflated prices due to the cost of sugar was approximately $90 million annually. So that exceeds, by, I think, a factor of three, what is alleged to be the positive cash flow of this program to the Treasury.

Let me read the operative sentences:

In 1994, total expenditures on food were approximately $647 billion. Of this amount, approximately $42 billion was government expenditures for food purchases and cash transfers to consumers for food purchases. This represented 6.5 percent of all domestic food expenditures. Applying this to the $1.4 billion cost of the sugar program, we estimate that the government's additional cost of purchasing food and providing the level of food assistance it delivered in 1994, was approximately $90 million.

Mr. President, I ask unanimous consent this letter be printed in the RECORD.

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

GENERAL ACCOUNTING OFFICE,
Washington, DC, July 18, 1995.

Congressional Requesters,

In our report entitled Sugar Program; Changing Domestic and International Conditions Require Program Changes (GAO/RCED–93–84, Apr. 16, 1993), we estimated that the U.S. sugar program costs sweetener users an average of $1.4 billion annually. In this context, you requested that we estimate how much the sugar program increases the government's costs of purchasing food and conducting food assistance programs.

While it is impossible to precisely quantify the direct costs of the sugar program to the government, we have approximated the government's additional costs, based on its share of total domestic food expenditures. In 1994, total expenditures on food were approximately $647 billion. Of this amount, approximately $42 billion was government expenditures for food purchases and cash transfers to consumers for food purchases. This represented 6.5 percent of all domestic food expenditures. Applying this percentage to the $1.4 billion cost of the sugar program, we estimate that the government's additional cost of purchasing food and providing the level of food assistance it delivered in 1994, was approximately $90 million.

Table I provides more detail, by program, on the government's expenditures on direct food purchases and cash assistance for consumer food purchases. These calculations are approximated, using the best available information.

TABLE I.—GOVERNMENT SPENDING ON FOOD PURCHASES AND CASH PAYMENTS FOR CONSUMER FOOD PURCHASES, 1994

[In millions of dollars]

Program	Amount
Food Stamps	$22,880
Child nutrition food subsidies [1]	6,262
Direct distribution to families	46
The Emergency Food Assistance Program (TEFAP)	142
The Special Supplemental Food Program for Women, Infants, and Children (WIC)	2,396
Commodity supplemental	84
Direct distribution to institutions	1,561
Direct distribution to the elderly	177
Correctional institutions [1]	1,564
Hospitals [1]	1,017
Nursing homes [1]	2,038
Other homes and schools [1]	266
Military food purchases [2]	1,055
Military subsistence payments [3]	2,401

Source: USDA Economic Research Service.
Note: Data are for calendar year 1994, except where otherwise noted.
[1] Includes federal, state, and local spending.
[2] Fiscal year 1994 data provided by the Defense Logistics Agency.
[3] Fiscal year data provided by each of the Armed Services.

While raising the costs of purchasing food and conducting food assistance programs, the sugar program generates some revenues through marketing assessments on sugar. On average, these marketing assessments total $30 million annually. If the sugar program did not exist, these assessments would not be collected.

If I can be of further assistance, please contact me at (202) 512–5138 or Bob Robertson at (202) 512–9894.

ROBERT C. ROBERTSON
(For John W. Harman, Director, Food, and Agriculture Issues.)

Mr. GREGG. Mr. President, I ask for the yeas and nays on my amendment in the second degree.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

They yeas and nays were ordered.

Mr. GREGG. Mr. President, I yield the floor.

AMENDMENT NO. 4968

Mr. BUMPERS. Mr. President, the amendment of the Senator from Arizona is arbitrary at best and capricious at worst.

The year 1995 culminated a series of cuts in agricultural research over a period of years. In other words, agricultural research funds had been cut every year for several years. In 1995, for the first time in this Nation's history, agricultural yields per acre failed to increase. That was on an apples-and-apples basis, where rainfall and so on was taken into consideration.

Now, the suggestion is, and I am not familiar enough with that study to know, but the suggestion is that as we have cut agricultural research money, we are finally being caught up by lower yields of agricultural products per acre.

When I was a youngster, 15 or 20 bushels of soybeans per acre in much of my State was ordinary. Today, even unirrigated beans ought to make 30 to 40 bushels per acre. Rice, I can remember when 50 to 75 bushels of rice per acre was a big crop, and today it is not uncommon, at all, in my State, for rice farmers to make 200 bushels of rice per acre.

Cotton. When I was a kid, because we did not have any antidote to the boll weevil, a half-bale of cotton to the acre was considered a pretty good crop. And everybody knows what Norman Borlaug did for wheat production in this country. All of those things were not accidental. They were done because the Federal Government put money into agricultural research. Right now, the fire ant is moving north. Southern Arkansas is covered with fire ants. They do a tremendous amount of damage. Killer bees are moving up from Mexico.

Mr. President, I am one of the people who think we probably made a mistake when we eliminated the honey program. The honey program cost very little. The reason I had real trouble with that amendment is because bees pollinate plants; 15 percent of all the pollinization in this country is done by native honey bees. The killer bees coming up from Mexico are killing our bees, and, in addition, there are strains

of virus and other threats to honey bees that need to be understood. That takes research. Once we understand the problems, solutions will follow.

I saw a story the other day that was interesting to me because the cranberry farmers of Massachusetts, for example, are getting terribly upset because they depend on bee farmers to bring their hives to their crops and pollinate them. I am not sure New Hampshire does not have some crops similar to that, which honeybee farmers bring into New Hampshire. And now the average life of a beehive has gone from 3 years to 1 year. Oh, yes, we spent Federal dollars every year subsidizing the honey industry through research. But I can tell you that is peanuts—if you will pardon the expression—compared to the benefit that honey bees do for the American farmers in pollinating their crops.

The Senator from Arizona mentioned aquaculture. Thirty years ago, the farmers of Arkansas started raising catfish, domestically raised catfish. And all the world, if they are not already familiar, should know that it is the most beautiful, delicious, delicate, succulent fish ever known. We went into the catfish farming business almost out of necessity because we irrigate our rice crops and we store the water in the wintertime. The farmers decided that as long as they have these big ponds of stored water that they use to irrigate rice with, why not figure out another use for those rice irrigating ponds.

My predecessor in the U.S. Senate, Bill Fulbright, helped come up with the idea of raising catfish in those ponds. Mr. President, would you like to know how many pounds of catfish we could raise a year per acre? Seven-hundred pounds. And so at least we started a couple of catfish research projects called aquaculture—all fish-raising is aquaculture. We have one in Mississippi and one in Arkansas. In Arkansas we think continued research is important and 2 years ago we made substantial investments to improve our aquaculture research facilities in Stuttgart. The 1996 farm bill redesignated that facility as the National Aquaculture Research Center, and I can tell you we are all very proud of it. Some of the magazines called it a $7 million fish farm. It had nothing to do with fish farming beyond its application of new information for fish farmers; it was all research. But over the period of the last 30 years, because the Federal Government has put money into fish farming research, catfish farming research, production of catfish per acre has gone from 700 pounds per acre per year to 4,400 pounds per acre per year. And unless we continue to fund agriculture research, we are going to be sitting around the breakfast table looking at each other wondering what we are going to eat that day.

On the front page of the Metro section of the Post this morning there was an interesting article concerning blue crab in the Chesapeake Bay? The crop this year is so sparse that 500 crab pickers are out of work. And the ones who are working are working 3 days a week. Now, if somebody came in here and said they had a beautiful idea for replenishing the crab population of the bay, I might vote for it. I can assure you that those employed in the crabbing industry around Chesapeake Bay and consumers who enjoy reasonably priced crabmeat would be asking us to vote for it.

The Senator from Arizona mentioned Children's Hospital in Arkansas. I can remember when the Children's Hospital in Arkansas was just a small hospital to treat severely burned children. Today, it is one of the finest state-of-the-art children's hospitals in America. And this is the third year we have put money in that. What is the Department of Agriculture doing giving money to the Children's Hospital in Arkansas? It is for a really sophisticated nutrition program. Do you know something else? The Children's Hospital in Little Rock is putting up a lot of money—millions—to build a facility to house this nutrition program. I never knew what a children's hospital was. A hospital was a hospital to me, until my daughter became ill and the pediatrician said, ''You ought to take her to Boston.'' The finest children's hospital in the world is in Boston, MA. That is where I took her. Today, I would not have to go to Boston because of the tremendous strides of the Arkansas Children's Hospital.

A member of my family left a week ago and went to the emergency room of one of the hospitals in Washington, DC, and there were three residents standing there. This new doctor, a young man, walked in. He had just joined Georgetown University Hospital. When he found out I was from Arkansas, he said, ''You know, when I finished my training and started looking for a place to settle, believe it or not, I went to Little Rock, AR. I looked over your Children's Hospital, and I never got such a shock in my life. It is one of the finest facilities I have ever been in. I nearly decided to stay in Little Rock, not only because of the facilities but because of the quality of the people there.''

There is $425,000 in this bill to continue funding what we hope will be one of the finest children's and nutrition programs in the United States. Now, I can remember when it took 9 to 12 weeks to grow a broiler, a chicken, for the retail fresh market. Today, you do it in 6 weeks. Do you know why? Because of agriculture research.

So I cannot say much more than the chairman has already said. He made a beautiful speech on the McCain amendment a moment ago. I hope when the time comes that the amendment, which, as I say, is arbitrary at best, will be soundly defeated.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that Robert Hedberg, who is working for the Senate Agriculture Committee, be given floor privileges during the debate on this amendment.

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

Mr. COCHRAN. Mr. President, I rise to simply advise the Senate that the Senator from Massachusetts came over a while ago to ask if he could have 10 minutes as if in morning business to talk about a subject that he discussed in the Senate earlier, and hadn't been able to complete his remarks. I suggested that he come over around 4:30, thinking that there might be a lull in the action so that he could proceed with morning business remarks. But I know the Senator from North Dakota is here to talk about the issue before the Senate. I hope we can resolve it so that the Senator from Massachusetts can have a few minutes following the Senator from North Dakota, or preceding the Senator, whatever is their pleasure.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 4959

Mr. CONRAD. Mr. President, they are at it again. The critics of farm programs are suggesting bad policy for agriculture and are trying to break the promise just made to the American farmer.

On April 4 this year, the President signed into law the 1996 farm bill. That is April 4 of this year. The proponents of that bill claim they had a 7-year plan for agriculture, one that promised to be reliable, one that promised to provide certainty, one that promised to reduce Government interference.

The farm bill passed, and now we see how quickly their promises have been broken. The House Agriculture Appropriations Subcommittee proposed additional cuts in addition to those already made in commodity payments under the freedom to farm legislation. They broke their promise to the American farmer—not 7 years later, but 7 weeks later. So much for reliability and certainty.

Thankfully, those additional cuts in commodity payments were rejected at the full committee level. But the critics of the farm program did not stop there. They proposed, on the House side, capping raw sugar prices. Imagine, people who advocate market orientation are placing into law a limit on what prices could be in an industry. If that is not Government interference, I do not know what is.

Under that amendment, the Republican-led House would be telling the Government to reach into the sugar market and place an arbitrary cap on prices. It is the ultimate irony—Government interference at its worst. Once again, a promise was broken.

Now today we are faced with an amendment to interfere even more with what was just agreed to months ago. The Gregg amendment eliminates the safety net U.S. producers have

against heavily subsidized foreign competition.

The Senator from New Hampshire I think is well-motivated, well-intended, but I think sadly misinformed as to international sugar and about what happens in these markets. And I would say to my colleague from New Hampshire that this is not like Dell Computer, or Apple Computer, or IBM. Oh, no, that is not the way the sugar market works in the world. This is not a free market. That is a nice idea—a textbook idea—but it is not the real world. The sugar industry worldwide works in a much different way. Every major producing country has a program—every one. We are not talking about a free market. We are talking about heavy Government involvement in every one of these producing countries.

What the Senator from New Hampshire wants to do is say to the U.S. industry, ''You go out there and compete against all these other countries, but without the benefit of a program. You go out there, and we are going to engage in unilateral disarmament here in America.'' We are going to say to our folks, ''You go out and compete not only against other countries' farmers, but against the governments of other countries, and good luck. We hope everything will work out.'' Everything will not work out.

Anybody who has looked at the sugar industry and what has happened knows better, knows precisely what will happen, if we say to our producers, ''You go out there and compete against heavily subsidized foreign sugar and see what happens.'' We all know what will happen. Our folks will go broke, because the treasuries of these countries with whom we are competing are a lot bigger than the treasuries of the individual producers.

That is the reality of what we face here. This notion that the Senator advocates that U.S. sugar policy unfairly inflates U.S. prices over world prices is absolutely untrue—absolutely untrue. All of us know what happens if you take away the sugar program. This chart shows what has happened the two times we eliminated the sugar program. Here is what happened to prices. They skyrocketed in both cases in the early 1970's and in the early 1980's. Prices skyrocketed. Why? Because the market knew we were headed for turbulence, a lack of certainty, that people would dramatically reduce their plantings. And what would happen is you would see shortages, spot shortages. And those who are producers of sugar, refiners, bid up the price in order to assure themselves of a stable supply. That is what has happened repeatedly.

Unfortunately, when my colleague says, ''Gee, look at the price. The sugar price is 22 cents a pound, and the world price is 13 cents. Well, there is evidence, there is clear evidence that this sugar program is gouging consumers.'' Nonsense, absolute nonsense.

Eighty-five percent of the sugar that is marketed in the world moves under contract. This sugar is not in the world market at all. It is moved under a contract. For this reason, the so-called world market is not a world market. It is a dump market. It is where the sugar sells that is not under contract. That is why you see the prices in the so-called world market, the dump market, selling for 13 cents.

Look at what happens if you eliminate the sugar program. We know what happens. Every time it has been tried, prices skyrocket. And who got hurt? I will tell you who got hurt. The consumer got hurt. This is not a free-market model. That is not what is happening in world sugar production.

Make no mistake: The Gregg amendment kills the sugar program. If you want to kill the sugar program, there is a way to do it—pass the Gregg amendment. If you want to sock it to consumers, pass the Gregg amendment. Prices will skyrocket. We know, it has happened before whenever somebody actually got a mind to pursue this course. But not only will it hurt consumers, it will hurt American producers, because even though prices will go up, American producers will be hurt. Why? Because we will get a flood of foreign sugar into the U.S. market.

We know what will happen. It happened every time in the past when this and the other Chamber has decided that we should eliminate the sugar program, that we were going to be free from the world and act as though there is some free market in world sugar. There is no free market.

Let me just say that the Gregg amendment is not a program. It is a recipe for disaster. It will force dozens of millers and processors and thousands of farmers out of business. This is not some insignificant amendment.

In my State, there are thousands of farmers that depend on sugar for a substantial part of their income. Kill this program, and you kill them. And they know it. They know exactly what is happening in these world markets. They know exactly what has happened with other countries' programs. They know exactly what we are up against in these world markets.

For those less familiar with sugar policy, loans are not made to these producers, because beets and cane are not storable commodities. It is unlike other commodities such as grains, such as corn and wheat. Those are programs that have a payment that goes directly to producers because those are storable commodities.

That is not the case in sugar. Sugarcane and sugar beets are not storable. So what we have is a program where the loans are made to the millers and processors who store the raw cane or the processed beet sugar. As a result, producers are intricately tied to the millers and processors. If millers and processors are no longer able to use the loan program, they will simply go out of business and they will take farmers with them, make no mistake.

Let us just look at how many beet processors and cane mills have already gone out of business. This chart clearly shows that this industry is already facing hard times. This shows what has happened to beet and cane processing mills that have gone out of business since 1990. If anybody thinks there is some big windfall out here, somebody is getting rich on this program, let us look at the record.

Why did all these folks go out of business if it is so good? Let us look at beet and cane processing mills. This is just since 1990. The record since 1980 is a whole lot darker.

Let us just look since 1990. Delta Sugar Co., beet plant, California, went under in 1993; Holly Sugar, California, beet plant, 1993; Columbia Sugar, cane plant, went out of business, Louisiana, 1994; Hamakua Sugar, cane plant, Hawaii, 1994; Hilo Coast Processing, again, cane sugar, went out of business in 1994; Oahu Sugar, cane plant, Hawaii, 1994; Spreckels Sugar, again, a California plant—this is a beet plant—went out of business in 1996; Holly Sugar, Hamilton City, CA, beet plant, went out of business in 1996; Ka'u Agribusiness Co., cane plant, Hawaii, 1996, went out of business; Kaialua Sugar Co., cane plant, Hawaii, 1996, went out of business; McBryde Sugar, cane plant, Hawaii, went out of business in 1996; Western Sugar, Mitchell, NE, beet plant, went out of business in 1996.

One after another, right out of business, and you pass the Gregg amendment and we will be able to provide next year chart after chart after chart just like this one of companies that have gone out of business. That is what we are talking about. The stakes are high.

Let me be clear. The Gregg amendment benefits the sugar refiners. That is who is the beneficiary if this amendment passes, not consumers. They will not benefit. In fact, they will be hurt. Not farmers, not beet processors, not cane mills, but refiners, they will be the beneficiaries.

Let us look at charts that show the efforts made to increase the supply of raw sugar in the U.S. market and the activity it caused in the market. This chart shows what we have seen with respect to raw sugar prices and the import quota increases over the past year and a half as USDA allowed quota increases four consecutive times, all to the benefit of refiners.

This chart shows raw sugar prices from 1995 to 1996. On November 9, 1995, USDA allowed another 330,000 tons to come in over quota—that is, foreign sugar to come into the United States—and look what happened to prices. Prices went down markedly. Then they came back up. January 17 of this year they socked it to the domestic producer again bringing in more foreign sugar and predictably prices plunged again. Then we saw price recovery. All of this is moving in the 22½ to 23 cents a pound range.

On April 1, they did it again, brought in another 220,000 tons from abroad.

Prices plunged. And again, June 12, just a month ago, another 165,000 tons. Look what happened to prices; a steep decline as more foreign sugar was brought in, that benefited whom? Benefited the refiners because they were getting more sugar to process through their plants, more throughput, more activity, more profit.

I do not begrudge them and their profit. But let us look at what is happening with respect to the throughput of the refiners, because the Gregg amendment is misnamed. It ought to be called the ''refiners benefit bill.'' That is really what we are talking about. You are picking sides in an economic fight and you are saying we want to give the refiners more than they are getting now.

Let us look at what the throughput has been through cane refiners' plants in the last 10 years—1985–86 to 1995–96.

Back in 1986–87, we were looking at 5.3 million short tons. Had a bad year in 1987–88. Then we went to 5.4 million short tons. Went up to 5.9 million—that is the peak—in 1990–91. Then we saw some pulling back. But in 1995–96 we see a record for the refiners in terms of throughput, 6.4 million short tons—6.4 million short tons. And yet what do we have before us? The refiners benefit bill. They have just had record throughput. That is the amount of product going through their plants. They just had a record year.

Well, throughput alone does not tell you what the refiners are experiencing. You have to look at the difference between the raw sugar price and the refined sugar price. That will tell you, combined with throughput, how well our refiner friends are doing.

What do we find when we look at that? Well, it is very, very interesting—very interesting, indeed. This chart shows from 1990 to 1996 raw sugar prices. That is in red. I hope there is nothing in the way of their seeing exactly what has happened to raw sugar prices.

They have been stable for 10 years. This awful program that is gouging consumers has provided them with stable prices for 10 years. Name anything else that people buy in this country that has been stable for 10 years. Tell me one thing that has been stable for 10 years. But sugar prices, raw sugar prices have been stable. I wish I could say the same thing for refined sugar because refined sugar, you can see, starting in 1995, took off like a scalded cat. Refined sugar prices jumped, and jumped dramatically at the same time raw sugar prices were falling. Raw sugar prices were falling; refined sugar prices were skyrocketing. I have already shown you the record throughput for refiners in 1995–96. And yet what we have before us is a refiners benefit bill. That is the Gregg amendment.

Why should we be passing a refiners benefit bill when they have just had the biggest throughput in their history and, No. 2, the best margins—the best margins—that you can find in the last 10 years?

Mr. President, what has happened, I believe, is very clear. This is a transparent argument. The refiners want to continue to make more money by refining cheap sugar from the world market. This amendment not only breaks the promises of reliability, certainty, and reduced Government interference in agriculture that was made to American farmers only 4 months ago, but it is bad policy that would send shock waves through a domestic industry, a domestic industry that produces tens of thousands of jobs in this country.

I hope my colleagues will join me in soundly rejecting the Gregg amendment.

Let me just conclude by saying this is, again, not like the typical industry. Senator GREGG refers to the computer industry, and says there is no Government involvement there. He is right. That is a whole different ball game than the worldwide sugar industry, where every single major producing country has a program. Every single one of them aggressively supports their producers. If we are to abandon ours, the results will be very, very clear.

No. 1, we have seen what has happened in the past in terms of prices. Prices will skyrocket. That is undeniable. The world price the Senator refers to as 15 percent of the market is a dump market. It has no relationship to supply/demand relations in the world. The vast majority of sugar moves under contract in the world. So that dump market and its so-called world price is not a world price at all, it is a dump price. That is what people get for sugar produced above and beyond their contractual requirements. If you take away the program you are going to get exactly what we saw the last two times: Prices skyrocket. So consumers are not going to be helped, they are going to be hurt.

No. 2, the processors in this country, beet processors and cane processors, are going to be hurt. I have already shown all the plants that have closed in 1994, 1995, and 1996. A lot of plants have closed. Only one refiner but a lot of processing plants have closed. So those folks would be hurt. When they are hurt the farmers are hurt because the farmers are directly tied with those processing facilities. All of a sudden, if you yank out from U.S. producers any support, what you have done is changed the balance of power in these world markets.

Who have you helped? You have helped our foreign competitors. The Gregg amendment is great if you represent a foreign country and you produce sugar. They would look forward to the day the United States pulls the plug on its producers and its processors. They are just waiting for the opportunity to come in and take over this industry, take the jobs, take the economic growth, and take the economic opportunity.

American farmers who produce sugar are the most efficient in the world. We are ready to compete head to head with anybody at any time. But what our producers are not prepared to do is to take on not only the farmers of another country but the governments of other countries. That is not a fair fight. And our Government should not abandon our producers and our processors, helping foreign governments, foreign producers, foreign processors against the refiners of this country. That is what this amendment is really about. I hope this Chamber will do as it has done before and reject the Gregg amendment and reject it in a resounding way.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

Mr. KENNEDY. Mr. President, I thank my colleagues, our managers, for indicating when might be an appropriate time to speak on an issue, the underlying issue, which is welfare reform in a way not to interfere with debate on the agricultural appropriations bill. I will take that opportunity now, to speak on this underlying measure, which the Senate will address tomorrow.

There will be a series of amendments. I offered amendments dealing with the children of legal immigrants and also to provide, if we are going to go into these rather draconian measures in cutting off help and assistance to these children, to another amendment, which has been described in the RECORD earlier today, to help and assist the local counties and communities where they are going to have a particular burden, trying to implement the provisions to terminate help, assistance to poor children.

I have a fuller explanation on that. I will not take the time of the Senate on those measures, which are more fully explained in the RECORD earlier today. I will address the overall issue which is before us, and that is the proposal placed on the Senate agenda, which we will vote on tomorrow, under the title of the welfare reform.

Mr. President, in putting forward this legislation, I believe the Republican majority is asking us to codify extremism and call it virtue. Their plan will condemn millions of American children to poverty as the price for the misguided Republican revolution. If children could vote, this Republican plan to slash welfare would be as dead as the Republican plan to slash Medicare. In fact, the driving force behind this attack on children is not welfare reform at all. It is the desperate Republican need to find some way, any way, to pay for their tax breaks for wealthy.

Honest welfare reform is long overdue. The current system is broken. Major change is needed. I support honest reforms that end welfare as a way