RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 2:15 p.m.

Thereupon, the Senate, at 12:31 p.m., recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GREGG).

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

The Senate continued with the consideration of the bill.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

AMENDMENT NO. 3127

Mr. President, I come before the Senate as a Senator from Minnesota, along with other Senators from the Midwest, although I think that we represent the point of view of Senators throughout the country. I come to speak to the sense-of-the-Senate amendment that is before the Senate, although we are going to have much more business to follow.

The concluding paragraph of the sense-of-the-Senate resolution is:

> Now, therefore, it is the sense of the Senate that emergency action by the President and Congress is necessary to respond to the economic hardships facing agricultural producers and their communities.

This was laid down by my colleague, Senator DASCHLE from South Dakota, the minority leader.

I ask unanimous consent that I be included as an original cosponsor of his amendment.

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

Mr. WELLSTONE. Senator HARKIN spoke when I was out on the floor earlier, and Senator DORGAN, and Senator JOHNSON. Senator CONRAD may have spoken.

Mr. President, let me talk not so much about what is happening around the country, although most Senators represent States that are being hurt by this crisis in agriculture. Let me instead talk about what has happened in northwest Minnesota and what is happening right now in my State.

In northwest Minnesota, we have been hit by bad weather. Everybody remembers the floods. We have also been affected by scab disease. And now we are facing very low prices with grain crops.

Mr. President, the situation is dire. Wally Sparby, director of our farm service agency in the State, has predicted that we could lose as many as 20 percent of our farmers, that right now one out of every five farm families is in trouble and is struggling. Thanks to the help of Senators, including the Senator from Mississippi, Senator COCHRAN, we were able to get some help to farmers for spring planting season. We were able to get USDA farm credit to farmers at planting time. The problem is whether people are going to continue to be able to farm.

Mr. President, I read from the testimony of Rod Nelson, who is president of the First American Bank in Crookston, which also has offices in the communities of Warren, Fisher, and Shelly in northwest Minnesota. Here is the concluding paragraph:

> In our bank in the fall of 1995, we began addressing the reality that things had reached a new level of concern, as many rather than some of our farm customers, were not doing well. Things have only gotten worse since then. This year we conservatively project to have 20 growers quitting or significantly downsizing their operation. We likely have an equal number thinking about doing so or in the process of doing so. It's important to note that to properly phase out of farming it takes good planning and 2, 3 or 4 years. The increased number we are seeing this year will likely be even larger next year. These numbers just represent our banks customers. As you look at the whole of Northwestern Minnesota, the picture would be worse because not all areas have beets which has been the one consistently good crop.

Mr. President, I will just translate all of these statistics in personal terms.

I hope we will take action in this Chamber that will make a difference. I hope it will happen in the House. I don't want it to be symbolic politics. I don't want a partisan debate. I hope it doesn't end up going in that direction, because I will tell you, I have met too many people who are now being driven off their farms. They not only work on the farms; this is where they live. During the mid-1980s, I was a teacher at Carleton College in Northfield, in Rice County, some 491 square miles, population I think about 41,000, and most all of my community organizing was in farm, rural areas. I spoke at so many different farm gatherings, and I knew so many families that were foreclosed on. I saw a lot of broken dreams and a lot of broken lives and a lot of broken families. That is exactly the direction we are going in right now.

Farmers have good years and also some not so good years. Prices go up and prices go down. I am not, I say to my colleagues, going to come out here and rail about the Freedom to Farm bill. Maybe there will be a time to do that. I will say in a very quiet way that I really do believe this has been more for the benefit of corporate agribusiness, and I do think now that prices are falling and the so-called transition payments are dwindling, an awful lot of farmers are in trouble. That is the real point.

We no longer have the safety net we once had. Farmers cannot make it on $2 corn, they can't make it on $3.25 wheat, and that is why at the beginning I said, and I say it again, I think the Freedom to Farm bill has become the ''Freedom to Fail'' bill.

Now, after having said that, I want my colleague from Mississippi and other colleagues to know that I don't see this particular resolution or the amendments that we are going to bring to the floor over the next day or so as being a debate about the Freedom to Farm bill. I think it was a profound mistake. I voted against it. I will always take that position until proven wrong.

By the way, I said when it was passed that I prayed I was wrong. I would be pleased to be proven wrong. If in fact the Freedom to Farm bill, along with the flexibility for farmers in planting, which I am all for, was to lead to family farmers doing better and the families being better off, I would be all for it.

I guess that was the theory. But now we don't have the safety net we had, and, most important of all, farmers do not have the leverage in the marketplace to get a decent price. That is what I would put my focus on, a fair price for farmers, especially family farmers.

Now, for people who might be watching our debate, I think this is special to me as a Midwesterner, because the family farm structure of agriculture is precious to our part of the country. We all know that the land will be farmed by somebody and somebody will own the animals. The question is whether or not the land is farmed by family farmers. The number of family farmers who live in our communities has a lot to do with who supports our schools, who supports our churches or synagogues, who supports the local businesses in town. This is a life-or-death issue for a very important part of America. This is a life-or-death issue for a part of America that is dear to many Americans.

So first we have the resolution that is before us which asks the Senate to recognize that we have an emergency situation, and we do. This would potentially free up some funds that are needed to provide family farms and families in rural America with some support.

Second, I think the most significant thing we can do is to focus on price. When I think about the discussions I have with farmers—I hope to be in Granite Falls, Minnesota this Saturday with State legislators. Doug Peterson is going to be there; Ted Winter is going to be there; Jim Tunheim from northwest Minnesota has been making the plea over and over: Please do something. Our focus will be to lift the current cap on the market loan rate.

Right now, we have a cap on the loan rate which is $1.89 for a bushel of corn and $2.58 for a bushel of wheat, and this tends to set a floor under prices. But this is simply too low. It is just simply too low. Farmers cannot cash-flow with these kinds of prices. At a Minnesota average price for the year at $2 for corn, it simply is not going to work for family farmers.

What I would like to do in the best of all worlds, is to remove these caps and raise the loan rate to the close to the cost of production—$3 corn and $4

wheat. That is what we should talk about. Instead, what we want to do is to at least take the cap off this loan rate, and then raise the loan rate to 85 percent of the average price for the last 5 years. That would be at about $2.25 a bushel for corn and about $3.22 for a bushel of wheat.

Let me say to my colleagues, if we do that and we also extend the repayment period from 9 months to 15 months—all of it is paid back; this is not a giveaway—then what we will see is farmers getting a better price for their crop.

We have to take the cap off the loan rate. We have to get the price up. There is no way that family farmers can make it otherwise. We can focus on exports. We can focus on all those other issues. That is fine. But the central issue is price, price, price. And right now that loan rate is set at such a low level and farmers have so little bargaining power in the marketplace that they cannot get a fair price.

We also want to make sure that we have some price disclosure and reporting when it comes to what is going on with the livestock markets around the country.

The problem is that there is plenty of competition among the producers, but there is no competition among the buyers of hogs and beef cattle. Therefore what we are talking about is a pilot project that basically puts us on the path toward mandatory price reporting by the packers. I personally would like to see mandatory price reporting done nationally, but I think this is a good step. We ought to know what they are paying.

We have precious little free enterprise in what should be a free-enterprise system. The family farmers are the only competitive unit, and they find themselves squeezed both by the input suppliers and to whom they sell.

Finally, crop insurance just cannot do the job if you face several disaster years in a row. Our amendment would replenish the disaster reserve of the Secretary of Agriculture so we can make payments to farmers who have suffered a disaster and for whom crop insurance hasn't worked. This is the indemnity feature of this piece of legislation.

I say again to my colleagues, we can end up debating Freedom to Farm. I am all for debating it. But there is no way, whether it be what is happening to wheat farmers or what is now going on with corn growers as well, that farmers are going to make it if we don't get the price up. The most important single thing we can do as an emergency measure is to take the cap off the loan rate to get the price up, and, in addition, make sure that we can get some funding out there, some kind of indemnity program that will enable the Secretary of Agriculture, in the spirit of disaster relief, to get some funds out there to these families so that they have a chance.

I want to say to my colleagues, I hope there will be overwhelming support for this resolution. More importantly, I hope that we will have overwhelming support for what is to follow. We want to take a position as a Senate that this is for real. The economy is at peak economic performance, but we are faced with a crisis in many of our rural and agricultural communities. Then what we have to do is pass amendments to this appropriations bill which take some concrete steps that can make all the difference in the world to the people we are trying to represent here.

Those are steps I think we should take. I hope we get strong support for them. My priority is to be out on the floor speaking, debating this, working with colleagues, trying to get as much support as possible. For many family farmers in Minnesota and around the country, time is not neutral. It is not in their favor.

If we are not willing to take some action that can make a difference, they are going to go under. We are going to see too many family farmers driven off the land. We will see more and more concentration of ownership of land. It is not going to be good for agricultural America; it is not going to be good for rural America; it is not going to be good for small businesses; it is not going to be good for small towns; it is not going to be good for the environment; and it is not going to be good for the consumers in this country. This is a crisis of national proportions, and I hope we will take corrective action this week on this bill.

I yield the floor.

Mr. BAUCUS. Mr. President, I rise today on behalf of the American farmer.

Mr. President, Montana's farmers and ranchers have suffered from an extraordinary turn of events that is driving people off the family farm. Low prices, shrinking Asian markets, drought and the adjustments to a new farm bill have left our producers with an inadequate safety net. For many, this is disaster.

First, we have to deal with price. And we have to deal with price today. Our producers can't survive another setback. Montana farmers have already planted the smallest spring wheat crop since 1991—down 17 precent over last year and down 8 percent from what they intended to plant March 1. As I recall, we were talking about low prices as far back as December, And now, in mid-July we are talking about the same issues. We are simply farther down the rocky road. It's high time to act.

I am sure many of you will recall last spring—nearly 6 months ago—when our producers were desperately reaching out for help. So, we brought an amendment to the emergency supplemental appropriations bill that would extend marketing assistance loans. Unfortunately, we faced a brigade of opponents who wanted to push an aggressive trade agenda instead of an emergency price fix.

Now I find it ironic, that despite all of our best efforts, the many hearings held about the ''Crisis in Agriculture,'' and the promotion of the sanctions package as the cure-all for our price dilemma—that we are exactly where we started—at ground zero. We've seen no improvement on price. In fact, we've lost ground: Montana's winter wheat average price decreased 22 cents from April 1998 to now, dropping to $3.06 per bushel.

Beef prices also are lower—down $3.10/cwt. And sheep have dropped by $8.40. And still, we want our producers to believe that we should look for brighter days in the international market—without congressional intervention.

Some would argue that this situation can be blamed on over-production, alone. I wholeheartedly disagree. While it is true that wheat stocks in Montana on June 1 totaled nearly 60 million bushels, up 80 percent from the same quarter last year, but our exports are down considerably. I think we can also make the argument that extending the market loans an additional six months is but a step in resolving the problem.

It is true that we must move our wheat, our beef, and all other ''crisis commodities''—and now. We can't view this measure of extending loans and lifting the loan cap to become a last ditch-policy. But as an emergency matter, I would call on my colleagues to consider the ramifications of letting this disaster go another day. And encourage them to lend their support.

That will solve the short-term issue of price. Then, we must address the long term. We did just that by stepping up our efforts on the trade front by passing a bill last week removing GSM ag credits from our sanctions package on India and Pakistan.

Next we need to review those sanctions still pending on nearly 9 percent of the world and re-evaluate whether they are current, necessary and proper. If not, let's remove the sanctions and move our wheat into these markets and help our producers. Food should not be used as a weapon. And our policies should not hurt our hard-working producers.

We should also support the country of origin labeling amendment for our livestock producers. Consumers in America can examine the label on any given product to make an informed shopping decision. But that is not the case with our imported meat. I am a cosponsor of Senator JOHNSON'S efforts to require meat labeling. It makes sense. It costs little. And the benefit extends, not only to producers, but also consumers.

And finally, we cannot ignore the force of Mother Nature. No one can argue that our farmers have been subject to an adverse and often hostile market. But this year marks a series of natural disasters that are beyond our control. Drought still plagues many counties in Montana. In fact, twenty-two percent of our crops are in poor condition because of lack of moisture. That is bad news for our livestock industry, as well. Fifty-nine percent of

our pasture—used for forage—is in less than good condition. Clearly, efforts targeted at replenishing the disaster reserve would be hailed as relief for those victims of annual disaster.

And finally, Mr. President. I urge my colleagues to support these measures—not on a partisan basis—but because it is the right thing to do for our producers back home. Our feet—and those of our producers—are being held to the fire. Will we take action—or spout rhetoric? Will we show our constituency that we are here in Washington fighting for them—not amongst ourselves? I would hope we can take the higher ground and send a message to America—we need and support our farmers and ranchers—by lending our support.

PRIVILEGE OF THE FLOOR

Mr. GRAHAM. Mr. President, I ask unanimous consent that four members of my staff, Catharine Cyr, Jason McNamara, Brandon Young and Sally Molloy, be granted the privilege of the floor for the duration of the consideration of the agriculture appropriations bill.

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

The Senator from Maine.

NEW ENGLAND PLANT, SOIL, AND WATER RESEARCH LABORATORY

Ms. COLLINS. Mr. President, I rise today to thank the Senator from Mississippi, the distinguished chairman of the Agriculture Appropriations Subcommittee, for so generously honoring my request to support the USDA-Agricultural Research Service's New England Plant, Soil, and Water Research Laboratory, which is located at the University of Maine. I am very pleased that the Senate Agriculture Appropriations Subcommittee has recommended that this important agriculture research worksite be kept open, despite the administration's misguided attempt to close the facility and curtail its funding.

I am also happy that the distinguished chairman has agreed to my request to provide a $300,000 increase in the lab's funding to hire new scientists at the Cropping Systems Center to develop production and disease management systems.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I was pleased to be able to grant the request of the distinguished Senator from Maine, the request to ensure that this valuable agricultural research is continued at the Agriculture Research Center's laboratory.

Ms. COLLINS. Mr. President, to continue the colloquy with the distinguished chairman, I again thank him very much for his support. I would like to point out the research conducted at the University of Maine is particularly vital because of the 104 USDA–ARS labs across the country, the laboratory located in Orono, ME, is the only one in New England. The facility is thus able to conduct research on the unique challenges that face our New England farmers.

Specifically, the lab at Orono has conducted research into raised bed techniques that allow potatoes to be grown in the short New England growing season, as well as into disease and pest management.

The potato industry in New England, 95 percent of which is located in northern Maine where I grew up, is suffering through a difficult period. Underpriced subsidized imports and several consecutive years of disease, drought and pest problems have resulted in a steady decline in the amount of acreage planted in potatoes. The additional $300,000 included in the managers' amendment will allow the lab to hire a new pathologist and microbiologist to help New England farmers to overcome many of the challenges they face. I look forward to working with my colleague to enact this significant legislation and, again, I commend and thank him for acceding to our request in this regard.

Mr. COCHRAN. Mr. President, I am pleased to be able to point out the distinguished Senator from Maine has chaired committee hearings in the Permanent Subcommittee on Investigations on the subject of food safety. It has been a pleasure to participate with her in that effort and to observe the quality of leadership she has brought to that issue.

Her comprehensive investigation on the subject of food safety will greatly assist all of us in the Senate in our efforts to improve the food safety system in this country and ensure legislation on this subject is responsive to the real needs for improvements in the programs that are administered by the Food and Drug Administration and other agencies of the Federal Government.

Ms. COLLINS. I thank the Senator for his very kind comments. It has been a great honor to be able to work with the Senator on the issue of improving the safety of imported fruit and vegetables and all imported food.

As we have learned from the two hearings that we held to date, this is a very complex issue that does not lend itself to a simple solution. It is my hope that continuing to work with the Senator from Mississippi, we will be able to complete our investigation this fall and develop a series of recommendations that will get to the heart of the problem and help to continue to ensure that our food safety is the best in the world.

I thank the chairman for his cooperation and participation in this conversation, and I yield the floor.

Ms. SNOWE. Mr. President, I rise today to thank the distinguished Chairman of the FY99 Subcommittee for Agriculture, Rural Development, FDA and Related Agencies appropriations for honoring the requests of Senator COLLINS and myself for additional funding of $300,000 to fund a scientist and technical support for the New England Plant Soil, Water and Research laboratory at the University of Maine in Orono. I also greatly appreciate the fact that the appropriators have also agreed that the lab, which has been threatened with closure in the President's FY99 budget, should remain open.

This lab, under the capable leadership of Dr. C. Wayne Honeycutt, conducts research to develop and transfer solutions to problems of high national priority in the potato industry and is critical to the State of Maine, its potato growers, and its economy. Ninety five percent of New England's potato acreage is in Maine, and this lab has the benefit of being in close proximity to growers' fields. The additional funding provided by the appropriations will preserve and expand this vital research program and maintain New England's only agricultural research laboratory, and I thank Senator COCHRAN for his attention to our requests.

AMENDMENT NO. 3127

Mr. COCHRAN. Mr. President, the pending amendment is the resolution that was offered by the Democratic leader and others which is a recitation of some of the challenges and problems that face those who are involved in production agriculture throughout America. Several Senators have taken the floor to point out some specifics that back up the suggestion made in this sense-of-the-Senate resolution.

Other Senators have added their comments in the form of other resolutions. We have already adopted on a voice vote a resolution offered by the Senator from Texas dealing with the problems of the drought that is confronting agriculture producers in that State.

We have another amendment that has been brought to my attention that will be offered by the Senator from Florida, maybe both Senators from Florida, on the subject of the problems of agriculture that have been caused by the wildfires and the other disasters that have occurred in that State.

So it is no secret that we have plenty of problems out there. There may be disagreements on exactly how to approach the difficulties. They are not all the same. Some are weather related; some are not. Some have to do with market conditions in various parts of the world. So it is a complex and wide range of problems facing the Senate. We are being put to the test today, to come to some decision on these issues.

I encourage Senators who have comments to make on this subject to come to the floor and express their views. This is a good time to do that. At some point, we will have to either agree to this amendment or consider an amendment to it and move on to other issues.

So any Senators who would like to comment on that at this point, I encourage them to do so.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ROBERTS. Mr. President, I rise today to address the agricultural issues that have been presented by my colleagues, the agriculture appropriations bill, and to discuss the current state of agriculture in the country. More particularly, I think it is most pertinent and appropriate to discuss the amendment that has been introduced by the distinguished Democratic leader on behalf of my friend and colleague from Iowa, Senator HARKIN.

It is a sense-of-the-Senate resolution that describes a very serious situation in agriculture today. The resolution was presented to the desk when I had the privilege of being the Presiding Officer. It is a little difficult to read all of it in that there has been some editing there. I am not trying to perjure the editing at all. The distinguished chairman of the Agriculture Appropriations Subcommittee, the Senator from Mississippi, has indicated that if we could work on this a little bit, there should not be any problem in regard to a sense-of-the-Senate resolution that addresses the serious situation we have in agriculture, and more especially, the regional crisis that is now being experienced in the northern plains. So I look forward to a bipartisan sense-of-the-Senate resolution.

I guess we could quibble about the adjectives and adverbs and some of the comments and figures. We are trying to work that out. It should not be a problem, though. We have appropriate language. My staff has worked on it, and I know Senator COCHRAN's staff has worked on it. I know we are going to consult with Senator LUGAR, and many on the other side have worked on this. I think it is appropriate that we draw the attention of the American public to the severe problems that we are experiencing in agriculture, more especially in the northern plains.

Having said that, Mr. President, I don't argue that things are perfect in farm country or in rural America. But I do not believe that the wheels have fallen off and sent agriculture policy crashing into a wall, as some of my colleagues are claiming. There are, indeed, problems in agriculture. I think we are all aware of that. But, again, they are regional problems, it seems to me, caused by weather and crop disease and the ''Asian economic flu''—or in some cases it has become the ''Asian pneumonia''—but not the 1996 farm bill. They do not represent a national crisis in agriculture. It is very severe for the people involved, but a national crisis? No. Are there real problems in agriculture today because of the lack of a coherent, aggressive export policy? Sure. Are there other problems and other challenges? Yes. But a national crisis? I don't think so. Two years ago, we passed the Federal Agriculture Improvement and Reform Act, dubbed the Freedom to Farm Act. And it represented, I think, the most comprehensive change in agriculture policy since the New Deal. This new farm bill removed restrictive planting and marketing requirements—and, boy, were they restrictive—that for many years had prevented farmers from planting their crops and using their resources in the most efficient and profit-generating manners. When we wrote the FAIR Act, we had two basic choices. We could continue on a course of micromanaged planting and marketing restrictions that often put our producers at a competitive disadvantage in the world market, or we could pursue a course that would eliminate these restrictions and allow farmers to make their own planting decisions based on domestic and world market demands, while also receiving guaranteed—and I emphasize the word ''guaranteed,'' underscore it—levels of government transition payments.

Let me put it in language that most farmers used when they talked to me when I had the privilege of being the chairman of the House Agriculture Committee in the midst of the farm rewrite. They were a little tired of putting seed in the ground according to USDA dictates. Before this farm bill, the farmer put the seed in the ground as dictated by the USDA to preserve an acreage base. Why? Because the acreage base qualified them for subsidy payments. How much? We would determine that here in Washington. Then, of course, the more we set aside to pay for all of this, they said, OK, put the seed in the ground. You protect your acreage base. But you have to set aside part of your wherewithal on some kind of a supply-demand, command-and-control scheme. That said, we will set aside 10 percent, 20 percent, or 30 percent of your reduction as decided by Washington in order to pay for this. Guess what? Our competitors overseas simply increased their production by more than we set aside, and we lost market share.

Folks, that was a dead-end street. The whole design of the new farm bill was to let farmers make their own decisions in regard to planting and what made sense in terms of price, market, environment, working their ground, or whatever.

As chairman of the House Agriculture Committee, I worked with Chairman LUGAR and members of the Senate Agriculture Committee to pursue this legislation that really would provide our producers with the tools to compete in the world market. But we did not, Mr. President—we did not—veer off aimlessly into the wilderness. Chairman LUGAR and I had held dozens of field hearings throughout the United States. I think we totalled them up in the House Agriculture Committee, and I think we went 30,000 miles—30,000 miles listening to farmers and ranchers in regard to what they wanted. The producers overwhelmingly stated that they wanted flexibility in making their own planting decisions in competing with the world market.

Has the FAIR Act worked? Has the Freedom to Farm bill worked as it was intended? I think the answer is a qualified yes. Is it perfect? No. Is it written in stone? No. Is it an ongoing work in progress? Yes.

Let me refer to the policy ledger that we promised farmers in regard to when we considered this bill. We said, ''Look.'' If we are going to be budget-responsible—this is the policy ledger, 1996. This is what we told farmers in all of the hearings. And most of them bought it. Not all, but most of them bought it. And we said, look, if you have less Federal dollars here in terms of meeting our budget obligations—and let me point out that farmers and ranchers above anyone suffer from inflation and higher interest rates—they wanted a balanced budget. And we said, OK, if we are not going to rely on supply-demand set-asides, we have more reliance on risk management. Boy, that is a tough one because today a lot of farmers are finding unacceptable risk, as I have indicated, more especially in the northern plains. We are going to give you this in connection with the Freedom to Farm legislation.

This was farm policy reform under the bill, a consistent and predictable farm program support, and the only time we have ever passed a farm bill that for 5 or 6 years laid it out for every banker, every financial institution, every farmer on exactly what they were going to get. As one farmer told me one time at the Hutchinson State Fair in Kansas, he said, ''Pat, I don't care what you do to me, just let me know.'' We did for 5 or 6 years.

Planting flexibility: I have gone over that.

The elimination of the set-aside programs, because we were losing market share. We were noncompetitive on the world market.

Improved risk management tools: Have we done that? Well, no. We haven't. We have ample funding, hopefully, in the agriculture research bill that was passed and the crop insurance bill that was passed with the help and leadership of Senator COCHRAN, Senator BUMPERS, and others as well, and some others. It was a tough fight, but we got it past the House, and we got it past the Senate. If we can get it past the House Appropriations Committee, why, that will be a real feather in our cap.

Having said that, we have not really reformed the risk management crop insurance that we need to do.

So, yes, the farm bill is not perfect. We need to do that.

Less paperwork and standing in lines: I will tell you, under the old bill farmers stood in line outside of the old ASCS office. That is an acronym. It is now changed to FSA. That is the Farm Service Agency. And Aunt Harriet was in the agency's office, the Farm Service Agency office. Farmers stood in

line, filled out all of the paperwork, and filled out all of the forms. They got plumb tired of it. Under this new farm bill they don't have to do that. Less paperwork, less regulation, and less waiting in line.

Tax policy reform: That is all part of the credit that we promised, a farm savings account. We are going to do that this session of Congress. We should have done it in the farm bill. It should have been done at that particular time. We simply ran out of time.

Capital gains tax cut: We have done some of this. We need to do more.

State tax cut: We have done some of that. We need to do fully deductible health care. We are on the road to accomplishing that.

Income averages: CONRAD-BURNS from this very desk introduced the amendment on income averaging. We should extend it for the life of the farm bill. We need to do that.

The other thing on the ledger that we promised farmers we would work on, No. 3, is trade policy reform. Boy, we have a real challenge ahead of us in this regards.

Fast track negotiating authority: If there is one single thing that has happened in the last year that threw a real clinker into our export sales it was a decision by the Congress—and, yes, by the President—to withdraw fast track. That single item is the most distressing piece of news since the embargo of 1980 that lead to shattered glass in regard to exports, and helped cause the 1980s farm crisis.

I say to you, Mr. President, with all due respect, if we can get a 98-to-0 vote in regard to sanctions reform as we did last week, rethink fast track, please. I think that we could get it done, if you are for it. Be for it. Speaker GINGRICH and Leader LOTT have indicated that we will vote on it with a CBI initiative, with the African Trade Initiative. Let's do it. But that signal that was sent when we withdrew that bill sent tremors through all of our trade policies and with regard to contract sanctity.

End these unilateral sanctions. This Congress, and, yes, this administration, have become sanctimonious in regard to walling off about 75 percent of the world's population, 75 percent of the world's countries. You can't have a market-oriented policy with that.

Consistent aggressive export policy: Well, I don't think we are using all the tools we should.

NAFTA and WTO oversight: Not doing enough.

Value-added emphasis in regard to research funding: We are doing some. We should do more.

Extend MFN for China: Well, you can see on the trade policy reform that we haven't done so well. And that is part of the problem, albeit a passing glance to my colleagues on the other side. But that is part of the problem that we have.

Regulatory reform; preserve the conservation reserve program. We did that; not the way I wanted to, but we did that to some degree.

Enact FIFRA reform. That is an acronym for you. That is the Federal Insecticide, Fungicide, and Rodenticide Reform Act. That is the food safety reform bill. We enacted reform. The way the EPA is administering it we have real problems. And that is going to be the source of another debate on the floor and in committee as we go down the road. So we need some help there.

Incentive programs for good stewardship; eliminate unfunded mandates. That is the recipe.

We promised farmers in all of the hearings we had. We said, OK, you go to market-oriented agriculture. We rely less on subsidies. These are the things we are going to work on. Have we done them all? No. Should we do them all? Yes. And it should be a bipartisan effort.

But, if we do this, then obviously, by the way, the Freedom to Farm bill will work, and is working to a certain degree.

We have heard a lot of statements that the Freedom to Farm bill has failed, and that we ''pulled the rug out from underneath our producers.'' My colleagues, this is not true. The facts are not there. The 1996 and 1997 farm bill provided a combined $11.5 billion in payments to America's farmers. Under the old program farmers would have only received a combined $3.6 billion in payments.

If we have increased the payments to farmers in this transition three times as high as in the old farm bill, how on Earth can you say that the current farm bill is the source of our problem?

Let's just put it in simple terms. If we provide more money to farmers, three times as much, that is a problem in regards to price with our export demand? Hello.

Mr. President, we have also heard that there is no longer a safety net for America's farmers, and advocates of this position argue that we must extend marketing loans and remove the caps on loan rates. And based on recent figures, it is estimated the loan rate for wheat would rise to $3.17 a bushel from its current level of $2.58. We could use corn and soybeans and other program crops, but wheat is going through a difficult time. It is a good example, so I am going to use wheat. But if you add in the transition payments—nobody over there on that side of the aisle has even mentioned a transition payment—the 63 that a farmer is getting per bushel right now—as I say, three times as much as they would have received under the old farm bill. That doesn't exist for my friends across the aisle. It is invisible. But it is not invisible to the farmer. When you add in the transition payments of 63 cents per bushel on the historical base farmers are receiving for wheat, you now have a safety net of $3.21. Why should we approve amendments that will bust the budget at a cost of nearly $4 billion over 5 years, Mr. President, when they provide a lower safety net than the current program?

No, I know the answer. They say we want both; we want the whole loaf. As a matter of fact, if we are going to consider any kind of a payment, it seems to me it ought to be added to the transition payment so farmers could make the decision, not some kind of a marketing loan or a loan program where, again, Washington makes the decision.

So raising and extending loan rates, I do not think, in the end result will improve prices and the producer's income. As a matter of fact, extending the loan rate actually results in lower prices in the long run. Extending the loan for 6 months simply gives producers another false hope for holding on to the remainder of last year's crop. Farmers will be holding on to a portion of the 1997 crop while at the same time harvesting another bumper crop in 1998. Thus, when you roll over the loan rate, it actually increases the amount of wheat on the market and results in lower prices, not higher prices. Since the excess stocks will continue to depress prices, we will then extend the rate again.

Once you go down that road, it is going to be very difficult not to extend it again. And I think it would become an endless cycle that would cost billions of dollars and which will eventually lead to a return of planting requirements to pay for it. You can't simply stand up and say we are going to spend $4 billion on an emergency because you have a regional farm crisis on the northern plains and not expect some people around here to say where is the offset. The offset would be in set-aside acres and you are right back to square one with the same old farm bill that caused all the problems to begin with. That would be an attempt to control the output and limit the budgetary effects.

I suppose we could find some offsets. Where is that article by Jim Suber? Jim Suber is an ag writer for the Topeka Daily Capital. He knows what he is talking about, if we want to find offsets and pay for this and do it the right way, not add to the budget deficit, not add to the possibility of inflation, higher interest rates. Jim says USDA is spending, or will spend $37.9 billion on social welfare programs. I am not perjuring that. They are very good programs. But it plans only to spend $5.9 billion in commodity programs.

So here we have the Department of Agriculture, according to Jim, spending 7 to 1 more money in regard to social welfare programs and other very fine programs as opposed to assistance to farmers.

Well, if we want to get offsets, I can certainly go down that list, but I don't think that is a popular thing to do, and I don't think I am going to do that.

Extending and raising loan rates will only serve, I think, to exacerbate the lack of storage associated with the transportation problems in middle America because it simply causes farmers to hold on to their crops and to fill their elevator storage spaces.

Now, in Kansas we have just harvested our second largest wheat crop in

history. Perhaps not in Oklahoma and Texas, where they have had bad weather, but in Kansas that is certainly the case. There are predictions of record corn and soybeans in the fall in Kansas. If we don't move the wheat crop now, it will create transportation problems in the future that will surpass anything we experienced last year. And we had mounds of grain sitting by the local country elevator with no rail transportation.

I think I should also mention that advocates of higher extended loan rates argue it will allow farmers to hold their crops until after the harvest when prices will rise. After all, that is the whole intent, or that is the whole plan in regard to the higher loan rate. I would point out that Kansas State University recently published a report which looked at the years of 1981 to 1997, and they compared the farmer's earnings if they held wheat in storage until mid-November as opposed to selling at harvest. In all but 5 years, why, farmers ended up with a net loss as storage and interest costs exceeded the gains in price. Simply put, extending and raising the rates, I think, would provide a false hope for higher profits that most often does not exist.

Really, what we are talking about here, Mr. President—and it gets a little detailed here, but we are talking about what is the function of the loan rate in any farm program. Is the loan rate a market clearing device or is it income protection. And my friends across the aisle obviously want to make it both. I don't think you can have it both ways, but they want to make it income protection as opposed to the transition payments.

In addition, if you raise the loan rate up to $3.17, and you have a fire sale on wheat, you have a bumper crop and you have China, which is the world's No. 1 wheat producer, and you had the European Union, which is the world's No. 2 wheat producer, and a surplus of grain on the world market, what do you think is going to happen to the price? It will fall, and we will never have wheat over the price of $3.17.

So what my distinguished colleagues across the aisle fail to point out is if you put that cap on the loan rate at $3.17, you may get the $3.17 plus the transition payment if you can somehow squirrel that by the Senate and the House with all the budget problems, but you put a cap on it and you will never see $4 and $5 wheat. As a matter of fact, that is what some of my colleagues across the aisle say they have to have to stay in business.

One of the most effective measures of the success of the Freedom to Farm Act is to review the planting changes that have occurred all throughout the country since its passage. When that bill was passed, the opponents argued that farmers did not have the capability to rotate and grow various different crops, that this would be a negative. And we have heard that rhetoric here in this debate. We have heard it now for, what, 2, 3, 4, 5 weeks with the appropriate charts. Here are the facts.

In the northern plains, where many farmers are suffering from a devastating disease called white scab, farmers have rotated out of wheat acreage. They have switched to higher value crops. Recent USDA reports state that spring wheat acreage has fallen nearly a quarter from last year. We have in effect had a wheat set-aside to reduce the supply, but the farmer made that decision and went to more productive crops all across this country.

A comparison of the Farm Service Agency figures from 1993 and 1997 in North Dakota shows that during the 4 years soybean acreage increased from 591,000 acres to 1,090,000. Canola, which should be the crop of preference now in terms of profit in that State, went from 47,000 acres to 456,000 acres; dried pea acreage rose from 6,711 to 67,000 acres; navy beans went from virtually no acreage to 151,000—dramatic changes in crop production made by the decision of the individual producer.

Minnesota: The Minnesota Agriculture Statistics Service reported record soybeans and sugar beet acreage in 1997 with soybeans breaking the previous record by 850,000 acres. South Dakota's harvested soybean acres were 3.4 million—million—in 1997, 780,000 above the previous record set in 1996. Sorghum production was also up 42 percent from 1996.

I think it is important to know that these changes are not only occurring in the northern plains, but throughout the entire United States by farmers, under the flexibility under Freedom to Farm. Alabama cotton on acreage fell by 74,000 acres in 1997; soybean acreage increased by 70,000. They are following the market. A February paper by the Agriculture and Food Policy Institute at Texas A&M reported that cotton acreage declined in 1997 from the 1994–1996 average in Louisiana, in Mississippi, and in Arkansas by 34, 23, and 9 percent, respectively.

Here cotton farmers take a look at the market saying, ''I think I can make a better deal; I can make a better profit in another crop.'' That is the flexibility that was provided in regard to Freedom to Farm.

Same report: Cotton acreage in Oklahoma decreased 42 percent from a 3-year average while sorghum acres increased 31 percent. And harvested wheat acreage in Kansas—we have a little saying on the Kansas license plate that says, ''The Wheat State.'' Well, we are not. We are now the grain State—in 1998 was at its lowest level in nearly 25 years. Meanwhile, we have now planted some 20,000 to 25,000 acres of cotton in Kansas because it is productive. It is a profit incentive. As a matter of fact, the weather is a little cold up in Kansas as compared with down south, and the insects can't bite quite as hard on the cotton. If we can survive the winters, which we are doing, why, Kansas is now a cotton-producing State. You would never have dreamed that under the old farm bill.

These farmers who made these decisions and changes in American agriculture have exceeded expectations in 1996. During a recent meeting with 12 major farm organizations—what we call the summit, which we had here about 2 weeks ago—a Mississippi farmer representing the cotton growers summed it up best when he said, ''I have been farming for 40 years and farming has changed more in the last 4 years than it did in the previous 40.'' That was a positive, not a negative. Farmers have switched to higher value crops because it makes economic sense.

The plain and simple and sometimes painful—let me emphasize that—sometimes painful truth is that all U.S. producers are no longer the most efficient producers of a crop, more especially wheat, in the world. That is hard news to tell to somebody who is going through a very difficult time, but in fact our producers are no longer the No. 1 producer of wheat. When my staff, my able staff, answers the phone from worried and concerned farmers from Kansas, one of the things that I instruct him to say is: Wake up a little bit. We are no longer the No. 1 wheat producer—I am talking about the United States—that's China. We are no longer No. 2; that's the European Union.

So, consequently, I think we have to look at what we can grow and be competitive with in regards to the global marketplace. I think that is a fact. Some people, however, refuse to accept that fact. But we have a competitive advantage in the feedgrains and oil seeds, and these are the exact crops that producers have shifted to under the Freedom to Farm bill.

Let me again clearly state, I am not standing here saying there are no problems in farm country—we have them—or that I would not like to see higher prices for our producers. Would I like to see the $5 wheat of 2 years ago? You bet. I would like to see $6 wheat. I can give a pretty good speech about old parity. Parity meant justice. Parity for wheat today is, what, $12, $13, as compared to what all the costs were back when the parity formula was first considered, way back in I think it was 1912.

So, to be fair, our producers ought to get $12 wheat. I can say that, but I also know that when wheat production—not acreage but production—is 60-bushel wheat in my State, which is more than double the level of 1996, we are not going to see any $5 wheat. And when you add in the European Union and you add in China, that is simply not going to happen.

As hard as it may be for some to believe—and I want every farmer and everyone listening, in terms of agricultural program policy, to pay attention—our Kansas farmers and other farmers, if they are blessed by good weather and good ideas, will make more in 1998 than they did in 1996. In 1996, 20 bushels an acre was a common yield for many Kansas farmers. At $5 a

bushel, why, farmers had gross incomes of $100 per acre. Yesterday, wheat closed at $2.55 in Dodge City, KS, America. On Friday, we received estimates that the 1998 Kansas wheat crop will likely average at a State return of around 50 bushels per acre at $2.55 a bushel, a price I think is way too low. However, this figures up to a gross of $125 per acre.

In 18 years, serving as a Representative and Senator, I have yet to meet a farmer who would not choose the $125 per acre over the $100 per acre. Obviously, it would be better if the price were higher.

I know that current prices are not good. However, high yields are allowing farmers to continue to receive an income. The facts simply do not represent a crisis all throughout American agriculture. Yes, there are very severe problems in the northern plains. Yes, we must do something about it. But farmers in this area of the country have had to face a triple whammy, as evidenced so clear, and appropriately clear, by their Senators from those States. It is a triple whammy of floods and blizzards and crop disease. These are regional problems. They are factors that would have occurred regardless of the farm bill, regardless of what agriculture policy we had in place. You simply cannot argue that these factors are evidence we need to rewrite the farm bill.

Let me try to demonstrate how sincerely I feel about the demonstration of intent on the part of the distinguished Democratic leader and Senators DORGAN and CONRAD and WELLSTONE and DURBIN and others who have pointed out the seriousness of the situation in the northern plains. And I know that.

But let me quote in regard to the farm management specialist from North Dakota State University and their extension service. His name is Dwight Aakre. He says:

> Farmers in northeast North Dakota have only about a 50/50 chance of paying out-of-pocket costs if they raise durum or barley or flax in dry beans this year.

Boy, that is tough. They do have a problem, a very serious problem. He also says—this is Dwight again:

> Current expectations for harvest time prices keep dropping while the cost of production, the cost of operations, do not.

And he said:

> We are now approaching price levels where the best farming strategy is how to consider your losses and to go forward from that.

And then he says:

> Ouch, it is this the combo of anemic wheat prices and wet weather that has created what Senator KENT CONRAD aptly calls the stealth disaster for his State in that region? As for this individual—

Again—I am referring to Dwight Aakre—he calculates:

> It's a pretty tough time to get enough income to pay out-of-pocket costs.

And he says:

> It's likely too late to drop any rental land for 1998.

So you can understand why my colleagues are on the floor calling for action. I know that.

Then he said, in regard to the farm bill, however:

> Contrary to popular thought—

And this is Andrew Swensen, the Farm Management Specialist for North Dakota State University Extension Service. He said:

> What caused our problems last year with wheat and barley yields of poor size and quality and lower prices and high cost of production [he says] is the effects of this last factor especially have been underestimated by many. Don't blame Freedom to Farm.

That isn't Pat Roberts, that is Andrew Swensen, from North Dakota:

> Contrary to popular thought, [says Swensen] the new Freedom to Farm Program was not responsible for 1997 woes. In fact, he says the market transition payments it provided were greater than what would have been provided under the old farm program.
>
> It is difficult to avoid blaming this whole situation on the weather, the Government, and prices, [says Swensen] but it is more productive to be realistic and analyze things that can be controlled internally in your own business.

I think that is certainly true.

So I don't doubt or disregard the pain many producers are feeling in the northern plains. However, I do point out that many of my farmers do have at least some questions, and I guess if you are going through a situation where you are drowning in a sea of troubles financially, you can drown in 6 inches of water or 6 feet. But we have heard that this is a disaster that has continued for 5 or 6 consecutive years. Every one of my colleagues over there has indicated that.

Kansas is known as a wheat State, yet both in 1995 and 1996, why, North Dakota led the Nation in the production of wheat. In 1996, North Dakota was first in the production of eight crops, second in two, third in one, fourth in two. In 1997, why, North Dakota had the following national production rankings: First in spring wheat, durum, barley, sunflower, dry edible beans, and canola and flax seed; second, all wheat, oats and honey; third, sugar beets.

There is very real pain being faced by the producers in North Dakota, South Dakota, Minnesota, some parts of Montana. If, in fact, for 6 years it has been a crop disaster, if you are going to lead the Nation in production in these crops, that is a disaster that most farmers in my State would be happy to experience.

I would also ask what good raising the loan rate will do if producers have no crop to sell; if, in fact, this is that serious. It is important to note that many farmers did indeed suffer production losses during the blizzards and the floods experienced in the northern plains last year, a real tragedy. However, under the old program, why, producers would have received little or no Government support. Yet, under the Freedom to Farm Act, farmers in North Dakota received $244 million in transition payments in 1997. Talk about indemnity payments. Not only did farmers receive the Government support they would not have received under the previous program, they were also allowed to go into the fields and plant substitute crops in place of the lost acres.

They could not have done that without the current farm bill. We have heard many statements on this floor about how the Government payments have been yanked away from producers in North Dakota, South Dakota and Minnesota. I point out the average payments in 1996 and 1997 for all three States exceeded the average level of Government payments in each State during 1991 through 1995. So if you have a bill that is providing more average payments to those three States, all three States exceeding the level of Government payments in each State during 1991 to 1995, where were my colleagues from 1991 to 1995? And what has changed? And what has changed is the export demand and unfair trading practices from Canada and the wheat disease and the weather—we have gone all over that—but it sure isn't the farm bill.

We have been told this is the worst crisis in farm country since the crisis of the eighties. Yet, let me point out in other sections of the country—not the northern plains—tractor purchases were up 15 percent in June over levels of a year ago, while self-propelled combine sales are 40 percent above year-ago levels.

I don't think the arguments we are hearing on the floor—they are certainly true in the northern plains—but I don't think they mirror what we are hearing from producers all across the country. Mr. President, I like to think that no one has spent more time on the wagon tongue listening to America's farmers than I have, and I must tell you from my recent visits with producers, they are not happy. They are worried about current prices. They are worried about the export market. But they realize in many instances why high yields have allowed them to meet or even surpass their income expectations. The greatest majority do not want to return to higher loan rates and loan extensions. They fear, and rightly so, that this would simply be the first step toward return to the narrow-focused, anticompetitive, micromanaged Government programs of the past.

Farmers tell me the 1996 farm bill is working if we can get our export demand back up to the levels that they used to be. They are changing their planting decisions. They are growing the crops that allow them to earn the most profits. They are happy with this flexibility. They want to see it continue.

What my farmers and ranchers are telling me is that they are extremely concerned with the seemingly lack of

trade and foreign policy focus in Washington. Our farmers and ranchers realize the United States must export nearly 40 percent of our agriculture products to overseas customers. Unfortunately, this is very difficult to do when Congress and the President become what I call ''sanctions happy'' and place sanctions on approximately, as I have indicated before, 75 countries, 70 percent of the world's population.

U.S. Wheat Associates recently published several depressing facts in regard to U.S. trade policies. In the last 10 years, the embargo on Cuba has cost wheat producers at least $500 million in lost wheat sales. Iran, Libya, North Korea did represent 7 percent of the world's wheat market. The United States will not trade with these countries. Add on the embargo of Iraq and our producers are shut off from 11 percent of the world wheat market.

I am not saying those sanctions should be immediately lifted. There are national security implications, obviously. The United States has imposed sanctions 100 times since World War II. Sixty of these have been imposed since 1993.

Mr. President, as Hubert Humphrey once said, ''We need to sell them anything that can't shoot back,'' and we are shooting ourself in the foot by not allowing our producers to sell to the other countries of the world. We must also give our trade negotiators the tools they need to open up foreign markets to U.S. products. You can't go to the trade gunfight with a butter knife. That was a statement by the president of the Oregon Wheat Producers, and he is certainly accurate. That is what we continually ask our negotiators to do. Other countries will not negotiate the trade agreements with the United States because our negotiators do not have fast-track trade negotiating authority.

President Clinton has blamed inaction in the trade arena since last November on the Congress' failure to pass fast track. Now, Congress is not blameless. I have never seen a Congress more insular, more protectionist, and more ideological in regard to trade, and I am not happy with every member of my party on the Republican side who seem to think we can impose sanctions or not pass MFN or not pass the IMF or not go ahead with fast track. I understand their concerns. But in terms of doing great damage to the agriculture sector and other sectors of the economy, we are not blameless either—an editorial in behalf of the party with which I am associated.

However, our majority leader and the Speaker of the House are now pledging a vote on fast track in the Caribbean initiative and the African trade bill before the end of the 105th Congress. However, the President indicates he is not quite sure whether this is the time to pass fast track. Mr. President, our farmers and ranchers respectfully disagree.

I understand that some of my colleagues have stated that trade is really not that much of the problem. I point out that approximately 1 month ago, 14 Senators met with 12 major agriculture groups and organizations to discuss the priorities these groups felt were absolutely necessary for Congress to pass this year.

Rather than parroting a particular point of view or ideology or being locked into your criticism of the current farm bill of 2 years ago, what we did on the Republican side is to respond to the letter sent to all of the leadership in the Congress by the American Farm Bureau Federation, the American Soybean Association, the National Association of Wheat Growers, the National Barley Growers Association, the National Cattlemen's Beef Association, the National Corn Growers Association—there are about six left—National Cotton Council of America—I have their tie on in support of Senator COCHRAN in this debate—National Grange, National Grange Sorghum Producers Association, National Oil Seed Processors Association, National Pork Producers, National Sunflower Association.

A letter by all of these groups was sent to the President, Secretary of State, Trade Representative, Secretary of Agriculture, members of the House Committee on Ag, members of the House Committee on Ways and Means. I guess the only one they didn't send it to is Larry King.

They listed all of the things that they felt—farmers felt—that we needed to do in this session of the Congress to turn this thing around. I can go down the list: fast track, $18 billion IMF, reform of U.S. sanctions, administration should commit to seek agreement to end unfair trade practices in the next trade negotiation round, foreign market development, market access program, GSM program—trade, trade, trade, and trade.

Something has to be wrong here. Either the farmers and ranchers or the members of these organizations who hold meetings in counties and States and pass resolutions—the tail doesn't wag the dog; they get this information from farmers and ranchers—and either they are right or my colleagues who argue trade is not the problem at all or vice versa. I think I am going to go with the farm organizations.

I realize that some will argue that trade agreements, such as NAFTA, have sold out our farmers. I agree. We have not had the appropriate oversight in regard to NAFTA or, for that matter, GATT or, for that matter, preparation of the next round of trade talks.

However, let me point out that the USDA Under Secretary Gus Schumacher, who is doing all he can in regard to our export markets under very difficult circumstances, recently said in a speech in Minnesota that the United States would send a record number of exports to both Mexico and Canada in 1998. That is not a failed trade policy; it means simply we have regional problems where we could do a lot better.

Critics have stated on the Senate floor that one day we will wake up and discover that we are no longer the leader in agriculture exports, just like we lost the automotive market. Pay attention to this argument. It is interesting to note that many of the pitfalls suffered by the U.S. auto industry in the 1970s and early 1980s were based on its unwillingness to adapt to the desires of consumers the world over. Could there be a similar effect resulting from some Members' seeming unwillingness to allow producers to change their production practices to meet the demands of the world market?

Finally, Mr. President, not only do Republicans believe that we need to improve trade opportunities for our producers through fast track and sanctions reform and IMF funding and normal trade relations with China, we must also provide viable forms of risk management for our producers. One of the most important steps we can take in this area is passage of the farm savings account legislation.

The primary sponsor in the Senate is Senator GRASSLEY. The young Member of Congress who really authored this bill is KENNY HULSHOF, who is from Missouri. We tried to do it in the farm bill considerations in 1996. It would allow farmers to place up to 20 percent of their Schedule F income tax into a tax-deferred account for a period of up to 5 years. This would allow farmers to average out the income highs and lows better that are common in agriculture and allow farmers to save money for those years when incomes are lower due to a reduced crop yield.

I recently joined with many other Senators in signing a letter to our majority leader reconfirming our support of the farm savings account legislation. This is one of the most important risk-management tools, Mr. President, we can provide our producers. I think we are going to pass it this year.

As I have said in my earlier remarks, things are far from perfect in farm country, but we are far from a national crisis. It is not time to reinvent the wheel. We are at another one of those historical crossroads in agriculture policy. I am sorry the situation has developed on our export demand—that it is so severe. We can choose to return to the failed policies of the past and put our farmers and producers at a competitive disadvantage on the world market at the same time our dependence on world markets continues to increase. Or, we can take the necessary steps to provide our producers and our trade negotiators with the tools necessary to open foreign markets and meet the demands of the world market.

My colleagues are correct, the choices we make here today, and in the next few months, may very well affect the future of agriculture in the United States. My hope is that we continue to look with our producers toward the future and not into the rearview mirror and the broken policies of the past.

I want to make some very brief additional comments in regard to the fact that this is an even-numbered year.

At the beginning of this debate, this discussion that is most relevant to the difficulty we face in farm country, a number of my friends across the aisle have gone out of their way to mention me personally—I think I appreciate that—and very candidly, very frankly, blame most, if not all, of agriculture's problems on what is called the Freedom to Farm bill.

I know and I realize and accept that it is an even-numbered year. And when there are strong differences of opinion in even-numbered years, the chances for just a tad bit of politics to enter into the debate are pretty good. In this case, a tad has become a deluge.

I truly appreciated the kind remarks of the distinguished Democratic leader in reference to our friendship, even my alleged sense of humor. In that regard, I take the job and my responsibility very seriously, but not myself. But after listening to my colleagues go on and on and on, blaming all our problems on the new farm bill, I think you have to have a sense of humor.

The northern plains have experienced very bad weather. It is very real. You would think that Freedom to Farm was El Nino. The northern plains have experienced wheat disease for 6 years running. You would think the disease came from the Freedom to Farm bill.

By the way, I am at least gratified that after 6 years of wheat disease, my colleagues have now requested the targeted research funds to address this problem. And we should do that.

The Asian flu and sanctions and the lack of an aggressive and coherent trade policy are—or as the farm organizations simply put it to me yesterday, the failure of the administration and the Congress to use all of our export tools has played havoc in our markets.

My colleagues mention that with the wave of a hand—so much for supply and demand—must be the fault of the Freedom to Farm bill. The seven or so distinguished Senators who have been railing against and blaming the farm bill are the same seven who bitterly opposed it during the farm bill debate 2 years ago, voted against it, and recommended that the President veto it. He did not. It is an understatement to say they have not given up and will not.

If the good Lord is not willing and the creeks do not rise or if the creeks rise too much, blame the farm bill.

Can we end this partisan book-shelving of Freedom to Farm? I know it is not perfect. It is a work in progress. No bill is perfect. But I think it is a foundation. Can we build upon what is a good foundation? Can we seriously consider proposals that do not break the budget, or return us to the old command-and-control and residual-supply agricultural days? Can we shoot straight, Mr. President, with producers who are experiencing serious problems, and quit promising more than can be delivered, or should be delivered?

Let us fix crop insurance. Let us get cracking on an aggressive export policy free of sanctions. Let us finish the job with tax policy changes and regulatory reform. Let us commit to appropriate research to fight the plant disease. And let us pass this week—this week, if we could; next week—the farm savings account, and, yes, let us consider some form of payment.

The distinguished chairman of the subcommittee on Ag Appropriations has indicated to me that the President would declare the State of Florida, because of fires, eligible for disaster assistance. The same kind of thing could apply to the northern plains States. Of course they are hurting. There may be an opportunity here.

In view of what has happened to our markets—no fault of our farmers and ranchers—I would favor emergency sanction indemnity payments. If you are going to spend $4 billion, for goodness' sakes, call it an emergency. Why would you put it in a loan rate that keeps the price below approximately $3? You ought to give it to the farmer. Let us do all of this, and more, to build upon and improve the current farm bill.

Mr. President, I ask unanimous consent that the following articles be printed in the RECORD. I call them the ''Set the Record Straight Articles.'' I call them to the attention of all of my colleagues, especially those so critical of current policy. It ought to be required reading for them.

As I have said before, the Freedom to Farm bill is not sacrosanct. It is far from perfect. There is no perfect legislation. It is a work in progress, should not be discarded.

I originally thought, in coming to the floor, I would not take so much of the time of my colleagues and the distinguished Senator from Mississippi. I thought the proper course of debate would be to simply ignore some of the commentary—basically accentuate the positive, eliminate the negative, and do not mess with Mr. In-Between. That was my original plan. But given the tidal wave of criticism, I think we also have the responsibility to set the record straight.

I ask unanimous consent that an article from Pro Farmer outlining what Speaker GINGRICH has indicated their agenda is in the House to be of help, be printed; and, finally, an article by Gregg Doud of World Perspectives, who did an analysis, and he calls it the ''Anatomy of a Regional Farm Crisis.''

I urge that all Senators—if they could find the time to really get at the bottom of what we are facing in regard to this farm crisis—read this. This goes into considerable detail. It is painful. It is painful to go through a transition when you are not competitive in the world market or, for that matter, the domestic market. But Gregg certainly tells it how it is. And I think all of these articles certainly set the record straight. And, again, I ask unanimous consent that these articles be printed in the RECORD.

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

[From Inside Washington Today, June 26, 1998]

HOUSE SPEAKER SPEAKS OUT ON CRITICAL AG, TRADE ISSUES

(By Jim Wiesemeyer)

It is unusual for a top hitter like Speaker of the House Newt Gingrich to wrap his arms around so many major issues impacting agriculture and trade. But that he did Thursday in a joint press briefing attended by other House Republicans, including Ag Committee Chairman Bob Smith (R-Oregon).

Today's dispatch focuses on the agenda Gingrich and Company said will prevail this summer and fall. And that agenda, if realized, would set a very firm foundation for U.S. agriculture's future, both near-term and especially over the long haul.

Gingrich's top-five priorities for action to be taken before Congress ends its 105th session:

A vote on fast-track trade authority by September.

Bipartisan agreement on reform of and funding for the International Monetary Fund (IMF);

A vote on renewing normal trade status for China;

Legislative action on exempting financial assistance for exports of agricultural commodities from international sanctions;

Efforts to significantly increase pressure on the European Union regarding agricultural subsidies and anti-competitive trade practices.

Let's takes those five priorities one important step at a time:

Fast track: Gingrich is committed to scheduling a vote this September. And the House Speaker says supports were ''within eight votes'' of passage last fall. Odds for passage this year in the House would improve rather dramatically under House Ag Committee Chairman Bob Smith's proposal. Smith says he could round up the needed House votes by altering a pending bill to increase the role of the Ag Committee in working with the Clinton administration before a trade agreement is initiated.

I've mentioned Smith's proposal before—it was included in his letter to U.S. Trade Representative Charlene Barshefsky. It would create a requirement that the administration consult with congressional committees before it initials a trade accord Under Smith's approach, this means the House and Senate ag panels would have the same rights as the House Ways & Means Committee and the Senate Finance Committee—the usual trade policy kingpin committees.

Reports have surfaced that in a June 18 letter to Rep. Smith, Barshefsky informed Smith that the administration supported a provision similar to his during last year's fast-track debate and thus would continue to do so. (However, the U.S. Trade Rep's office says the proposal had not been returned late June 25.)

What about the White House and Democrats? Gingrich says he believes the Clinton administration will ''do everything it can to help pass this when it comes up in September.''

White House reaction: On June 19, White House spokesman Mike McCurry said he was not aware of a renewed effort to past fast track, but said the administration would ''welcome'' such a step. Well, they've got it.

The Senate already has the votes to past fast track in my judgment. And that's what Gingrich says is the conclusion he got after speaking with Senate Majority Leader Trent Lott (R-Miss.).

But Senate Minority Leader Tom Daschle (D-S.D.) said that while he would support efforts to resurrect fast track, given the degree to which it is controversial, ''it may be difficult to bring up in the short time we have left'' in the current Congress—with less than 40 legislative days in the session.

The House must act first on trade legislation because it is considered a revenue measure.

Botton line: It's been a slow-track to fast-track, but its getting there.

IMF funding and reform: Gingrich says it might be necessary to fund the IMF at less than the $18 billion the United States has promised to provide.

That suggests the $18 billion amount is open to negotiation. Congressional sources say the final result on this topic depends on how many IMF reforms Republicans can get the White House to swallow (this is the most contentious area on this topic as Treasury Secretary Robert Rubin has focused his attention on the matter.)

Gingrich is mum on what level of IMF funding will likely come out of the Republican-controlled Congress. But he admitted the problems in Asia and Russia have sensitized the need for Congress to act.

Gingrich still faces some naysayers in his own party. Rep. Tom DeLay (R–Texas), who is the House Majority Whip, says ''Giving the IMF more money is not a panacea for all the troubles that bedevil the Asian economy. In fact, in many instances, the IMF is the problem, not the solution.''

I agree in many ways with DeLay's comments, but the IMF has suddenly (and prudently) changed its previous take-no-prisoners' stance at reforming the very impacted Asian countries.

The White House and House Minority Leader Dick Gephardt (D–Mo.) calls the financing of the IMF a more pressing issue than fast track. Gephardt predicts there would be enough Democrats and Republicans to support IMF legislation. He said he thinks Republicans ''are hearing loud and clear from the business community that they think this is a risky business (delaying IMF funding). And I think you're going to see more and more Republicans coming to the view that we ought to take up that legislation.''.

Bottom line: The ongoing Asian financial crisis is leading some previous naysaying lawmakers to at least reassess their prior stance. More IMF money is coming. Perhaps not the $18 billion. And there will be some needed IMF reform strings attached to it.

A vote on renewing normal trade relations/MFN with China. The House Ways and Means Committee on Thursday came out strongly in favor of granting China normal trade status.

Gingrich says ''There are no practical grounds for cutting off American producers, American agriculture, and American companies'' from the Chinese market, despite concerns about transfer of missile technology and illegal campaign contributions. A better way to say this cannot be found.

Bottom line: This is the easiest one to call—it's not a question of if but when China gets the ''normal'' trade status moniker. That is of course assuming the country doesn't make any major stupid moves to upset an election-year Congress.

Exempt financial assistance to ag commodities from U.S. sanctions: The House on June 24 passed a bill (HR 4101) that has an amendment lifting sanctions on Pakistan. The House Ag panel also has passed a bill (HR 3654) that would life ag sanctions. The Clinton administration says it supports the pending legislation.

Increase pressure on the EU for its ag subsidies and anti-competitive trade practices. I have two words for this priority: good luck.

They should have added Canada to the list. For example, Canada on Thursday declined to conduct a full financial audit of its wheat board. The United States says it will keep ''pressing'' the issue.

USDA General Sales Manager Chris Goldthwait says Canada ''agreed to an audit of durum (wheat) only. We (U.S.), of course, had asked for a full audit, including sales to third countries, and will continue to press them on that.''

The U.S. wants an audit because it suspects the Canadian Wheat Board is subsidizing Canadian growers—in violation of international trade rules.

Rep. Earl Pomeroy (D–N.D.) says Canada's outright refusal to conduct an audit is proof positive that it is subsidizing its wheat farmers. He labeled it a ''national travesty'' that the United States has not been able to convince Canada to conduct the full audit.

It didn't take long for an official at the Canadian Embassy here in Washington to put the word out that Canada's Wheat Board does not subsidize exports.

One Canadian official says the Canadian government wanted to limit the scope of the audit, due to cost. What? Heck, the U.S. Congress spends more money than a drunken sailor, so they should take Canada for its word and put the money. But frankly, if history prevails, another reason will float out as to why Canada shouldn't and won't oblige.

Bottom line: We must think smarter and be tougher. Until we get U.S. trade officials who consistently, fervently, and smartly keep up successful attacks on trade-distorting policies in the EU and other places (Canada for one), U.S. agriculture will continue to face an uphill battle in significantly boosting its export potential in the years ahead. Market access is one thing; getting countries to fulfill on prior pledges is another.

The best statement Gingrich made on these topics is when he said, ''the only country economically strong enough to keep the world economy moving forward is the United States. The trick is for us to send a signal that we want a stronger and more vibrant world market, and that means a strong vote on fast track.

And if we don't get fast track and the hoped-for result of improved market access for competitive U.S. agricultural products, the trick will be on U.S. agribusiness which is in the process of pursuing structural and farm policy reforms to gear up for the perceived growth years ahead for the export market—both in volume and market share.

ANATOMY OF A REGIONAL FARM CRISIS

(By Gregg Doud)

There is no ''crisis'' in U.S. agriculture today. Even though grain prices are at multi-year lows and livestock prices are also in the doldrums, it must be realized that agricultural is a cyclical business. Anyone would have to expect that after 20-year-highs in world grain prices, the pendulum would eventually swing. After all, it's taken at least the last 100 years figuring out that the ebb and flow of supply and demand explain price and that agricultural commodity markets literally ebb and flow with the wind.

What hasn't been so obvious, however, is that little more than plain and simple greed drives farmers, over time, to produce at a level that covers little more than their variable costs of production. In other words, very few farmers have not wanted to farm the entire county in which they reside. Every year it's the same old, ''I'll gamble and extend myself a little this year, because if I don't my neighbor will have an advantage over me.''

Applying this classic psychology to northwest Minnesota and northeast North Dakota where there certainly is a regional production agriculture crisis going on these days, is the first step in understanding just what is now causing producers to go bankrupt and what policies and actions, if any, are to blame.

A recent study by North Dakota State University (NDSU) says production costs for producers in the Red River Valley (again, northwest Minnesota and northeast North Dakota) have increased by 71 percent since 1991 although yields in this predominantly spring wheat and barley producing area have not changed. The report estimated that costs of production in this region of the country range anywhere from $11 to as much as $200 per acre for wheat and/or barley. By comparison, the average northcentral Kansas total variable cash costs are $82 per acre and fixed costs are $35.53 per acre for a $118 per acre total. (Source: Kansas State University) Much of these added production costs in the Red River Valley include fungicides and herbicides and increased fertilizer costs associated with disease problems and an overabundance of rainfall in recent years.

It seems that where the Red River Valley separates itself, however, is with regard to land costs. In central North Dakota, cash rental rates typically run between $25 and $30 per acre (30 bushels per acre wheat). In the Red River Valley, though, NDSU put the average rental rate at $57.75 per acre and the average land value at $850 per acre. In comparison, good dry-land wheat farmground in northcentral Kansas these days that has a wheat production capability very similar to the Red River Valley goes for about $450–500 per acre. Remarkably, the disparity in land values is even larger when one considers that property taxes in Minnesota are some of the highest in the nation.

These numbers are important as they bring to light one of the major factors influencing this crisis. There is no way a Red River Valley wheat and barley producer can stay in business and pay these prices for cash rent or land ownership! The NDSU report suggested that a barley crop can cover about 50 percent of the cost of production while wheat will cover about 85 percent of total costs. These examples quickly illustrate the biggest obstacle Red River Valley's small grain producers face—their land is overpriced for the crops they are trying to grow. Or is it? There is a reason for this seemingly mad behavior and it's probably not too surprising that its roots are derived from another U.S. government commodity program.

In this region of the country, sugar beets are the money crop as producers can gross $700 per acre and net $150. However, in order to ''get in'' a producer must buy stock in the sugar beet corporation or co-op and that stock translates into the number of acres of beets the producer can plant. Apparently sugar beet stock trades just like land and is worth about 1–1½ times what the land is worth. Stock offerings have recently expanded to acquire more acreage.

Although there is a tariff rate import quota, these returns have driven up cash rental rates to $120 per acre or more in beet production areas. This wide discrepancy between these $25 per acre cash rental rates in the central part of the state and $120 per acre for beets has provided a wide window of opportunity for non-sugar beet landowners with an average $57.75 per acre rental rate the result.

Coming along once again to further complicate these seemingly unjustifiable rates, however, is the USDA and its ''prairie pothole'' designation as part of the Conservation Reserve Program (CRP). Some would argue that while the approximate average of a $55 per acre CRP rental rate doesn't necessarily drive up regional rental rates, the

special designation makes it easier for landowners to get into the program. It is this threat that is causing renting producers to bid enough to keep the land in production despite the fact that paying these rates is not economically justifiable.

When Red River Valley producers have to pay ''too much'' for fixed or capital investments, it means there is little or no room for error when it comes to anything connected with either price (marketing), yield (gross returns), or management decisions. However, since problems do occur because of poor weather, etc., producers have to insure themselves by utilizing risk management tools such as crop insurance and the futures market.

Managing risk is the most difficult part of farming and every producer knows there is no such thing as a ''perfect hedge.'' One often used risk management tool is the Federal Crop Insurance program. However, Red River Valley spring wheat producers in recent years have exposed a few holes in this program when it comes to dealing with scab damaged wheat.

IS BETTER CROP INSURANCE THE ANSWER?

Federal Crop Insurance indemnity payments are based on yield losses. If a producer's average wheat yield is 40 bushels/acre and insurance with a typical 65 percent coverage level is purchased, that equates to 26.5 bushels per acre of coverage multiplied by $3.50 per bushel, or $92.75 per acre of coverage. While this is still below the cost of production, it's certainly better than nothing. In the Red River Valley, participation in the Federal Crop Insurance program is very high although it has begun to decline somewhat. However, problems occur with this program when wheat is infested with scab damage.

Scab damage greatly reduces the quality of the wheat while sometimes having only a minor impact on yields. Research indicates that the Actual Production History (APH) on which Federal Crop Insurance is based has fallen by about five bushels per acre on the Minnesota side of the valley, but on the North Dakota side there is no overall decline. In fact, there has been a slight increase in the North Dakota barley APH. (Note: This describes county aggregates. Some individual producers may be greatly impacted by their lower APH levels.)

Since the APH is based on a five-year moving average yield and there have been three to four years of problems in this region, lower APHs are unavoidable and present a significant problem for the producer. The primary area of concern involves some 18 counties in eastern North Dakota and 10 in western Minnesota. While there are some instances of significant declines (20 bushels per acre) in APH levels, the bulk of the counties in North Dakota actually fluctuates between +/− 4 percent. An APH change of 4 percent, with a 40 bushel per acre yield, would add $5.60 per acre to the indemnity payment using the example above.

Some have suggested that USDA ''give'' or reset the APH levels in these areas to provide relief to the producer. To this regard, there will be a pilot program in 1999 that will look into alternative ways of calculating an APH. However, officials have some concern about the impact of having other parts of the country essentially subsidize the program in this particular region.

QUALITY LOSSES

The more serious income problem also not addressed by federal crop insurance is a result of the drastic changes in discount schedules the marketing system has instituted as a result of scab disease problems. In 1993, when scab damage first entered the scene, the market severely discounted non-millable quality wheat in a range of between 50 and 80 cents per bushel. Discounts typically deal with the quantity of total defects and test weight losses and are usually larger in times of higher prices.

Since that time, cleaning equipment has been installed and the market has done a better job of segregating quality. This past year a typical discount was about 20 cents per bushel. In all cases, however, neither crop insurance, the futures market, nor any other government program could provide the producer a mechanism of risk management for these income losses.

USDA's federal crop insurance program does not factor in an offset for losses until the quantity of damaged kernels exceeds 10 percent (making it U.S. Grade #5 wheat). Even at that point, the program only provides a 1 percent increase in the production account for 11 percent damage. This level of damage, however, would likely relegate a particular parcel of wheat to a price on par with corn.

Scab damage is again a concern in the Red River Valley this year as a large portion of the Valley's wheat crop is now flowering and standing in water due to recent heavy rains. Quality premiums and discounts could well end up being more important price discovery factors than the futures market this year if disease once again breaks out. The Federal Crop Insurance program's ability to better address quality and value losses could be of great benefit to these producers. The concern is that adjustments in these quality provisions could impede market signals.

A third minor option being discussed is to define an additional ''unit level'' within the structure of the Federal Crop Insurance program by combining ''all owned'' land with ''all crop shared'' into one ''enterprise unit.'' This might provide for lower premiums, but this is very minor in relation to the overall regional farm income situation.

All of the above, however, is not enough to explain or resolve the distress for the entire region although a few changes to the crop insurance program would provide at least some assistance. These changes may also help turn the tide of decreasing participation in the Federal Crop Insurance program in this region.

A better approach would be the whole-farm-based Farm Production Insurance Corporation (FPIC) proposed by World Perspectives' CEO Carole Brookins. This program would deliver business interruption insurance and whole farm equity protection rather than a price-times-yield insurance coverage that has to be modified for every new situation that arises.

MAKING BETTER BUSINESS DECISIONS

One piece of WPI advice to producers is that when they find themselves in a hole, stop digging. Most U.S. grain farmers learned during the mid-1980s that bigger is not necessarily better. Farmers in the region say that one of the most unique characteristics of this regional crisis is that many producers have not stopped spending money. The truth is that farmers may be greedy, but when they have money, they spend it.

In the instances of producers still sitting on large quantities of old-crop grain, many had the opportunity to sell wheat at $3.75 per bushel last fall, but chose instead to put the crop under loan. Although hindsight is always 20/20, it would appear that in this case, the lure of $8 per bushel soybeans, $5 per bushel wheat and $3 per bushel corn clouded judgment at a very inopportune time. Will this crisis finally provide adequate encouragement for producers to seek other less risky methods of acquiring higher prices for their crops? Heaven only knows.

Farming is a cyclical business and it appears that the dairy business is doing quite well and grain prices may be turning the corner. Alternatively, WPI expects to see land values stagnate or possibly even decline slightly along with reductions in cash rental rates in relation to commodity prices. The grain market reacts to global events and right now there seems to be plenty of supply amid sluggish demand. WPI notes, however, that it's always interesting to see how politicians try to spin these circumstances to justify their policy positions.

Summer is quickly approaching and it's an even numbered year. All seats of the House of Representatives and one-third of the Senate seats are up for election. The current political landscape suggests that the majority in the House of Representatives is also up for grabs. There are probably about 15 House seats out of the 435 that may well decide who holds the majority and nearly all involve rural districts.

As a result, U.S. farm policy is caught in the middle of a raging battle of partisan politics with House Democrats claiming that Freedom to Farm has failed and Republicans decrying the Administration's approach to trade. House Republicans have also seen the non-use of Export Enhancement Program (EEP) during periods of low domestic prices as an opportunity to needle the Administration.

Both these postures are fatally flawed as they are old-school agricultural economics and in the real world producers see this for what it really is: political grandstanding. Producers have liked their freedom to farm and it has helped them realize that their income comes from the marketplace and not from Washington.

Possibly the most unfortunate consequence of this entire situation is that producers all across the country made significant capital expenditures during this period of high commodity prices and large transition payments in the last few years. In fact, a number of these expenditures were likely made to reduce taxable income. To address this situation, Congress has proposed the Farm and Ranch Risk Management (FARRM) program that would allow producers a five-year window in which to defer up to 20 percent annually of their taxable income. Income, however, could not be deferred for more than five years. This is an excellent way to address the highs and lows of farm income. It's just too bad that it wasn't in place before now.

The best option in dealing with scab is still crop rotation. Producers can also opt for chemical control, but this makes little economic sense unless both yields and prices are high. Increasing the loan rate for wheat will only impede this need for rotation. Raising loan rates will only serve to mute market signals and missed market signals will certainly lead to lower farm income. Tweaking the crop insurance program will help, but it doesn't do much to address the fundamental farm economics of the region.

One important element that should be arrived at based on these discussions is that there just isn't a lot that policymakers can do without distorting price discovery in the marketplace. Yes, there is a regional farm income crisis in the U.S. Northern Plains, but it is not a U.S. crisis. Also, there are no easy answers. There is, however, a series of steps over time that can be taken to remedy the situation including opening markets and decreasing regulation.

SUMMARY

Although it is probably unavoidable in an even-numbered year, WPI deplores the demagoguery in agricultural policy at anytime, but particularly when it occurs during a crisis situation. It is quite clear that deficiency payments would have been less than transition payments and that the 1996 Freedom to

Farm Act and little, if anything, to do with the Red River Valley's unfortunate situation over much of the last five years. it is the responsibility of agricultural policymakers, however, to see that appropriate research funding is available to eventually find a solution to the problem and to develop a better safety net. However, there is a big difference between a so-called safety net and a free indemnity payment.

Local newspaper editorials written by farmers in this region are not telling other farmers that if they can't produce wheat at a $3.00–$3.25 per bushel breakeven point they have a problem. WPI adds that, hopefully, these producers have less of a problem growing something else besides wheat. Ultimately, it will be the market which decides whether or not there is a problem, or in other words, whether this wheat really needs to be produced.

It is unfortunate that high commodity prices and government payments have masked the severity of scab disease in this region. While many farmers in other places were able to recover financially as a result of these high prices, those in scab country were just postponing reality. Some farmers in this region appear to have been betting that the scab problem would simply go away. It hasn't and these producers are now in trouble.

In today's global wheat market, many U.S. regions and/or producers would not fall into the low-cost producer category. However, as of yet, WPI is not sure how well the market has communicated this message. This message will eventually be delivered and it may just be that wheat producers in the Red River Valley are the first ones to receive delivery. There is a siren blaring and it's calling for producers to rotate out of wheat production. Producers need to be able to hear it. They also need to make better business decisions.

Mr. ROBERTS. I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I listened very carefully to the excellent remarks of the distinguished Senator from Kansas. I think he put in perspective the challenges that face American agriculture, particularly out in the northern plains. But he also, I think, put in proper perspective the legislative history and the effort that was made, on a bipartisan basis, and with the approval of this President, to authorize farm programs that meet the modern needs of farmers, do not solve all the problems, but within the context of Federal legislation give farmers an opportunity to operate their farms in the context of a global economy, within the limits of the Federal budget that has been constrained in recent years, and with a predictability about the future, with rights of flexibility, with rights of choice on the part of farmers as to what they plan and how they manage their farm operation.

The distinguished Senator has been a very important leader in agriculture and I think, in listening to his remarks, it is clear to all of us why he has been chosen and why his advice is so often taken here in the U.S. Senate and when he was chairman of the House Agriculture Committee, and why he has been such an effective leader throughout the country on agriculture issues. It also shows us that we are in a situation now where we have to make a choice.

We have before us a resolution offered by Senators HARKIN and DASCHLE stating the problems in some sectors of the country in agriculture and calling on the Congress and the President to take action in response to these problems. I support the general tone and the general sense that is contained in that resolution, and I hope the Senate will work its will soon and adopt this resolution. If it has to be modified, let's modify it and then move on to specific amendments. We have a list of amendments.

As we started the consideration of this bill, which we had been advised Senators wanted the Senate to consider, there were about 50 amendments. We have worked our way down to a point now where it is a little less than 40. We have sent out hotline requests to Senators' offices to let us know what their intentions are in terms of specific amendments. Give us the benefit of the suggestions. Let us look at them. Senator BUMPERS and I will try to accommodate Senators' requests where we can, and get the reaction of the administration to other suggestions Senators make for amendments and work our way through those amendments to final passage of the bill. We would like to get that done tonight if we could. It is probably not realistic to expect to complete action within the next 2 hours. But I would like to do that. Then we could turn to other appropriations bills tomorrow.

The majority leader has already indicated that we will not be in late tonight. Certainly we ought to be able to finish this bill at least at an early hour tomorrow. But to accommodate the requests and the interests that we all have in moving along expeditiously on the passage of appropriations bills, we need to have the cooperation of Senators. The first order of business is to deal with this sense-of-the-Senate resolution.

I have suggested to some Senators on this side of the aisle that if they have suggestions for changes in that resolution, let us know about it, and we will take them up with the authors of the resolution and see if we can pass that resolution within the next several minutes. I hope we can do that.

COSMETICS

Mr. HATCH. Mr. President, I would like to commend my friend, the Senator from Mississippi, for his stewardship of this important bill.

I rise today to voice my great concern about FDA's recent announced cutbacks in its cosmetic regulatory program. I ask unanimous consent to have printed in the RECORD a copy of the letter that I sent to the chairman of the Agriculture Appropriations Subcommittee on April 23d which details my concerns about FDA's proposed cuts in the cosmetics program.

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

U.S. SENATE,
Washington, DC, April 23, 1998.

Hon. THAD COCHRAN,
Chairman, Subcommittee on Agriculture, Rural Development, and Related Agencies, Washington, DC.

DEAR MR. CHAIRMAN: I wanted to bring to your attention a matter concerning the funding of the Food and Drug Administration's (FDA) regulatory program for cosmetics. While I am mindful of how difficult appropriations allocation decisions are given the discretionary budgetary caps we enacted last year, I know that you have consistently worked over the years to see that the FDA would have adequate funding for its vital consumer protection mission.

It has come to my attention that FDA has recently informed the cosmetic industry of its intent to decrease substantially both the personnel and financial resources devoted toward its cosmetics regulatory program. I am concerned that this misguided decision will have untoward results for the millions or our citizens who use these products literally every day.

Let me just cite a few examples of the types of important activities that FDA plans to reduce, or outright eliminate, supposedly on the grounds that these activities are low priority. On the chopping block is the voluntary registration program whereby manufacturers currently register their products and facilities so that FDA's compliance activities are conducted effectively and efficiently. To eliminate such a program—a program that was successfully implemented in a spirit of voluntary cooperation between the regulated industry and the FDA—in an attempt to capture relatively meager short term budget savings may in practice only go to prove the wisdom in the old adage ''penny wise and pound foolish.'' It just seems to me that this voluntary program provides vital information to FDA in terms of investigating adverse reaction reports, noncompliant products, and dilatory companies.

In addition, as I understand the situation, FDA has indicated that it will essentially completely phase out its consumer and manufacturer assistance program. Without this capability to monitor and respond to the technical issues attendant to cosmetics safety, I fear that the public health could be jeopardized.

The FDA cosmetic oversight program has been characterized by collaboration between the agency and the industry and this spirit of cooperation has succeeded in helping the industry sustain its strong record of product safety and consumer satisfaction. Without the FDA's visible presence and high standards, we may be unintentionally creating a climate that the irresponsible and unscrupulous will find irresistible. To allow FDA to backslide in the area of cosmetics can only prove unfortunate to the consumers of these products.

FDA is charged with implementing one of the most important consumer protection laws—the Food, Drug, and Cosmetics Act. We must not acquiesce to FDA's attempt to take short-sighted budgetary actions that will inevitably diminish the protection afforded consumers of cosmetics under this longstanding statutory scheme. Congress should act to keep ''cosmetics'' prominent in the Food, Drug, and Cosmetics Act.

In its FY 1999 Justification of Estimates for Appropriations Committees and Performance Plan to the Congress, FDA ''zeroes out'' the current budgetary line item for cosmetics with the following terse footnote: ''Cosmetics monitoring is phased out in FYs 1998 and 1999. FDA will continue its activities at the center level.'' I believe that the best way to structure the budget is to target specific funds for the cosmetic regulatory program in

the Center for Food Safety and Applied Nutrition (CFSAN). Such a decision will send an unambiguous message to FDA that Congress considers appropriate cosmetic regulation to be an important FDA function, and that we expect appropriated funds to be allocated for that purpose in the usual line item fashion.

While I know that new funds—not reallocated funds—would be preferable but difficult to secure, I hope that the Subcommittee will conclude that a relatively modest investment will go a long way for consumer protection in this area. Specifically, I recommend that the Subcommittee appropriate an additional $6 million in the FDA budget to be earmarked for the cosmetic program in CFSAN. This sum may represent a small fraction of the total FDA budget but it can provide a great difference for the millions of consumers of such commonly used products as soaps, shampoos, deodorants, and makeup and fragrances.

I thank you in advance for your consideration of this request. I want to work with you on this issue and I will do what I can to help.

Sincerely,

ORRIN G. HATCH,
U.S. Senator.

Mr. HATCH. Mr. President, the bottom line of this letter was to urge the Chairman and members of the Agriculture Appropriations Subcommittee to increase funding for the cosmetics program to $6 million.

I am pleased that the Report accompanying the Senate bill encourages the FDA to restore funding for this program to the funding levels of previous years. Because nearly every American uses a cosmetic product each day, it is important that the regulatory program for cosmetics in the Center for Food Safety and Applied Nutrition's Office of Cosmetics and Colors be adequately funded. I understand that our colleagues on the House side have wisely provided an increase of $2.5 million to keep this program at previous funding levels.

I would hope that we can work with our colleagues in the other chamber to see that the final version of this bill that emerges from conference does indeed contain the $2.5 million increase that the House provides and would restore the cosmetic program to the $6 million level.

Mr. COCHRAN. I thank the Senator from Utah for his remarks. I can tell him that we will try to do everything we can to restore the cuts in FDA's cosmetics program.

Mr. NICKLES. Mr. President, the Choctaw Nation of Oklahoma has brought to my attention concerns relating to the Food Distribution Program for Indian Reservation (FDPIR) program administered by the Department of Agriculture. Specifically, USDA regulations prohibit Oklahoma Indian tribes distributing commodity goods under FDPIR to tribal members in population area that exceed 10,000 persons. I have been made aware this prohibition does not exist in other states. As a result, Oklahoma tribes are placed in a different category from tribes administering FDPIR commodity programs.

To address the concerns raised by the Choctaw Nation, I would request the Secretary of Agriculture, in consultation with the appropriate Oklahoma state agencies, review the current regulations with respect to the FDPIR program in Oklahoma and take any necessary regulatory action to ensure tribal members receive adequate commodity services from the most appropriate provider.

Mr. COCHRAN. I appreciate the concerns raised by the Senator from Oklahoma, and would make a similar request of the Secretary with respect to this matter.

MOTION TO WAIVE BUDGET ACT—AMENDMENT NO. 2729

Mr. BYRD. Mr. President, earlier today, the Senate voted on a motion made by Senator DASCHLE, the distinguished Minority Leader, which would have waived the Budget Act with respect to a point of order raised against his tobacco amendment to S. 2159, the Department of Agriculture appropriations bill.

I voted against the Daschle motion because I believe that, after having debated tobacco legislation for nearly four weeks, the time has come for the Senate to move forward on the pending appropriations bills. Although I appreciate the Minority Leader's heartfelt desire to see a tobacco bill enacted during this Congress, I also appreciate the fact that that goal is not likely to be met in the few remaining days before adjournment. Thus, prolonging this issue is not, in my opinion, in the Senate's best interest.

Mr. President, while I could not support the Minority Leader's motion to waive the Budget Act in this particular case, I will not, of course, rule out supporting such a motion in the future. Should we, as the minority Members of this body, continue to be effectively precluded from offering amendments, I would then be willing to join my colleagues in seeking to have those amendments debated on any available legislative vehicle.

Mr. MCCAIN. Mr. President, as we begin consideration of the spending bills for the next fiscal year, I commend the efforts of Chairman COCHRAN, Senator BUMPERS and other members of the Subcommittee in putting forth this bill to fund the wide array of agricultural programs within the U.S. Department of Agriculture and related agencies.

In the accompanying report, the Subcommittee stated its objective, to closely examine ''[a]ll accounts in the bill'' and ''ensure that an appropriate level of funding is provided to carry out the programs.'' Mr. President, I was delighted to read this statement. However, after reviewing the bill and its accompanying report language, my delight was brief at best.

It is painfully clear the subcommittee has not lost its appetite for pork-barrel spending. This bill has been fattened up with vast amounts of low-priority, unnecessary and wasteful spending. In fact, this particular appropriations bill contains an astounding $241,486,300 in specifically earmarked pork-barrel spending. This is over $60 million more than last year's pork-barrel spending total for this bill, which was only $185 million in wasted funds. In addition, the bill and report direct that current year spending be maintained for hundreds of projects, without being specific as to the amount.

To exemplify this egregious spending, I have compiled a lengthy list of the numerous add-ons, earmarks, and special exemptions provided to individual projects in this bill.

Many of the programs funded in this bill are laughable. Yet there is nothing humorous about funneling Americans' hard-earned tax dollars to parochial interests. This bill is rife with examples.

The subcommittee's recommendation for the Cooperative State Research, Education and Extension Service (CRSEES) blatantly typifies the way my colleagues have irresponsibly put their own agendas ahead of national priorities. For CRSEES research and education activities, my colleagues added on $22,193,000 to the budget estimate. In fact, out of 106 special research grants for state universities, 99 projects were unrequested and earmarked to serve specific regions of the nation, such as: an earmark of $3,536,000 to Oregon, Mississippi, Minnesota, North Carolina, and Michigan for the wood utilization project; $150,000 for plant, drought, and disease resistance gene cataloging in New Mexico; $64,000 for nonfood uses of agricultural products in Nebraska; and, an earmark of $84,000 to Georgia for Vidalia Onions. Mr. President, you and I may love Vidalia Onions just as much as the next person, but an $84,000 earmark to Georgia for Vidalia Onions is absurd in this era of supposed fiscal restraint.

Let's look at the earmarks in the Animal and Plant Health Inspection Service funding.

The Committee directs the Department to continue funding at the current level for cattail management and blackbird control in North Dakota, South Dakota, and Louisiana. I would be surprised if there were no problems with excessive cattail growth and huge blackbird flocks in other areas of the country.

$800,000 is earmarked for rabies control programs in Ohio, Vermont, and New York. Again, I am certain other areas of the country would benefit from rabies control funding.

The Committee encourages the Department to consider grants to Burlington, Vermont, and Anchorage, Alaska, to assist these cities in developing public markets.

The Committee notes that it ''expects'' the Agriculture Department to purchase surplus salmon, but only if there is surplus salmon at low prices continue.

Mr. President, this type of locality-specific and special-interest earmarking is blatantly unfair to the taxpayers. It sets the tone, so evident in this bill, for a spending frenzy where honest hardworking Americans' tax dollars are thrown away on unrequested, low-priority, wasteful spending similar to the previous examples and hundreds like it.

Similar flagrant violations of the appropriate merit-based review process permeate the FY '99 Agriculture Appropriations bill and report—a testament to my ongoing concerns about pork-barrel spending. Mr. President, I raised concerns over earmarks in the FY 1998 appropriations bill, yet funding continues to be provided without adequate justification for nonsensical programs and designated regional benefits, such as: the perennial add-on of $3,354,000 for the Shrimp Aquaculture project benefiting the states of Hawaii, Mississippi, Arizona, Massachusetts, South Carolina; $150,000 for the National Center for Peanut Competitiveness in Georgia; a $26 earmark million for additional spending to benefit the Lower Mississippi Delta region.

Mr. President, most of the programs in this bill, such as grants, loans and other types of technical assistance programs, would normally be available to local, state and tribal entities in an open and competitive process. Many projects of merit and national necessity deserve to compete for the scarce funds gobbled up by wasteful pork-barrel spending. But these projects will never receive fair deliberation if this Committee pre-determines their fate by ''expecting'' and ''urging'' the Department to give special consideration to certain projects over others.

This bill also continues the questionable practice of prohibiting facility closures and designating funding for maintaining administrative personnel. For example, an additional $1,400,000 is provided to the Rice Germplasm Laboratory in Stuttgart, AR, for additional staffing, and more than $20 million is provided to various agencies and field offices in order to maintain personnel. The bill also contains a section that prohibits the expenditure of any funds to close or relocate an FDA office in St. Louis. The Committee does not provide any justification on why we should be spending taxpayers dollars to preserve unneeded bureaucracy. Nor does the report explain why specific offices and laboratories are higher in priority than others and more deserving of continuing funding despite recommendations of closure.

Mr. President, I will not deliberate much longer on the objectionable provisions of this bill. In closing, I simply ask my colleagues to apply fair and reasonable spending principles when appropriating funds to the multitude of priority and necessary programs in our appropriations bills. I look forward to the day when we can go before the American people with a budget that is both fiscally responsible and ends the practice of earmarking funds in the appropriations process.

GENERIC DRUG APPROVALS

Mr. HATCH. Mr. President, over the past several years, I have highlighted my growing concern about the Food and Drug Administration's failure to meet statutory deadlines with respect to a number of very important consumer products it regulates, including medical devices, food additives and generic drugs.

I would note that enactment of the Food and Drug Administration Modernization Act (FDAMA) is intended to address some of those concerns, especially with respect to innovator drugs.

But a very real concern remains about the generic side of the equation.

My colleagues should be aware that, despite a requirement in the law that generic applications be acted upon within 180 days, the review time usually takes far longer. In fact, in its budget justification submitted to Congress this February, the agency reveals that only 50% of the applications receive final agency action within the statutory deadline, and the mean review time is 25.6 months.

This is a matter of significant concern to me, and, I believe, to the Congress as well. As the Committee noted in the report to accompany S. 2159:

> In light of the fact that generic drugs provide important cost benefits to consumers and the Federal Government, the Committee also encourages the FDA to devote additional resources to generic drug reviews in order to address the backlog of applications and provide reviews within the 6-month period required by statute.

Later, the Committee goes on to say:

> FDA delays have significant implications for public health. Each FDA delay extends the time it takes for consumers to benefit from new products that provide significant therapeutic benefits. The Committee believes that FDA's statutory obligations to perform its core regulatory activities must remain the agency's top priority.

The failure of the FDA to devote sufficient resources to the Office of Generic Drugs is penny-wise but pound-foolish. Generic drugs can provide significant benefits to consumers. They typically enter the market at a price 30% below their brand-name equivalents, and decline in price to 60%–70% below the brand product price over time.

Generic drugs have provided consumers with lower cost alternatives to innovator drugs, and they will continue to do so in the future. Over the next decade, a number of important pharmaceutical patents will expire, with cumulative annual sales in the tens of billions of dollars, and with the potential of tremendous consumer benefits. These benefits could be significantly diminished if there are not adequate abbreviated new drug application reviewers. It is as simple as that.

Last year, due to the concerted leadership of Chairman COCHRAN and others, the FDA was directed to submit a detailed operating plan which yielded an increase of $702,000 for the Office of Generic Drugs (OGD). I was, and am, very appreciative of these efforts.

It is my understanding that the House Appropriations Committee has provided an additional $1 million to OGD this year; I strongly support the House mark and only wish it could have been even higher.

When the agriculture appropriations bill goes to conference, I hope that conferees will build upon last year's record and will continue to increase funding for generic drug reviews. I know that it is always hard to find additional money given the budgetary constraints we face, but a very small amount of money in Federal budget terms can have a very large impact here, especially for those, particularly senior citizens, who lack prescription drug coverage.

APHIS/WILDLIFE SERVICES

Mr. JOHNSON. Mr. President, I strongly encourage the Conference Committee for the FY 1999 Agricultural Appropriations bill to recognize the need for a full-time APHIS/Wildlife Services district supervisor position located in South Dakota for the protection of agriculture and endangered species.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRAMS. Mr. President, I rise in support of the Agriculture Appropriations bill, which includes essential funding to support our American farmers, the most competitive farmers in the world.

It is imperative that the Agriculture Appropriations be passed out of the Senate quickly, as our farmers will be forced to pay dearly for any delays. The bill includes vital funding for scab research. This is an essential project to counter what has become a major threat to wheat and barley farmers. The bill includes many other important bio-genetic projects as well. Long-term basic research is fundamental and must remain a priority.

This bill also continues the crucial tools to help our farmers promote their commodities at home and throughout the world. The bill funds the Foreign Agricultural Service, which is a necessary component in successfully identifying and reaching foreign markets. The Service coordinates the formulation of trade policies and programs with the goal of enhancing world markets for U.S. agricultural products.

Included are the CCC Export Credit Guarantee Program; the PL–480; the Export Enhancement Program; the Market Access Program, and others. The bill also includes full funding of the Federal Crop Insurance program,

the major risk management tool to come out of Freedom to Farm.

Today we will debate several amendments that are being touted as a remedy to the current farm crisis that some states in the Upper Midwest, including Minnesota, are currently facing.

I do not want to downplay the problems faced by Northern Minnesota farmers. Farmers are hurting, but we must look for the best ways to help them promote long-term solutions rather than take a costly political approach.

There are multiple factors which have contributed to and exacerbated the current circumstances facing many of our Upper Midwest farmers. They include the Asian financial crisis, plant diseases, and surpluses accompanied by low commodity prices. The combined effect has been enough to put some farmers out of business, despite the fact that the Market Transition Payments in the FAIR Act have provided our producers with a much greater safety net than the deficiency payments they would have received under the old program.

The current crisis cries out for an immediate answer—a quick-fix. Scrap the intent of the 1996 Freedom to Farm Act, some of my colleagues are suggesting, and go back to the old-style, government-directed farm policy we fought so hard to change.

Surely it is heart-wrenching to watch our neighbors lose their livelihoods, but is the approach of the Minority amendments the right one? Will it help farmers in the long run? I do not think so. These proposals will not alleviate the problems. That much should be obvious. These are serious problems and require serious legislative proposals What the situation demands is more deliberate, long-range attention.

Furthermore, these proposals like a serious misdiagnosis exacerbate the problem, not only for farming generations to come but for the very farmers they would supposedly serve.

One amendment would be to extend the loan rates in order to allow farmers the discretion of waiting for higher prices. Sadly, this looks like a sure-fire method to lower commodity prices even further. Extending the loan for an additional six months would give a farmer incentive to hold onto the remainder of last year's crop, while at the same time pulling in a new harvest—most likely a very large harvest. The effects are obvious—an increased amount of grain on the market, which pushes prices down.

There are other costs to this approach. Grain storage and transportation issues continue to play a role in the overall problem. Extending the loan rate will only make matters worse in that farmers who hold onto their grain longer must have a place to store it, taking up more space in the elevators. There must also be enough rail cars to ship it. This also drives prices down.

Another ill-fated proposal would raise the cap on government market loan rates. Again, we must beware of proposals—like extending the loan rates—that would influence the market in such a way as to create market distortions. That is just what this proposal would do. It would create more commodity than the market could stand without devaluing it. If loan caps are lifted, it tends to encourage a rational farmer to withhold grain from the market, leading to more government-owned grain. This also drives prices down.

Yet another proposal would authorize $500 million in payments to farmers who have suffered repeated crop failures. But we decided to avoid these types of measures in favor of the Federal Crop Insurance Program, and similar risk management measures included in the Freedom to Farm Act. And certainly $500 million spread over a number of hard-hit states is not going to be enough to make a real difference for farmers, even over the short-term. The better alternative is to continue to improve the FCIP.

It is not difficult to put these band-aid proposals into perspective. What is hard is the fact that they are being billed as steps that would immediately help individuals who have supposedly been hurt by Freedom to Farm, giving them false hope for relief—a magic elixir for suffering farmers that won't work. With the benefits of Freedom to Farm we agreed to accept the kind of market cycles other industries suffer. When the cycle turns down, we must look at the best way to reverse the downward cycle through sound government policies. We must continue our efforts to seek new markets for our agriculture products, and to seek alternative uses for them as well. We can replenish the IMF, pass Fast Track negotiating authority, pursue unfair trade practices, and continue MFN for China. We can oppose unilateral sanctions.

As Chairman of the International Finance Subcommittee of the Banking Committee, I worked with Senator HAGEL to pass the replenishment of the IMF in the Senate. I regret it is still held up on the House side. Without this kind of multilateral assistance, we cannot provide the assistance needed to address the kind of crises we face in Asia, Russia and many other areas. I urge the Administration to work out the differences we have surrounding this issue in the House so we can continue this kind of crucial assistance.

Fast Track negotiating authority is necessary to pursue new trade agreements with other nations that will improve access for agriculture and other products. While the Administration indicated it would pursue this authority this year, that appears to no longer be a priority this year. Yet, this authority would open markets to relieve some of the commodity pricing pressure in the Upper Midwest. I have joined Senator HAGEL and others today in requesting Senator LOTT to bring up Fast Track this year as one of our top priorities.

Continuing MFN for China is another top priority of mine as well as the agricultural community. China is a major market for the United States, now, and even more in the future. Those who want to hold agriculture hostage to solving many unrelated problems in China are very shortsighted. Not only do we risk United States exports in the short term, but the long term as well as the United States earns the reputation of an unreliable supplier. Engagement through trade and contact with the Chinese leaders and people is what gains us progress on human rights, religious persecution and other issues—not cutting off those relations.

Mr. President, I was pleased we passed the Farmer Relief Act last week to exclude agriculture products from India-Pakistan sanctions. We should have gone further to provide waiver authority and exclude all the economic sanctions, but that battle will be fought another day. It is clear to me that agriculture sales should not be included in any sanction, and I will continue to support efforts to eliminate agriculture from current sanctions as well as to prevent our farmers from being targeted in these largely political battles. Farmers still painfully recall the Russian grain embargo and other unilateral sanctions that continue to shut off important markets. Cutting off agriculture sales only hurts the people of the targeted country—not the government we aim to punish.

I am a co-sponsor of the Dodd bill to remove agriculture sales from current Cuba unilateral sanctions. The same arguments we make against other agriculture sanctions apply here as well. It is time to make this humanitarian, important change in the embargo.

I also am a co-sponsor of the Africa trade bill which I believe will help our farmers in the long term as we work to expand trade opportunities in that continent.

All of these current and pending sanctions—61 current and many pending—cry out for passage of the Lugar Sanctions Reform Bill, which I have co-sponsored. This will ensure that not only will we have a sound basis to ensure that sanctions will have their desired effect before we pass them, but also that they do not impose a higher cost to our economy than we can bear. This legislation should be non-controversial, and it should be passed immediately.

Mr. President, I am convinced that pursuing trade policies that open markets, not close them, will go a very long way in bringing higher prices to farmers in my state and others. I challenge my colleagues who have supported legislation to close markets abroad to take a closer look at what they are doing and support American agriculture on these important issues.

Mr. President, in passing Freedom to Farm, Congress recognized that agriculture policy in this country must emphasize business acumen and individual freedom—the principles that

have made our economy sound today. And we must provide the means necessary to realize the potential of such a plan. The Agriculture Appropriations bill continues to provide the means. I urge my colleagues to stay the course and resist the short-sighted, politically motivated, market-distortion mechanisms that the Minority amendments would offer.

Thank you very much, Mr. President. I yield the floor.

Mr. BURNS. Mr. President, we have heard a lot of discussion here today about agriculture and the fix that it finds itself in, most of it caused by forces not under the control of the folks who live on our farms and ranches in this country, and in particular about our good friends who live in North Dakota along the northern high plains that stretch across the northern reaches of Minnesota, from Grand Forks to Williston, and yes, even over into my home State of Montana. I went through the 1980s as an auctioneer. I sold out some awfully good friends in that era. And, there again, that was caused by forces that were not under the control of those who make a living from our farms and ranches across this country.

You know, we, some of us, might take this lightly. But we are talking about something that involves every American. Every American has a stake in this, because the second thing you do every day after you get up is eat. I don't know what the first thing is because we have a lot of choices, I guess, but the second thing is that we eat.

We understand the pain on the northern high plains because I have experienced the same kind of situations and been around agriculture a long time, in the business of ag business and, yes, on the land, too. We understand that. We cannot write anything into legislation in the way of farm policy of a one-size-fits-all. Each State is different. Each county is different. Each region of this country is different, producing different crops under different circumstances, under different growing seasons, different soils, and that makes it a real challenge to try to develop any kind of farm policy as far as this Government is concerned from this place here in Washington, which I refer to every now and again as 17 square miles of logic-free environment.

What we did in the FAIR Act was to try to put agriculture into a position where farmers can enjoy as much versatility and flexibility in their cropping and making their decisions on how to market as each individual producer or operator could have. Risk management—that was part of it, part of it, making decisions on what to grow and when to grow it, how to market it, and, yes, even having some say in transportation.

We have heard a lot of people say this act is still a work in progress, that there were some things that we should really do that would facilitate the final policy of the FAIR: Farm savings accounts. Do something about estate taxes. We don't need estate taxes. Something has to be inherently wrong when you have to sell the farm to save the farm. Capital gains—a reduction in capital gains has already proven that, yes, it is an economic enhancer. We got income averaging for 3 years; now we need to put it in permanent law. And, yes, the sanctions reform, of which we have heard a lot in the past week and during this week —do that reform. And also reg reform.

Now, reg reform doesn't sound very big, but just this morning, in the full Committee on Appropriations, there was a memorandum of the Department of Transportation to deal with hazardous material with regard to agriculture, the hauling of hazardous materials from the city to the farm and from farm to farm with limited space and no reason that this Federal Government should preempt State regulations on handling those materials. Agriculture had enjoyed an exemption, when it comes to production agriculture, in providing the services that are needed on the farm and getting the crop back to the farm. Yet this Department of Transportation wants to change all of that. They want to preempt the States on how they handle hazardous material. It is just a little thing, the requirement of a CDL, just to do farm work—commercial driver's license, just to do farm work, not only putting the crop in but getting it out and getting it where it can be transported to the markets.

That is reg reform—the ability to use some pesticides and herbicides on growing new crops that have been introduced into the northern high plains, where we have competition from our friends in Canada where they have 15 to 20 different kinds of herbicides and pesticides to grow 1 crop while we are limited to 5 and cannot get FDA approval to go on and take care of the crop the way it has to be done.

One could also look at the situation, the terrible situation in North Dakota, where they have the disease scab. There is regulation on plant growth health.

We could also put together that same package of trade, trade, and trade. We know the effect of the financial crisis in the Pacific rim. Last January, we visited Australia. In talking to the Australians, they didn't think it would affect their GDP at all. When I walked out of that meeting in Canberra, Australia, I knew that these folks had really misread the crisis in the Pacific rim. They had underestimated exactly what was going to happen, when you have four major economies absolutely go in the tank, and then the economy that was to ride in and help them out can't do anything about it—and that is Japan. Those forces are completely out of the control of the American farmer and the American rancher.

So, fast track, normal trade relations to move our product into those markets and have a shot at that market. Right now, with sanctions, we are getting no shot at all. That is not right, and it is not fair.

I would probably say that sanctions have very little effect, if any at all, on any kind of product. What happens when you put sanctions on anything is, they will find the foodstuffs; they will find the grain. They might pay a little more for it, a couple of pennies a bushel more, and then we have to compete against the lower end of that market? That is not fair either. So, sanctions very seldom work.

There is also another end of this that I haven't heard anybody talk about in this country, and I do not know how to deal with this problem, but I know there is a problem. The percentage of the consumer dollar going back to the farm is the smallest it has been in the history of agriculture.

What do I mean by that? If some of you go to the grocery store and do your shopping, go down the cereal line and see what Wheaties are worth per pound. I think you will find they are around $3.75 a pound. Cereal is not cheap—$3.75 a pound. I want America to know—do you realize that we cannot even get $2.50 for a bushel of wheat that weighs 60 pounds? There is more money in the box than there is in the wheat that is the basis of the product. Something is a little out of whack. Yet, we have some of our great agricultural processors and purveyors and buyers calling themselves a supermarket to the world.

What we are saying though is: If you are such a good supermarket, then give us more of the consumer dollar. You have an obligation, like anybody else, to make sure the producer gets at least his cost of production. That would help them stay in business, but it also helps the processor to stay in business.

I noticed, there was a little letter that came this way from one of the great processors in this country wanting to go back to the old way of doing business. It makes sense to me. If I am out here buying corn and soybeans and wheat, I can buy it very cheaply, yet the taxpayer pays the profitable margin in this country to the farmer.

That is not right either. That should be paid at the marketplace, and a percentage of that should go to production agriculture.

We are still a work in progress, and, yes, we have a situation on the northern high plains with which we are going to have to deal and for which we have an obligation to deal.

NAFTA, has it been good? Maybe for all America, but it sure hasn't worked for us on the northern high plains. When you have 300 loads of cattle a day coming across the wheat grass in northern Montana, and yet we have a cattle market and you have $60 steers—I have a good friend who lives over in Miles City, MT. Of course, he has a great sense of humor, and it is a great thing. You have to have a good sense of humor when you farm a ranch. He said $60 fat cattle, $40 hogs, and $2.50 wheat,

and $9 oil. Remember, oil only costs about $9 a barrel at the wellhead. That would tell me anybody who is in the business of producing a raw product is not getting paid very much for their product, but the price hasn't been reflected at the pump or at the grocery store. If they go down for the consumer, I guess all of us can live pretty good. But I said, ''Well, that doesn't sound too good.'' He said, ''Yeah, but there's a silver lining—we've got a lot of it.'' And that is the kind of attitude you have to carry into this business.

How do we deal with the northern high plains, victims of flood and drought and those farm families that really just eke it out every year? They are land rich, but they are cash poor. That has been the story of agriculture for a long, long time. I am afraid that story is not going to end with any action taken in the Congress.

Do we want the Government back in the grain business? Do we want those huge stocks that cost the taxpayer a lot of money in storage? Do we want those stocks to overshadow the market? This man who wrote this letter saying we should go back to the old way of doing business thinks it is all right, because he is going to get his supply from stocks that didn't cost very much money. Yet, his end product is not going to go down a great amount. In fact, it won't go down at all. They will always say ''inflation.'' The percentage of the consumer dollar we don't have any control over either.

Just remember that little illustration that there is more money in the box that contains the Wheaties than there is in the wheat that is the base ingredient of that great food, a percentage of the consumer dollar. Going back to the old way will not cure the ills of what is happening in the northern high plains.

I thank the chairman of the Appropriations Committee and those of us who have been meeting every day to open up markets and to deal with sanctions, because it is trade, trade, trade. Just like in the business of the real estate, when you buy, there are three main things: Location, location, location.

We must continue to do that. This administration must use every tool they have to open those markets and to move the product, whether it be through Public Law 480, through EEP, or export credits. We must get in the world market, and we must compete and move the products.

I thank the chairman, and I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I commend the distinguished Senator from Montana for his comments and his leadership. I don't know whether Senators realize this or not, but he has been getting Senators together on an invitation basis at his office to discuss the problems in agriculture, bringing to the attention of all of us who are interested in that subject some very serious challenges that we face now in terms of trade policy and the other related issues that he has already talked about this afternoon.

His comments to the Senate are very helpful as we put in perspective what our challenge is and what our options are for responding to these very real problems in agriculture.

Mr. President, I am also happy to be able to advise the Senate that we have reached an agreement with the Democratic leader on the subject of the sense-of-the-Senate resolution which was offered earlier today and which has been the subject of a good deal of discussion.

There has been an agreement to modify the amendment, and I am ready to propound a unanimous consent request with the clearance of both leaders, and it is as follows:

I ask unanimous consent that at 5:15 p.m. this evening, the Senate proceed to a vote on amendment No. 3127, as modified, offered by the minority leader. I further ask unanimous consent that no second-degree amendments be in order prior to the vote.

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

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 3127, AS MODIFIED

Mr. BUMPERS. Mr. President, I send a modification to the desk.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

At the appropriate place, insert:

Findings:

In contrast to our nation's generally strong economy, in a number of States, agricultural producers and rural communities are experiencing serious economic hardship;

Increased supplies of agricultural commodities in combination with weakened demand have caused prices of numerous farm commodities to decline dramatically;

Demand for imported agricultural commodities has fallen in some regions of the world, due in part to world economic conditions, and United States agricultural exports have declined from their record level of $60 billion in 1996;

Prolonged periods of weather disasters and crop disease have devastated agricultural producers in a number of States;

Certain States experienced declines in personal farm income between 1996 and 1997;

June estimates by the Department of Agriculture indicate that net farm income for 1998 will fall to $45.5 billion, down 13 percent from the $52.2 billion for 1996;

Total farm debt for 1998 is expected to reach $172 billion, the highest level since 1985;

Thousands of farm families are in danger of losing their livelihood and life savings;

Now, therefore, it is the sense of the Senate that immediate action by the President and Congress is necessary to respond to the economic hardships facing agricultural producers and their communities.

Mr. COCHRAN. Mr. President, if there are Senators who want to discuss this or other issues, there is an opportunity between now and 5:15 to do that. Pending such discussion, the distinguished Senator from Arkansas and I have been able to review additional amendments, and we are prepared to recommend to the Senate that they be accepted as a part of this agriculture appropriations bill.

I ask unanimous consent that the pending amendment be set aside for the purpose of propounding these additional amendments for consideration.

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

AMENDMENT NO. 3142

(Purpose: To clarify a budget request submission regarding spending based on assumed revenues of unauthorized user fees)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself and Mr. COCHRAN, proposes an amendment numbered 3142.

Mr. BUMPERS. 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 67, after line 23 insert the following:

''SEC. . None of the funds appropriated by this Act or any other Act shall be used to pay the salaries and expenses of personnel who prepare or submit appropriations language as part of the President's Budget submission to the Congress of the United States for programs under the jurisdiction of the Appropriations Subcommittees on Agriculture, Rural Development, and Related Agencies that assumes revenues or reflects a reduction from the previous year due to user fees proposals that have not been enacted into law prior to the submission of the Budget unless such Budget submission identifies which additional spending reductions should occur in the event the users fees proposals are not enacted prior to the date of the convening of a committee of conference for the fiscal year 2000 appropriations act.''

Mr. BUMPERS. Mr. President, this is an amendment that deals with what is a perennial knotty problem for the members of this subcommittee. It simply says that no funds may be used to prepare the budget for this subcommittee that includes user fees unless those fees have been previously authorized or under the budget identifies spending cuts or revenue increases that should occur in case the fees are not adopted, which they never are.

We invariably get these budgets. The President invariably sends a budget over, and our subcommittee looks it over, and there is always a bunch of user fees in there. This is about the eighth or ninth straight year that user fees have been included, and the subcommittee never agrees to them. The reason we don't is that the full committee and the Senate would never agree to them either.

This amendment is designed to say in the future, don't send those user fees

over here unless you are prepared to tell us, in case we don't adopt the user fees, where you are going to find the spending cuts for it or where you are going to find revenue increases. This is a 1-year proposition. This provision will only apply to the budget year 1999. I think this has been cleared on both sides.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I am delighted to join the distinguished Senator from Arkansas in cosponsoring this amendment. He has identified the problem. It really ought to be labeled the ''truth in budgeting amendment,'' because it requires the administration now to acknowledge when a proposal is made for user fees to be approved by Congress. In the absence of such approval by the legislative committee, in the legislative process a submission has to then show how much money should be appropriated from the Treasury through the appropriations process, not to continue to assume that there is this pot of money there that has been generated by the enactment of user fees. I think this will help everybody understand the process better. And we certainly welcome this change in the law as proposed by the distinguished Senator from Arkansas.

We know of no objection to the amendment on this side. We urge that it be approved by the Senate.

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

Without objection, the amendment is agreed to.

The amendment (No. 3142) was agreed to.

Mr. COCHRAN. 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. 3143

(Purpose: To establish a pilot program to permit certain owners and operators to hay and graze on land that is subject to conservation reserve contracts)

Mr. BUMPERS. Mr. President, I send an amendment to the desk on behalf of the minority leader, Mr. DASCHLE.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] for Mr. DASCHLE, proposes an amendment numbered 3143.

Mr. BUMPERS. 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 67, after line 23, add the following:

SEC. 7___. PILOT PROGRAM TO PERMIT HAYING AND GRAZING ON CONSERVATION RESERVE LAND.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE STATE.—The term ''eligible State'' means any State that is approved by the Secretary for inclusion in the pilot program under subsection (b), except that the term shall not apply to more than 7 States.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(3) STATE TECHNICAL COMMITTEE.—The term ''State technical committee'' means the State technical committee for a State established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3861).

(b) PILOT PROGRAM.—Notwithstanding section 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(7)), during the 4-year period beginning on the date of enactment of this Act, on application by an owner or operator of a farm or ranch located in an eligible State who has entered into a contract with the Secretary under subchapter B of chapter 1 of subtitle D of title XII of that Act (16 U.S.C. 3831 et seq.)—

(1) the Secretary shall permit harvesting and grazing on land on the farm or ranch that the Secretary determines has a sufficiently established cover to permit harvesting or grazing without undue harm to the purposes of the contract if—

(A) no land under the contract will be harvested or grazed more than once in a 4-year period;

(B) the owner or operator agrees to a payment reduction under that subchapter in an amount determined by the Secretary; and

(C) the owner or operator agrees to such other terms and conditions as the Secretary, in consultation with the State technical committee for the State, may establish to ensure that the harvesting or grazing is consistent with the purposes of the program established under that subchapter;

(2) the Secretary may permit grazing on land under the contract if—

(A) the grazing is incidental to the gleaning of crop residues;

(B) the owner or operator agrees to a payment reduction in annual rental payments that would otherwise be payable under that subchapter in an amount determined by the Secretary; and

(C) the owner or operator agrees to such other terms and conditions as the Secretary, in consultation with the State technical committee for the State, may establish to ensure that the grazing is consistent with the purposes of the program established under that subchapter; and

(3) the Secretary shall permit harvesting on land on the farm or ranch that the Secretary determines has a sufficiently established cover to permit harvesting without undue harm to the purposes of the contract if—

(A) land under the contract will be harvested not more than once annually for recovery of biomass used in energy production;

(B) the owner or operator agrees to a payment reduction under that subchapter in an amount determined by the Secretary; and

(C) the owner or operator agrees to such other terms and conditions as the Secretary, in consultation with the State technical committee for the State, may establish to ensure that the harvesting is consistent with the purposes of the program established under that subchapter.

(c) RELATIONSHIP TO OTHER HAYING AND GRAZING AUTHORITY.—During the 4-year period beginning on the date of enactment of this Act, land that is located in an eligible State shall not be eligible for harvesting or grazing under section 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(7)).

(d) CONSERVATION PRACTICES AND TIMING RESTRICTIONS.—Not later than March 1 of each year, the Secretary, in consultation with the State technical committee for an eligible State, shall determine any conservation practices and timing restrictions that apply to land in the State that is harvested or grazed under subsection (b).

(e) STUDY.—The Secretary shall make available not more than $100,000 of funds of the Commodity Credit Corporation to contract with the game, fish, and parks department of an eligible State to conduct an analysis of the program conducted under this section (based on information provided by all eligible States).

(f) REGULATIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary shall issue such regulations as are necessary to implement this Act.

(2) PROCEDURE.—The issuance of the regulations shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; or

(C) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

Mr. BUMPERS. Mr. President, this is an amendment that I think has a lot of merit. It is a pilot program under which farmers who are enrolled in the Conservation Reserve Program can take a reduction in the payments that they would otherwise receive under that program in exchange for the right to bale hay and graze according to an agreement, of course, that they would have to work out. But they would have a right to forego certain payments in the Conservation Reserve Program in exchange for the right to hay and graze on some of their CRP lands.

Mr. COCHRAN. Mr. President, we have reviewed the amendment on this side of the aisle and find no objection to it. I urge it be approved.

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

The amendment (No. 3143) was agreed to.

Mr. COCHRAN. 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. 3144

(Purpose: To prohibit the previous shipment of shell eggs under the voluntary grading program of the Department of Agriculture and to require the Secretary of Agriculture to submit a report on egg safety and repackaging)

Mr. BUMPERS. Mr. President, I send an amendment to the desk on behalf of Senator DURBIN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for Mr. DURBIN, proposes an amendment numbered 3144.

Mr. BUMPERS. 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 67, after line 23, add the following:

SEC. 7___. EGG GRADING AND SAFETY.

(a) PROHIBITION ON PREVIOUS SHIPMENT OF SHELL EGGS UNDER VOLUNTARY GRADING

PROGRAM.—Section 203(h) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(h)) is amended by adding at the end the following: ''Shell eggs packed under the voluntary grading program of the Department of Agriculture shall not have been shipped for sale previous to being packed under the program, as determined under a regulation promulgated by the Secretary.''.

(b) REPORT ON EGG SAFETY AND REPACKAGING.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture, and the Secretary of Health and Human Services, shall submit a joint status report to the Committees on Appropriations of the House of Representatives and the Senate that describes actions taken by the Secretary of Agriculture and the Secretary of Health and Human Services—

(1) to enhance the safety of shell eggs and egg products;

(2) to prohibit the grading, under the voluntary grading program of the Department of Agriculture, of shell eggs previously shipped for sale; and

(3) to assess the feasibility and desirability of applying to all shell eggs the prohibition on repackaging to enhance food safety, consumer information, and consumer awareness.

Mr. BUMPERS. Mr. President, this amendment codifies the Secretary of Agriculture's prohibition on the repackaging of eggs packed under USDA's voluntary grading program. This prohibition went into effect on April 27. It directs the Secretaries of Agriculture and Health and Human Services to submit a joint report to the relevant congressional committees on egg safety and repackaging.

The amendment has been cleared by USDA, by the Food and Drug Administration, and the egg industry, and it is supported by consumer groups.

The USDA recently reported, each year over 660,000 Americans get sick from eating eggs contaminated with salmonella enterovirus. Illness from this can be fatal to the elderly, children, and those with weakened immune systems.

According to the Centers for Disease Control, this bacteria caused more reported deaths between 1988 and 1992 than any other foodborne pathogen. The estimated annual cost of illness from this particular salmonella ranges from $118 million to $767 million each year, according to the Center for Science in the Public Interest.

It sounds like a very good amendment to me.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, it sounds like a good amendment to me, too. We have checked on our side of the aisle. There is no objection to the amendment. We urge it be approved.

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

The amendment (No. 3144) was agreed to.

Mr. COCHRAN. 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. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 3145

(Purpose: To provide funding for completion of construction of the Alderson Plant Materials Center in Alderson, West Virginia)

Mr. BUMPERS. I send an amendment to the desk on behalf of the Senator from West Virginia, Mr. BYRD.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for Mr. BYRD, proposes an amendment numbered 3145.

Mr. BUMPERS. 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 31, line 8, after *''Provided,''* insert ''That, of the total amount appropriated, $433,000 shall be used, along with prior year appropriations provided for this project, to complete construction of the Alderson Plant Materials Center, Alderson, West Virginia: *Provided, further,*''.

Mr. BUMPERS. Mr. President, this is an amendment that provides, from available funds in the bill, $433,000 can be used to complete construction of the Alderson Plant Materials Center in Alderson, WV.

Mr. COCHRAN. Mr. President, the amendment has been cleared on this side.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3145) was agreed to.

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

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

Mr. DASCHLE. Mr. President, I ask unanimous consent to lay aside the pending amendment until the time scheduled for its vote, which I believe is 5:15.

The PRESIDING OFFICER. The Senator is correct. It is 5:15. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 3146

(Purpose: To provide a safety net for farmers and consumers)

Mr. DASCHLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], for himself, Mr. HARKIN, Mr. WELLSTONE, Mrs. MURRAY, Mr. KERREY, Mr. CONRAD, Mr. DORGAN and Mr. BAUCUS, proposes an amendment numbered 3146.

Mr. DASCHLE. 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 67, after line 23, add the following:

SEC. 7. MARKETING ASSISTANCE LOANS.

(a) MARKETING ASSISTANCE LOANS.—

(1) LOAN RATES.—Notwithstanding section 132 of the Agricultural Market Transition Act (7 U.S.C. 7232), during fiscal year 1999, loan rates for a loan commodity (as defined in section 102 of that Act (7 U.S.C. 7202)) shall not be subject to any dollar limitation on loan rates prescribed under subsections (a)(1)(B), (b)(1)(B), (c)(2), (d)(2), (f)(1)(B), or (f)(2)(B) of that section.

(2) TERM OF LOAN.—Notwithstanding section 133(c) of the Agricultural Market Transition Act (7 U.S.C. 7233), during fiscal year 1999, the Secretary of Agriculture may extend the term of a marketing assistance loan for any loan commodity for a period not to exceed 6 months.

(b) EMERGENCY REQUIREMENT.—

(1) DESIGNATION BY CONGRESS.—Subject to paragraph (2), the entire amount of funds necessary to carry out this section is designated by Congress as an emergency requirement under section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 902(e)).

(2) BUDGET REQUEST.—Funds shall be made available to carry out this section only to the extent that an official budget request that includes designation of the entire amount of the request as an emergency requirement for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is transmitted by the President to Congress.

(c) TERMINATION OF EFFECTIVENESS.—

(1) IN GENERAL.—Subject to paragraph (2), the authority provided by this section terminates effective October 1, 1999.

(2) LOAN TERMS.—A marketing assistance loan made under subtitle C of the Agricultural Market Transition Act (7 U.S.C. 7231 et seq.) and subsection (a) shall be subject to the terms and conditions of the loan during the 15-month period beginning on October 1, 1998.

Mr. DASCHLE. Mr. President, I have discussed this matter procedurally with our distinguished managers on both sides of the aisle and appreciate very much their willingness to cooperate in terms of expediting the consideration of these critical amendments.

The amendment that I have just submitted is one that Senator HARKIN and I and others discussed on the floor this morning.

The amendment builds upon what I hope will be a very significant vote at 5:15 this afternoon. As we note, the first amendment hopefully brings us together, Republicans and Democrats, in a way that allows us to say: Yes, we understand there is a problem; yes, we have to respond. Even though we may not yet have an agreement on how we might respond, there should be a response.

That is, in essence, what we are saying with the passage of the resolution

that we have just ordered a vote on. Now we go to the next phase: All right, if we recognize there is a problem, then what we do we do about it? As many of us noted this morning, we are offering a series of proposals that we hope will allow us to respond in a meaningful way to the situation that we find ourselves in in agriculture. A lot of people already today have put excellent reports found in various publications into the RECORD. The Chicago Tribune on June 21 of this year had a report that I don't think is yet in the RECORD. The article is headlined ''Harvest of despair.''

In the article, the very first statement says:

> Falling prices, poor growing conditions, and government deregulation are forcing thousands of family farmers to abandon their way of life, perhaps the worst blow to the rural Northern Plains since the bankruptcy crisis of the middle 1980's.

Mr. President, I don't think there is an article that could say it more succinctly than that. It goes on to explain the circumstances.

In 1996, for a bushel of wheat, farmers received $5.20 cents. In May of 1998, they received $3.07—a $2.13 reduction in price on a bushel of wheat in a 2-year period of time, a 40-percent-plus reduction in the availability of price for farmers.

That is the problem. This precipitous drop in price is generating an extraordinary crisis financially for family farmers and ranchers all over America. It is not just wheat. I could give the same statistics for corn. We could talk about livestock. We could talk about virtually any commodity found in the northern Great Plains, or in the West today, and you would see a situation that could be entitled ''Harvest of Despair.''

So the question is, What do we do about it? I am one who believes in the marketplace. But I also know that the market has many ways that have been used, many tools that have been used, both public and private, in an effort to soften these economic upturns and downturns. We see it on Wall Street. We see it on Main Street primarily through the Tax Code. We have seen it in agriculture for decades. We are not suggesting in response to this crisis that we reopen the farm bill and, in so doing, reopen the debate about all of the infrastructure that is now in place dealing with the relationship that the people of the United States have with farmers. We are not going to do that.

But what we are going to do is to suggest that there are some actions that can be taken that would have profound benefits to farmers and to ranchers to get through this crisis. And what we are suggesting is that in many of those cases we put a time limit on it. We don't say for all perpetuity now we are going to make these changes, because that would be doing the very thing I said we weren't going to do. So the amendment that I have laid down is a perfect illustration of just that.

The amendment says that the Government will take the average price that we have seen for commodities over the last 5 years, drop the highs and lows, and put in place a marketing loan at 85 percent of that price that the farmers could avail themselves of, if they don't want to be forced to sell their grain tomorrow.

Let's assume a farmer has a good crop. Let's assume that he is suffering, with this remarkable chart showing that prices have gone from $5.20 down to $3.07 in 2 years, and he doesn't want to settle for $3.07. What does he do? He goes to the Department of Agriculture and says, ''I heard about this marketing loan you all have. I would like to take out a loan.'' For now it is 9 months. We are going to give them a little more flexibility. We are going to say 15 months—1 year and 3 months—5 quarters—before he has to pay it back. He is going to say, ''I am going to take out that loan,'' betting their price is going to turn around. So he does. The price goes up, he pays the loan, the Government makes money, and the farmer stays in business.

Mr. President, that is what we are doing. That is what we are suggesting here.

Mr. President, I ask unanimous consent that the Chicago Tribune article be printed in the RECORD.

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

[From the Chicago Tribune, June 21, 1998]

HARVEST OF DESPAIR

(By Greg Burns)

HILLSBORO, ND—Years of farming the rich black soil near this town of 1,462 never quite prepared Scott Kraling for his new occupation.

Instead of wearing his customary blue jeans and dusty cap, he fidgets in the striped shirt and electric-blue shorts of a uniform. Instead of a trusty pickup truck, he rolls past wheat and sugarbeet fields in a yellow delivery van marked Schwan's Delicious Ice Cream.

His farming days are over. ''I'm a Schwan's man now,'' the 38-year-old father of two said.

Kraling is among thousands of North Dakota farmers who have quit over the last few years in what's being called a ''stealth'' farm crisis.

Unlike in the mid-1980s, bankers aren't forcing them out. No one is making a major motion picture about their plight and singer Willie Nelson isn't staging any benefits.

Kraling arranged the auction of his tractors and combines himself last year because, truth be told, he was sick of farming. ''You can't keep liking something that keeps going against you,'' he said, taking a quick pull on a cigarette. ''I really don't think there's a future in it.''

Across the Northern Plains, low grain prices, poor growing conditions and government deregulation are driving many farmers off the land.

Remote prairie countries that once supported a dozen or more independent dirt-scratchers now have just a few, as the survivors take on more acreage to seek elusive economies of scale.

In the last two years, 2,511 of North Dakota's farmers have given up, leaving fewer than 30,000, the lowest number since World War I, according to Richard Rathge, state demographer. Another 1,807 are expected to quit by the end of this year, a recent study indicates.

So far, the farm woes barely have dented the overall prosperity of this premier wheat state No. 2 in production behind Kansas. Ex-farmers such as Kraling are finding plenty of jobs available in town.

A bigger blow is being dealt to the rural culture of the Northern Plains, as a century-old pattern of life slips away.

''It affects all of us,'' said Margaret Bruce, pastoral minister at St. John's Catholic Church in Grafton, ND. ''Grafton is a farming community. When you're looking at a fourth- or fifth-generation farmer leaving the farm, that's sad.''

Since May, Bruce's church has distributed thousands of green ribbons to be worn in support of surviving farmers.

''This isn't just about dollars and cents,'' said Sen. Byron Dorgan (D–ND). ''The country will lose something very important. Family values roll from family farms to small towns to big cities.''

Yet many folks in these parts have come to accept that market forces will eliminate even more family farms. As in other sectors of the economy, tradition has fallen by the wayside as the nation embraces global commercial competition.

''Will there be fewer farmers? Yes,'' said North Dakota Gov. Ed Schafer. ''It hurts. It changes the character of the state. [But] it's a return-on-investment decision.''

In Washington, DC, momentum is building for some relief. Still, a major bailout of producers is unlikely.

Since the 1996 Farm Bill, Uncle Sam has moved in the opposite direction, lifting restrictions on farmers while also reducing the safety net of government handouts. Dorgan, for one, wants to restore part of that safety net, but even he expects ''a struggle.''

Speaking to some 1,100 North Dakotans earlier this month, Agriculture Secretary Dan Glickman dangled only a few modest initiatives—a crop-insurance break here, a credit relief program there.

The ''demoralized'' air of the farmers in attendance shocked him, Glickman said afterward. ''It is almost frightening to see the faces,'' he said. ''The situation in the Northern Plains is bleaker than I've seen in agriculture in a long time.''

Farmer Mike Kozojed of Galesburg, N.D., came away from Glickman's talk expecting little relief. ''There's no light at the end of the tunnel,'' he said.

Last Thursday, Tim Eisenhardt of Grandin, N.D., joined the ranks of ex-farmers, as auctioneer Scott Steffes went to work selling his trucks, combines, sprayers, swathers, and grain carts.

Under a cloudy sky, dozens of farmers from at least three states stopped around the muddy barnyard hunting for bargains, as Eisenhardt and his father, Fred, greeted neighbors at the edge of the crowd. ''That's the way she goes,'' Fred remarked as the auction proceeded.

Barnyard auctions are becoming everyday events in North Dakota. Steffes had 11 scheduled for last week, nine for the coming week. ''We're having sales for farmers who are discouraged and don't feel there's any opportunity,'' Steffes said. ''Pretty soon, we're going to run out of people to sell for.''

Nature is responsible for much of the hardship.

Years of poor weather and plant disease have made conditions tough even in the rich Red River Valley along the eastern edge of the state. The arid boondocks to the west, with thin soil suitable for only a few crops, has had it even tougher.

''If it's bad in the Red River Valley, it's bad everywhere,'' said commodity analyst

Bill Biedermann of Allendale Inc. in McHenry, Ill.

Because of its short growing season and reliance on the single crop of wheat, this region has leaned heavily on government programs now being phased out. Under the 1996 legislation, farmers no longer will receive ''deficiency'' payments if prices fall below target levels, or automatic disaster aid-if crops fail.

The supposed benefit of the Farm Bill—the freedom to plant any crop the farmer sees fit—is a bigger boon in areas where a greater variety of crops will grow.

The legislation came about as soaring exports to the booming economies of Asia pushed prices higher. These days, Asia's demand for U.S. agricultural products has fallen along with its nations' currencies.

In addition, foreign competitors, inspired by the higher prices, brought more land into intensive production. Bumper crops around the world have pushed wheat prices down nearly 20 percent in a year.

A healthy national economy has cushioned the trouble's financial impact across the Northern Plains, but many business leaders worry about the future.

''It has an effect on all Main Street businesses,'' said Jim Williams, general manager of a farm-implement dealer in Arthur, N.D.

Sales at his 108-year-old Arthur Mercantile Co. have declined as much as 20 percent annually for two years running, and he expects the pinch to spread beyond the grain elevators, fuel stations and others who deal directly with farmers, he said. ''It's kind of grim.

Lenders, too, are concerned. On the plus side, most farmers quitting these days have positive net worths, and those remaining borrow more money because they have bigger farms, explained Ken Knudsen, chief credit officer at Fargo's Farm Credit Services. Yet lending in small towns has become riskier as populations dwindle below sustainable levels.

''When they leave the farm, they move to Fargo or Bismarck or Grand Forks or Minot, not the town of 400,'' Knudsen said.

In fact, North Dakota's 17 towns with populations of at least 2,500 now account for 56 percent of the population, up from just 27 percent in 1950, according to demographer Rathge. Meantime, 99 of the state's 100 smallest towns have lost population in the 1990s. And the number of youths under 18 living on farms has plunged by 5,000, to 12,000, since 1990.

Some of the most progressive farmers are feeling intense pressure too. Many rely on side businesses to boost their incomes, even as they're taking on more acreage.

Dakota Growers Pasta Co., a co-op that makes private-label pasta for supermarkets and food-service firms, has thrived as farmers have sought to diversify. For every share they purchase in the venture, farmers can sell the co-op one bushel of wheat and receive a dividend based on the company's profit.

Similar ventures are springing up all over, said Tim Dodd, company president. ''There's been co-op fever in North Dakota.''

All the same, surviving farmers such as Kozojed, a mustachioed 41-year-old who farms 3,000 acres, predict the business will only get tougher. ''Three years from now, we'll probably be farming 5,000 acres if we're still doing it.'' he said, digging into a plate of steak and eggs at the Country Hearth Family Restaurant.

But isn't farming always cyclical? Wouldn't one good year make a big difference? Kozojed stabs his toast into an egg yolk and grins. ''I'd sure like to find out.''

Mr. DASCHLE. Mr. President, on an emergency basis we give the President the opportunity to deal directly with the crisis that we are facing right now in farm after farm, in rural community after rural community. It only goes into effect in case of an economic crisis. It gives the President the discretion to control the extreme and persistent income losses by lifting the loan caps and extending their terms this year only. This authority expires this time next year.

Regardless of how my colleagues feel on lifting the caps, this measure would probably do more than any other I can think of in providing immediate help—immediate relief—to farmers who are the victims of the ''Harvest of despair''.

I know a lot of my colleagues have said, ''Look, we don't want to get back into that. We have had those battles.'' I understand that. But I also understand, Mr. President, that we have very few options. And almost categorically when we talk to farmer organizations, and farmers themselves, they say, ''We have to have some other option than to force our grain on the market when it is this low. Give us an opportunity for some breathing space. Give us some room.'' So that is what we are doing.

Wheat loan rates would increase 64 cents a bushel—from $2.58 to $3.22. Corn loan rates would increase 36 cents a bushel—from $1.89 to $2.25. Soybean rates would increase 7 cents a bushel—from $5.26 to $5.33.

Keep in mind that we are talking about the 85 percent average over the last 5 years.

They have flexibility. They have a little more certainty about what they are going to get for their crop going into the market this fall.

Mr. President, that is as good as we think we can do under these circumstances.

Would I like to see a higher loan rate? Absolutely. Would I like to see even more substantive ways in which to ensure a better price? Absolutely. But after very careful consideration, we said, ''Look, let's do something that is reasonable. Let's do something that we believe the administration and most Members of Congress would recognize to be prudent and responsive to the problems we are facing in agriculture today.''

I know that we are scheduled to vote at 5:15. I know the distinguished Senator from Iowa wanted to address this matter as well prior to the vote.

Just as soon as he appears in the Chamber, I will yield. I would like to yield the remainder of that time to the distinguished Senator from Iowa.

Mr. President, the ''harvest of despair'' needs to be addressed. All we are asking is an opportunity to address it in a way that is very prudent budgetarily, that very carefully addresses the emergency nature of the situation farmers are facing today.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Iowa.

Mr. HARKIN. Mr. President, first I thank our leader, Senator DASCHLE, for really taking the bit here and moving ahead aggressively to answer a real concern and a real need that we have in rural America. Well, I would go beyond that—a crisis in rural America. Senator DASCHLE has always been the leader in recognizing and understanding what is happening in our farm economy. This time is no exception, so I thank Senator DASCHLE personally for his leadership in this effort.

I thank the managers of the bill, both Senator COCHRAN and Senator BUMPERS, for working with us on the language. I understand that we have the language worked out in an agreed form on the sense-of-the-Senate resolution. I am happy that we can come to a good resolution on that, and I guess that is what we will be voting on here at 5:15. I hope it gets an overwhelming vote because it will send a strong signal, I think, to rural America that we do, indeed, recognize there is a crisis, a crisis of immense proportions, as it does say the total farm debt for 1998 is expected to reach $172 billion, the highest level since 1985.

And so the sense of the Senate is just that. We recognize there is the problem. Now, the amendment that Senator DASCHLE has just laid down then takes that recognition of the problem and begins to do something about it. By taking the caps off the loan rate and by extending for 6 months the period of the loan, it will at least give our farmers a little bit more, a little bit more in what they can get for their crop this fall, and then give them the ability to market it in a more orderly fashion over the next 15 months.

I have to say at the outset that this amendment is a modest amendment, I mean a very modest amendment. I know that many farmers and others in rural America will look at this and say, gee, this is not nearly enough. This doesn't come anywhere near the cost of production; it doesn't come anywhere near what I need. Well, I recognize that. It should be more. I think I heard Senator DASCHLE say that, too. But we have to face the reality of the situation.

I am just hopeful that this very modest amendment to raise the loan rate and put it back where it was under the 1990 farm bill will get overwhelming support. If we cannot even do this, if we cannot even give our farming sector this much support in an emergency situation, well, then I guess what we are going to do is say, well, we recognize there is a problem out there, but we are not going to do anything about it. We are just going to leave you farmers out there to take the brunt of El Nino and take the brunt of floods and take the brunt of low prices and take the brunt of the Southeast Asian economic collapse and this Government, this representative Government of yours cannot do anything about it.

I hope we do not say that. I hope we say two things: I hope we say, yes,

there is a crisis out there. And then I hope we follow it up by saying, yes, we are going to do something about it. We are going to lift the caps on the loan rate and at least give a few pennies—a few, a little bit—to farmers to hopefully get them through the crisis they are facing this fall. And again, Mr. President, it is a crisis. It is a problem of having the safety net there.

I am hopeful we can repair that safety net with just a few modest proposals we have.

I understand the vote is set at 5:15. Is that the idea?

Mr. COCHRAN. Yes.

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

AMENDMENT NO. 3127, AS MODIFIED

Mr. COCHRAN. Mr. President, I am delighted we were able to work out a modification to the Daschle amendment. It is the pending business. I urge all Republicans to vote for the sense-of-the-Senate resolution indicating that there are problems in agriculture; they need the immediate attention of the President and the Congress.

Mr. BUMPERS. Have the yeas and nays been ordered, Mr. President?

The PRESIDING OFFICER. They have not.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 3127 offered by the Democratic leader, Mr. DASCHLE. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 199 Leg.]

YEAS—99

Abraham	D'Amato	Hutchison
Akaka	Daschle	Inhofe
Allard	DeWine	Inouye
Ashcroft	Dodd	Jeffords
Baucus	Domenici	Johnson
Bennett	Dorgan	Kempthorne
Biden	Durbin	Kennedy
Bingaman	Enzi	Kerrey
Bond	Faircloth	Kerry
Boxer	Feingold	Kohl
Breaux	Feinstein	Kyl
Brownback	Ford	Landrieu
Bryan	Frist	Lautenberg
Bumpers	Gorton	Leahy
Burns	Graham	Levin
Byrd	Gramm	Lieberman
Campbell	Grams	Lott
Chafee	Grassley	Lugar
Cleland	Gregg	Mack
Coats	Hagel	McCain
Cochran	Harkin	McConnell
Collins	Hatch	Mikulski
Conrad	Helms	Moseley-Braun
Coverdell	Hollings	Moynihan
Craig	Hutchinson	Murkowski
Murray	Santorum	Stevens
Nickles	Sarbanes	Thomas
Reed	Sessions	Thompson
Reid	Shelby	Thurmond
Robb	Smith (NH)	Torricelli
Roberts	Smith (OR)	Warner
Rockefeller	Snowe	Wellstone
Roth	Specter	Wyden

NOT VOTING—1

Glenn

The amendment (No. 3127), as modified, was agreed to.

Mr. BUMPERS. 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.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. BUMPERS. Mr. President, will the Senator consider withholding that so we can offer and agree to a noncontroversial amendment?

Mr. ROBERTS. I would be delighted to.

Mr. BUMPERS. I thank the Senator.

AMENDMENT NO. 3147

(Purpose: To clarify the eligibility of State agricultural experiment stations for certain agricultural research programs)

Mr. BUMPERS. Mr. President, I send an amendment to the desk on behalf of the Senators from Connecticut, Mr. LIEBERMAN and Mr. DODD.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for Mr. LIEBERMAN, for himself and Mr. DODD, proposes an amendment numbered 3147.

Mr. BUMPERS. 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 67, after line 23, add the following:

SEC. . ELIGIBILITY OF STATE AGRICULTURAL EXPERIMENT STATIONS FOR CERTAIN AGRICULTURAL RESEARCH PROGRAMS.

(a) FUND FOR RURAL AMERICA.—Section 793(c)(2)(B) of the Federal Agricultural Improvement and Reform Act of 1996 (7 U.S.C. 2204f(c)(2)(B)) is amended—

(1) in clause (iii), by striking ''or'' at the end;

(2) in clause (iv), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(v) a State agricultural experiment station.''.

(b) INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.—Section 401(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(d)) is amended—

(1) in paragraph (3), by striking ''or'' at the end;

(2) in paragraph (4), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(5) a State agricultural experiment station.''.

Mr. LIEBERMAN. Mr. President, I am privileged to join today with my senior colleague from Connecticut, Senator DODD, to offer an amendment to the fiscal year 1999 agriculture spending bill to correct an oversight which threatens the ability of the Connecticut Agricultural Experiment Station to continue its important research activities.

The Station has a long and proud history. It happens to be the first state agricultural experiment station in the country, dating from 1875, and also happens to be the only state agricultural experiment station not affiliated with a university. Consequently, it is not eligible to apply for competitive grant funds from the Fund for Rural America or from the Initiative for Future Agriculture and Food Systems. The amendment we offer today makes a minor technical correction to allow the Station to compete for these grants just like every other experiment station across the country. We're not asking for any special consideration here. All we are asking for is an opportunity to compete.

The Connecticut Agricultural Experiment Station conducts research on plant pathology, horticulture, biochemistry, genetics, as well as many other science-based research projects. It also researches important public health issues, as well, such as Lyme Disease, which is a particular problem in our region, and now, nationwide. This important research should continue, and that is why we have brought this issue to the attention of the Senate today. I urge my colleagues to support this amendment.

Mr. DODD. Mr. President, I am pleased today to join my colleague from Connecticut, Senator LIEBERMAN, to do something here in the Senate that will help the farmers back in our State.

As the Senate began debating the Agricultural Appropriations Bill for FY1999, it came to our attention that the Connecticut Agricultural Experiment Station was not eligible for certain federal grants under the 1996 Farm Bill and the Agricultural Research, Extension and Education Reform Act of 1998.

The Connecticut Agricultural Experiment Station was established in 1875 as the first agricultural experiment station in the country. The station's mission is to put science to work for farmers and society. The work of this agriculture experiment station includes research projects on such issues as plant diseases, plant breeding, soil problems, and insects.

The Connecticut Agricultural Experiment Station is the only state based station not affiliated with a land grant university in the nation. Unfortunately, the way the legislative language is written, this station would be excluded from grants available to every other agricultural experiment station in the country. Therefore, I joined with Senator LIEBERMAN today to offer a technical correction amendment that would remedy this situation.

This amendment will allow the Connecticut Agricultural Experiment Station to be eligible for these competitive federal grants. Allowing this station to apply for grants will help our farmers, our citizens and our students who have questions or concerns about such topics as plants, insects, soil and water.

I thank the Chairman of the Subcommittee on Agriculture and Rural Development of the Appropriations Committee, Senator COCHRAN and the ranking member Senator BUMPERS for their help with this amendment.

I hope that this amendment will be approved by the Senate.

Mr. BUMPERS. Mr. President, the Connecticut Agricultural Experiment Station is the oldest experiment station in America. It has never been a part of the land grant college, and under the research bill that we just passed not too long ago, there was a provision that you had to be a land grant college in order to be qualified for these.

As I say, the experiment station in Connecticut has always received these funds. But because of that, nobody was thinking about that experiment station at the time. This bill corrects what really was an omission.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, the amendment has been cleared on this side of the aisle.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I thank both the manager and the ranking member for their support. Senator LIEBERMAN and I are very grateful. This was really a technical amendment to correct this situation, and it allows us to continue to qualify, as the Senator said.

We appreciate their support very much.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The amendment (No. 3147) 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. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3146

Mr. ROBERTS. Mr. President, I ask unanimous consent that at 11 a.m. on Wednesday, July 15, the Senate resume consideration of the Daschle amendment numbered 3146 regarding marketing assistance loans. I further ask that there be 3 hours for debate equally divided on the amendment and that, at the conclusion or yielding back of the time, Senator COCHRAN be recognized to move to table the Daschle amendment. I further ask that no second-degree amendment be in order prior to the vote.

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

MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of morning business.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, July 13, 1998, the federal debt stood at $5,528,488,599,737.13 (Five trillion, five hundred twenty-eight billion, four hundred eighty-eight million, five hundred ninety-nine thousand, seven hundred thirty-seven dollars and thirteen cents).

Five years ago, July 13, 1993, the federal debt stood at $4,335,590,000,000 (Four trillion, three hundred thirty-five billion, five hundred ninety million).

Ten years ago, July 13, 1988, the federal debt stood at $2,550,221,000,000 (Two trillion, five hundred fifty billion, two hundred twenty-one million).

Fifteen years ago, July 13, 1983, the federal debt stood at $1,328,638,000,000 (One trillion, three hundred twenty-eight billion, six hundred thirty-eight million).

Twenty-five years ago, July 13, 1973, the federal debt stood at $454,997,000,000 (Four hundred fifty-four billion, nine hundred ninety-seven million) which reflects a debt increase of more than $5 trillion—$5,073,491,599,737.13 (Five trillion, seventy-three billion, four hundred ninety-one million, five hundred ninety-nine thousand, seven hundred thirty-seven dollars and thirteen cents) during the past 25 years.

CRIME IDENTIFICATION TECHNOLOGY ACT OF 1998

Mr. LEAHY. Mr. President, I am delighted that the Senate passed the Crime Identification Technology Act of 1998, S. 2022.

I am proud to join Senator DEWINE in supporting our bipartisan legislation to authorize comprehensive Department of Justice grants to every state for criminal justice identification, information and communications technologies and systems. I applaud the Senator from Ohio, Senator DEWINE, for his leadership. I also commend the Chairman of the Judiciary Committee and the Democratic Leader for their strong support of the Crime Identification Technology Act.

I know from my experience in law enforcement in Vermont over the last 30 years that access to quality, accurate information in a timely fashion is of vital importance. As we prepare to enter the 21st Century, we must provide our state and local law enforcement officers with the resources to develop the latest technological tools and communications systems to solve and prevent crime. I believe this bill accomplishes that goal.

The Crime Identification Technology Act authorizes $250 million for each of the next five years in grants to states for crime information and identification systems. The Attorney General, through the Bureau of Justice Statistics, is directed to make grants to each state to be used in conjunction with units of local government, and other states, to use information and identification technologies and systems to upgrade criminal history and criminal justice record systems.

Grants made under our legislation may include programs to establish, develop, update or upgrade:

State, centralized, automated criminal history record information systems, including arrest and disposition reporting.

Automated fingerprint identification systems that are compatible with the Integrated Automated Fingerprint Identification System (IAFIS) of the Federal Bureau of Investigation.

Finger imaging, live scan and other automated systems to digitize fingerprints and to communicate prints in a manner that is compatible with systems operated by states and the Federal Bureau of Investigation.

Systems to facilitate full participation in the Interstate Identification Index (III).

Programs and systems to facilitate full participation in the Interstate Identification Index National Crime Prevention and Privacy Compact.

Systems to facilitate full participation in the National Instant Criminal Background Check System (NICS) for firearms eligibility determinations.

Integrated criminal justice information systems to manage and communicate criminal justice information among law enforcement, courts, prosecution, and corrections.

Non-criminal history record information systems relevant to firearms eligibility determinations for availability and accessibility to the NICS.

Court-based criminal justice information systems to promote reporting of dispositions to central state repositories and to the FBI and to promote the compatibility with, and integration of, court systems with other criminal justice information systems.

Ballistics identification programs that are compatible and integrated with the ballistics programs of the National Integrated Ballistics Network (NIBN).

Information, identification and communications programs for forensic purposes.