I yield the floor.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

AMENDMENT NO. 962

(Purpose: To make technical corrections to the bill)

Mr. COCHRAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for himself and Mr. BUMPERS, proposes an amendment numbered 962.

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 55, line 20, strike ''1997'' and insert ''1998''.

On page 55, line 21, strike ''1997'' and insert ''1998''.

Mr. COCHRAN. Mr. President, this is a technical amendment offered for myself and in behalf of the Senator from Arkansas [Mr. BUMPERS]. It has been cleared on both sides of the aisle.

I ask that it be approved by the Senate.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment of the Senator from Mississippi.

The amendment (No. 962) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 963

(Purpose: To make an amendment relating to rural housing programs)

Mr. COCHRAN. Mr. President, I send an amendment to the desk on behalf of Senators D'AMATO and SARBANES.

The PRESIDING OFFICER. The clerk will report.

The assistant clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. D'AMATO, for himself and Mr. SARBANES, proposes an amendment numbered 963.

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:

At the appropriate place in the bill, insert the following:

SEC. . RURAL HOUSING PROGRAMS.

(a) HOUSING IN UNDERSERVED AREAS PROGRAM.—The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking ''fiscal year 1997'' and inserting ''fiscal year 1998''.

(b) HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES AND OTHER LOW-INCOME PERSONS AND FAMILIES.—

(1) AUTHORITY TO MAKE LOANS.—Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking ''September 30, 1997'' and inserting ''September 30, 1998''.

(2) SET-ASIDE FOR NONPROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking ''fiscal year 1997'' and inserting ''fiscal year 1998''.

(3) LOAN TERM.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended—

(A) in subsection (a)(2), by striking ''up to fifty'' and inserting ''up to 30''; and

(B) in subsection (b)—

(i) by striking paragraph (2) and inserting the following:

''(2) such a loan may be made for a period of up to 30 years from the making of the loan, but the Secretary may provide for periodic payments based on an amortization schedule of 50 years with a final payment of the balance due at the end of the term of the loan;'';

(ii) in paragraph (5), by striking ''and'' at the end;

(iii) in paragraph (6), by striking the period at the end and inserting ''; and ''; and

(iv) by adding at the end the following:

''(7) the Secretary may make a new loan to the current borrower to finance the final payment of the original loan for an additional period not to exceed twenty years, if—

''(A) the Secretary determines—

''(i) it is more cost-effective and serves the tenant base more effectively to maintain current property than to build a new property in the same location; or

''(ii) the property has been maintained to such an extent that it warrants retention in the current portfolio because it can be expected to continue providing decent, safe, and affordable rental units for the balance of the loan; and

''(B) the Secretary determines—

''(i) current market studies show that a need for low-income rural rental housing still exists for that area; and

''(ii) any other criteria established by the Secretary has been met.''.

(c) LOAN GUARANTEES FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.—Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (q), by striking paragraph (2) and inserting the following:

''(2) ANNUAL LIMITATION ON AMOUNT OF LOAN GUARANTEE.—In each fiscal year, the Secretary may enter into commitments to guarantee loans under this section only to the extent that the costs of the guarantees entered into in such fiscal year do not exceed such amounts as may be provided in appropriation Acts for such fiscal year.'';

(2) by striking subsection (t) and inserting the following:

''(t) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 1998 for costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of loan guarantees made under this section such sums as may be necessary for such fiscal year.''; and

Mr. D'AMATO. Mr. President, I rise to support the amendment relating to Department of Agriculture rural housing programs. I would like to express my appreciation to Chairman COCHRAN and Ranking Minority Member BUMPERS for their consideration of this amendment and their continued commitment to providing affordable housing for our Nation's rural Americans.

The Department of Agriculture has a number of successful housing programs under the auspices of its Rural Housing Service [RHS]. Although operated by the Department of Agriculture, rural housing programs are under the jurisdiction of the Banking Committee. As chairman of the Banking Committee, I respectfully request the consideration of this much needed amendment.

This amendment contains provisions which will permit important housing programs to continue in an uninterrupted and cost-efficient fashion. It includes 1-year extensions of housing programs which have expired or will expire in the near future. Specifically, the RHS Section 515 Rural Rental Housing Program, the RHS Section 538 Rural Rental Housing Loan Guarantee Program, and the RHS Underserved Areas Program would be extended until September 30, 1998.

Due to the uncertainty of final passage of housing reauthorization legislation this year, these short-term extensions are essential. In addition, the amendment would alter the section 515 loan term and amortization schedule. This provision would change the loan term from 50 to 30 years, but allow the borrower to have the loan amortized for a period not to exceed 50 years. This statutory change incurs no cost to the American taxpayer, and is necessary to ensure that budget authority provided will support the administration's proposed fiscal year 1998 section 515 program level.

The need for affordable housing in rural areas is severe. According to the 1990 census, over 2.7 million rural Americans live in substandard housing. In my home State of New York, 76 percent of renters are paying 30 percent or more of their income for housing. Approximately 60 percent of New York renters pay over 50 percent of their income for rent.

The section 515 and section 538 programs are some of the few resources available to respond to this serious unmet housing need. Since its inception in 1962, the section 515 rental loan program has financed the development of over 450,000 units of affordable units in over 18,000 apartment projects. The program assists elderly, disabled, and low-income rural families with an average income of $7,200. The alteration of the section 515 loan term and amortization schedule will provide over 500 additional units. The section 538 program is a relatively young loan guarantee program which has already proven to have widespread national appeal. With a proposed subsidy rate of approximately 3 cents per $1, it is an example of cost-effective leveraging of public resources.

I thank the Appropriations Committee for its recognition of the great need for these important rural housing programs and its steadfast commitment to

ensuring that every Federal dollar appropriated serves the greatest number of our low-income rural Americans. I support immediate passage of this amendment. Thank you.

Mr. SARBANES. Mr. President, I rise today in support of an amendment concerning rural housing reauthorizations for the Rural Housing Service of the Department of Agriculture. I want to commend Chairman COCHRAN and Ranking Member BUMPERS for their tireless efforts and cooperation in bringing the Agriculture Appropriations Act of 1998 to the floor for Senate consideration.

Given the uncertainty of housing reauthorization legislation this year, I have joined with Banking Committee Chairman D'AMATO to request the inclusion of an amendment that would reauthorize several rural housing programs in the 1998 Agriculture appropriations bill. This amendment will allow the section 515 and section 538 rural rental housing programs to continue providing multifamily housing developers with direct loans and loan guarantees to build or rehabilitate affordable rental housing.

In addition, this amendment reauthorizes for 1 year the nonprofit set-aside which reserves 10 percent of section 515 funds for nonprofit applicants, as well as the Underserved Areas Program which targets funds to the 100 most underserved rural communities. This amendment also changes the section 515 loan term from 50 to 30 years, while allowing the loan to be amortized over a 50-year period. This change permits the administration's proposed program level in the budget of $150 million to be supported by almost 15 percent less in budget authority.

Without these housing programs targeted to very-low and low-income rural residents, there exists few resources in rural America to help alleviate the shortage of affordable rental housing. Rural areas still lack adequate access to commercial credit to finance affordable multifamily housing. The direct benefits to rural communities from the section 515 and section 538 programs includes increased jobs and local taxes in addition to attracting and maintaining businesses. This is a direct and vital link to the overall health and stability for rural communities.

While the Rural Housing Service has done much to bring decent, safe, and affordable housing to rural America, many rural families are still in need of assistance. Rural renters experience housing problems such as overcrowding, cost overburdens, and substandard facilities. There are 1.6 million rural households that live in housing without adequate plumbing, heating, or kitchen facilities. Nearly 2.5 million are paying more than 50 percent of their incomes for housing costs, and another 3 million pay between 30 and 50 percent. As we encourage families to move from welfare to work, it is even more essential that we build on the vital housing programs that provide the safety net which will give the working poor an opportunity to live in affordable, decent housing.

Again, I would like to thank Chairman COCHRAN, Ranking Member BUMPERS, and the rest of my colleagues for their swift action to ensure that essential rural rental housing programs receive authorization to continue serving low-income families for another year. I urge the adoption of this amendment.

Mr. COCHRAN. Mr. President, I know of no objection to this amendment. It has been cleared. We recommend that it be approved.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from New York.

The amendment (No. 963) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

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

AMENDMENT NO. 961

(Purpose: To withhold $4,000,000 of appropriated funds from the Risk Management Agency until the administrator of the agency issues and begins to implement a plan to reduce administrative and operating costs of approved insurance providers)

Mr. ROBERTS. Mr. President, I have an amendment numbered 961 and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Kansas [Mr. ROBERTS] proposes an amendment numbered 961.

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

The amendment is as follows:

On page 28, line 19, before the period at the end of the sentence, insert the following: ": *Provided further,* That, of the amount made available under this sentence, $4,000,000 shall be available for obligation only after the Administrator of the Risk Management Agency issues and begins to implement the plan to reduce administrative and operating costs of approved insurance providers required under section 408(k)(7) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(7))".

Mr. ROBERTS. Mr. President, prior to discussing the amendment, I want to take this opportunity to associate myself with the most pertinent remarks stated by the distinguished Senator from Mississippi, the chairman of the Agriculture Appropriations Subcommittee, and the distinguished ranking member, the Senator from Arkansas. Chairman COCHRAN and the ranking member, Senator BUMPERS, have demonstrated continued leadership and tireless efforts to make it possible for the American farmer and rancher to continue to feed this country and a troubled and hungry world.

Senator COCHRAN said in his earlier remarks that all have contributed. I would also like to extend my congratulations to the staff, both of Mr. COCHRAN and to Mr. BUMPERS, and I would point out to the American consumer, all taxpayers as well as our farmers and ranchers about what is at stake here. It is just not the eighth or ninth appropriations bill we are considering in this Chamber, albeit that is important. We are talking about the fact that the American consumer today spends only 10 cents of the disposable income dollar for that so-called market basket of food.

Every housewife in America should pay attention to the fact that that frees up 90 cents for hard-pressed families today to spend on education or housing or the other essentials. And so we want to say thank you to Senator COCHRAN and Senator BUMPERS for providing the funds to continue this vital responsibility of feeding America.

Senator BUMPERS mentioned food safety. Now, we have heard a great outcry in regard to E. coli, salmonella, and other challenges we face, but as Senator BUMPERS pointed out we have, hopefully, adequate funds to address that problem. So this bill deals with food safety. And I might point out that since we have the best quality of food at the lowest price, the American consumer today apparently cares more about convenience and the safety of their food supply rather than price. That is unequaled in regard to any country. And so this bill does address that.

I could go on about the trade aspects of the bill and our balance of payments and jobs. I could point out we all live longer as a result of the efforts of agriculture and farmers and ranchers and the investment we are making in this bill. Simply put, we do have the best quality food at the lowest price in the history of the world, and I think a lot of people do take agriculture for granted. The first obligation of any government is to provide its country an adequate food supply. Who is responsible for this? Many are, but two particular individuals, one the chairman of the committee and the other the ranking member. And I again wish to thank them.

As a matter of fact, I can recall several months ago that the chairman of the subcommittee, Senator COCHRAN, and I were privileged to join Senator STEVENS on a trip to the Russian Far East and to South Korea and to North Korea. We were the first congressional delegation allowed into North Korea. And in North Korea, the former leader of that country, if I can refer to that person as a leader, Kim Il-song, called

the ''Magnificent Leader,'' by the way, has written a veritable tome of books about that kind of government. It is a very repressive and totalitarian government. But the first book—and I read it the evening we were there—starts out with agriculture and says the first obligation of any country is to be able to feed its people.

So while we were there we were working on the four-party peace talks, and we were trying to be a positive influence, and Senator COCHRAN has a great deal of expertise in regard to disarmament. He had this other idea; he insisted in regard to Senator STEVENS, myself and others, we visit this collective farm. And the Senator made a good point. We went out and we visited it outside the capital city of Pyongyang, and we found a farm that had farming practices back in the 1930's, largely responsible, I might add, for the famine in that country.

I really think, if you stop to take a look at it, we ought to count our blessings in the fact we have outstanding individuals in the Senate such as Senator BUMPERS and Senator COCHRAN responsible for the investment in American agriculture to allow us to do the things we do. I have been through what, five or six farm bills, having had the privilege of serving in the other body. Those are the authorizing committees. I also wish to thank Senator COCHRAN in particular for the way that he has handled the obligations and responsibilities of the appropriators. It is a difficult task to try to fit together our spending priorities with the policy objectives of the authorizers, and I must say in all candor, unlike the other body, Senator COCHRAN has closely cooperated with the authorizing committee, has done so with fairness, with tolerance and with respect and comity and also understanding and effective leadership. I think we have quite a team on the appropriations subcommittee involving agriculture appropriations, and I again wish to thank them. I thank Senator BUMPERS and Senator COCHRAN on behalf of every farmer, every rancher, and every consumer in America. I think they have done an outstanding job.

Mr. President, I regret that I must offer this amendment. Quite honestly, it pains me to have to even suggest this course of action, but my responsibility to the farmers of America certainly compels me to do so. The purpose of this amendment is twofold. First, it allows this body to recognize that the Risk Management Agency—that is the outfit that administers the USDA's Federal Crop Insurance program—has failed to comply with the Federal Crop Insurance Act of 1994. That is 3 years ago.

Second, as a result of the Risk Management Agency's unwillingness to submit and implement a plan to reduce administrative and operating costs of approved insurance providers as required under the 1994 act, this amendment would withhold—I am not trying to cut, just withhold—funding of $4 million of funding from the RMA appropriation unless the plan is implemented by September 30, 1998.

Mr. President, farmers have always needed crop insurance in order to make ends meet, in order to work, but for too many years it was always either too expensive or provided too little coverage depending on what region you came from and what commodity. But we passed the 1994 Crop Insurance Act and privately developed crop insurance products surfaced as a replacement, very long needed replacement, to the old USDA-sponsored insurance programs. Now, while crop revenue coverage, or what we call CRC, is widely regarded as a revolutionary new risk management tool in farm country, we are providing farmers the capability, the tools, if you will, to manage their downside risk when prices fall. It is not like the old insurance products. The CRC protects both against price and yield risk. It is expensive, that is true, but it is worth the price for farmers who want adequate protection for their farm and their family. But, unfortunately, too often the USDA has taken an adversarial position to the development of these private crop insurance programs.

Too often the department has tried to compete with the private sector in the development and marketing of these products.

A few weeks ago, a crop insurance agent from Luray, KS, population about 500, came into my office and said: ''Senator ROBERTS, I really want to continue selling crop insurance because I know the farmers in our community need it, that our town depends on the farm economy for its survival. But, Senator, all the paperwork and redtape involved has forced me to hire additional people just to push the paper around. Unless the regulatory burden subsides, I am afraid I will have to stop selling crop insurance entirely.''

This amendment is all about that crop insurance agent and small town America. This amendment is all about the farmer, who tries to feed this very troubled and hungry world, who will invariably face higher crop insurance premiums as a result of USDA's intransigence. We cannot let this unfortunate situation threaten the viability of our crop insurance program and our farmers, the exciting new tools for the farmers to manage their downside risk.

I urge support for this amendment. I simply ask the risk management agency to do what the Congress and the President required of them back in 1994. We made that arrangement. We lowered the payments that went to the crop insurance companies in exchange for regulatory reform.

I don't know how many times I have asked the RMA folks, officials down there, where is the report? In 1994, no report; 1995, no report; 1996 no report; 1997—it's time. This is going to give them clear up to September 30, 1998. But this ought to at least open some eyes down at USDA that we need regulatory reform. That's what we asked for, that's what we required in the 1994 act. I ask consideration of the amendment.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, we have looked at the amendment proposed by the distinguished Senator from Kansas. I must say, it is targeted to a very narrow issue, and it seeks to withhold only $4 million of a $64 million account which is appropriated or recommended for appropriation in this bill for the administration of the Risk Management Agency that has a responsibility for administering the crop insurance program.

I am not going to oppose this amendment. I sympathize with the goal. I sympathize with the effort to get the attention of the administration to do something that was required of them in the 1994 act of Congress. I am hopeful the Senate will approve the amendment and that this will help achieve the goal of the distinguished Senator from Kansas.

Let me also say, too, I am very grateful for his generous comments about the work of our subcommittee and the efforts we have made to present a bill that reflects the needs of our country in connection with agriculture and agricultural production and all of those other activities that are funded in the legislation. He is very kind to point out that we have worked hard. He has been a big help, too, in certainly helping us understand the provisions that were contained in the last passed farm bill, which he had a great deal to do with writing as chairman of the House Agriculture Committee. We are lucky to have him in the Senate, and we appreciate his continued advice and counsel and assistance in these matters.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, let me echo the comments of the distinguished Senator from Mississippi, Chairman COCHRAN. I subscribe to everything he said. I also want to especially thank the distinguished Senator from Kansas for his very, very kind, laudatory comments.

Having said that, let me just say I am not going to object to the amendment either. I think, in a way, it is a little bit of a sledgehammer approach. But, by the same token, the Senator is entitled to the report he requested a very long time ago. It is a legitimate request, and the Department should have responded to it much sooner.

The Department objects to the amendment, but I am going to, on behalf of this side of the aisle, say I will accept the amendment and I strongly encourage the Department to respond, so, possibly by the time we get to conference, we can deal with this amendment. But let the Department know in advance that unless there is a very firm commitment made, the Senator's

request will be honored and the amendment will wind up in the conference committee report.

So, I am going to clear this amendment for this side of the aisle.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 961) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I understand that Senators are considering offering amendments. Let me say this is a good time to come to the floor and do that. We expect amendments to be offered. We hope to wind up consideration of all amendments so we can stack votes and have those votes at 4 o'clock this afternoon, and then final passage of the bill. To do that, we need the cooperation and participation of Senators. We invite that at this time.

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. BURNS. 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. BURNS. Mr. President, I also ask unanimous consent that I may proceed as in morning business for no more than 2 minutes for the purpose of introducing a bill.

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

Mr. BURNS. I thank the Chair.

(The remarks of Mr. BURNS pertaining to the introduction of S. 1056 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. BURNS. Mr. President, I yield back any time remaining. I thank the chairman of the ag appropriations bill for his courtesy.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

AMENDMENT NO. 964

(Purpose: To modify the conditions for issuance of cotton user marketing certificates)

Mr. COCHRAN. Mr. President, I send an amendment to the desk which has been cleared.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for himself and Mr. BUMPERS, proposes an amendment numbered 964.

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

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

The amendment is as follows:

At the end of the bill, add the following new provision:

SEC. . Effective on October 1, 1998 section 136(a) of the Agricultural Market Transition Act (7 U.S.C. 7236(a)) is amended—

(a) in paragraph (1)

(1) by striking ''Subject to paragraph (4), during'' and inserting ''During''; and

(2) in subparagraph (B), by striking ''130'' and inserting ''134'';

(b) by striking paragraph (4); and

(c) by redesignating paragraph (5) as paragraph (4).

Mr. COCHRAN. Mr. President, I am pleased to offer this amendment on behalf of myself and Senator BUMPERS. This amendment contains two technical changes to the competitiveness provisions of the domestic cotton program. This amendment has been scored by the Congressional Budget Office as having no cost. I am informed that the chairman of the Senate Agriculture Committee has no objection to the amendment.

The original provisions in the law were designed to ensure that U.S. cotton is competitive in both domestic and overseas markets. The program has worked well, but changes made to the program in 1991 and 1996 have had unintended consequences.

The amendment I am offering would address those problems by doing two things. First, it makes it possible for the various components of the program to work simultaneously to ensure that we do not rely too much on cotton import quotas to make domestic cotton competitive. Second, it slightly increases a ceiling that unduly restricts the availability of the step 2 certificate program. By capping loan rates in the 1996 FAIR Act, Congress unintentionally restricted the operation of the cotton competitiveness program. The amendment eases the restriction slightly, but would not affect loan rates.

Mr. President, this is an amendment that has been cleared on both sides of the aisle. I know of no objections to it. I know of no Senators who want to speak on the amendment.

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

The amendment (No. 964) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ARKANSAS COMMUNICATIONS PROJECT

Mr. BUMPERS. Mr. President, I would like to engage the senior Senator from Mississippi in a colloquy.

Mr. COCHRAN. I would be pleased to join the senior Senator from Arkansas in a colloquy.

Mr. BUMPERS. Mr. President, this bill includes the Rural Community Advancement Program which provides flexibility to tailor financial assistance to applicant needs. Through this program rural business enterprise grants are made available.

As you are very well aware, I have pursued funding for the Arkansas communications project since March 1992. This project will provide a statewide communications and education network that will eventually include all Arkansas publicly funded 2- and 4-year institutions of higher learning, research and extension centers, cooperative extension county offices, many rural hospitals, and State and Federal Government office buildings. The network will include compressed video, TV/video production, and data networking. When completed, the project will serve the large rural population of Arkansas as well as provide linkages and educational support to our more urban areas.

This committee first voiced its support for the project in the fiscal year 1993, and the committee has continued to note its support every year since. Unfortunately, the University of Arkansas Divisions of Agriculture, which is sponsoring this project, has endured mixed results in getting the Department of Agriculture to honor the wishes of this committee. Promises were made and broken until the project came to the attention of Under Secretary Thompson and her staff in Rural Development. She and they have offered invaluable assistance, and I am pleased to note that the division received funding for the first phase of the project earlier this year and is actively seeking funding for the second and third phases. I should also note that the division has already committed sizeable non-federal resources to the project while reducing the total cost by nearly one-third. Am I correct in noting that the committee still strongly supports completion of this project?

Mr. COCHRAN, The ranking member is correct.

Mr. BUMPERS. And am I correct in noting that the committee will continue to actively monitor the progress of the Department toward fully funding the Arkansas communications project in a timely manner?

Mr. COCHRAN. The ranking member is again correct. The committee notes its strong approval of the Department for actively working to fund this important project from existing resources. The committee reserves the right to revisit this project next year should the Department fail to continue its laudable efforts.

Mr. BUMPERS. I thank the Chairman. Let me also note that the Department of Agriculture offered to assist the division in seeking communication funds from other Departments as well. The division recently submitted a grant request to the Department of Commerce and it is my expectation that the Department of Agriculture will follow through with their offer of assistance and support.

In addition to the Arkansas communications project, the Arkansas Enterprise Group has been trying to provide assistance for rural communities and smaller companies in Arkansas so that

they can join the increasingly global and international environment. However, the small companies which the Arkansas Enterprise Group is trying to help grow do not meet the criteria required to move unaided into the export market. They also fall between the cracks for other programs that aid companies to export products. Am I correct in noting that the committee supports the Arkansas Enterprise Group in their business international exporting loan fund?

Mr. COCHRAN. The ranking member is correct.

Mr. BUMPERS. Is it also the Senator from Mississippi's understanding that if State allocations are not sufficient to meet any States needs that a national reserve is available.

Mr. COCHRAN. The ranking member is correct.

Mr. BUMPERS. I thank the Chairman.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 965

(Purpose: To prohibit the use of appropriated funds to provide or pay the salaries of personnel who provide crop insurance or noninsured crop disaster assistance for tobacco for the 1998 or later crop years)

Mr. DURBIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for himself, Mr. GREGG, and Mr. WYDEN, proposes an amendment numbered 965.

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

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

The amendment is as follows:

On page 66, between lines 12 and 13, insert the following:

SEC. 728. None of the funds made available in this Act may be used to provide or pay the salaries of personnel who provide crop insurance or noninsured crop disaster assistance for tobacco for the 1998 or later crop years.

Mr. DURBIN. Thank you, Mr. President.

Mr. President, one of the most common questions asked of Members of the House and Senate at town meetings or in casual conversations across America is the following: ''Senator, if the Federal Government tells us that tobacco is so dangerous for Americans, why does the Federal Government continue to subsidize tobacco in America?

A variety of answers are given to that question. These answers reflect, in some ways, our wishes and, in some ways, misinformation, but the honest answer is, there is no answer. It is almost impossible to explain to America's taxpayers why we are subsidizing the growth of a product which we tell every American is dangerous when consumed.

How did we get in this predicament where we are subsidizing the growth and cultivation of tobacco in America? I would like to give a little history.

In the midst of the Great Depression in 1933, Congress responded to the plight of farmers facing declining prices by passing the Agricultural Adjustment Act of 1933. This was part of the New Deal legislation. When that legislation did not help halt the devastation spreading throughout the vast rural areas of our Nation, Congress in 1938 passed the Agricultural Adjustment Act of 1938, and in that act, tobacco price support programs were born. The legislation also created farm programs for a wide variety of other crops.

Over the years since then, we have changed and, in effect, totally overturned those supply control programs for almost every crop. Only a few crops continue to enjoy a program that looks like the 1938 bill. One of those select crops is tobacco.

The Agricultural Adjustment Act of 1938 also created the Federal Crop Insurance Corp. By 1945, tobacco and a number of other program crops enjoyed Federal crop insurance to protect farmers from unexpected crop losses. The Crop Insurance Program has gone through many changes over the years. The modern version of the program began in 1981, with a major reorganization, which I was part of, in 1994.

This year, for a farmer who has a typical crop insurance policy covering up to 65 percent of the crop's anticipated revenue, the Federal Government, the taxpayers, will pay 41.7 percent of the total premium. That is the direct subsidy to the Crop Insurance Program. In addition, the administration of the program is subsidized.

Finally, if losses exceed what is anticipated, the Federal Government is, in fact, the insurance company of last resort, paying, for most crops, the difference. This subsidy may make sense for many crops. It helps bring some stability to the production of food and fiber that Americans rely on. But this is the most important element.

Tobacco is not like any other crop in America. Tobacco is neither food nor fiber. Tobacco is the only crop grown in America with a body count. It is time we consider the health effects of tobacco in deciding whether our Federal Government should continue to subsidize insurance for this crop.

How different is tobacco? The tobacco crops that receive Federal assistance are processed into cigarettes and smokeless spit tobacco products that kill more than 400,000 Americans every year of cancer, heart disease, and a variety of other illnesses. These products also disable hundreds of thousands of other Americans with emphysema and other respiratory illnesses.

Many of my colleagues will argue, ''Why do you single out tobacco? For goodness sakes, these farmers are growing crops just like other farmers.'' These are not crops like other crops. Tobacco is different. Every day, 3,000 children in America become regular smokers for the first time. During their lifetime, around 30 of these 3,000 kids will be murdered, around 60 will die in a car crash, and around 1,000 of these kids, one in three, will die of smoking-related diseases.

Supporters of the tobacco program will argue that cutting off Federal crop insurance isn't going to stop kids from smoking. Well, that is true, but the issue really goes beyond children and smoking. We have a product here that has no benefit to human health. None. Not even if used in moderation. Every other crop insured by the taxpayers of this Nation and subsidized by this Government offers benefits, nutrition, protein, calories, fiber, every other crop except tobacco.

We are talking here about a product that the owner of one of our Nation's cigarette companies finally admitted this week under oath is addictive. Bennett LeBow, owner of the Liggett Group, admitted—finally admitted—that smoking causes cancer, heart disease, emphysema, and smoking is addictive.

This is not a news flash for most Americans, but we all remember, with a sense of shame, the seven tobacco company executives testifying before the U.S. House of Representatives, standing under oath saying that their product was not addictive.

Well, we have come a long way. Because tobacco and the nicotine in tobacco is addictive, many tobacco users find it almost impossible to quit. They are then set on a path for life that often ends in death.

So the issue before us today is: Should the Federal Government be subsidizing this crop? Should we, with our tax dollars, subsidize tobacco?

Last year, the Government spent $97 million on a variety of taxpayer-supported tobacco subsidies. This chart illustrates the Federal tobacco subsidies. When my colleagues argue there is no Federal subsidy, they should consider the real evidence before us.

In 1993, Federal taxpayers gave $65 million of Federal tax money to the growers and cultivators of tobacco.

In 1994, the figure was $60 million.

In 1995, $51 million.

In 1996, $97 million.

And it is estimated this year that we will spend $67 million to subsidize tobacco. At a time when we are gripped in a national debate about the devastation this product causes, we continue, through our Federal Treasury, to send millions of dollars to the tobacco growers. At a time when we are cutting back on basic education and health programs in the name of balancing the budget, for some reason, we can find the wherewithal and the political strength to divert $67 million to the cultivation and growth of tobacco.

The U.S. Department of Agriculture estimates that the tobacco-related expenditures for the current fiscal year will be about $67 million. What does this consist of? Thirty-nine million dollars is for crop insurance losses; $9 million for crop insurance administration. That is a $48 million crop insurance subsidy for tobacco.

So that you understand, the tobacco growers pay premiums for crop insurance, and then when they have a bad year and they file their claims saying, ''Our crops didn't come in as we expected,'' the premiums they pay are insufficient to cover their losses. Any other insurance company would go out of business at that point. Not the Federal Government. We step in and say, ''Let's open the Treasury; let's make up the difference.''

This chart tries to demonstrate specifically, when it comes to crop insurance subsidies, what we have been paying, what the net crop insurance losses have been each year, and you will see that these losses are substantial.

The administration of the program is also expensive ranging from about $5.5 million a year to over $11 million a year, money paid by taxpayers to subsidize crop insurance for tobacco.

The Congressional Budget Office has produced an official estimate that ending access to the crop insurance program and the noninsured crop disaster assistance program for tobacco would save us at least—at least—$34 million for the next year, and beyond that perhaps even more.

I am offering this amendment today with my colleague, Republican Senator JUDD GREGG of New Hampshire. Tobacco issues have always been bipartisan issues, as they should be. Our amendment will prohibit the Federal Government from providing crop insurance for tobacco.

For consistency, the amendment also prohibits payments for tobacco under the noninsured disaster assistance program, a new, surrogate risk management program created in the 1996 farm bill.

Federal taxpayers paid around $80 million in net tobacco crop insurance costs in 1996, including premium subsidies and overhead administrative costs. These costs have exceeded $29 million in every year since fiscal year 1993.

There are all the speeches given by all of the Members of Congress of both political parties protesting what the tobacco companies are doing and how tobacco is devastating the American population, notwithstanding each year we fork over millions and millions of dollars to promote the product that causes all this death and disease.

Now, who supports our effort with this amendment? It has been endorsed by a wide variety of health groups and spending watchdog groups, including the Action on Smoking and Health, the American Cancer Society, the American Heart Association, the American Lung Association, Friends of the Earth, the National Center for Tobacco-Free Kids, Public Citizen, Taxpayers for Common Sense, and the U.S. Public Interest Research Group.

The most common response from the tobacco side is, ''You got it all wrong, Senator. You just don't understand. Tobacco pays its own way.'' The so-called no-net-cost program was for many years tobacco's defense whenever we would raise these issues. This program, the so-called no-net-cost tobacco price support program, is in fact the no-net-cost program by and large.

Our amendment does not touch the program, so this program will continue. Those farmers who can and want to participate in it will be allowed to do so, at their own expense, not at the taxpayers' expense.

In each of the last several years, the Department of Agriculture spending on tobacco-related programs has cost about $50 million.

We want to make certain that, as we get into this program, the facts are clear. There are some who will say, ''Why are you picking on tobacco? We insure a lot of crops in the United States.'' You know, that is a fact. Here is a list, a partial list—we think there may be some more—of about 67 crops that are covered by Federal crop insurance. They run the gamut from almonds to wheat. Corn, of course, is in there, and soybeans, and so many other products which are used by Americans nationwide. We have decided, as a nation, that for these 67 crops, we will provide crop insurance.

The defenders of tobacco crop insurance will say, ''Well, wait a minute. If you're going to provide crop insurance for all these crops, why don't you provide it for tobacco?'' I have tried to make the public health case here that tobacco is different. But just to put in perspective the fact that there are many things grown, cultivated and raised in America in the name of agriculture and aquaculture which are not insured, I would like to offer the following charts of crops not covered by Federal crop insurance.

Forgive me if I do not read them because, honestly, we do not have the time. But as you can see in chart after chart—I am going to run out of space here if I am not careful—chart after chart, we have lists of crops grown by farmers across the United States for which there is no crop insurance.

In fact, these farmers are on their own. If they should happen to be growing seeds, as we have in this one chart here, or shrubs, for that matter, and they have a bad year, there is a drought or a flood, it is their own luck, maybe their own bad luck.

The final chart here wraps it up. Trust me. There are about 1,600 different crops ranging all the way from watermelons to sod and shrubs and so many other things that are not insured by the Federal Government. Among the more than 1,000 commodities not eligible are honey, broccoli, watermelon, cantaloupes, squash, cherries, cucumbers, snow peas, even livestock for that matter.

Our crop insurance restriction does not single out tobacco for unique treatment. It says that tobacco will not be in that special category of 67 insured crops but will be in the other category of about 1,600 crops and other things raised by America's farmers and ranchers which are not protected, and I think for good reason.

There is also a complaint that I am hurting small tobacco farmers with this amendment. Not a single farmer will lose a job because of this bill. This legislation does not affect crop insurance policies for the current crop year. The legislation does not affect the tobacco price support program or Federal extension services. Farmers will still be eligible to participate in the program at their own expense and sell tobacco to their customers.

Tobacco farming—and we will hear a lot about small tobacco farmers eking out a living—is one of the most lucrative forms of agriculture in America. Gross receipts for tobacco are around $4,000 per acre. We will be told about little mom and pop operations scraping by for grocery money raising tobacco. I am sure that can be the case, but keep in mind that people who are growing tobacco are netting per acre substantially more than any other legal crop grown in America.

For an acre of corn, you are lucky to bring out gross receipts of $300 to $400; for tobacco, $4,000. For an acre of wheat, gross receipts of $200 or less; for tobacco, $4,000 per acre. Data from the USDA indicates that net receipts from an acre of tobacco averaged between $450 and $1,100 per acre. According to one of my colleagues, farmers can get $1,844 in net profit from a net acre of tobacco compared to $100 for soybeans.

The value of the Federal crop insurance subsidy to tobacco farmers averages less than $100 per acre. So the question is, if a farmer is going to get $1,800 in profit off tobacco per acre, will he go out of business with a new additional cost of $100? I think not.

Can farmers replace this insurance? There is the private insurance market that they can turn to. It is not offered now because the Federal Government subsidizes crop insurance for tobacco. But insurance companies have never shied away from potentially lucrative new markets. We do expect, though, that farmers will have to pay their own way. Tobacco farmers will have to pay premiums which will match their losses. But this amendment, in ending the Federal subsidy for tobacco crop insurance, does not end the opportunity to buy insurance.

There has been an argument made that this will hurt minority farmers who will not be able to get loans to grow tobacco if they do not have crop insurance. This amendment will merely put these tobacco farmers in the same position as all of the farmers who currently grow crops not covered by crop insurance. The private insurance market will be expected to step in and provide this insurance.

Furthermore, in May 1997, the USDA published a study of ''limited-resource farmers,'' which includes many minority farmers. According to this report:

> Results of the research indicate that socially disadvantaged, small, and limited-opportunity operators tend not to purchase

crop insurance nor to participate in insurance-type programs operated by the USDA.

Some will argue we should not be doing this today because there is a tobacco settlement that is being debated. This settlement, I hope, is going to be enacted this year. But it may not be this year, it may be next year, it may be even longer.

As currently written, the proposed settlement does not address the crop insurance issue or any other issues related to tobacco subsidies. The farmers were not at the table—and I am sure this will be pointed out by one of my colleagues—during this negotiation for the tobacco settlement.

This amendment is outside the scope of the proposed settlement, and we can address this issue separately without getting into the complex issues raised by the proposed settlement.

Another argument is this will open the floodgates for foreign tobacco if we do not continue to provide this Federal subsidy, that the domestic tobacco market will suffer and foreigners will come in to take their place.

This amendment will not put domestic tobacco farmers out of business. It will not significantly raise the price of tobacco, which makes only a small part of the cost of a pack of cigarettes. The value of tobacco in a pack of cigarettes is estimated to be 10 cents. You know what people pay for those things? Two, three dollars and more per pack. So there is no reason to expect tobacco companies to change in any way the amount of tobacco they purchase from U.S. farmers.

Furthermore, we currently have a tariff rate quota in place for tobacco which restricts the amount of tobacco that can be imported. Previous Congresses have already prohibited USDA funding for tobacco-related research and export assistance.

This legislation takes another important step to make our agricultural policies more consistent with our health policies regarding tobacco. I called this amendment for a vote last year in the House of Representatives, and it came within two votes of passage. It is my understanding it will be offered again this year. In 1992, however, the House voted 331–82 to add an amendment to the ag appropriations bill to prohibit the use of Market Promotion Program export assistance for tobacco. This amendment was accepted by the Senate and became law.

In 1993, the ag appropriations bill extended this policy to all export assistance programs. In 1994, the same bill extended the prohibition on tobacco assistance to USDA's research program.

This legislation adds crop insurance and noninsured crop disaster assistance to the list of programs for which tobacco assistance is excluded.

Mr. President, I know that this amendment is controversial. Every tobacco issue that I have raised in the House and the Senate has been controversial. But I believe this is the right thing to do. If we make this decision today, we will be able to go back to our States and districts and in good conscience say to the voters that we got the message, that we have on the one hand said that tobacco is dangerous for Americans and we have on the other hand said our subsidy will be ended.

Putting an end to this Federal subsidy for tobacco reflects the reality of the national debate today. I believe that this amendment which Senator GREGG and I have offered is a step in the right direction to make our tax policy and our subsidy policy consistent with our public health policy.

At this point I will yield for a question to my cosponsor of the amendment, Mr. GREGG, or if he would like to seek time on his own, I will yield back the floor.

Mr. GREGG. I appreciate the Senator from Illinois yielding and congratulate him on this amendment, on which I join him.

The PRESIDING OFFICER. Does the Senator from Illinois yield the floor?

Mr. DURBIN. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, it is a pleasure to be joining with my colleague from Illinois today in this amendment to correct what is an obvious inconsistency, to put it in conservative terms, in American public policy.

I think there is a general consensus now in this Nation that the use of tobacco is unfortunate, that we wish to discourage its use, especially amongst young people, and that as a government we are trying desperately to inform people of the harm of tobacco to their health and the addictive nature of tobacco and the fact that there is very little positive that comes from smoking tobacco.

We have had innumerable Surgeon Generals, including the great Surgeon General Dr. Koop, point out this problem as a matter of Federal public policy. We now have a commitment by this administration, and I believe by this Congress, to try to change the manner in which tobacco is marketed in this country, especially to the young people, so that we can lessen the impact of this harmful addiction on America and especially on our young.

Yet at the same time that we are doing this, at the same time that as a matter of Federal policy, as presented by the Surgeon General, as presented by the Congress, as presented by the administration, at the same time that we are pointing out as a matter of Federal policy that the use of tobacco is harmful and bad and it has a deleterious effect on health and a very dramatically negative impact on the financial situation of this Nation because of its costs in the area of health costs, at that same time we are subsidizing the capacity of the product to be grown. It makes no sense at all.

This amendment will save $34 million, but it is hardly the money that is important here. It is the statement of public policy that is important. The fact is that, if this Government is going to subsidize the growing of tobacco at the same time it is claiming tobacco is a scourge on the health of this country, we are sending two messages which are totally inconsistent and inappropriate.

Now, the insurance program, as it is presently structured, is a program which basically puts the grower of tobacco in a unique position, the position where essentially there is a no-loss situation where the Federal Government comes in and assures that the grower, whether tobacco grows or not, whether tobacco is brought to market or not, is able to recover the value of the tobacco.

This type of a fail-safe situation makes little sense for any commodity, but it certainly does not make any sense for a commodity which has already been declared a detriment to the health of America and especially to the health of children. More importantly, it is not needed. It is not even needed.

Tobacco is a very lucrative crop. In fact, compared to other crops, tobacco is dramatically more profitable than other crops. I have a chart which reflects that fact, which I will not subject you to because this floor gets enough charts, but essentially tobacco crops as a cash crop per acre generate approximately $3,700, whereas wheat, for example, on a per acre basis generates about $134 and corn on a per acre basis represents about $322. So tobacco is generating 10 times the value of corn and many times the value of wheat.

It hardly seems a crop which is so lucrative would need to have a Federal insurance program to guarantee it, but we do have that program, and that program costs about $34 million a year. Thus, this amendment, which will put an end to that type of an insurance program, which is, first, not needed because the crop itself is viable on its own, regrettably, but it is viable on its own at such high value that it should not be protected by this type of insurance program; but, second, an insurance program which flies in the face of the public policy of the Government generally, especially public policy as stated by the Surgeon General, the President, and this administration, that that type of program should be ended.

So this amendment ends it. It is about time we did that. It is certainly consistent with the direction which this Congress is moving and this Government is moving and the American people are moving relative to the use of tobacco and the harm that it is causing in the area of health in this country.

I congratulate the Senator from Illinois for bringing forward this amendment. I am happy to join him in it, and I hope that the Members of the Senate will support it.

I yield back the balance of my time.

Mr. FORD. Mr. President, there is no time agreement on this amendment, as I understand it.

The PRESIDING OFFICER (Mr. THOMAS). That is correct.

Mr. FORD. And there will not be for a while.

Mr. President, there is a lot of tobacco bashing going on and I understand that better than anybody in this Chamber. An agreement that has been negotiated—and my good friend from Illinois, even though we disagree on this, we are friends, understands—that negotiation is continuing and we will be called upon to make the ultimate decision as to whether that negotiated package will fly, will be passed, worked out, whatever.

Many parts of that negotiated agreement take care of everything that has been said by my two colleagues, except the farmer. The farmer was never at the table. You say you will hear a lot about protecting farmers, the little farm. You are darn right; you will hear a lot about it. They were not at the table, they were not considered, and so therefore, here we come, bashing the farmer again.

You say it is a lucrative crop. Well, let's look at something here. Kentucky's average farm size is 159 acres. The average farm size of Illinois is 370—that is the difference. Kentucky's average gross income per farm is $42,000 and the net to that farm is $11,000. The Illinois average gross income per farm is $128,000, three times what Kentucky's average farm income is, and their gross profit is more than double, $25,000 net profit. That is an Illinois farm compared to a Kentucky farm.

We talk about the gross net profit from one crop which is about an acre, 1 acre, you get $1,800. But the farmer has to be considered. The package has not. I am trying to figure out a way that I can be flat so when the steamroller comes, it won't hurt. But it is another attack on the tobacco farmer, even though there is no tobacco subsidy—no tobacco subsidy, and I underscore that.

Tobacco farmers participate—and my friend from Illinois said it—participate in a price support system that is completely paid for. In fact, tobacco farmers are unique in that they actually contribute millions of dollars each year toward deficit reduction—$31 million last year. There is not another crop or another farmer that is assessed to pay money into the general fund for deficit reduction.

Last year, the tobacco farmer alone paid over $31 million. I hear your loss is only 34—maybe it is only 3, because the farmer is paying almost all of that in an assessment for every pound he sells, and that is deducted from his check before he gets it, before he goes to the bank to pay his loan. Crop insurance is not a subsidy. It is not a subsidy. It is not unique to tobacco. The Durbin amendment does not hit the tobacco companies.

We hear all about the health. This amendment will not stop one person from smoking. What it will do is ensure that tobacco farmers will slowly but surely go out of business. That is what they want. Tobacco is a culture and it will take a while.

Before we became a nation, if you want to read history, it said that Mr. Jones came for his spring planting, his seed for his spring planting, and he paid for it with some of the finest tobacco I have ever seen. Tobacco was money. Referring to the Mother State, Virginia, the pages of Virginia history are splattered with tobacco juice. So tobacco has been here for a long, long time.

Over 60 percent, Mr. President, of every acre farmed in the United States is covered by crop insurance, and the number is higher for individual crops. Corn: 85 percent of every acre is covered by crop insurance. Sugar beets: 89 percent of every acre grown is covered. Wheat: 90 percent of every acre grown is covered by crop insurance. Cotton: 94 percent is covered by crop insurance.

Farmers will tell you what tobacco farmers know—all of these farmers will. Without crop insurance, there is no farm. That is because without crop insurance, banks will not make loans to growers for their farming operations. Farmers in my State do not just borrow money to grow tobacco, they borrow money to grow other crops. Their average income is $25,000, and their net profit is $11,000. But they would not have that if they could not get the crop insurance to lay down to the banker to support the loan.

No legitimate lender—and I say that, legitimate lender—will take the risk of lending to an uninsured operation. You cannot even borrow money on a house without an insurance policy, and there will not be a private-sector substitute for crop insurance, either. Talk about private sector. One of the reasons the USDA extends crop insurance to a particular crop is because a private-sector alternative does not exist. You say, ''Go out and get insurance.'' Well, you can't go out and get it; it doesn't exist. You can get hail insurance on tobacco at 7 percent of the loss. That is all you get from private carriers. I used to do it, I understand it.

This is what the American Association of Crop Insurers say:

> Privately, underwriting multiple peril insurance has been tried in the past and it has failed miserably. This is true for tobacco, as well. Hail, the only peril wholly privately underwritten, accounts for less than 7 percent of crop losses in tobacco-growing States. The private sector would be incapable of insuring the remaining 93 percent risk of loss on a multiple peril universal base without some form of catastrophic reinsurance from the Government, but while there is no farm without crop insurance, discriminating against tobacco farmers won't do anything to reduce tobacco use.

Won't do anything to reduce tobacco use.

Crop insurance doesn't promote increased use of tobacco any more than automobile insurance promotes an increase in car sales. The bottom line of the Durbin amendment is this: American farmers go out of business and whole communities in the South die. The big tobacco companies continue to make and sell cigarettes. While communities die, the manufacturers continue to make and sell cigarettes. If we are going to talk about making changes to the crop insurance system, it should not target the family farmer.

Before we get through, I will have a second-degree amendment to the amendment of the Senator from Illinois. My second-degree amendment would reform the crop insurance to make sure it supports family farms, not corporate farms. Let me repeat that. My second-degree amendment would reform the crop insurance to make sure it supports family farmers, not corporate farms. I'm prepared to fight this battle. If we are going to be changing crop insurance, I am prepared to offer second-degree after second-degree to make sure the changes are comprehensive and don't single out a commodity or a single type of farmer, because that is what the Durbin amendment does: It singles out one commodity grown in one part of the country by one type of farmer, a small family farmer.

Now, Mr. President, we just heard my friend from Illinois talk about the loss from tobacco insurance. Well, stand back. Here are all the losses from other crops. Wheat, since 1984, $288.7 million lost to the Federal Government—a subsidy to wheat farmers. I don't believe you would vote today to do away with crop insurance for the wheat farmer, because you say it is health. Well, everything Kentucky farmers or North Carolina, South Carolina, Georgia, or Tennessee farmers grow—even Wisconsin farmers grow tobacco—they get insurance. But they borrow money and insure other crops. Think about almonds. That was the very first one the Senator said—almonds. Almost $50 million in loss to the Federal Government. That is a lot more than tobacco. We could go down the list. Grain sorghum. I don't know where grain sorghum comes from—maybe from Illinois, maybe Wyoming, I don't know. But they lost $36.1 million. So we can get into even sunflowers lost, which is $22 million.

These are losses to other crops, and my friend would not vote to reduce the loss on wheat or almonds or barley or grain sorghum or these others, but he would on tobacco because he says tobacco is dangerous.

I am trying to help. I am trying to work out a package. I am trying to help negotiate. I have listened in every meeting. I have been to every meeting and we even had one group yesterday that the only thing they want in the negotiated agreement is some way to eliminate the addiction. That is fine. The biggest argument in the tobacco negotiated package will be what percentage of that package the trial lawyers are going to get. That will be most

contentious. It is not in there. That is to be negotiated yet.

The result of this elimination of the ability to secure crop insurance will be devastating to the farmers in my area. Yet, this is not the biggest loss to agriculture crop insurance. Mr. President, I have a letter from the Department of Agriculture addressed to Senator THAD COCHRAN, chairman of the Subcommittee on Agriculture, Rural Development, and Related Agencies of the Committee on Appropriations, and I read just a couple of items. There were 89,000 tobacco growers—89,000 tobacco growers—with crop insurance policies in 1996. Tobacco growers in three States—North Carolina, South Carolina and Virginia—received $77.8 million in indemnities for losses due to back-to-back hurricanes that hit the east coast last year. These funds helped communities recover from disaster and were paid for in part by the producers themselves.

The significance of a program that encourages producers to assess their individual risk management needs and allows them to pay part of a cost for coverage must not be lost at a time when fewer dollars—fewer dollars—are available for other types of assistance. Elimination of tobacco crop insurance would place a greater burden on other sources of relief. So when you take it away from one place, you place the burden on other sources in case of a hurricane or tornado or flood.

But if you have insurance, that lifts the burden from these other areas that hasn't been offset in your figure here yet. The $77 million paid last year in three States hasn't been offset from the $34 million. So it makes a little bit of difference, I think, when you look at it in the true light. This idea of me crying crocodile tears for the small farmer, if that's what it takes, I will give you 30 minutes to draw a crowd to stop this amendment. This amendment is absolutely no different and the speech is no different than it was in 1992 or 1993 or 1994, or whenever it was.

So, Mr. President, I hope my colleagues will understand that, yes, we grow tobacco in Kentucky, yes, we grow a little corn, a little soybeans, a little wheat. We do the things that other small farmers do. I want you to remember that the farms in Illinois are almost three times as large as my average farm, and the net income to the farmer in the State of Illinois is more than twice what my farmers' net income would be. Yet, they do grow tobacco.

So, Mr. President, I am going to yield the floor soon so my colleague from Kentucky can have some time. But I want to make one final point. The distinguished Senator from Illinois said that all these other crops are not covered. I think about 1,600, something like that. First, they haven't petitioned the Federal Government for it. They haven't asked to participate. A lot of them have private insurance. So you have to be in a position of requesting it before the Government will consider it. I don't believe they have petitioned. So it's a little bit unusual.

We don't get anything in tobacco as it relates to the farm bill—not a dime. Corn gets crop insurance, and we have lost over $288 million. Yet, they get a check every year as a subsidy. They don't even have to grow it. That is what we call back in Kentucky a mailbox job. Just go out to the mailbox and get your check. Everybody lost that. So for every acre that they have and they signed up, they get a check every year for so much per acre, whether they grow it or not. The tobacco farmer doesn't get that.

So there is a bit of fairness here, I think, that ought to be given. As we work through the problems of the tobacco industry, we need to be sure that we understand that those who grow tobacco are just as human, just as religious, just as American, just as needy, just as hard working as the farmers that grow wheat or corn or granola or whatever. They are good Americans. I can take you anywhere in my State, in any town where we have a circle with a courthouse. Usually, on that courthouse is a monument of some kind to those tobacco farmers who gave their lives for this country in World War I, World War II, Vietnam, and the Persian Gulf.

So, let's try to work through this and understand that the people I represent have no control, basically, over what we are doing here. We are after the manufacturers, but we are getting at the farmer. Somehow, some way, we ought not make a farmer in my State who will net $1,800 off of an acre, which is labor intensive, to $4,000, and about half of that is expense. There is not as much work in corn, soybeans, or others. The weather works on all of them. But my people are just as hard working, just as sincere and, I think, need to be helped and looked after just as anybody else.

This amendment, according to the Secretary of Agriculture, would have a particular detrimental effect on thousands of small farmers in tobacco-producing States, not to mention the toll it would take on the economic stability of many rural communities. Just let me read that one sentence again. This amendment would have a particularly detrimental effect on thousands of small farmers in tobacco-producing States, not to mention the toll it would take on the economic stability of many rural communities.

An overwhelming majority of crop insurance policies in this area are sold to small farmers. It seems to me, rather than to cut the cord of economic stability on the farmer to get after something else, we ought to be sure that that farmer has an opportunity, and we will get around to others.

Mr. President, I yield the floor.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I congratulate my friend and colleague from Kentucky, Senator FORD, for his statement on behalf of the tobacco growers of our State.

Mr. President, the Durbin amendment is not directed at the tobacco companies; it's directed at the tobacco farmer. We don't have many big farmers in my State. We have about 60,000 tobacco growers in 119 of our 120 counties. They are everywhere. And the average base in Kentucky, Mr. President, is about an acre.

The profile of a typical tobacco farm family in Kentucky:

The husband probably works in the factory, the wife probably works in a cut-and-sew plant. They tend to their 1 acre of burley tobacco, and they sell it in the November and December auction, which provides for Christmas money and, for a lot of families, a lot more than Christmas money—Christmas plus a lot of other things they need for their families during the course of the year.

Now, the Durbin amendment seeks to drive these tobacco farmers out of business, as if somehow, if you drove the tobacco farmers out of business, there would not be any more tobacco grown. Of course, it would be grown. It would just be grown by others. It would be grown in big corporate farms of hundreds of thousands of acres under contract with the companies.

So bear in mind, my colleagues, you do nothing to terminate the growth of tobacco by driving the little tobacco grower out of business. It serves no useful purpose. Tobacco is going to be grown. It is going to be grown in this country, overseas, and already is grown in virtually a great many countries in the world. It is going to be grown, and nobody is proposing to make it illegal. The only issue before us, Mr. President, is who grows it? Who grows it? The tobacco program, which the tobacco growers themselves and the companies pay for at no net cost to the Government, guarantees that the production is in a whole lot of hands. In the case of the Commonwealth of Kentucky, it is in over 60,000 hands.

Senator DURBIN's amendment prohibits tobacco farmers from obtaining Federal crop insurance, as well as disaster payments. That is clearly directed at the farmer, the grower, not at the companies. The companies are going to get their tobacco, Mr. President. They are either going to get it from large corporate farmers under contract, or they will get it overseas. But they will get their tobacco, even if the 1-acre burley grower in Kentucky that Senator FORD and I represent is out of business and a whole lot poorer.

Currently, 1,500 crops are eligible for disaster payments under the non-insured assistance program. These are crops that are already eligible for traditional crop insurance. Therefore, if Senator DURBIN's amendment passed, in a natural disaster most small tobacco farmers would simply not be able

to recover their losses, putting them out of business. That is why I say—and as Senator FORD has said—this is an amendment directed at the farmer and not at the companies.

We have been plagued in Kentucky this year by natural disasters, as many other areas have as well, and with every other unpredictable element that farmers have to deal with—disease, labor, incredibly high expenses. Imagine that we would take away their only meager defense against Mother Nature just because they farm a legal commodity. It is simply unfair.

The amendment of the Senator from Illinois prevents many small- and medium-sized farmers from receiving protection against what could be catastrophic risks. Farmers may invest up to $2,800 per acre growing tobacco. Many of them do. A natural disaster—a loss of this magnitude—simply could not be overcome. So we are talking here about farmers who depend on their income from this crop.

Additionally, it is important to note that banks and lending institutions will find it difficult to approve loans for farmers who cannot obtain crop insurance. So we come down to the real issue here.

Senator DURBIN's amendment unfairly singles out tobacco farmers and tobacco-farming communities who grow a legal crop simply to try to get at the tobacco companies. Eliminating crop insurance for tobacco farmers does nothing to stop growing of tobacco or punish cigarette companies. The only individuals injured are those who can least afford it, those closest to the poverty level, and those most likely to be unable to find or afford alternative private insurance.

There is a lot of discussion about alternative private insurance. I don't think my typical grower with a 2,500-pound base is going to be able to afford to do that and still purchase that, and still grow the crop profitably. This amendment is not going to stop people from smoking. It will only hurt U.S. tobacco growers for whom tobacco pays the bills—not the big companies.

Tobacco farming, as we all know, is the starting point of over $15 billion that goes to Federal, State, and local governments in tax revenue, and contributes an additional $6 billion to the U.S. balance of trade. That is a $6 billion positive balance of trade.

By ignoring the need for disaster relief for the tobacco farmers, the precedent is being set for the elimination of crop insurance for other major commodities.

In 1994, we passed a law to end ad hoc disaster programs and have crop insurance be the primary risk management tool for farmers.

By ignoring the need for disaster relief for just one set of farmers—tobacco farmers who suffer natural disasters in the same manner that corn, wheat, soybean, and other farmers do—a precedent is being set to eliminate crop insurance for other commodities.

Mr. President, as Senator FORD has pointed out, Secretary Glickman is opposed to this amendment. The Farm Credit Council is opposed to this amendment. And the American Association of Crop Insurers is opposed as well.

Crop insurance is to protect families. That is what crop insurance is about: Helping to minimize the financial interruptions to their plans and lifestyles due to crop losses.

These are families who usually work two jobs, as I suggested earlier. In my State, these are not rich farmers. We are talking about people who cultivate about an acre of tobacco on the side, in addition to their normal sources of income. These farmers aren't in a business where they have excess amounts of money in savings. Everything is calculated, and income from tobacco is relied upon. By having crop insurance, it gives farmers, bankers, and communities peace of mind through income stability and minimizing risk.

Crop insurance also provides farm lenders with collateral that helps minimize liens on other assets, obviously avoiding or reducing a farmer's needs to rely on credit.

As I believe my colleague from Kentucky pointed out, Secretary Glickman said:

> I am determined that everyone will have access to crop insurance, large farmers and small farmers alike, especially those with limited resources—minorities and producers—in all areas of the country.

That certainly describes the 60,000 tobacco growers of Kentucky.

This amendment would have a particularly detrimental effect on thousands of small farmers in States like my own. An overwhelming majority of crop insurance policies in this area are sold to small farmers. Therefore, eliminating crop insurance for tobacco will not fulfill the Secretary's promise to poorer farmers. Rather, this amendment is squarely in opposition to the Department's stated policy of fighting discrimination against minorities and economically disadvantaged farmers.

Let me sum it up again. This amendment is directed at the farmer who is growing a legal crop. To the extent that this small farmer finds it difficult to acquire crop insurance, the potential for disaster for these small farm families is greatly enhanced.

The Durbin amendment does nothing to fight smoking. It does nothing to punish the companies. In fact, it is directed at the heart of the farming areas in the southeastern part of the United States.

I repeat: The average grower in Kentucky has about 2,500 pounds. That is about 1 acre. You push that fellow out of business, and tobacco will still be grown. It is going to be grown by big corporate farms. They are not going to be particularly concerned about this crop insurance issue. They do not have any trouble paying for it.

This amendment serves no useful purpose. If you want to fight smoking, this amendment is only directed at low- and medium-income farmers in places like the Commonwealth of Kentucky.

Mr. President, I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER [Mr. SANTORUM]. The Senator from Kentucky.

Mr. FORD. Mr. President, I ask unanimous consent that a letter from American Association of Crop Insurers, addressed to Chairman TED STEVENS and Ranking Member ROBERT C. BYRD, be printed in the RECORD.

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

AMERICAN ASSOCIATION OF CROP INSURERS,
Washington, DC, July 16, 1997.

Hon. TED STEVENS,
Chairman, Committee on Appropriations, U.S. Senate, The Capitol, Washington, DC.

Hon. ROBERT C. BYRD,
Ranking Member, Committee on Appropriations, U.S. Senate, The Capitol, Washington, DC.

DEAR MR. CHAIRMAN AND MR. RANKING MEMBER: It has come to our attention that an amendment may be offered to the Fiscal Year 1998 Agriculture, Rural Development, FDA, and Related Agencies Appropriations Bill that would eliminate crop insurance or any other form of government-supported disaster aid for tobacco. We are writing to express the American Association of Crop Insurers' (AACI's) opposition to such an amendment as well as to dispel a principal myth underlying the amendment.

AACI's membership consists of private insurance companies who deliver Federally reinsured multiple peril crop insurance to America's farmers as well as several thousand independent agents and adjusters affiliated with those companies. All AACI member companies are also involved in the private crop hail insurance business as well. AACI member companies and their affiliated agents collectively wrote over 80% of the Federal crop insurance sold by private companies in 1996.

Providing risk management protection to American crop producers is the sole reason that AACI member companies are in the crop insurance business. As long as data are available from which an actuarially sound insurance program can be developed, the insurance industry does not discriminate against crops that are insured nor the producers who grow those crops. If Congress were to discriminate against tobacco producers by denying them any form of Federal assistance related to their risk management needs, we believe that the economy of both the producers and the rural communities in which they live could be placed at severe risk that one disaster could substantially devastate. In addition, the economic health of several of our members who have considerable books of business in tobacco growing states would also be put at risk.

While it is true that the number of crops covered by Federal crop insurance is limited when compared with the total number of crops grown in the country, most if not all of the crops not currently insurable are covered by the noninsured disaster assistance program or NAP administered by the Farm Service Agency. However, both under existing law and under the proposed amendment, tobacco would be ineligible for such protection. This isolation among crops leaves the crop and its producers totally exposed to the uncontrollable risk of weather.

Some believe that this exposure could be covered by the private sector without assistance from the Federal Government. That is

not true for several reasons. First, the main reason the Federal Government is involved in crop insurance is due to the catastrophic nature of crop disasters and the inability of the private sector to bear that magnitude of loss. Privately underwritten multiple peril insurance has been tried in the past and it failed miserably. The inability of the private sector to bear the risk of loss from multiple perils is true for tobacco as well. Hail, the principal peril wholly privately underwritten, accounts for less than 7% of crop losses in tobacco-growing states. The private sector would be incapable of insuring the remaining 93% risk of loss on a multiple-peril, universal basis without some form of catastrophic reinsurance from the government.

Second, if tobacco farmers were to bear the full cost of the current policies, that cost would escalate from approximately $54 an acre to over $125 per acre—a more than 100% increase—when administrative costs are added, risk-based premium subsidies are removed, and some reinsurance costs are included. There would be many producers who could not afford those rates, especially the over 53,000 producers holding catastrophic policies for which they paid a total of $50, not $50 per acre.

Third, even if a private multiple peril tobacco policy was developed, private companies would be unable to make it universally available. Aside from it not being affordable to a large number of producers, the catastrophic nature of the risk would prevent companies from making it available to all producers. Individual risks would have to be underwritten and some risks would be denied insurance either directly or through cost-prohibitive rates. This is unlike the Federal program where companies must accept all insureds no matter what the risk without any individual adjustment of rates since the government sets the rates.

Providing risk management products to tobacco producers and producers of other crops in tobacco growing states constitutes a considerable source of income to a number of rural crop insurance agents and crop adjusters in those states. If crop insurance for tobacco were eliminated, that may actually threaten the ability of these agents and adjusters to stay in business thereby affecting insurance availability for producers of other crops as well. This is not to mention the impact on the rural community where the agents, adjusters, and their support staff live and work.

As long as it is legal to grow a crop in this country and there are actuarially sufficient data to provide insurance, AACI members do not believe that the crop or its producers should be discriminated against. Due to the inability of the private sector to offer an affordable, universally available private multiple peril insurance product on tobacco, there remains a proper role for government involvement. We encourage you to continue that role by rejecting any amendment that may terminate that responsibility.

Sincerely,

JOHN E. SHEELEY,
Counsel.

Mr. FORD. Mr. President, I would like to put in the RECORD at this point a letter from the Secretary of Agriculture to the chairman of the Subcommittee on Agriculture, Rural Development, Senator COCHRAN, and ask unanimous consent that it be printed in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, July 23, 1997.

Hon. THAD COCHRAN,
Chairman, Subcommittee on Agriculture, Rural Development, and Related Agencies, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR THAD: I am writing concerning an amendment to the fiscal year (FY) 1998 Agriculture Appropriations Act offered by Senator Richard Durbin, which would prohibit the use of funds to pay the salaries of personnel who provide crop insurance or noninsured crop disaster assistance for tobacco for the 1998 and later crop years.

The Department of Agriculture (USDA) opposes this amendment. Crop insurance and noninsured crop disaster assistance programs comprise the principal remaining ''safety net'' for farmers suffering crop losses from natural disasters, since the elimination of *ad hoc* disaster aid. The adoption of this amendment will effectively end our ability to provide crop insurance and noninsured assistance payments for tobacco growers.

Crop insurance is an essential part of the producer ''safety net'' envisioned by the Administration's agricultural policy. There were some 89,000 tobacco growers with crop insurance policies in 1996, of which 69,000 actually planted the crop for the year. More than 550,000 acres were insured with liability exceeding $1.15 billion. Tobacco producers paid more than $20 million in premiums to insure their crops in recognition of the need to provide for their own risk management at a time when the Government is providing fewer and fewer farm subsidies.

Tobacco growers in three States (North Carolina, South Carolina, and Virginia) received $77.8 million in indemnities for losses due to back-to-back hurricanes that hit the East Coast last year. These funds helped communities recover from disaster and were paid for in part by the producers themselves. The significance of a program that encourages producers to assess their individual risk management needs and allows them to pay part of the cost for coverage must not be lost at a time when fewer dollars are available for other types of assistance. Elimination of tobacco crop insurance would place a greater burden on other sources of relief when disaster strikes.

This amendment would have a particularly detrimental effect on thousands of small farmers in tobacco producing States, not to mention the toll it would take on the economic stability of many rural communities. An overwhelming majority of crop insurance policies in this area are sold to small farmers.

I urge you and your colleagues to vote against this amendment when it is considered by the Senate. Please contact me if you should need further information.

Sincerely,

DAN GLICKMAN,
Secretary.

AMENDMENT NO. 966 TO AMENDMENT NO. 965

(Purpose: To limit Federal crop insurance to family farmers)

Mr. FORD. I send an amendment in the second degree to the Durbin amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD] proposes an amendment numbered 966 to amendment numbered 965.

Mr. FORD. 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:

Strike all after the first word and insert the following:

LIMITATION OF CROP INSURANCE TO FAMILY FARMERS.

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by adding at the end the following:

''(6) CROP INSURANCE LIMITATION.—

''(A) IN GENERAL.—To qualify for coverage under a plan of insurance or reinsurance under this title, a person may not own or operate farms with more than 400 acres of cropland.

''(B) DEFINITION OF PERSON.—The Corporation shall issue regulations—

''(i) defining the term 'person' for purposes of subparagraph (A): and

''(ii) prescribing such rules as the Corporation determines necessary to ensure a fair and reasonable application of the limitation established under subparagraph (A).''.

Mr. FORD. Mr. President, what I have done here, as I said earlier, is to try to make crop insurance more comprehensive. So what this does is, it says that any farm with more than 400 acres that can be farmed not be eligible for crop insurance. The idea here is to let the corporate farmers pay for themselves, and try to protect the small farmer.

So I think that this amendment will make it fairer. It protects the small farmers. The corporate farmers, then, the big farmers, those over 400 acres of land that can be farmed—by the way, this does nothing out West as far as grazing land. It doesn't touch that part of it at all. It is land that can be farmed.

I yield the floor.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, this may surprise my colleague from Kentucky. I may support his amendment.

When I was chairman of the House Appropriations Subcommittee on Agriculture, I was considered by many to be pretty tough on the Crop Insurance Program, even though, as the Senator from Kentucky has noted, I come from a corn-growing State, a State with soybeans, a State which avails itself very much to a great extent in the Crop Insurance Program. I don't disagree with anything that my colleague from Kentucky said about the Crop Insurance Program. There are indefensible subsidies in this program.

I think, if he is going to address an overall reform of crop insurance, he may be surprised to find me as an ally. I had an amendment which I offered 1 year in the appropriations subcommittee. If I recall it correctly, it said that if you have sustained losses in 7 out of the last 10 years on your crop, you would be ineligible for crop insurance. I have this basic theory that if you couldn't grow a crop for 7 out of 10 years, God was telling you something about your land, that crop, or your talent, and that Uncle Sam and the Federal Government shouldn't be talking back to God in this instance and saying we will continue to insure the crop.

There were a lot of people critical of my amendment because they had worked out a very sweet deal where they would plant crops that could never grow. It wasn't a sufficiently long growing season. But the crop was eligible. They would make their application. Lo and behold, the crop would fail again, and the Federal taxpayers would be asked to make up the difference.

So, if the Senator from Kentucky is suggesting some basic reform of the Crop Insurance Program, I think I might be his ally. And if he is talking about limiting crop insurance to smaller farms, I think he might be surprised to find that we can work on that as well. But I think, in all honesty, that this amendment might never have been offered if I had not started an amendment on tobacco crop insurance.

That is what this is about. It is not about reform of the crop insurance. It is about tobacco. And the two Senators from Kentucky, whom I respect very much, in defense of their State and its crop, have stood up and said, ''Why are you picking on us? Why do you single out tobacco?'' As one Senator from Kentucky said, tobacco is perfectly legal. That is true. But tobacco is also perfectly lethal. Tobacco is a killer. You have to eat an awful lot of corn and soybeans to die. But you start smoking, get addicted, the chances are 1 out of 3 that it is going to kill you.

So, to the farmers who are growing it, who, for all intents and purposes and all appearances, look like any other farmer, what they are harvesting and what they are selling is devastating. For us to turn our backs on it and to say it is just another crop is to ignore the obvious.

Tobacco is the No. 1 preventable cause of death in America today—No. 1. Sure, we are concerned about AIDS. Certainly we are concerned about highway fatalities. Of course, we are concerned about violent crime. But if you want to save American lives, the first stop is tobacco. Take a look at what it does to us.

For my colleagues to stand up and say, ''It is just another farmer, it is just another agricultural product, why do you single us out,'' it is because it is the only crop, when used according to the manufacturer's directions, will kill you. You can't smoke in moderation. You start this addiction, and you will end up generally as a statistic.

So, when I bring this amendment to the floor to talk about crop insurance for tobacco, I can understand my colleagues from tobacco-producing States. I can understand it completely. I have represented a congressional district and a State which has its own interests, and I have try to defend those interests. I think that is part of my responsibility.

But I say to my colleagues who are viewing this debate and making up their own mind: Make no mistake, tobacco is not just another product. Crop insurance for tobacco is a blatant contradiction that we would piously pronounce through the Surgeon General's office and the Department of Health and Human Services that this crop is a killer, that these tobacco products are claiming lives—even innocent victims like these flight attendants who are now suing down in Florida who happened to be exposed to secondhand smoke. Their lives were in jeopardy, too. We know this. We concede this. We advertise this. We spend millions of dollars to police this industry because we know what they are doing. They are addicting our children, and they are killing our fellow citizens.

That is why it is totally inconsistent for us to be in a position where year after year we are plowing millions of taxpayer dollars collected from people across the United States into the subsidy—underline the word ''subsidy''—of tobacco growers.

I just marvel when my colleagues get up. We can argue a lot of this on the merits. But it takes my breath away to hear these colleagues stand up and say that there is no tobacco subsidy.

Let me go back to this Federal tobacco subsidy chart.

There is this tobacco subsidy: $65 million in 1993; $60 million in 1994; $51 million in 1995. In 1996, when I first took on this issue, they estimated our losses would be about the same—$50 million. They went to $97 million, and then in 1997 the estimate was $67 million.

Mr. FORD. Will the Senator yield for a question?

Mr. DURBIN. I am happy to yield for a question.

Mr. FORD. I am sure he will be able to answer this and make me look bad. But this is just on crop insurance.

Mr. DURBIN. It is on crop insurance and administering the program.

Mr. FORD. Administration of the program.

Mr. DURBIN. I think there are two or three other small, related areas.

Mr. FORD. This is just tobacco.

Mr. DURBIN. That is true.

Mr. FORD. What about the $77 million that went to the hurricanes in North and South Carolina and Virginia that was paid and helped the communities or they would have taken the money out of some other fund as it relates to disasters?

Mr. DURBIN. I don't believe that these figures include any national disaster assistance of that nature. It is strictly related to crop insurance.

Mr. FORD. Is the money in the premiums in your figures here paid by the farmer—deducted, and this is the net?

Mr. DURBIN. What this represents is the net cost to the Federal Treasury.

Mr. FORD. Just for that. And what about the overall loss from other crops?

Mr. DURBIN. Oh, it is substantial.

Mr. FORD. Substantial.

Mr. DURBIN. I can recall, 1 year it was $240 million, all crops included.

Mr. FORD. Here you are damaging the farmer that is beginning to feel the pinch anyhow and hoping that we could negotiate some kind of an agreement. He is left out. You still want to eliminate this part of his everyday life.

Mr. DURBIN. I want to eliminate crop insurance for tobacco. I will concede to my colleague that the overall subsidy for crop insurance, as I said at the outset, is an issue well worth addressing. The fact that we would spend—perhaps the Senator from Mississippi has more current figures—we would spend in the neighborhood of $200 million subsidizing crop insurance in America is an issue which I will happily join with my colleague from Kentucky and other States to address.

But lest we forget, this debate started on the issue of tobacco, and although many of my colleagues want to raise a variety of other issues, we still have to face the reality that when this debate is over, we are going to face this question time and again when we go home: Senator, what's going on here? I can't pick up a newspaper, a news magazine, turn on the radio or television and I am not being told how bad tobacco is for America. Why do you keep plowing millions of my tax dollars into the subsidy of this tobacco crop? How can you justify it?

I cannot. That is why I am offering the amendment. And I would say to my colleagues from the tobacco producing States, it is time to accept reality. And reality will tell you this. The day when the Federal Government rushed to the rescue of tobacco is over. I do not know if I will succeed with this amendment today, but tobacco's days in the U.S. Department of Agriculture are numbered. They know it, the tobacco farmers know it, and the tobacco companies know it. They know full well, as they have watched the course of events over the last 5 or 6 years, that each year we have eliminated another Federal program relative to tobacco—research, export assistance, market promotion program. We have closed those doors, and those doors have remained shut.

The tobacco growers and industry realized long ago that if they wanted an allotment program that gives them the advantage of making the kind of money we are talking about, they would have to pay for their own program. And they did it. And yet now we are in a part of this debate where they are saying we want to hang onto this last Federal subsidy.

Make no mistake; this second-degree amendment offered by my colleague, the Senator from Kentucky, does not just reform crop insurance. It strikes our prohibition before inserting his addition. So he is not adding to my amendment. He wants to get me out of the way. He wants to talk about crop insurance programs. He does not want to talk about tobacco. That is a delicate subject. But it is a delicate subject I have been talking about for 10 years.

And I want to tell you, too, I think the tide of history is on my side. I hope I am around to see that tide hit the

shore. I hope I am still standing when it does. But a little over 10 years ago, I offered the first amendment in my long and checkered career on this issue to ban smoking on airplanes—10 years ago. Every leader in the House of Representatives, Democrat and Republican, opposed me, every committee chairman, and we went to the floor. They said we were meddling with tobacco, and they did not care for it, and tobacco lobbied. Folks, I want to tell you, the monsters of the midway are not the Chicago Bears. The monsters of the midway are the tobacco lobbyists in this town. They came down like a ton of bricks on this amendment. But you know what. We won. By 5 votes we won, 198 to 193, and I was the most surprised Member of Congress standing in the Chamber of the House when it happened.

What it told me then and tells me now is that we are going to win this battle—maybe not today. I hope we do. Maybe not today, but we will. And the tobacco growers and tobacco companies have to accept the reality that if their product is to remain legal, if it is to remain legal, they have to change the way they do business. They have to stop asking for this Federal subsidy. They have to stop selling tobacco to our kids.

If they do not agree to those two things, they are going to continue to face this kind of opposition year in and year out, and it will continue unabated. Those who are here in the Chamber, my colleagues, and some who are in the gallery who have taken the time to tour this beautiful building—and it is magnificent. I am very proud to be a Member of the Senate and to be able to practice my profession in this building—they will take a look around at the columns as they walk through the corridors and they will find at the top of these columns a curious leaf.

What could it be? Well, you know what. Many of these columns are adorned with tobacco leaves. It tells you something about the history of the United States of America and the history of this Congress. When the President of the United States comes for an address to the Joint Session of Congress, State of the Union Address, for example, he stands in front of a wooden podium. Carved in the side of that wooden podium are tobacco leaves. It is part of America and it is part of our history. And there are some people who do not want to give up on that piece of history. They want to hang in there one more year for tobacco: Oh, we can do it. We can survive. We can offer perfecting amendments. We are going to fight for 1 more year.

But the tide of history is not on their side. It was not that long ago, even in my lifetime, when doctors used to advertise the healthiest cigarettes to smoke. It has not been that long ago that you could have a smoking and nonsmoking section on an airplane and create the fiction you were protecting people, knowing full well that you were not.

Those days are over. And as these tobacco companies come in here ready to negotiate, not because of a guilty conscience, because of their additional efforts to make money, we can see the tide changing. And yet we hang onto this vestige of the old school, this relic of history which for 60 years has said that the Federal taxpayers will defend and subsidize tobacco. That has to come to an end, and it has to come to an end sooner rather than later.

Let us take the money we save with my amendment and use it for valuable, positive things that will help all of rural America. Let us use it for programs that are beneficial, health assistance to everyone across this Nation. The amendment that has been offered by my colleague from Kentucky is an amendment which seeks to win this battle today, put it off, at least the overall issue, for another day. But that is not good for America. It does us no good as a nation to turn our back on this reality.

I say to my colleague as well, although he may question this, I will tell him in all sincerity, I understand his concern for his farmers. I give him my word now as I have in previous debates that if he is prepared to offer an amendment as part of this tobacco agreement to help his farmers, either phaseout of tobacco growth, move in other areas, I will be there, I will help him. Tobacco companies owe a great deal to the American tobacco growers, and I don't run into too many tobacco farmers who defend them, incidentally, because they know full well these same tobacco companies haven't treated America's tobacco farmers very well. They continue to import cheaper tobacco from overseas. They turn their backs on the very farmers whose tractors and skirts they have hid behind for decades. It was not fair the tobacco growers were not at the table.

If the Senator from Kentucky or anyone on that side of the debate wants to suggest a change in this overall agreement to provide assistance to those tobacco growers so that they can phase in to a different type of production or phaseout of tobacco growth, I am happy to join him in that effort. My war is not with those farmers. My war is with what they are growing in their fields, because what they grow in those fields is deadly. It is lethal. It is something that can't be ignored or swept aside as just another agricultural issue.

I can recall during past debates on this people have stood up and said you can't single out tobacco when it comes to America's export policy, and yet we have done it. People have said you cannot single out tobacco when it comes to research. Basically, we have done it. People have said time and again that you cannot separate tobacco as a crop. But I believe the American people know the difference. They know the difference between a bushel of corn that may be used for a variety of positive things. They know the difference between a bushel of soybeans that may be used for a variety of things, positive for American families, or a bail of cotton. You cannot say the same thing about these tobacco leaves.

So, Mr. President, I oppose this amendment, not because of its underlying wisdom but because it is offered only, exclusively, solely for one reason—push the tobacco debate off for another day. I believe, and I believe my colleagues will join me in this belief, that you cannot wait another day. You have to move forward with this debate and address this issue now.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, this has been a very vigorous and informative debate, in my judgment. I have no parochial interest in that our State does not grow tobacco. We have no program for tobacco, for any of the producers of agricultural commodities in our State, but I am persuaded by the arguments that have been made by the Senator from Kentucky about the economic consequences of this amendment, and that is bolstered by the letter the distinguished Senator from Kentucky [Mr. FORD], mentioned that had been received by me today from the Secretary of Agriculture which points out the detrimental effect that the amendment offered by the Senator from Illinois would have on agriculture producers in the United States if it were to be passed by the Senate.

So I am constrained to oppose the amendment of the Senator from Illinois, but I am also troubled very much by the second-degree amendment that has now been offered by my good friend from Kentucky which limits the application of the crop insurance program to farmable acreage of less than 400 acres. And that is troubling because so many of our farmers in my State and elsewhere throughout the country have more than 400 acres under cultivation, and this would be discriminatory in a different kind of way. So I am troubled by that amendment and I do not want to see that passed.

So I am in a position and I think the best course of action for me as manager of the bill is to move to table the underlying amendment. If that motion to table passes, then it takes both the underlying amendment and the second-degree amendment with it as I understand it.

So at this point, knowing that debate has been occurring for a little over an hour now and with the knowledge that we will set this aside, not to vote on it now but at a time to be determined later, I now move to table the underlying amendment and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. GREGG). Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the vote on the motion to table be set aside and to

occur at a time to be established later in the day.

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

The PRESIDING OFFICER. The Senator from Alaska.

CONDEMNING THE GOVERNMENT OF CANADA

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 109, which was submitted earlier today by my colleague, Senator STEVENS, as well as myself and other Members.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 109) condemning the Government of Canada for failing to accept responsibility for the illegal blockade of a U.S. vessel in Canada and calling on the President to take appropriate action.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MURKOWSKI. Mr. President, this resolution expresses the sense of the Senate that the Government of Canada failed to act responsibly to quickly restore order and the rule of law during the recent blockade of the Alaska State ferry, the motor vessel *Malaspina*. I am pleased to be joined in this measure by the senior Senator from Alaska, Senator STEVENS, the chairman of the Foreign Relations Committee, Senator HELMS, and the senior Senator from Washington, Senator GORTON.

Mr. President, the amendment responds to this illegal blockade, in which a large number of Canadian fishing vessels joined forces to prevent the *Malaspina* from departing from Prince Rupert, BC, from approximately 8 a.m. Saturday morning until approximately 9 p.m. on Monday.

The actions of these Canadian fishermen was a clear violation of international law which provides for the right of free passage, and continued Monday in violation of a Canadian court order against the blockade, issued on Sunday. Obviously, Canadian authorities had a difficult task, but the reality is that they failed to take timely action to disperse this illegal demonstration. Indeed, they delayed even serving their own Canadian court's injunction against the blockaders.

This incident caused distress, financial harm, and inconvenience to some 300 passengers, primarily American passengers, on board the vessel, and to the State of Alaska that operates the system, and to companies which had consigned freight shipments to the vessel. While the Canadian fishermen claimed their action was in response to a fishing dispute, the blockade of this vessel went far beyond any fishing dispute into a very dangerous area, and created an international incident.

There is little difference, in reality, between this blockade and the interruption of traffic on a major international highway such as New York's Route 81 to Montreal. The Alaska Marine Highway System is part of our U.S. Interstate Highway System. Operating money for the *Malaspina* and other vessels in the system receive funding through ISTEA, our national highway legislation. Any vehicles that can traverse the interstate highways of Alaska can be accommodated in the MV *Malaspina*. It carries approximately 105 cars, vans—you name it. So, it is an official part of the U.S. National Highway System. Moreover, Mr. President, this ship was also carrying the U.S. mail.

This resolution will put the Senate on record in opposition to this and future illegal attacks on the U.S. transportation network, and specifically the Alaska Marine Highway System. It calls upon the President to do whatever is necessary and whatever is appropriate to ensure that the Government of Canada takes steps to guarantee that illegal actions against American citizens will not be allowed. It also calls on the President to assist American citizens who were harmed by this illegal action to recover damages from those responsible and/or from the Canadian Government.

Yesterday I spoke with Canada's Ambassador to the United States. He apologized for the burning of the U.S. flag by one of the fishing vessels—an unfortunate incident. On the other hand, even at that time, more than 2 days after the beginning of the blockade, the Ambassador was not able to confirm to me that his government had the necessary commitment to take appropriate steps that may be necessary in such illegal actions. He indicated that he would attempt to find out what action would be considered if the vessels didn't voluntarily depart the area.

I am still awaiting the call, although the issue has since been resolved. Ultimately, it was the fishermen themselves who decided to remove that blockade, not any formal action of the Canadian Government in enforcing, if you will, the Canadian court order. Indeed, the Canadian Minister of Fisheries, who met with the fishermen yesterday, was quoted in the press as saying he would not even ask the fishermen to cease the blockade.

I know emotions run high. I very much value our relationship with our Canadian neighbors. But an unlawful act such as this, where United States commerce is affected, United States mails are affected, the orderly transportation of United States citizens is affected, and the Canadian and the British Columbian justice systems fail to take immediate action to terminate the illegalities, was very disappointing to those of us in Alaska and the United States.

I know the administration views this matter seriously. I know they have under consideration certain steps that may be necessary to protect U.S. interests. I believe the Senate should show its support for the President in this matter and that is exactly what the resolution does.

It specifically encourages using United States assets and personnel to protect United States citizens exercising their right of innocent passage through the territorial seas of Canada from such illegal actions or harassment, until such time as the President determines the Government of Canada has adopted a long-term policy that ensures such protection. That could include escort by the U.S. Coast Guard, if necessary.

Second, it says we should consider prohibiting the import of select Canadian products until such time as the President determines that Canada has adopted a long-term policy that protects United States citizens exercising the right of innocent passage through the territorial seas of Canada from illegal actions or harassment.

Third, it suggests the possibility of directing that no Canadian vessel may anchor or otherwise take shelter in United States waters off Alaska or any other State without formal clearance from United States Customs, except of course in the case of storms or other emergencies.

Fourth, it reflects that the President might find it appropriate to say that no fish or shellfish taken in sport fisheries in the Province of British Columbia may enter the United States.

Last, it suggests enforcing U.S. laws with respect to all vessels in Dixon Entrance, including the waters where jurisdiction is disputed. It is my hope these actions will not be necessary, and that we will get the necessary assurances from the Canadian Government.

Many say this is a fishing issue. Mr. President, the fishing issue is paramount but that can only be resolved through negotiations. It is fair to say of the last negotiation, that the Canadians saw fit to walk out and have not been back since. It is my hope those negotiations will resume soon, but that takes two parties to begin.

In any event, I ask my colleagues for support on the Senate resolution.

Mr. President, It is my intention, with the permission of the floor manager, to ask for the yeas and nays on the amendment.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MURKOWSKI. I assume we could, perhaps, arrange for a rollcall vote around 4 o'clock, or stacked with the other votes that are pending, if that is in agreement with my friend?

Mr. COCHRAN. If the Senator will yield, I am prepared to make a unanimous-consent request to that effect, if that is satisfactory to the Senator.

Mr. MURKOWSKI. I yield the floor and I thank the Presiding Officer and my colleague.