United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, SECOND SESSION

Vol. 144 WASHINGTON, TUESDAY, JULY 14, 1998 No. 93

Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Father, You have created us to love and praise You. You desire an intimate, personal relationship with all of us. Praise surges from our hearts for what You are to us and thanksgiving for what You promise for us. We say with the psalmist, ''I will praise You, O Lord, with my whole heart. I will tell of Your marvelous works. I will be glad and rejoice in You; I will sing praise to Your name.''—(Psalm 9:1–2). When we are yielded to You, our faltering, fallible human nature is invaded by Your problem-solving, uplifting presence. We want to glory only in our knowledge of You and Your wisdom. We commit our minds, emotions, wills, and bodies so that we may be used by You. Fill us with Your supernatural power so that we may be equipped to face the ups and downs, the pleasures and pressures of this day. We will remember that whatever the circumstances, praise and thanksgiving will usher us into Your heart where alone we can find the guidance and grace we so urgently need. You have given the day; now show the way. Through our Lord and Saviour. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT of Mississippi, is recognized.

Mr. LOTT. Thank you, Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, this morning, under a previous order, the Senate will debate the motion to waive the Budget Act with respect to the Daschle amendment, with a vote occurring on the motion at 10 a.m.

Following that vote, the Senate will continue consideration of the very important agriculture appropriations bill, with the hope of finishing the bill as soon as possible this evening, or as early as possible this week. And I am very proud that my senior colleague from Mississippi, Senator COCHRAN, will be doing his usual very good job in handling this important bill. Therefore, Members should expect rollcall votes throughout today's session of the Senate, with the first vote at 10 a.m.

For the remainder of the week, it is hoped the Senate will complete several important appropriations bills—at least agriculture, HUD-VA, and legislative. That would be a very positive movement and would give us an opportunity to address other important issues.

Members are reminded that we have the second in the Leader Lecture series this evening. I will be honored to introduce our former majority leader, Senator Baker. That will be held tonight at 6 p.m. in the old Senate Chamber.

Also, on Wednesday morning at 10 o'clock, there will be a Joint Meeting of Congress in the House Chamber to receive an address from the President of Romania.

I urge my colleagues to come to our lecture series session this afternoon with Senator Baker. I know it will be interesting and, as usual, filled with good wit and good humor, and will be very informative about his views of the Senate and where we have been and where we are going. The next speaker in the leader series is scheduled to be Senator BYRD of West Virginia. I believe it is in September.

Mr. KENNEDY. Mr. President, I wonder if the leader would yield for a question.

Mr. LOTT. I will be glad to yield, Mr. President.

Mr. KENNEDY. I was listening to the leader's outline for the remainder of the week and the proposals, and I had not heard the scheduling of the Patients' Bill of Rights. I know that the leader talked with the Democratic leader. I was wondering if he could give us any further information about what the scheduling prospects would be for that very important piece of legislation, particularly since the HUD appropriations has that as an amendment on it. What could the leader tell us about the prospects of going to a debate on this legislation?

Mr. LOTT. I have been indicating all year that the Senate was going to take this issue up, and beginning June 18 I sent suggested unanimous consent agreements to Senator DASCHLE. He and I talked yesterday. We are working together on that issue. We fully expect that probably early next week we will turn to this issue. We have not worked out the exact time or the exact procedure. But we had a good discussion yesterday, and we will continue to have that discussion.

I would like for us to do it where we have the Patients' Bill of Rights as the issue that is pending, with Senator KENNEDY's bill as one of those, obviously, that would be offered, and the task force bill that has been put together by Senator NICKLES, and others, and not tie up appropriations bills. We have the people's work to do. The appropriations bills keep the Government running. They fund our farm programs, they fund our veterans programs, they fund our housing programs, they fund our parks and Interior, Commerce, State, and Justice. The Senator knows the list. So we need to go ahead with those appropriations bills, and then we will turn to the Patients' Bill of Rights in a reasonable period of time.

Mr. President, I ask unanimous consent that I may proceed with my leader time so that I can make a statement with regard to the committee hearings on the investigation with regard to the satellite exports to the People's Republic of China.

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

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

SATELLITE EXPORTS TO THE PEOPLE'S REPUBLIC OF CHINA

Mr. LOTT. Mr. President, I am going to provide an update on the investigations that have been proceeding by four of our committees into this U.S. policy toward satellite exports. We have not reached any final determinations. I want to emphasize that. The good counsel is that we have made some progress. We are learning some things, but there is a good deal more work that needs to be done. I believe the Intelligence Committee has an open hearing scheduled tomorrow. Senator COCHRAN's subcommittee has hearings scheduled I believe next week. So we will continue this. We are going to be thorough and we are going to be cautious. We should not jump to conclusions.

In this connection, I recently came across the following statement from 1989 concerning the Bush administration's decision to allow export licenses for three United States satellites: ''Allowing these launches is not in the best interests of our country or of our relationship with China. It casts a long shadow that distorts beyond recognition what the United States ought to represent to our own people and to the people fighting for democracy in China.'' This statement was made by then-Senator AL GORE. He obviously has changed his position.

What we have to examine is whether the policy of allowing the export of U.S. satellites as implemented by the Clinton-Gore administration adequately protects American national interests.

Let me start with the bottom line. Senate investigations have only begun. Lack of cooperation from the Administration has hampered our efforts. Thirteen hearings with 32 witnesses have been held by four committees. I have met with the committee chairmen and other members of our informal task force on China. At this point, five major interim judgments can be made based on what we already know.

First, the Clinton administration's export controls for satellites are wholly inadequate. They have not protected sensitive U.S. technology. National security concerns are regularly downplayed and even ignored.

Second, in violation of stated United States policy, sensitive technology related to satellite exports has been transferred to China. We know what the case is.

Third, China has received military benefit from United States satellite exports.

Every day, there continues to be additional information that comes out in this area.

In fact, in today's Washington Times, there is a news article that says ''U.S. Technology Builds 'Bridge' for China Missile.''

Fourth, the administration has ignored overwhelming information regarding Chinese proliferation, and has embarked on a de facto policy designed to protect China and U.S. satellite companies from sanctions under U.S. proliferation law. We have a statement from White House official to that effect.

Finally, new information has come to light about China's efforts to influence the American political process. This new information should remove all resistance to naming an independent counsel to investigate the evidence and the allegations.

The administration has failed to fully cooperate with the Senate investigation, even though they have indicated that they would, and there is still time for that. But on May 22, 1998, along committee chairmen of jurisdiction, I sent letters requesting administration documents from the White House, the Departments of State, Commerce, Defense, and the Arms Control and Disarmament Agency. On June 1, 1998, a letter was sent to the Department of Justice requesting documents. On June 2, 1998, a letter was sent requesting documents from the Customs Service. On June 12, 1998, Senators SHELBY and KERREY sent letters requesting information from eight Governmental agencies and the White House as part of the Select Committee on Intelligence investigation.

The letters I joined in sending requested documents in three areas: First, all issues associated with the export of satellites to China, including waivers of U.S. law governing such exports and the decision to transfer control of satellite exports from the Department of State to the Department of Commerce; second, issues associated with China's proposed membership in the Missile Technology Control Regime, MTCR; and third, information on Chinese proliferation activities which indicate possible violations of U.S. laws.

A significant amount of documents have been provided concerning some areas of satellite exports—particularly from the White House and particularly on the presidential waivers allowing satellite exports. But virtually no information has been provided concerning the transfer of export controls from State to Commerce—from the White House or any other agency. And virtually no information has been provided on Chinese membership in the MTCR, or on Chinese proliferation activities in violation of U.S. law.

A review of executive branch compliance with our document requests demonstrates how limited the cooperation really has been.

Until Friday of last week, the Department of Commerce only provided an initial limited set of documents. More has been promised, but the response has again glacial and incomplete. The documents they have provided contain redactions that limit their utility, quite frankly.

The Department of Justice has provided nothing to the Committee on Governmental Affairs, and has insisted on reviewing virtually all documents provided by any other Government agencies—significantly slowing down the process in this area.

The Department of State has provided also virtually nothing. Classified documents, according to a July 2, 1998, letter, would not be provided to the Congress. Instead, documents could be read only at the Department of State. Given that far more sensitive information is routinely provided for the use of the Senate in Senate spaces, this can only be seen as bureaucratic obstruction.

The White House has not responded to the Intelligence Committee. Neither has ACDA, Customs, or State. Defense and Commerce have only provided limited information.

The White House initially declassified some documents concerning waiver decisions in June, but has provided nothing since then.

The Department of Defense has provided only a very limited number of documents.

The Customs Service has provided nothing other than a June 23, 1998, letter stating that they would not meet our June 15, 1998, deadline, but we haven't gotten that information as of yet.

After a review of the Clinton administration's compliance with our requests for information, it is hard to escape the conclusion that delay has become the standard operating procedure. Once again, it is going to make it difficult for us to get the information we need so we can make a clear determination about the damage that has been done with this technology transfer. After an initial show of good faith by the administration, we have not had a lot more cooperation since then.

We will be forced to consider other measures to compel enforcement. I don't plan to move nominees of these non-cooperative agencies until our legitimate oversight requests are honored. We are actively examining the possibility of subpoena options. It is becoming increasingly difficult to continue with the very productive hearings that we have had without this cooperation.

Now, I would like to address the five points I raised earlier in some greater detail. Again, these are preliminary conclusions and we are seeking additional information.

First, the Clinton administration's export controls for satellites are simply inadequate. There has not been adequate protection of sensitive U.S. technology. National security concerns are regularly downplayed and even ignored. Hearings before several committees have detailed the shortcomings in the development and implementation of export controls of satellites.

For example, a senior official of the Defense Trade and Security Administration testified before the Committee

on Governmental Affairs on June 25, 1998, that ''over the past six years, the formal process to control dual-use items has failed in its stated mission—to safeguard the national security of the United States.''

Transferring the control of satellite exports from the State Department to the Commerce Department in 1996 really resulted in dramatic changes. According to the General Accounting Office testimony before the Senate Select Committee on Intelligence on June 10, 1998, the transfer reduced the influence of the Defense Department. It eliminated Congressional notification. It exempted satellite exports from certain sanctions. Technical information is not as clearly controlled, leading to uncertainty on the part of aerospace companies and to more technology transfer than previously allowed.

Testimony on July 8, 1998, before the Governmental Affairs Subcommittee on International Security, has established that the Department of Defense monitors are not required to be present at satellite launches. This is directly contrary to previous administration claims. No statute, policy, or regulation requires U.S. Government monitors.

At least three U.S. satellites have been launched in China with no U.S. monitors present. No one in the U.S. Government knows what transpired at these launches or if U.S. laws and policies on technology transfer were followed. No one in our Government is even attempting to examine what occurred at these unmonitored satellite launches. Looking at these unmonitored launches, I think, would be a critical element of the next phase of our investigation.

Today's satellite export control system relies on the good will of the Commerce Department, a department which has repeatedly demonstrated its willingness to ignore national security concerns on satellite exports. This is an area where we need to take a close look at how we are going to proceed in the future and what is going to be expected of the Commerce Department.

For example, Commerce has unilaterally removed items subject to interagency license review without notice to other affected agencies. Commerce has also refused to send approved licenses to Defense so officials there can evaluate the final product. When it involves satellites and technology, clearly the Defense Department should be a part of this process.

Second, sensitive technology related to satellite exports has been transferred to China. In at least two cases, U.S. companies analyzed Chinese launch failures and communicated with Chinese officials. In 1995, Hughes analyzed the ''APSTAR 2'' launch failure. Commerce now concedes that this analysis should have been subject to State and Defense Department reviews before a Commerce official gave it to the Chinese. Commerce only provided the report, concluded in 1995, 2 hours before a Governmental Affairs Subcommittee on International Proliferation hearing on July 8 of this year.

The 1996 Loral launch failure is the subject of a Justice Department review for possible illegal transfer of technology. Compliance with the law is the province of the Justice Department. So we are looking into the impact on American national securities. It is very important that the Justice Department complete that work.

I agree with three assessments by three elements of the State and Defense Departments that China derived significant benefits from their technical exchanges with U.S. companies after the Long March crash in 1996, exchanges which are likely to lead to improvements in the reliability of their ballistic missile, and especially their guidance systems. So we have to be concerned very much about this transfer.

Third, China has received military benefit from U.S. satellite exports. There is a division within the executive branch agencies over how much China has benefited. But there seems to be agreement that certainly some benefit was derived.

The New York Times has reported that U.S. satellites are being used by the Chinese military for its internal coded communications. Administration officials concede that China is using American-made and exported satellites for their military communications. This is a clear and uncontested military benefit for China. The New York Times also reports that an additional satellite export that could enhance the Chinese military's ability to eavesdrop on phone conversations is under review by the Clinton administration.

The administration has ignored overwhelming information regarding Chinese proliferation and has embarked on what appears to be a de facto policy to protect China and U.S. satellite companies from sanctions under our U.S. proliferation law. For instance, on June 11, 1998, the Committee on Foreign Relations heard testimony from the former director of the Nonproliferation Center of the Central Intelligence Agency. The Clinton administration has used ''almost any measure'' to block intelligence judgments that China had transferred missiles to Pakistan—a clear violation of U.S. law that requires the imposition of sanctions. Intelligence analyses ''were summarily dismissed by the policy community.''

According to the testimony, the intelligence community is ''virtually certain that this transfer had taken place . . .'' I am convinced, after a personal investigation, that it did take place, and it was a very dangerous for Pakistan to be receiving these missiles. Why has that been the case, and why hasn't the administration been willing to take actions providing sanctions where clearly that information has been provided?

Finally, new information has come to light about China's efforts to influence the American political process. This new information should remove any doubt about the need for an independent counsel in this area.

It has already been reported that FBI Director Freeh has indicated his view that an independent counsel should be appointed. It is time to renew attention on the Attorney General. It is time for an outside, impartial investigation by an independent counsel into the serious and credible charges of direct Chinese Government financing or involvement in the 1996 elections. We have very good committees that are working together in a bipartisan way and looking into these very important questions. I urge them to continue to do so, and to do it in a calm and methodical way. It is essential that we get cooperation from the administration to provide the additional information that we requested, the additional evidence. And we will carry out our constitutional responsibilities. Nothing less should be expected of us.

In view of the inquiries we had about how these are proceeding, what information we have been getting, what is outstanding, and also what is our plan, as far as future hearings, I thought it was important that I give some review of what has transpired.

Mr. President, I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, in light of the statements that have just been made and the time consumed by the majority leader, I ask unanimous consent that each side have 10 minutes to debate the pending amendment.

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

Mr. DASCHLE. Mr. President, I will have the opportunity to discuss, in greater detail, the remarks just made by the distinguished majority leader. Let me just say that our interest, too, is to have a bipartisan review of the actions taken with regard to the technology transfer in China. But I do hope that it will be bipartisan. The majority leader gave what I would view to be a pretty partisan report this morning with regard to the allegations pending on this particular matter, and I will have a very thorough response to the majority leader at some point today. I do believe that the issue warrants our review. As he said, this is a constitutional responsibility, but it also warrants objectivity and very thoughtful and careful consideration of the facts. Many of the reports the distinguished majority leader cited were allegations that have yet to be proven, allegations reported—he mentioned the New York Times on a number of occasions—allegations reported, citing unidentified sources, and what I would consider to be very questionable sources with regard to the information reported in some cases. So we are going to have to be very careful about the distinction between allegation and fact, the distinction between what has actually occurred and what is reported or what is

alleged to have occurred. So I hope that we can do that, as he noted, in a bipartisan way, thoroughly and very carefully examining the facts and coming to some conclusion prior to the time we issue any reports.

THE TOBACCO AMENDMENT

Mr. DASCHLE. Mr. President, in the next few minutes we will have an opportunity to revisit an issue that many of us hoped would not have been rejected last month. The amendment before us is the so-called McCain managers' amendment to the comprehensive tobacco bill reported by the Commerce Committee. The only significant change is the Lugar amendment to repeal the tobacco quota and price support programs is removed.

There were many complaints about how loaded up the tobacco bill had become. The amendment we are discussing this morning has none of the extra provisions dealing with taxes and drug abuse. Each day that we wait, 3,000 kids start to smoke; 1,000 of them will die prematurely of tobacco-related illnesses. Tobacco companies are targeting 12-, 13- and 14-year-old children as replacement smokers to fill the shoes of the 2 million smokers who quit or die each year. We have all heard the facts. Tobacco-related disease kills 400,000 Americans each year.

So today's tobacco amendment, the McCain managers' amendment, is simply designed to deter teen smoking without raising all of the other issues that surfaced during the debate. We had hoped very much that we could modify this amendment before its consideration today. Our Republican colleagues and the leader chose to oppose our unanimous consent request to change the amendment. We were going to modify the legislation to make it a straightforward authorization.

I will tell my colleagues that the modified amendment will be offered at a later date on another bill. We will be content to have the vote on the point of order on this amendment and then we will, as I have noted before, revisit this question on several occasions.

I am disappointed that our colleagues, for whatever reason, have chosen not to allow us to modify our amendment at this time. I hope no one will be misled. Their actions reflect their willingness to make difficult choices on tobacco legislation targeted at teenage smokers.

That is what this amendment is all about. So we will have an opportunity to vote on it. We can vote procedurally and we can obfuscate the question, but we will come back, and we will come back again and again over the course of the coming months, to offer legislation that will not be subject to any points of order. So we may be delaying that vote, but we will eventually have that vote.

I think it is critical that everyone recognize what a very important moment this is. The attorneys general are meeting as we speak. There is very likely to be an agreement dealing with past actions on the part of the tobacco industry. The question is, Can we deal with future ones, can we anticipate similar actions and establish public policy that will prevent the tobacco industry from targeting teenage smokers? That is, in essence, what we are attempting to do here with advertising restrictions, with research, with an array of disincentives to teenage smokers that otherwise will not be part of any agreement. It takes legislation.

So, Mr. President, this will be our opportunity to do that. I know there are other Senators who wish to speak, and I will yield the floor.

Mr. KENNEDY. Will the Senator yield?

Mr. DASCHLE. I would be happy to yield to the Senator from Massachusetts.

Mr. KENNEDY. There is a time-honored tradition here which has been violated, at least in my concern, where a person who offers the amendment usually is afforded the opportunity to modify it, and that was not afforded to our leader last evening.

Is it the Senator's understanding that even if we have an attorneys general agreement that basically deals retrospectively with what has been achieved in the past but will not provide the kind of preventive programs that are so important to discourage teenagers from smoking, it will not strengthen the Food and Drug Administration to be able to take effective action in terms of certain advertising programs for youth and will do very little in terms of discouraging children from purchasing cigarettes because of an increase in price? Is it the Senator's understanding that one of the reasons he continues to press this is because even if there is an attorneys general agreement, that it is retrospective rather than prospective?

Mr. DASCHLE. The Senator from Massachusetts says it very well. That is as succinct a description of the problem as I have heard. The attorneys general may help address past problems, the retrospective and very serious concerns that have been raised in court cases throughout the country. The problem, then, becomes, how do we avoid those problems in the future? And what every attorney general has said is the only way you can do that is to establish new public policy that strengthens regulatory controls on tobacco, ends advertisements that target kids, expands our research efforts, increases the price of tobacco to deter youth from falling prey to the smoking habit, holding tobacco companies accountable for accomplishing youth smoking reduction targets, that is, let's put into place strategies that reduce teen smoking. Permanently. This must happen prospectively. What the Senator from Massachusetts said is exactly right. It s a question of whether or not we can successfully put into place laws that preclude any further abuses by the tobacco industry. We must act now to stop the industry from any further use of covert strategies such as those that, thanks in large measure to the work of the attorneys general, are now common knowledge.

Mr. KENNEDY. Just finally, because I see others in the Chamber, of course, those kinds of inflictions of addiction are continuing among the young people in this country today without this action.

My final question is this: Is it the Senator's purpose in providing a substitute, if he had been able to do that, or make the modification last night in the time-honored tradition of this body, would the Senator's modification basically have addressed the objections which were made to the earlier consideration of the tobacco proposal? I understood that is where they were directed. So if the measure had been permitted to be modified, that effectively the kinds of procedural issues and questions that have been raised would effectively have been attended to and we would have on the floor of the Senate a real opportunity to address the substance of the amendment?

Of course, I think, myself, they both have become interchangeable, but I am just interested in what is the leader's viewpoint on that issue.

Mr. DASCHLE. I thank the Senator from Massachusetts for his question. We are in an interesting position here. The Republican majority will argue that the pending amendment violates our budgetary rules, and on the basis of that violation, they will vote against the amendment and vote against the motion to waive the point of order on the budgetary rules.

Last night, we offered to change the amendment to accommodate the budgetary rules, and we were denied the opportunity to change that amendment. So here you have the Republican majority objecting to our amendment based upon budgetary rules, but unwilling to allow us to change the amendment so that it conforms to budgetary rules. So the question then becomes, What is the basis for the real opposition? The basis for the real opposition, one could only assume, is that they simply do not want to pass meaningful tobacco policy that takes aim at the array of serious policy concerns the Senator addressed in his earlier question.

Mr. KENNEDY. I thank the leader.

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

Mr. DASCHLE. I am happy to yield to the Senator from Illinois.

Mr. DURBIN. Is the Senator saying the vote which we are about to take is one where there will be objection to the Senator's motion on procedural grounds, and yet the Senator was not afforded the opportunity to correct any procedural problems?

Mr. DASCHLE. The Senator from Illinois is correct.

Mr. DURBIN. So, in other words, I recall a gentleman I worked for in Illinois by the name of Cecil Partee, who

used to say, ''In politics, for every position you take there is a good reason and a real reason.'' So the good reason many Republicans will oppose our amendment is that because procedurally it is inartful or doesn't comply with the rules; the real reason is they don't want to give the leader a chance in any way to correct his amendment so we can move to a vote that really has accountability for tobacco companies. Is that not the case?

Mr. DASCHLE. The Senator from Illinois is correct. My answer, stated, I think, prior to the time the Senator from Illinois came to the floor, was simply to say: We will have that opportunity on other bills. We will not be precluded from having an opportunity to offer a tobacco amendment that conforms to budgetary rules in some other context on some other piece of legislation in the not too distant future.

Mr. DURBIN. I ask the Senator to yield for one other question. So the tobacco companies on this next vote would really want your motion defeated; is that not true?

Mr. DASCHLE. The tobacco company's vote would be a ''no'' vote. That is correct.

Mr. DURBIN. I thank the Senator.

Mr. DASCHLE. I yield the floor.

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

The PRESIDING OFFICER (Mr. HUTCHINSON). Under the previous order, the Senate will now resume consideration of S. 2159, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2159) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Daschle amendment No. 2729, to reform and structure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, and to redress the adverse health effects of tobacco use.

Motion to waive section 302(f) of the Congressional Budget Act with respect to consideration of Amendment No. 2729.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 2729

The PRESIDING OFFICER. The pending question is the motion to waive the Budget Act with respect to the Daschle amendment, No. 2729.

The distinguished Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, as I understand it, the Democratic leader's request was that there be 10 minutes equally divided, or 10 minutes on each side? Although 10 minutes has already been used in debating the amendment, does that count? I am curious.

The PRESIDING OFFICER. The Chair will advise the Senator he has 10 minutes remaining.

Mr. COCHRAN. Mr. President, I yield such time as he may consume to the distinguished Senator from New Mexico, the chairman of the Budget Committee.

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

Mr. DOMENICI. Mr. President, let me say to anyone listening to this debate, you would think that those who want the big spending bill that is in the guise of helping children stop smoking—you would think they have not had an opportunity on the floor of the Senate to present their case. If one would take this discussion and say that is the only discussion we have had on the so-called cigarette tax bill, that would be one thing. But my recollection, without checking the record, is that we have debated this issue for 4 weeks. Is that not correct, I ask the chairman of the subcommittee? Four weeks of floor time, with scores of amendments and so many hours of debate that I am assuming even the American people who watch C–SPAN wondered, ''How much longer are you going to discuss this?'' Now we come to the floor on an appropriations bill that everybody knows has to be passed and signed by October 1 or we close down all of agriculture in America, and up comes the cigarette bill and a debate starts: ''The Republicans don't want to let us vote.''

I don't know anything about the lack of ability to amend the amendment, but I do know this. This amendment is for real in terms of its budgetary impacts. As a matter of fact, if this were on the bill when it came out of committee, it would be subject to a point of order and the whole bill would fall. That is how important it is, because it overspends what is allocated to the Subcommittee on Agriculture by $8 billion. I wonder how many eight billions of dollars over the allocation which keeps this new balance we can have around here? Can we have eight or nine of them this year and say, ''It is such wonderful legislation that we just ought to break the rules of the budget?''

I will acknowledge the Budget Act says you can waive the Budget Act, so I am not critical of those who try to waive it. But I am wondering whether or not, when we wrote that Budget Act and said you can waive it, whether we had in mind breaking a 5-year balanced budget that was in place for the first time in 40 years because along came some legislation that people thought was very, very interesting and important?

Let me repeat. There are some who are going to say this is just a procedural vote, it isn't meaningful, and Republicans have pulled this out of the bag like a rabbit pulled out by some kind of a person that pulls tricks. There is nothing to that. Mr. President, $8 billion is a lot of money. I think the American people understand $8 billion. And this is $8 billion in new direct spending that will be charged to this subcommittee on its agricultural bill for all of agricultural programs, including research, in the United States. It could cause the bill to fail so that those on the other side of the aisle can have yet another chance to debate an issue which has been debated for 4 weeks.

Mr. President, I am glad the majority leader raised the point of order under the Budget Act. It is absolutely right. It is correct. It is substantive. As a matter of fact, had he not raised it, there would have been a chorus of Senators here to raise it because it is so patently in violation of the 5-year budget agreement that we just entered into last year wherein we told the American people it is a first in 38 years and how proud we are that we are in balance. Then along comes the President who says don't spend a nickel of the surplus on anything but Social Security. Then we come with bills like this, and there goes $8 billion of the surplus here. I don't know what is going to happen on the next bill when they have more of this. So, frankly, I believe we ought to sustain the point of order.

I repeat, it is real, it is fair, and it is timely. They have had, those who want this gigantic $875 billion new expenditure plan over the next 25 years—that is what the bill before us, the big bill, was—anyone who wants that, they had their debates for 4 weeks and lost. Do we want to start over again on an appropriations bill? And then who is going to be claiming we didn't get our business done, we couldn't get the appropriations finished by October 1? Who is going to be doing that? The President and the minority party. And this is just one more instance where it is their fault we don't get it done, not our fault.

We ought to pass this appropriations bill and do this in due course if there is another opportunity presented by the Senate. If not, they have had their day in court, it seems to me. I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I urge the Senate to vote against the motion made by the Democratic leader to waive the Budget Act. This is an amendment that is almost the biggest program in the entire bill that is contained in the agricultural appropriations bill that is before the Senate. We don't have the authority as an Appropriations Committee to write the legislative language to create a program of this kind, and that is what the Democratic leader and his cosponsors on his side of the aisle seek to do.

There is funding in the bill, Senators should know, for the Food and Drug Administration's program targeted to dealing with the problem of underage smoking. Mr. President, $34 million is appropriated in the bill for the FDA's

program to deal with that, and that is consistent with the existing legal authority which this committee has to operate under and respect.

Supporting the Budget Committee chairman's appeal to the Senate, I urge Senators to vote ''no'' on the motion to waive.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. ROBERTS). The time on the Democratic side has expired.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act with respect to Daschle amendment No. 2729. 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 Delaware (Mr. BIDEN) and the Senator from Ohio (Mr. GLENN) are necessarily absent.

The yeas and nays resulted—yeas 43, nays 55, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—43

Akaka	Ford	Mikulski
Baucus	Graham	Moseley-Braun
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Inouye	Reed
Bryan	Johnson	Reid
Bumpers	Kennedy	Robb
Cleland	Kerrey	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Kohl	Specter
Dodd	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden
Feingold	Levin	
Feinstein	Lieberman	

NAYS—55

Abraham	Faircloth	McCain
Allard	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Roberts
Brownback	Grassley	Roth
Burns	Gregg	Santorum
Byrd	Hagel	Sessions
Campbell	Hatch	Shelby
Chafee	Helms	Smith (NH)
Coats	Hutchinson	Smith (OR)
Cochran	Hutchison	Snowe
Collins	Inhofe	Stevens
Coverdell	Jeffords	Thomas
Craig	Kempthorne	Thompson
D'Amato	Kyl	Thurmond
DeWine	Lott	Warner
Domenici	Lugar	
Enzi	Mack	

NOT VOTING—2

Biden	Glenn

The PRESIDING OFFICER. On this vote, the yeas are 43, the nays are 55.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The point of order is sustained and the amendment fails.

Mr. BUMPERS. 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. 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, Senator HARKIN will have an amendment in just a moment. He is on his way over. I thought it might be appropriate to get the debate started and to have a discussion about the essence of the amendment. It will be simply a sense-of-the-Senate resolution that calls upon the Senate and the country to respond to the problem we find in agriculture today.

Most of America prospers with an economy that is striking for its performance and success. On Wall Street, on Main Street, in the suburbs of America, and in virtually every segment of our country the economy is as strong as it could possibly be. Wall Street has exceeded their expectations manyfold. The number of housing starts is up. The number of new businesses created is way up. The number of people employed has been dramatically improved upon in the last 5 years. We now have over 14 million Americans who have new jobs.

So while the overall economic picture is extremely bright and encouraging, with no end in sight, the Federal Reserve Board continues to argue that its circumstances are that they don't see any need to change; they won't increase the interest rates. While all that is happening, there is a segment of our economy that continues to get worse and worse and more and more bleak.

While most of America prospers, our farmers and ranchers in rural communities are now in a crisis. While we recognize the geographic differences that exist, there are some areas where you might suggest that crisis is avoided. Some in agriculture today—rice farmers and cotton farmers—are generally happier than they have been on other occasions. But across the Great Plains, down into Texas, well into the Dakotas, across into Montana and the West, down into the Southeast, every time I go home, we see increasing evidence of serious economic alarm.

This crisis rivals now the worst of the farm crisis in the 1980s in some parts of our country. Farm income is down dramatically in South Dakota and across the country. It has fallen in 32 States. It is down by 30 percent in more than one-fifth of the country today. The problem is low prices. In 1998, the average net farm income for Great Plains farmers is expected to be near the poverty line for a family of four.

Let me make sure everybody understands that.

A farmer in the Great Plains who is on the farm today working actively as a producer—the average farmer today—will actually see his or her income at the official poverty line for a family of four.

Here we are experiencing one of the greatest booms in modern day on Wall Street in virtually every segment of the economy, and yet our farmers and ranchers are the ones experiencing an unbelievable economic and financial crisis that equals, if not exceeds, anything they have had in the past.

Farm debt is now $172 billion. That, Mr. President, is the highest it has been in 13 years. We have to go all the way back to the time when farmers rolled their tractors into Washington to find a time when farm debt was as high as it is today at $172 billion. Overall farm income nationwide is down $5.2 billion since 1996.

So we have seen a precipitous decline in farm income. We have seen an accompanying increase in debt rivaling anything we have seen in my lifetime, going all the way back to the farm crisis of 1985. And that is our current circumstance. Do you call that a crisis, when a family of four is trying to eke out a living on a farm, or a ranch, is at the poverty-line income, when debt has gone up by $172 billion, when we have seen the precipitous decline in farm income in just the last 2 years of $5.2 billion?

Mr. President, that translates into losses that go beyond farms. In fact, we are told that we could see a loss of 100,000 jobs in rural America as a result of the problems in the agricultural sector—100,000 people. Why? Because farm income has plummeted, debt has gone up, and the economy continues to worsen.

So there is no doubt that this isn't just a farm issue, it is a rural issue of enormous magnitude. The ripple effect is clearly now in evidence.

Mr. President, I have the greatest admiration and affection and respect for the current Presiding Officer. He and I have worked together and come from the same part of the country. I appreciate his sense of humor. But in some ways you have to have a sense of humor to look at the Freedom to Farm Act today. Freedom to Farm, in my view, is what is responsible in large measure for what has happened. It has destroyed the safety net for our country's family farmers. Many of us predicted on the day that it passed that this would be what we would be facing. In fact, going back to a quote I made the day that the bill passed, I said at the time: ''I think the Senate has made a very tragic mistake. This fight is not over. We will come back.''

Well, we are back. I wish we didn't have to be. But we are back. We are back because we have no choice now. The crisis is upon us. Some of us could have predicted it. The fact is that it has happened. Without delving into all the reasons why it happened, at least right now, I don't think with the figures I have just stated for the RECORD that anyone can deny that it is happening. What else can you say about a family farm that is experiencing poverty-level income? What else can you say about an income overall in the economy, the farm economy, that has projected a $172 billion debt, the highest since 1985? What else can you say about just 2 years of lost income, now $5.2 billion?

Mr. President, there is no question we are in a crisis. The question is now, what do we do? Frankly, after a great

deal of debate internally, most of us have concluded that it isn't our purpose now to completely reopen the debate on the Freedom to Farm Act and revisit each and every one of the areas that we think need improvement. That is something we will have to save for another time. We are in a crisis. We are in an emergency. Because we are in an emergency, we don't have the luxury of saying let's just take our time, go back and review everything, and rewrite everything that we believe may be causing these problems. Rather, what we decided to do, Mr. President, is simply this:

First, let's offer a sense-of-the-Senate resolution that recognizes the seriousness of the problem, and as clearly, and hopefully in a bipartisan manner, say: ''We want to respond. We hear you. We are empathetic. We agree the situation is very serious, and we are going to respond.'' That is the purpose of the sense-of-the-Senate resolution.

AMENDMENT NO. 3127

Mr. DASCHLE. Mr. President, on behalf of Senator HARKIN, and as a cosponsor of the resolution, I send it to the desk at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. DASCHLE) for himself and Mr. HARKIN, proposes an amendment numbered 3127.

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

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

The amendment is as follows:

At the appropriate place, 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;

Thirty-two of the fifty 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 emergency action by the President and Congress is necessary to respond to the economic hardships facing agricultural producers and their communities.

Mr. DASCHLE. Mr. President, many of our Republican colleagues have said that high prices and robust trade would keep the farm economy strong. I agree. I don't think there is anyone who disagrees with that. High prices and robust trade go hand in glove. The problem is, we don't have either. Prices across the board have plummeted to the lowest levels they have been in more than a decade. Livestock prices and grain prices are at such a point that no one can survive today. No one can survive on prices that farmers are receiving at the local elevator—no one. They are at the levels that farms received when the Presiding Officer and I were born. The same levels that farmers were getting when we were born are the prices farmers are getting today. Could we survive on that kind of an income as Senators, as members of the Senate staff? Could anyone on Main Street survive on prices they were getting in 1947, in my case? We know the answer to that.

This last week, an amendment was offered which was introduced by the distinguished Presiding Officer, Senator ROBERTS, and our very distinguished colleague from Washington, Senator MURRAY, exempting farm products from sanctions. We could have added a lot of things to that. But the Senator from Kansas said—and I had a discussion, and we agreed—that it was better to get something done than to use it as a vehicle for more proposals that we wish could get done.

So on a bipartisan basis, I think unanimously—if not unanimously, almost so—the Senate went on record in favor of lifting the agricultural sanctions that have existed now for some time.

The right thing to do—and I am very proud that on an overwhelming basis we sent as clear a message on trade with that vote as we could. Now I hope we will send just as clear a message on domestic solutions. If we can do it on trade, as the Senator from Kansas has noted, we ought to do it on price. And while there is no question that trade can have a positive effect on price, I think one would have to argue vociferously, and I don't think ever conclusively, that whatever changes we make on price related to trade will not be short term. It will be very, very difficult to see any short-term, immediate repercussions based on trade, although for long-term purposes it is exactly what we need to do. We need to find ways to market our products abroad. We need to find ways to be competitive and to see that those markets open up. For us to shoot ourselves in the foot at the very time when farmers need those markets is the absolute worst thing we can do.

So, Mr. President, the trade piece is the right piece for the long term. The problem is, we have short-term needs that will never be addressed by trade. So here we are, back to correct the failed policies that have crippled rural America, back to recognize that we have to take some actions on this particular bill.

The amendment that we now have before us recognizes the plight of the family farmer in America. It says that we are on your side, we understand your situation, and that we must act on a solution. That solution will be the subject of additional amendments that we will lay out over the course of the next period of time. It will remove the cap on marketing loans and extend the loan term. We require mandatory price reporting for livestock. We want to require labeling of imported meat. We want to target emergency assistance for victims of multiple-year disasters. The alternative is to do nothing. All Senators should ask, all Senators really need to ask is this: Would they accept a 30 percent cut in their income as thousands of farmers have? Do they want rural America to survive? Do they value the whole societal fabric that family farmers bring to rural America today?

We have to recognize and respond to this crisis and help farmers in rural communities, help at least in part by restoring a small segment of the agricultural safety net, create a more open and fair marketplace where a safety net isn't even necessary, and give farmers an opportunity to share in America's prosperity.

That is what we hope to do. We wish we could do it outside the context of an agriculture appropriations bill. That would be my choice. We have been unable, at least to date, to get markups and votes in the committee, taking legislation from the Agriculture Committee to the Senate floor. And so our choice is left to this, to offer amendments on the best second vehicle we could have. The agricultural appropriations bill is a bill that has to pass.

We will work with the distinguished manager, and there is no better, I might add, than the manager of this particular bill. We will work with him to see that we have the opportunity to pass this legislation and do what we must to assure that farmers have the resources they need. I cannot think of a more important issue than this. I cannot think of a better time than this for us to respond.

I hope that on a bipartisan basis we will see fit to pass this amendment.

I yield the floor.

Mr. COCHRAN. Mr. President, I think it is a good idea that at the beginning of this debate on agriculture appropriations we acknowledge there are some serious problems in the agriculture sector of our economy. There is no quarrel with that, and on both sides of the aisle I think Senators are prepared to acknowledge that we have an obligation to understand this fully and to do what we can within the constraints of the Budget Act and the constraints of the law. We appropriate funds to make sure that the Department of Agriculture has the resources to take all appropriate action to help deal with these problems.

We realized when we began work on the agriculture appropriations bill that we did not have enough money to do everything we would like to do for

rural development, for nutrition assistance, for agriculture research, for export promotion, and the wide range of activities that go into the programs administered by the Department of Agriculture and the related agencies that are funded in this bill.

It is a bill that was fully supported by Members on both sides of our subcommittee and in the full Committee on Appropriations. We didn't have a dissenting vote anywhere along the way for the appropriations bill that we brought to the floor and that is pending before the Senate right now. We have tried to make sure that every possible effort is made, as we deal with the question of how much money to put in one account or the other, to do the best possible job that we could, and I think this bill is going to pass that test.

We were glad to have the strong and helpful support of the distinguished Senator from Arkansas, Mr. BUMPERS, who is the senior Democrat on the Appropriations subcommittee for the Department of Agriculture, and other Senators who worked with us as well. This sense-of-the-Senate resolution, if Senators will notice, outlines a number of things that are suggested for changes in either current law or the efforts that the administration could take to help deal with this problem which the distinguished Democratic leader outlined.

It may very well be that we can make some changes to this and have a bipartisan sense-of-the-Senate resolution. That would be my hope, and I suggest to Senators that we make that effort.

Since we have just seen this proposed resolution, I am hopeful that we can set it aside, take some time with those who are interested in helping make sure that we do accurately state the problem and the observations that the Senate has as a collective body of Republicans and Democrats in dealing with the problems, and can pass it without any objection on either side. That would be my hope, and that is what I intend to suggest the Senate do.

We have some other amendments that we are going to have to offer. Many of these amendments are proposed by Senators who are not members of the Appropriations Committee, but we have now had an opportunity to review them and we are prepared to recommend that a number of amendments be accepted.

The distinguished Democratic leader indicated that he would have no objection in setting aside this amendment if we wanted to go to other amendments, and so at this point I am going to ask unanimous consent that the pending sense-of-the-Senate resolution be set aside and I be permitted to send an amendment to the desk on the subject of crop insurance.

The PRESIDING OFFICER. Is there an objection?

The Chair hears none, and it is so ordered.

AMENDMENT NO. 3128

(Purpose: To provide additional funding for the Agricultural Research Service, the Cooperative State Research, Education, and Extension Service, and the Rural Community Advancement Program; to amend the Federal Crop Insurance Protection Act by eliminating the surcharge on the administrative fee for fiscal year 1999; and to restrict the Wetlands Reserve Program's new acreage enrollment in fiscal year 1999)

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

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. BUMPERS, for himself and Mr. COCHRAN, proposes an amendment numbered 3128.

The amendment is as follows:

On page 10, line 17, strike ''$767,921,000'' and insert in lieu thereof ''$768,221,000''.

On page 13, line 11, strike ''$49,200,000'' and insert in lieu thereof ''$50,500,000''.

On page 14, line 17, strike ''$434,782,000'' and insert in lieu thereof ''$436,082,000''.

On page 35, line 7, strike ''$700,201,000'' and insert in lieu thereof ''$703,601,000''.

On page 36, line 14, after the ''systems'', insert '': *Provided further*, That of the total amount appropriated, $2,800,000 shall be available for a community improvement project in Arkansas''.

On page 64, line 18, strike ''140,000'' and insert in lieu thereof ''120,000''.

On page 67, after line 23, add the following:

''SEC. 739. None of the funds appropriated or otherwise made available by this Act may be used to require any producer to pay an administrative fee for catastrophic risk protection under section 508(b)(5)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)(A)) in an amount that is greater than $50 per crop per county.''.

''SEC. 740. Nothing in this Act shall be interpreted or construed to alter the current implementation of the Wetlands Reserve Program, unless expressly provided herein.''.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the clerk withhold reporting of the amendment. I have been advised, contrary to my understanding with the Democratic leader, there are some Democrats who could not agree that that amendment be set aside now. So I do not insist that the amendment be reported. Let me state what this amendment will do when it is offered.

This is an amendment that increases appropriations in the bill for the Agricultural Research Service and the Cooperative State Research, Education and Extension Service to fund additional agriculture research activities.

It also increases the total appropriations for the Rural Community Advancement Program and earmarks funding for a community improvement project in Arkansas.

It also adds a general provision to the bill to eliminate for fiscal year 1999 the surcharge on the administrative fee in excess of $50 per crop per county authorized by the Federal Crop Insurance Protection Act.

The proposed changes will also place some enrollment limitations on the Wetlands Reserve Program. The amendment is designed to make available to the Crop Insurance Program additional funds that were contemplated by the agriculture research bill that was passed by the Senate and signed by the President earlier this year. It is that legislation that we are suggesting be attached to this legislation to help carry out the provisions in the law that we now have had enacted as a result of the bipartisan effort in the Agriculture Committees of both the Senate and the House.

It is that amendment that we would like to propose to the Senate while we work on reaching an accommodation with Senators on both sides of the aisle on the sense-of-the-Senate resolution with respect to the problems in the agriculture sector of our economy.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Mississippi is set aside.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. COCHRAN. Mr. President, I understand that the objection that we previously heard had been raised to setting aside the pending sense-of-the-Senate resolution and sending an amendment to the desk has now been lifted, and that there is no objection to taking that action, as I had earlier been advised.

So, I send the amendment that I described on crop insurance to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment offered by the Senator from Mississippi is now the pending question.

Is there further debate on the amendment?

Mr. COCHRAN. Mr. President, this amendment increases appropriations in the bill for the Agricultural Research Service and the Cooperative State Research, Education, and Extension Service to fund additional agricultural research activities. Specifically, the amendment provides an additional $300,000 to increase scientific staffing at the Cropping Systems Center at the New England Plant, Soil, and Water Laboratory in Orono, Maine, to develop production and disease management systems. This research will increase potato production efficiency, viability of small farms and enhance water quality in the Northeast Region.

It increases the total funding provided in the bill for special research

grants funded through the Cooperative State Research, Education, and Extension Service by $1,300,000 to fund the following new research grants at the levels specified:

Chesapeake Bay agroecology (Maryland)	$300,000
Designing Food for Health (Texas)	$250,000
Infectious disease research (Colorado)	$250,000
Scallops Research (Connecticut)	$250,000
Urban aquaculture (Massachusetts)	$250,000

The amendment also increases the appropriation for the Rural Community Advancement Program by $3,400,000 and earmarks funding for a community improvement project in Eastern Arkansas.

Finally, the amendment adds a general provision to the bill to eliminate for fiscal year 1999 the surcharge on the administrative fee in excess of $50 per crop per county authorized by the Federal Crop Insurance Protection Act.

The additional costs of the changes proposed by this amendment are fully offset by a further restriction on new acreage enrollments in the Wetlands Reserve Program for fiscal year 1999. This proposed change would place a 120,000 acre limitation on new acreage enrollments versus the 140,000 limitation currently recommended in the bill.

I ask that this amendment be favorably considered by my colleagues.

Let me say by way of further explanation, in describing the amendment, the reason we have to make this change in the Crop Insurance Program is that we wanted to remove a 10-percent surcharge on the administrative fee imposed by the Agriculture Research Extension and Education Reform Act. That was the bill that we had earlier passed which provides a lot of new, mandated expenditures for agriculture research. This surcharge, that I have referred to, would require farmers to pay as much as a 400-percent increase above the 1998 administrative fee. This is not a minimal administrative fee as farmers had been promised.

So this amendment will remove the surcharge, and that is the purpose of getting this amendment offered at this early stage in the bill, so there will not be any question about whether or not there will be an opportunity for participation by farmers in the Crop Insurance Program because of these prohibitive costs. We think this is an important change to be made in that law and will help provide the opportunity to deal with disaster assistance under the Crop Insurance Program.

My understanding is that this amendment has been cleared on both sides. I will defer to my friend from Arkansas for any comments he would like to make on this amendment.

Mr. BUMPERS. Mr. President, the Senator is correct. This amendment has been cleared on this side.

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

The amendment (No. 3128) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, we have a number of other amendments where we have worked to reach agreement and to recommend to the Senate that amendments be approved.

AMENDMENT NO. 3129

(Purpose: To make a technical correction in the amount provided for demonstration programs)

Mr. COCHRAN. Mr. President, the first one that I suggest we consider is an amendment offered by Senator BUMPERS and myself dealing with the Rural Community Advancement Program. It is a technical correction. I send that amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for himself and Mr. BUMPERS, proposes an amendment numbered 3129.

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

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

The amendment is as follows:

On page 35, line 25, strike ''$1,000,000'' and insert ''$70,000''.

Mr. COCHRAN. Mr. President, this amendment makes a technical correction to the bill to provide that not to exceed $70,000 of the total funds appropriated for the Rural Community Advancement Program be available to subsidize the cost of funds provided for demonstration programs.

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

The PRESIDING OFFICER. Is there further debate on the amendment? If there is no objection, the amendment is agreed to.

The amendment (No. 3129) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3130

(Purpose: To transfer funding for credit sales of acquired property to subsidize the cost of additional farm ownership loans)

Mr. COCHRAN. Mr. President, I now send an amendment to the desk offered for myself and the distinguished Senator from Arkansas. This amendment will transfer funding for credit sales of acquired property to subsidize the cost of additional farm ownership loans.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for himself and Mr. BUMPERS, proposes an amendment numbered 3130.

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

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

The amendment is as follows:

On page 26, line 26, strike ''$488,872,000'' and insert in lieu thereof ''$510,649,000''.

On page 27, line 7, insert ''and'' before ''for''.

On page 27, lines 8 and 9, strike ''; and for credit sales of acquired property, $25,000,000''.

On page 27, line 13, strike ''$16,320,000'' and insert in lieu thereof ''$19,580,000''.

On page 27, line 20, insert ''and'' before ''for''.

On page 27, lines 21 and 22, strike ''; and for credit sales of acquired property, ''$3,260,000''.

Mr. COCHRAN. Mr. President, this amendment, as I stated, is designed to eliminate the subsidy appropriation for Farm Service Agency credit sales of acquired property and transfer this amount to subsidize the cost of additional farm ownership direct loans.

The amendment increases the subsidy appropriation for farm ownership direct loans by $3,260,000 to fund an additional $21,777,000 in loans. This will fund an estimated total farm ownership direct loan level of $85,649,000 for fiscal year 1999 versus the $63,872,000 level now proposed by the bill.

I have been advised by the Department of Agriculture that the Farm Service Agency credit sales loan obligations are currently lower than anticipated and the full amount requested for fiscal year 1999 will not be required. Any funding needed for credit sales of acquired property for fiscal year 1999 can be made available through the agency's loan programs. Given this, the amendment proposes to move this money to increase available funding for farm ownership direct loans.

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

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

The amendment (No. 3130) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3131

(Purpose: To establish a personnel management demonstration project)

Mr. COCHRAN. Mr. President, the next amendment on my list that has been cleared is one by the Senator from Arkansas dealing with a pilot personnel program. Does the Senator want to send that to the desk?

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

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 3131.

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. . That notwithstanding section 4703(d)(1) of title 5, United States Code, the personnel management demonstration project established in the Department of Agriculture, as described at 55 FR 9062 and amended at 61 FR 9507 and 61 FR 49178, shall be continued indefinitely and become effective upon enactment of this bill.

Mr. BUMPERS. Mr. President, this bill continues the current hiring system being used within the Forest Service and the Agricultural Research Service to examine for, and make, first permanent competitive Federal appointments. The hiring system will terminate on June 30, 1998, unless it is extended.

Applicants and management officials have had an overwhelmingly positive response to the hiring system. Specifically, management believes the program has increased its control over hiring, resulting in a greater likelihood that the candidate pool is appropriate and available, reducing the number of staff hours expended in testing, examining and rating applicants.

The Office of Management and Budget has no objection to this amendment. I think this has been cleared on the other side.

Mr. COCHRAN. Mr. President, we have reviewed this amendment, and we have cleared it on this side of the aisle.

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

The amendment (No. 3131) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, there is another amendment of Senator BUMPERS, which I have cosponsored, to prohibit budget requests based on unauthorized user fees. If it is appropriate, we can send that amendment to the desk at this time.

Mr. BUMPERS. Mr. President, I would like to move on to the next amendment and come back to this one.

AMENDMENT NO. 3132

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

Mr. COCHRAN. Mr. President, there is another amendment which we have agreed to be adopted offered by Senators D'AMATO and SARBANES dealing with the rural housing authorization in this bill.

On behalf of Senator D'AMATO, for himself and Mr. SARBANES, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. D'AMATO, for himself, and Mr. SARBANES, proposes an amendment numbered 3132.

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

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

The amendment is as follows:

On page 67, after line 23, insert the following:

SEC. __. (a) The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking ''fiscal year 1998'' and inserting ''fiscal year 1999''.

(b) Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking ''September 30, 1998'' and inserting ''September 30, 1999''.

(c) The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking ''fiscal year 1998'' and inserting ''fiscal year 1999''.

(d) Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (t), by striking ''fiscal year 1998'' and inserting ''fiscal year 1999''; and

(2) in subsection (u), by striking ''September 30, 1998'' and inserting ''September 30, 1999''.

Mr. D'AMATO. Mr. President, I rise to offer an amendment relating to rural housing programs of the Department of Agriculture. I express my sincere appreciation to Chairman COCHRAN and Ranking Minority Member BUMPERS for their consideration of the amendment which I offer with Senator PAUL SARBANES, Ranking Minority Member of the Committee on Banking, Housing, and Urban Affairs. I commend them for their steadfast commitment to providing affordable housing for rural Americans.

The Department of Agriculture operates a number of successful housing programs under the auspices of its Rural Housing Service (RHS). Rural housing programs, while a function of the Department of Agriculture, are under the jurisdiction of the Banking Committee. As Chairman of the Banking Committee, I respectfully request the adoption of this amendment.

This amendment will permit vital housing programs to continue in an uninterrupted fashion. It includes one-year extensions of existing housing programs. Specifically, the RHS Section 515 Rural Rental Housing Program, the RHS Section 538 Rural Rental Housing Loan Guarantee Program, and the RHS Underserved Areas Program would be extended until September 30, 1999. These short-term extensions are necessary to ensure that needy Americans continue to be served.

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

The Rural Housing Service Section 515 and Section 538 programs represent a significant portion of the limited resources available to respond to this serious unmet housing need. Since its inception in 1962, the Section 515 rental loan program has financed the development of over 450,000 units of affordable housing in over 18,000 apartment projects. The program assists elderly, disabled and low-income rural families with an average income of $7,200. The Section 538 program is a relatively new loan guarantee program which has proven to have widespread national appeal. With a subsidy rate of approximately 3 cents per dollar, it is an example of cost-efficient leveraging of public resources.

I thank the Appropriations Committee for its recognition of the great need for these essential rural housing programs. I support immediate adoption of this amendment.

Mr. SARBANES. Mr. President, I rise today to offer an amendment, along with the Chairman of the Senate Committee on Banking, Housing, and Urban Affairs, Senator ALFONSE D'AMATO, to extend rural housing programs for the Rural Housing Service of the Department of Agriculture. I would like to commend the leadership of Chairman COCHRAN and Ranking Member BUMPERS for their continued commitment to ensuring that rural housing programs serve rural Americans with affordable, decent housing choices.

This amendment would extend for one year several rural rental housing programs. This includes the Section 515 Rural Rental Housing Program, the Section 538 Rural Rental Housing Loan Guarantee Program, and the Underserved Areas Program. Because many families in rural America do not have incomes high enough to make homeownership possible, it is imperative that Rural Housing Service be able to provide decent, affordable rental units. These programs are among the few resources that help alleviate the shortage of affordable rental housing and enable very low and low income renters in rural America to access affordable rental housing.

The Section 515 Program has provided over 450,000 units of affordable rural housing since 1962; there is no other federal program that provides this assistance to very low income renters in rural areas. The Section 538 Loan Guarantee Program is designed to meet the needs of low and moderate income rural Americans not being served by the Section 515 Program. This program enables the federal government to partner with developers and funders to generate needed rental housing in rural areas.

Both the Section 515 and 538 Programs offer direct benefits for communities, including creating jobs and increasing local taxes, in addition to attracting and maintaining businesses. Stable rental housing has been proven to be a vital link to the overall health and viability of rural communities. While the Rural Housing Service has done much to bring affordable housing to rural America, many rural families still experience housing overcrowding, substandard facilities, cost overburdens, and remain in desperate need of housing assistance. As we encourage families to move from welfare to work, it is even more essential that we build on this vital housing program that provides the safety net which will give the working poor an opportunity to live in affordable, safe and decent housing.

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

Mr. COCHRAN. Mr. President, the amendment has been cleared on this side. We recommend that it be approved by the Senate.

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

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

The amendment (No. 3132) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3133

(Purpose: To require the Secretary of Agriculture to conduct a review of methyl bromide alternatives research)

Mr. COCHRAN. Mr. President, another amendment which we have been able to review and are prepared to recommend the Senate accept is one offered by Senator GRAHAM of Florida. I send that amendment on his behalf to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. GRAHAM, proposes an amendment numbered 3133.

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

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

The amendment is as follows:

On page 67, after line 23, add the following:

SEC. 7 . METHYL BROMIDE ALTERNATIVES RESEARCH.

(a) REVIEW.—The Secretary of Agriculture, acting through the Agricultural Research Service, shall conduct a review of the methyl bromide alternatives research conducted by the Secretary that describes—

(1) the amount of funds expended by the Secretary since January 1, 1990, on methyl bromide alternatives research, including a description of the amounts paid for salaries, expenses, and actual research;

(2) plot and field scale testing of methyl bromide alternatives conducted by the Secretary since January 1, 1990, including a description of—

(A) the total amount of funds expended for the testing;

(B) the amount of funds expended for the testing as a portion of a larger project or independently of other projects; and

(C) the results of the testing and the impact of the results on future research; and

(3) variables that impact the effectiveness of methyl bromide alternatives, including a description of—

(A) the individual variables; and

(B) the plan of the Secretary for addressing each of the variables during the plot and field scale testing conducted by the Secretary.

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Secretary shall submit to the Appropriations Committees of both Houses of Congress a report that describes the results of the review conducted under subsection (a).

Mr. COCHRAN. Mr. President, this amendment deals with the review of methyl bromide alternatives research. We have examined the amendment. We think it appropriate for the Senate to include it in this bill, and we recommend that it do so.

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

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

The amendment (No. 3133) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3134

(Purpose: To express the sense of the Senate that the Secretary of Agriculture should take certain actions to provide timely assistance to Texas agricultural producers that are experiencing worsening drought conditions)

Mr. COCHRAN. Mr. President, another amendment we have been able to review and are prepared to recommend approval of is offered by the Senators from Texas, Senator GRAMM and Senator HUTCHISON. On their behalf, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. GRAMM, for himself, and Mrs. HUTCHISON, proposes an amendment numbered 3134.

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

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

The amendment is as follows:

On page 67, after line 23, add the following:

SEC. ___. SENSE OF SENATE ON DISASTER ASSISTANCE FOR TEXAS AGRICULTURAL PRODUCERS.

(a) FINDINGS.—The Senate finds that—

(1) the statewide economic impact of the drought on agriculture in the State of Texas could be more than $4,600,000,000 in losses, according to the Agricultural Extension Service of the State;

(2) the direct loss of income to agricultural producers in the State is $1,500,000,000;

(3) the National Weather Service has reported that all 10 climatic regions in the State have received below-average rainfall from March through May of 1998, a critical time in the production of corn, cotton, sorghum, wheat, and forage;

(4) the total losses for cotton producers in the State have already reached an estimated $500,000,000;

(5) nearly half of the rangeland in the State (as of May 31, 1998) was rated as poor or very poor as a result of the lack of rain;

(6) the value of lost hay production in the State will approach an estimated $175,000,000 statewide, leading to an economic impact of $582,000,000;

(7) dryland fruit and vegetable production losses in East Texas have already been estimated at $33,000,000;

(8) the early rains in many parts of the State produced a large quantity of forage that is now extremely dry and a dangerous source of fuel for wildfires; and

(9) the Forest Service of the State has indicated that over half the State is in extreme or high danger of wildfires due to the drought conditions.

(b) SENSE OF SENATE.—It is the sense of the Senate that the Secretary of Agriculture should—

(1) streamline the drought declaration process to provide necessary relief to the State of Texas as quickly as is practicable;

(2) ensure that local Farm Service Agency offices in the State are equipped with full-time and emergency personnel in drought-stricken areas to assist agricultural producers with disaster loan applications;

(3) direct the Forest Service, and request the Federal Emergency Management Agency, to assist the State in prepositioning fire fighting equipment and other appropriate resources in affected counties of the State;

(4) authorize haying and grazing on acreage in the State that is enrolled in the conservation reserve program carried out under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831); and

(5) convene experts within the Department of Agriculture to develop and implement an emergency plan for the State to help prevent wildfires and to overcome the economic impact of the continuing drought by providing assistance from the Department in a rapid and efficient manner for producers that are suffering from drought conditions.

Mr. COCHRAN. Mr. President, this amendment deals with the situation in the State of Texas occasioned by the severe drought that has occurred there. The Senators from Texas are acquainting the Senate with the problems that exist in Texas and making some observations about appropriate actions that could be taken to help relieve the problems.

It is very similar, as a matter of fact, to the sentiment contained in the earlier sense-of-the-Senate resolution. It probably could be included in our overall sense-of-the-Senate resolution on this subject when we get that worked out on both sides of the aisle. I am optimistic that we can do so. But in the

meantime, I think it is appropriate for us to go ahead and adopt this amendment. We recommend that it be done.

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

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

The amendment (No. 3134) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, the next item on my list for agreed amendments is one by the Senator from Wisconsin and the Senator from Arkansas dealing with Conservation Farm Options Program funding, if that is ready.

Mr. BUMPERS. Mr. President, it is not quite ready yet. Hopefully, it will be by the time we finish this package of amendments.

AMENDMENT NO. 3135

(Purpose: To amend the Wetlands Reserve Program by exempting thirty year easements from payment limitations; and clarifying the interpretation of ''Maximum Extent Practicable'' regarding the Wetlands Reserve Program enrollment goal)

Mr. COCHRAN. Mr. President, next I have an amendment by the Senator from Indiana, Senator LUGAR, dealing with the Wetlands Reserve Program. I am prepared to send that to the desk at this time and ask that it be stated on behalf of the Senator from Indiana.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. LUGAR, proposes an amendment numbered 3135.

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

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

The amendment is as follows:

On page 67, after line 23, add the following new sections:

''SEC. . Section 1237D(c)(1) of Subchapter C of the Food Security Act of 1985 is amended by inserting after ''perpetual'' the following ''or 30-year.''

''SEC. . Section 1237(b)(2) of Subchapter C of the Food Security Act of 1985 is amended by adding the following: (C) For purposes of subparagraph (A), to the maximum extent practicable should be interpreted to mean that acceptance of wetlands reserve program bids may be in proportion to landowner interest expressed in program options.''

Mr. LUGAR. Mr. President, I rise today to offer an amendment to improve the effectiveness of the Wetland Reserve Program, or WRP.

The WRP is a program, administered by the Department of Agriculture, or USDA, which purchases easements to restore and protect wetlands. These easements are purchased from landowners on a willing-buyer and willing-seller basis. Under current law, land going into the WRP is enrolled for different time periods based on one of three types of contracts entered into between USDA and the landowner: (1) cost share contracts (which enroll land for ten years), (2) 30 year easements, and (3) permanent easements. Landowners have expressed more interest in longer term easements than in cost share contracts. However, current law requires USDA to enroll an equal proportion of each contract type (hence the so-called ⅓, ⅓, ⅓ rule), regardless of landowner interest. One part of the amendment which I am proposing would permit USDA to deviate from the ⅓, ⅓, ⅓ requirement based on landowner interest. Landowners would retain the ability to choose among permanent, non-permanent and cost-share agreements.

Mr. President, the second part of my amendment would also amend the WRP. Under current law, landowners receive annual payments for land enrolled in the WRP, but, in the case of longer term easements, can elect to receive payments up-front in a lump sum. Annual payments, including those taken in a lump sum, are subject to a $50,000 per person limitation. However, permanent easements are exempt from the limitation. Exempting only permanent easements from the payment limitation tends to discourage landowners from choosing 30 year easements. This amendment solves the inequity by broadening the exemption to include 30 year easements.

My amendment is strongly supported by the Audubon Society, Ducks Unlimited, and other conservation groups. It has been scored at no cost by the Congressional Budget Office (CBO). The amendment makes common-sense improvements to an important program which protects our natural resources. I urge my colleagues to support the amendment.

Mr. COCHRAN. Mr. President, this does involve an effort by the Senator from Indiana to improve the effectiveness of the Wetland Reserve Program. It has been reviewed, and we are prepared to recommend that it be agreed to in this bill.

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

The amendment (No. 3135) was agreed to.

Mr. COCHRAN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3136

(Purpose: To make technical corrections to the Agricultural Research, Extension, and Education Reform Act of 1998)

Mr. COCHRAN. Mr. President, I have another amendment offered by the Senator from Indiana, Mr. LUGAR, and cosponsored by others, dealing with technical corrections to the Agricultural Research, Extension, and Education Reform Act. On behalf of Senator LUGAR, I send that amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] for Mr. LUGAR, for himself, Mr. SANTORUM, Ms. COLLINS, Mr. HARKIN and Mr. LEAHY, proposes an amendment numbered 3136.

Mr. COCHRAN. 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, insert the following:

SEC. . TECHNICAL CORRECTIONS TO AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.

(a) FOREST AND RANGELAND RENEWABLE RESOURCES RESEARCH.—Section 3(d)(3) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(d)(3)) (as amended by section 253(b) of the Agricultural Research, Extension, and Education Reform Act of 1998) is amended by striking ''The Secretary'' and inserting ''At the request of the Governor of the State of Maine, New Hampshire, New York, or Vermont, the Secretary''.

(b) HONEY RESEARCH, PROMOTION, AND CONSUMER INFORMATION.—Section 7(e)(2) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606(e)(2)) (as amended by section 605(f)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998) is amended by striking ''$0.0075'' each place it appears and inserting ''$0.01''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of the Agricultural Research, Extension, and Education Reform Act of 1998.

Mr. LUGAR. Mr. President, today I rise to offer an amendment to make a technical correction to recently passed bill. This noncontroversial legislation serves to clarify two provisions of the Agricultural Research, Extension, and Education Reform Act of 1998. Senators SANTORUM, COLLINS, HARKIN and LEAHY are cosponsors of this amendment.

The purpose of the amendment is twofold. First, under the Forest and Rangeland Renewable Resources Research program in the northeastern United States, the amendment adds a requirement that the Governor of the State of Maine, New Hampshire, New York, or Vermont make a request to the Secretary before any research is conducted under that particular program. Second, the assessment rate is amended from $0.0075 to $0.01 under the Honey Research, Promotion, and Consumer Information Act.

Mr. President, both amendments make technical corrections. I hope my colleagues will join me in supporting this legislation.

Mr. COCHRAN. Mr. President, we have reviewed it. We think it ought to be agreed to by the Senate.

Mr. BUMPERS. Mr. President, it has been cleared on this side of the aisle.

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

The amendment (No. 3136) 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.

AMENDMENT NO. 3137

Mr. COCHRAN. Mr. President, another amendment we have been able to clear, I am advised, is offered by the Senator from Virginia, Mr. ROBB. On his behalf, I send his amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. ROBB, proposes an amendment numbered 3137.

Mr. COCHRAN. 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:

After line 23 on page 67, add the following new title:

TITLE VIII

"SEC. 1. SHORT TITLE.

This section may be cited as the 'Agricultural Credit Restoration Act'.

SEC. 2. AMENDMENTS TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

(a) Section 343(a)(12)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is amended to read as follows:

''(B) EXCEPTIONS.—The term 'debt forgiveness' does not include—

''(i) consolidation, rescheduling, reamortization, or deferral of a loan;

''(ii) 1 debt forgiveness in the form of a restructuring, write-down, or net recovery buy-out which occurred prior to date of enactment and was due to a financial problem of the borrower relating to a natural disaster or a medical condition of the borrower or of a member of the immediate family of the borrower (or, in the case of a borrower that is an entity, a principal owner of the borrower or a member of the immediate family of such an owner); and

''(iii) any restructuring, write-down, or net recovery buy-out provided as a part of a resolution of a discrimination compliant against the Secretary.''.

(5) Section 355(c) of such Act (7 U.S.C. 2003(c)(2)) is amended to read as follows:

''(2) RESERVATION AND ALLOCATION.—

''(A) IN GENERAL.—The Secretary shall, to the greatest extent practicable, reserve and allocate the proportion of each State's loan funds made available under subtitle B that is equal to that State's target participation rate for use by the socially disadvantaged farmers or ranchers in that State. The Secretary shall, to the extent practicable distribute the total so derived on a county by county basis according to the number of socially disadvantaged farmers or ranchers in the county.

''(B) REALLOCATION OF UNUSED FUNDS.—The Secretary may pool any funds reserved and allocated under this paragraph with respect to a State that are not used as a described in subparagraph (A) in a State in the first 10 months of a fiscal year with the funds similarly not so used in other States, and may reallocate such pooled funds in the discretion of the Secretary for use by socially disadvantaged farmers and ranchers in other States.''.

(c) Section 373(b)(1) of such Act (7 U.S.C. 2008h(b)(1)) is amended to read as follows:

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may not make a guarantee a loan under subtitle A or B to a borrower who received debt forgiveness on a loan made or guaranteed under this title unless such forgiveness occurred prior to April 4, 1996''.

SEC. 2. REGULATIONS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall promulgate regulations necessary to carry out the amendments made by this Act, without regard to—

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

(2) the statement of policy of the Secretary of Agriculture relating to notices of proposed rulemaking and public participation in rulemaking that became effective on July 24, 1971 (36 Fed. Reg. 13804).

Mr. COCHRAN. Mr. President, this deals with the Agricultural Credit Restoration Act. It has been cleared on this side. We recommend it be agreed to.

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

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

The amendment (No. 3137) was agreed to.

ORPHAN PRODUCTS RESEARCH GRANT

Mr. DURBIN. Mr. President, I rise today in order to engage the chairman of the Agriculture Appropriations Subcommittee, Senator COCHRAN, in a brief colloquy regarding the ''Orphan Products Research Grant'' program. I am pleased to note that the bill before us which includes funding for the Food and Drug Administration specifically maintains the current level of funding for the operation and grants that support research on rare conditions and diseases, the so-called ''orphan products''. While I hasten to point out here, as in many other cases, continued level funding is a reduction in program effectiveness because underlying costs go up which result in fewer grants and less research efforts going into this effort to help what have to be some of the most neglected and medically needy in our society who lack effective therapies.

Beyond the grant funding, I am seeking assurance that the Committee intends that the staffing and support functions of the FDA's orphan program are to be continued at not less than the current level of appropriated dollars and FTE's allocated to this most important mission and function. I understand that the FY98 resources are 17 FTEs and $1.8 million for operation costs for administering the Office for Orphan Products Development. The total funding level is $11.542 million which includes both grants and operation costs. The whole program is relatively small, clearly within the core functions of the agency, and extraordinarily effective and productive. It certainly deserves to have priority on any future increased funds that become available. In the last 15 years, this program has nurtured the development and marketing of more than 170 products, 21 of which have directly benefitted from its grant funding. It could easily get lost in the focus on many of the other big ticket, high visibility responsibilities of the FDA.

Mr. COCHRAN. I thank the Senator from Illinois. As Senator DURBIN knows, the committee has worked hard over the past several years to maintain this very important program. This program may be the only hope for cures for some with extremely rare diseases. It is important that FDA not divert these appropriated funds to other areas, thus undermining this worthwhile program. I thank the Senator from Illinois for bringing this issue to our attention.

FDA

Mr. GREGG. I would just like to commend the Senator from Mississippi for his hard work and dedication on this bill, and would like to thank him for his particular attention to FDA matters. It is important that the regulatory programs be adequately funded, and of particular importance to me and a number of my colleagues is the important regulatory program for cosmetics in the Office of Cosmetics and Color within the FDA's Center for Food Safety and Applied Nutrition. As the Senator from Mississippi knows too well, the FDA recently announced cutbacks in this program, and I just wanted to thank him for the report language accompanying this bill and its encouragement for restoring this program to previous years levels.

It is my understanding that our colleagues in the House have provided a $2.5 million increase to restore this program to that level, and I would hope that we can work to ensure that the final version of this bill contains that increase.

Mr. COCHRAN. I appreciate the Senator's remarks. We will do everything we can to make sure that the funding for this worthy program is adequately addressed.

TOMATO SPOTTED WILT VIRUS

Mr. CLELAND. Mr. President, I would like to take a moment to discuss a very important issue, specifically my efforts to provide critical research funding for Tomato Spotted Wilt Virus. First, I would like to thank my distinguished colleagues, the Chairman, Senator COCHRAN, and Ranking Member Senator BUMPERS, for their skillful work and superb leadership on this bill. I, like many of my colleagues, find it extremely fortunate to have two gentlemen in these posts who not only provide a valuable resource on matters facing agriculture, but can be depended on to work with Senators with candor and cooperation. As you may know, spotted wilt, caused by the tomato spotted wilt virus (TSWV), has become a serious impediment to effective production of several economically important crops in the Southeast, causing an estimated $100 million in losses to peanuts and vegetable crops annually. The disease is endemic to the Southeast and the wide host range of the virus

makes it extremely difficult to control. If you recall, in the letter which I sent to you earlier this year, I requested that $330,000 be appropriated to the College of Agriculture at the University of Georgia for a project titled the Integrated Approach to Mitigate Tomato Spotted Wilt Virus Epidemics in the Southeastern United States. Although funding has not been provided in this bill, I understand that the House version contains $200,000 for this project's research.

Mr. COCHRAN. My colleague from Georgia is correct.

Mr. CLELAND. I thank the Senator. While I would like to see funding for this project included in the Senate bill, I understand the difficulties that my colleagues are facing in trying to accommodate my request at this time and I defer to your advice on this matter and will not offer an amendment to provide the funding. Given that my ultimate goal is to ensure that adequate funding for this important project is obtained, I would truly appreciate my colleagues providing recognition of the seriousness of this problem as well as a commitment to work to obtain this funding in conference.

Mr. BUMPERS. I share the Senator's concern about this matter and recognize the serious nature of this disease. I also believe that it is important that we provide funding for this valuable project, and hopefully we will be able to accommodate the Senator from Georgia's request in conference.

Mr. COCHRAN. I too appreciate the Senator bringing the critical nature of this issue to our attention. When we meet with the House Conferees on this bill, we will give every consideration to provide funding for this project.

Mr. CLELAND. I thank my esteemed colleagues for their assistance on this matter and I feel confident that, with your commitments, this critical funding will be provided. Considering the cost-benefit ratio of this research as well as our desire to maintain the superiority of American food quality and abundance, I believe that such funding is well justified and in the national interest.

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

Several Senators addressed the Chair.

AMENDMENT NO. 3127

The PRESIDING OFFICER. The question recurs on amendment 3127.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, again, a parliamentary inquiry. I guess we have before us now the sense-of-the-Senate resolution that was proposed a little while ago by the minority leader, Senator DASCHLE?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. That is the pending matter before the Senate.

Mr. President, I note the presence of my colleagues from the Midwest and the Northern Plains States who are here on the floor. I think we have to really lay out for the American people what is happening in rural America today.

We can close our eyes to it. We can try to ignore what is going on, but the fact is, there is a crisis of immense proportions happening all over rural America.

In our sense-of-the-Senate resolution, we pointed out that net farm income for 1998 is projected to fall to $45.5 billion. That is down 13 percent from 1996. Now, with farm income going down 13 percent—I asked my staff to check and see what Wall Street did last year. The S&P 500 index went up 36 percent last year; farm receipts down 13 percent.

Farm debt for this year is expected to be $172 billion, the highest level since 1985. So what we say in our sense-of-the-Senate resolution is:

> . . . emergency action by the President and Congress is necessary to respond to the economic hardships facing agricultural producers and their communities.

Very simple. Very straightforward. It is an emergency situation and requires emergency action.

Mr. President, this chart really says it all, what happened to farm income between 1996 and 1997. Let us see, 32 States had a drop in net farm income—32 out of 50. Now, some of them, you might see, had a big increase. Oklahoma was up 94 percent and Kansas 28 percent and Wyoming 73 percent. That was simply because of the devastating drought they had in 1996, and their wheat crop recovered in 1997, and it looks better. But the prices there—and I will get to that in a moment—are still catastrophic for the wheat farmers all up and down the wheat belt.

But look at the other States: Minnesota, down 38 percent; North Dakota, down 98 percent, a 98-percent drop in farm income in the last year; New York State, 44 percent; Pennsylvania a 32-percent decrease in farm income.

Wall Street is doing great. Standard & Poor's is up—what did I say?—36 percent. Yet the ag economy in New York State went down 44 percent. That is the story across America. That is why we have a crisis.

Look at prices here, and you will find something, Mr. President, very interesting about these charts I am about to show. Here is the farm level corn price. We were coming up here in the early 1990s, and we had a steady increase, a little drop, but kept coming up. Right here is the Freedom to Farm bill, and, bang, down it goes. That is corn. Is that an anomaly? Let's look at wheat prices. We were bouncing around, but we had steady progression up all the time. We enacted Freedom to Farm, and down it comes. Wheat prices have been coming down ever since Freedom to Farm was passed. So that is corn and that is wheat.

Farm-level soybeans. Soybeans were coming up gradually, getting better, and we get here to Freedom to Farm, and down it comes. All of those crops, ever since Freedom to Farm, down they come.

Here is the other interesting thing. We can look at the corn and the wheat and the soybean prices. But let's look at the farm share of what is happening to how much farmers are getting from their products that are sold in grocery stores.

Right now, the farm share of the pork dollar is at the lowest point it has been in over 2 decades—in over 20 years. Iowa hog farmers, and hog farmers around America, are getting the lowest share of the retail dollar. So if prices have been declining, as I pointed out here for soybeans and for corn and for wheat, how come we haven't seen the price dropping at the grocery stores? Not a bit. Prices continue to go up, and yet the share of that dollar for our farmers keeps going down. That one is pork.

Let's take a look at beef. Here is the retail share of beef, which has been coming down all the time. It keeps coming down. Maybe it is not quite as bad as pork, but it is still pretty bad. So farmers get less and less.

Now, I noted that in the Washington Post this morning there was a story about our plans to do something to help the farm crisis in America. It said here, ''While Democrats in both chambers want to help farmers by revamping domestic farm supports, Republicans say aid will come from more aggressive pursuit of exports.''

Interesting. We are going to solve it all by exporting more. Well, let's look at two charts here. I heard a lot of talk about getting rid of sanctions. We are all for getting rid of sanctions. Here is a chart that shows how much agriculture is being affected in terms of sanctions and how much it is being affected by the fact that IMF is not being replenished, so they can continue to straighten out the economies in Asia. Trade sanctions reduce U.S. exports by about 1 percent of the total. That is the USDA estimate. Here is IMF-affected trade coming in at about $35 billion because of the lack of funding for IMF. Who is holding up the funding for IMF? The leadership in the House and the leadership in the Senate.

We will hear a lot of talk about sanctions. But if you really want to get at what is affecting our farm exports, it is the lack of funding and replenishment for IMF. But, Mr. President, is it really exports that are going to solve our problem? Here is U.S. exports on this chart going clear back to 1960—what we see here, hitting 1970 and in the 1970s and then the 1980s. We had a dip in 1985 because of the farm crisis, and then up and up and up. Look at the increase in U.S. agricultural exports. It is down a little bit now from its peak a couple years ago, down 7 percent. But it is still a huge increase over what we have had in the past. That is not the total answer to our problems.

Yes, we need to replenish IMF; yes, we need to continue our strong support for exports. But that won't solve the

problem. The problem is that we have pulled the safety net out from underneath the farmers in this country when we passed Freedom to Farm a couple of years ago—the so-called ''Freedom to Farm.'' I called it at that time the ''freedom to go broke'' bill, talking about our family farmers.

Now, some say, well, what we have to do is, we have to get EEP in there and we have to do more to get our exports going overseas. But the fact is, that would put more money in the pockets of the grain traders and importing companies and not the farmers we all represent. Some commodity groups want to spend several hundred million dollars on the Export Enhancement Program and other export programs. But who is it going to help? That money will go right into the pockets of the exporters, the big grain companies, and the importing countries. It is not going to go to the farmers.

I call that the sparrow feeding the horse kind of analogy. If you want to feed the horse, you feed the sparrow. Then the sparrow drops something on the ground; that fertilizes the grass; the grass grows, and the horse eats it. That is a crazy system. If you want to get money to farmers, then what we have to do is, we have to put in some supports and put that safety net back in there.

A 1994 General Accounting Office study found that direct payments to producers increased net income of farmers much more effectively than an equivalent level of indirect support through subsidies granted under the export subsidy program.

GAO. Direct payment of producers gets their net income up more effectively than putting that money into EEP.

Again, a lot of farmers were told that we had to pass this so-called Freedom to Farm because it gave them flexibility. We were all for flexibility. We had that before under the Carter administration. We had the whole farm base at that time. We all wanted to give farmers more flexibility for the whole farm and let them make the decisions. But we wanted to keep a safety net there.

This so-called Freedom to Farm is fine when prices are high, fine when you have the big payments going out to farmers in the initial 1 or 2 years. But when disasters come, as they will in agriculture, as they have since biblical times, when the prices go down, then what happens is, our family farmers are squeezed out.

It almost seems like the so-called Freedom to Farm bill really was designed with only the largest producers in mind. Why do I say that? Because when you get a downturn, when you have low prices, the big, well-financed producers can weather it. They can get through 1 or 2 or 3 years of low prices. But for that smaller family farmer out there, they can't do it. That is why you are now going to see farm bankruptcies again, as high as they were during the 1980s.

Mr. WELLSTONE. Will the Senator yield for one question?

Mr. HARKIN. I am delighted to yield to my colleague from Minnesota.

Mr. WELLSTONE. Mr. President, for the sake of other colleagues, I believe many will support our efforts on the floor this week because they know how important agriculture is. But when the Senator makes the point about what is going to happen to family farmers, as opposed to large conglomerates able to weather this crisis, I wonder if the Senator might want to explain to people who feel strongly about it why, from the point of view of consumers, it is important that the family farmers be able to stay on the land. Maybe some people will hear you talk and they might say, well, OK, so the giants can stay on, they will farm the lands, and what difference does it make to the vast majority of the people in the country? I wonder if the Senator can spell that out.

Mr. HARKIN. I thank my friend, because we hear a lot about that: ''Wouldn't it be better to have a few large farmers out there rather than all these family farmers?'' There are a lot of ways to answer that question.

First, a strong, healthy rural America is better in terms of the impact of unemployment in our cities, where people from farms are forced off, they come into the cities. It causes more urban congestion and all of the expenses that causes for people who live in our larger cities. You can look at it that way.

Secondly, you can look at it from the standpoint of a stable, safe food supply. Why do I say that? Because it has been my experience that a family farmer who lives on that land, owns that land, and the children are raised there, and they go to the local schools, and they have a stake in their community—they are some of the best stewards we have for our land. So if you want to take care of the land for future generations and you want to protect the soil and the water, it is better to have a family farm system of agriculture than these big corporate conglomerates that maybe just hire someone or rent it out.

It is like in housing. If you want people to take care of their houses, make them homeowners. That is why I have always been in favor of housing subsidies and getting more housing for low-income people. They will take care of it. They have a stake in it. They have equity in it. That is true with our family farmers, too. As long as they own the land and work it and have their families there, they have a stake in it.

Lastly, just from the standpoint of price, if you have more farmers out there producing more beef, pork, poultry, corn, wheat, and beans, you are going to have a more competitive situation out there. As we all know, competition gives you the best price.

I never could understand people who believe in a free enterprise system and who believe in this concept of competition and giving us the best products at the lowest possible price, then supporting policies that do just the opposite in agriculture and squeeze them out by setting up a few large, vertically integrated entities that have everything from the production of the grain, to the feeding of the livestock, to the slaughtering of the livestock, to the packaging, right to the time it gets to your counter. I can't understand people who think that somehow these kinds of monopolistic prices are going to be the best deal for our consumers. They just aren't. We know it, and we can prove it.

Mr. WELLSTONE. Mr. President, I have one more question for my colleague from Iowa. We have colleagues here on the floor from North Dakota and South Dakota. You talk about the Freedom to Farm bill and the whole question of the price plummeting and the dramatic loss of farm income in a State like Minnesota where we are really hurting. Later on I will get a chance to speak to that. The Senator mentioned that income in North Dakota dropped by 98 percent.

Could my colleague from Iowa explain, A, why the price has plummeted; and, B, when we talk about a fair price, what we are really saying here? Because I think people need to understand how centrally important the price is to this whole question. Would the colleagues from North Dakota and South Dakota also be willing to comment on this?

Mr. HARKIN. I am going to ask that same question of our colleague from North Dakota, because I believe he can answer it better.

I just wanted to point out that last year the average North Dakota wheat farmer suffered a loss of $23,000. My figures show, at least right now, that the income of the North Dakota farmer—I could be corrected by my colleague from North Dakota—this year their income will be, for a family of four, below the poverty level. Their income actually will be below what we have designated as the poverty level in this country.

So I guess the question of the Senator from Minnesota was, What has brought this about? Was that the question? Why has North Dakota, now, I think for 2 consecutive years of low wheat and barley prices—what has brought this about? I ask the same question of my colleague from North Dakota.

Mr. WELLSTONE. The price, and also, why is the price so important to whether or not family farmers will be able to continue to farm, and what is the central importance of that to our statement?

Mr. HARKIN. I would like to ask that question of my colleague from North Dakota and ask him to respond to that question.

Mr. DORGAN. Mr. President, if I might respond to the inquiry of the Senator from Iowa, who has used the floor to describe his sense of the Senate resolution. S8102The problem in North Da-

kota has been that family farmers lost 98 percent of their income last year as compared to 1996. They planted a crop and they discovered that the crop was devastated by disease. The worst crop disease in this century has hit our part of the country. It has also touched Minnesota, Montana, South Dakota, and some other areas, but none quite as devastating as in North Dakota.

So a farmer plants a crop and hopes it grows. When it grows he hopes it avoids the insects, avoids the drought, avoids too much water, and avoids disease. Unfortunately, our crop didn't, it was devastated by disease. Then the farmer harvests those crops, or is what left of them.

That is not easy. I have been out on harvests plenty of times in my life. It is tough work. The farmer drives his truck into town and pulls it up to the county elevator and unloads that grain. The harvest in that truck box has all of your hopes and dreams for an entire year. That harvest in the truck box determines whether you are going to be able to feed your family, whether you are going to continue farming, and whether you are going to be able to pursue your hopes and dreams on the farm. That is what is in that truck box.

Then they unload that truck, and they put that durum, or the wheat or the barley, into that country grain elevator, and it is weighed, evaluated. And the elevator operator says, ''Well, Mr. Farmer, Mrs. Farmer, we have decided that your grain is worth $2.75 a bushel.'' You didn't get much for it because you had a lot of disease. But what you got is worth $2.75 a bushel. The farmer looks at the price and says, ''Well, the problem is it cost me $5 a bushel to raise that grain.''

That is in short exactly what has been happening in our State. It has been devastated by disease and low prices.

Think of it this way: Ask any group of families living on any block of this country, any group of businesses on any Main Street of America, for that matter any legislators who are standing visiting in a circle. Ask them about what they would do if they were losing 98 percent of their income. Ask the folks on the block, the folks on Main Street, the legislators, anyone, how would you like to lose 98 percent of your income? Then ask yourself: How am I going to provide for my family? How am I going to meet the future and continue to farm?

That is what has happened to our family farmers. I will read some letters. I will not do it at the moment, but I will read some letters of some farm families in North Dakota who were forced to sell out this year. They say, ''Well, we are good farmers. We don't spend money frivolously. We are not going out at night. We work. We work to the bone, and we try. We try hard. And the fact is we are going broke. Yet, everybody else dealing with this grain that we produce is making money.''

The people who haul it, the railroads, have record profits. The people who put it in the mill have record profits. The people who make it into breakfast cereal have record profits. Take some wheat, puff it up, call it ''Puffed Wheat,'' put it on the grocery shelf, charge $4 or $5 for it, or put it in bread. The farmer gets less than the heel.

Farm prices have collapsed. Have bread prices come down? I don't think so. Have cereal prices come down? I don't think so. Yet everybody in the process, except the people who grow the food, is making money.

There is one final point I want to make. I was on the floor of the Senate yesterday pointing out that half way around this globe of ours there are people climbing trees for food. Old women are climbing trees in Sudan to forage leaves to eat. They are eating leaves from trees because they are dying of hunger. Over 1 million people are at threat of starvation in Sudan.

The people on this side of the world are told, yes, there are 1 million people facing starvation. They are eating leaves off trees. But the food you raise on the family farms somehow doesn't have worth. It doesn't have value. That is a terrible, terrible disconnection of what we ought to be doing.

So the answer to the question of the Senator from Iowa is that our farmers have been devastated more than in any other State largely because we have been hit harder by disease. But all farmers trying to market wheat at this point are discovering that the price of wheat has collapsed.

Today the price is $2.99 a bushel at one of our local elevators in North Dakota. It was $5.75 just 2 years ago. The price today is what it was decades ago when the price of all the inputs was much, much less. At today's prices, farmers are losing over $2.00 per bushel.

So the question facing us is whether we are going to do something that gives family farmers an opportunity to make a living. Does family farming have value to our society? I believe it is more than just dollars and cents. If you believe as I do that it is important, then the question becomes what is the solution. What kinds of solutions and what menu of choices can we select that will say to family farmers, ''You are not alone? When you hit price valleys, we will try to build bridges across those valleys because we want you in our future.''

Mr. President, I thank the Senator from Iowa for asking the question. I thank my colleagues for their indulgence so that I could answer.

Mr. HARKIN. I just want to finish a few remarks, and then I will yield the floor.

Is that the desire of the Senator from South Dakota?

Mr. JOHNSON. Mr. President, I have a question that I would like to ask of the Senator from Iowa at some point.

Mr. HARKIN. I yield for a question.

Mr. JOHNSON. I thank the Senator from Iowa for his extraordinary leadership under these very trying circumstances.

One of the points that the Senator was making earlier struck me as particularly important in terms of the long-term future of rural America and the long-term capability of our Nation to feed not only our citizens but also much of the rest of the world. The Senator from Iowa was talking about what kind of structure we would have in rural America if we go particularly down the road of more and more concentration and vertical integration. It struck me that there may be other societies that have gone down that road from whom we can learn a lesson or two.

I am reminded of the agricultural regime in the former Soviet Union and their efforts to turn agricultural workers into paid employees rather than people who have a personal family stake in the outcome of their agricultural enterprise, and what that led to in terms of taking a nation with enormous natural resources, that had historically been one of the bread baskets of the world and what that did to that nation in terms of destroying its infrastructure of small rural communities, what it did ultimately to destroy its ability to produce food shipments for itself and for its neighbors.

I would wonder and question the Senator from Iowa whether he thinks there are some lessons to be learned from other societies that have destroyed family agriculture, then discovered it was a mistake, then discovered that turning family agriculture up by the roots is not so easily replanted and what happens after you have gone down that road, if you decide that you want to reestablish family agriculture after you have ripped it up by the roots in that manner? I wonder if the Senator will comment about the long-term structure that we are headed to if we continue down this road.

Mr. HARKIN. The Senator from South Dakota has put his finger on it. I visited the old Soviet Union on a couple of occasions before it disintegrated, went out and visited some of these big farms, some of the most inefficient, awful operations you have ever seen, and then I visited later just when they were breaking up the large farms. What I heard time and time again was that was probably one of the biggest mistakes they ever made in the Soviet Union—collectivizing the farms. And now in Russia, what they have decided—and I have met on more than one occasion with a couple of their agriculture ministers—is the best thing to do is return the land to the people, give them private ownership of that land and to disburse it as much as possible.

What they have found, lo and behold, is they are getting better products and better production for their people. Right on target. And yet we seem to be going in the other direction. We seem to be doing what the Soviet Union did. Now, it is not State collectivization,

but it is monopoly practices. That is the same kind of vertical integration.

Mr. JOHNSON. Will the Senator agree that while the track that we are on may not be as a consequence of a specific plan simply on the part of the Government or anyone else, but that any sector of the economy that is expected to generate profits based on prices that were consistent with 1940, as we are in the grain and livestock sector today, and yet to pay the input costs that reflect 1998 costs will lead ultimately, as certainly as night follows day, to the demise of that enterprise, that family agriculture capitalized in a modest way as it is cannot possibly sustain itself with the combination of these tragically low prices and the extraordinary high input prices?

Mr. HARKIN. The Senator knows about what I am about to say because I know he has been through this, and that is what I think a lot of consumers and what a lot of people have to understand about farming in America and about our family farms. Farmers are price takers. In other words, a farmer has a lot of fixed costs over which that farmer has no control—land, seed, fertilizer, chemicals. The farmer who goes down to get his seed can't say, well, my prices went down last year. I will buy that, but I can give you 10 percent less. The farmer has zero bargaining power. He pays the freight. Whatever it is, that is what he has to pay. So the only way for that farmer to make anything is through the price that the farmer receives, price plus his production. Now, if the price is so low, no matter what he produces, he can't produce himself out of the hole.

That is another little anomaly that I have thought about in all my years here and working in agriculture on the agriculture committees. People say, well, if prices drop—see if this doesn't ring true with my friend from South Dakota. A lot of ideologues say, well, if prices drop, farmers will take that signal and they will plant less. But we know what happens when a farmer has a fixed unit of land and he has his fixed machinery and prices drop. They say, how can I get more production out of that unit of land to cover the lower prices? And so what happens is you get a drop in the prices. Farmers plant more because they have a fixed amount of land. They want to squeeze more production out of it.

That has happened time after time after time in American agriculture. Yet some people do not seem to understand that.

So they have to have the price plus production or they are going to go broke, and that is what is happening today. I believe it was attributed to former President Kennedy—I can't be certain about this. But I think former President John Kennedy once said that a farmer is the only man in America who buys at retail, sells at wholesale and pays the freight both ways.

That is very true today. That is why we are having this crisis in America.

Now, again, I am all for farm flexibility and giving farmers the maximum flexibility. But we have to have a safety net in there because it is as true today as it was in biblical times. I guess we just never seem to learn it. I have here a letter that was sent to a number of us from Mr. Dwayne Andreas, chairman of the board of Archer Daniels Midland Company. I found this to be a fascinating letter.

Now, obviously, Andreas heads a large agribusiness that takes the raw food shipments and processes them and makes them into articles that we see sold all over the world. I am sure we have seen his ads on Sunday ''Meet The Press,'' ADM, which is the supermarket to the world. We have all seen that and they do a good job. So here is an individual, the head of a large company that buys the raw products, processes them, turns them into something that is sold in supermarkets in places around the world. Interesting. He sends a letter dated June 18. He said:

> I feel the urge to say something about present farm policy. I could write pages about why support prices are necessary to protect farmers from the excesses of speculators.
>
> It was a bad idea to remove all the support prices from under farm commodities and if left alone it will lead to disaster. The side effect of a drop in farm income affects all U.S. businesses and can be devastating. Only those of us with long-term memory seem to be aware of that. The country shouldn't have to learn it all over again. Although, of course, it is legendary that people in my line of business can benefit from free falling farm prices by buying bargains, I feel that stabilized agriculture is extremely important for America and for the world.
>
> I hope you will work to restore some form of price support to protect farmers from disaster. Subsequent events prove it has to be corrected, not just for the benefit of farmers, but to stabilize the economy of our Nation. People seem to ignore the fact that no genuine free market is left in this world. Governments everywhere manage farm prices and the U.S. will have to follow suit or face disaster.

I find that interesting, coming from the head of perhaps one of the largest manufacturers of agricultural products. As he said, it is legendary that it would be in his best interest to have low farm prices. But I think what we have seen from Andreas is the statement of a statesman and someone who understands what it means for our entire economy and for our Government and, indeed, for hungry people around the world to make sure that our farmers have a decent price. So I applaud Andreas for making that statement and taking the position he has taken, which probably is in direct conflict with his economic best interests.

Why I remembered that letter is he said those of us with memory long enough. And I have said it time and time again. It started in biblical times with Pharaoh's dream, and he asked Joseph to interpret the dream. And Joseph said what it means is during good times you store up the grain so you have it during bad times, 7 years of plenty and 7 years of famine. Through the ages, governments everywhere have learned and relearned that lesson. And yet for some reason, under the Freedom to Farm, so-called Freedom to Farm bill that we passed here a couple of years ago we said that is all over. Evidently, farmers are going to have high prices from now on. Well, they have short memories, and they probably haven't been reading the Bible either because if they had they would know that this has plagued us for thousands of years.

Mr. JOHNSON. Will the Senator agree that one of the things this institution needs to do is step back and recover its institutional memory, its recognition of why we arrived at the price support system in the first place, going back as long ago as the 1930s and the agricultural stabilization service? There was a recognized need then, generations ago.

Family agriculture, it would seem to me, cannot sustain itself without some stabilizing force. Otherwise, they simply will not be capitalized well enough. They will be driven off the land, just as what was happening at that time, and we need that kind of a presence not to micromanage, not to deny the flexibility that our farmers need to meet the forces in the market, but that they need an opportunity to compete fairly with a more stable kind of environment. We, in fact, are losing sight of that—assuming that the $6 wheat when Freedom to Farm was passed would be here forever, that the $5 corn when Freedom to Farm was passed would be here forever—and we find it out only a few years later, conveniently after the next elections, when prices have declined.

Does the Senator concur that a handful of years of declining transition payments, a pat on the back and a ''good luck, buddy,'' is not a reasoned, long-term strategy for family agriculture and the provision of food in this Nation, and now that there is great urgency, we need to step back and accept that that was misguided? We do not need micromanagement, we do not need bureaucracy-laden policies, but we do need something that will provide the kind of stability that, as long as 60 years ago, was recognized as necessary when, if anything, we are in a more volatile world market situation now than we were then? Does the Senator concur with those observations?

Mr. HARKIN. The Senator is right on the mark again. I said a couple of years ago, when that so-called Freedom to Farm bill passed, it was a triumph of ideology over experience—the experience of thousands of years; the experience we have had in our own country since the 1930s. Yet there was this ideology that said, no, we have to get the Government out of everything; no price supports.

But I submit to my friend from South Dakota that the so-called Freedom to Farm bill probably is working just as it was intended. During high-price years, like we had when the Freedom to Farm passed, it offers large-

scale farmers the ability to take advantage of opportunities that they might see in the marketplace. Now, does it help the smaller farmers a little bit? Sure, but only because those payments were high in the first years. As the Senator pointed out, those initial payments are coming down, so the large-scale farmer, better able to weather 1 or 2 or 3 years of low prices, is left to sail on through. The smaller farmer is left to go broke, and that is what Freedom to Farm was intended to do. I swear, the idea was to get fewer farmers out there, to structure it differently.

I am going to yield the floor momentarily, but I have to tell my friend a story that happened to me back in David Stockman's time. We always remember David Stockman first as the head of OMB under President Reagan.

I remember having a meeting with him at that time, talking about farm bills, and they were after agriculture. I used to have debates with David Stockman on the floor of the House on agriculture. He was always for this so-called getting the Government out of agriculture and everything. I remember, he sat at a table one time, and he said to me at the time, I think I was a Congressman then, he said, ''Congressman HARKIN, you know as well as I do, if you have two farmers out there and they both have such-and-such land, they both have two tractors, they both have two combines, they both have two barns, they both have two this and that,'' he said, ''you know as well as I do, one farmer could do it all.''

I said, ''Really? One farmer can do it all? Is that right? How so? How can one farmer?''

''Well, one farmer can buy out the other farmer and get all that machinery and get bigger equipment and hire someone to work for him and get it all done.''

I said, ''How is that one farmer going to buy out the other farmer? If you have those two farms, what is going to cause one of the farms to go under?''

''Well, recurring low prices.''

We talked. I will give him one benefit, he was honest about it. He said, ''With these recurring low prices, the little farmer will have to get out. The bigger farmer will buy him up.'' And his point was it would be more efficient to do it that way, more efficient.

I said, ''How do you measure efficiency? How do you measure efficiency? Do you measure it in terms of the local businesses that now will go under in the local community because that farmer has gone out of business? Do you measure it in the local education system, where now kids have to go 30, 40 miles a day to go to school, and they have a hard time getting teachers to teach in these rural areas? Do you measure efficiency in terms of the lost production? If you had two tractors before and you only have one now, what does that mean in Detroit and places like that where people are working in manufacturing?''

So I always challenged him to define efficiency, not just by looking at the individual farm itself, but looking at the community at large; what was more efficient? I had always believed, and I do today believe that the most efficient, in terms of our Nation, in terms of our country, in terms of our consumers—the most efficient form of agriculture is one that is diverse, dispersed, and one that encompasses many family farmers owning their land and working their own land. I have maintained that for the last 25 years and I maintain it today. I think a lot of the problems we are having today have to do with the crisis we had in the 1980s that kicked a lot of farmers off their land, and we are having the same crisis today up in the northern plains area.

As I said, those who want to stick with that so-called Freedom to Farm—I suppose maybe they have the votes. I don't know. But we are going to have some amendments on this floor today and tomorrow, as long as we have to take, on this ag appropriations bill, to get some changes made to put that safety net back under our family farmers and to provide them with the support they need during these tough times. We can do nothing less, not just for them, but for our country.

I yield the floor.

The PRESIDING OFFICER (Mr. Sessions). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I appreciate the remarks of the Senator from Iowa and the Senators from South Dakota and Minnesota who were here. We have offered a sense-of-the-Senate resolution on the question of the farm crisis and will get a vote on that at some point. The Senator from Iowa indicated other amendments will be offered. Let me just provide a bit more context for some of this.

I know a lot of folks in this country don't live on a farm, have never been on a farm, and don't know much about family farming. Perhaps they wonder why is there so much discussion about family farming. Why does it matter?

I come from a small community of 300 people in southwestern North Dakota, which is where we raise a lot of wheat and livestock. I suppose one can look at those parts of the country where there are not many people who live in the area and say that is not a big population center and it doesn't matter much. But it is where we produce our food, by and large, in this country.

When you get on an airplane and fly across the States at night, you look out the window. I am sure as the Senator from Iowa flies across the State of Iowa, just as I fly across North Dakota, he sees these yard lights out there at night. Take a look at them. See these brilliant little lights from the prairie that sparkle up to your airplane window and understand what is there. Underneath that light is a family out there. They have turned the yard light on, on the family farm. That is where they are trying to make a living. All those yard lights out there on the family farms represent the economic blood vessels that represent the rural lifestyle that allow these small towns to flourish and to live. That is where I grew up.

I am a Jeffersonian Democrat. I believe, as Thomas Jefferson did, that this country will survive as a free country with the kind of political freedoms that our Constitution guarantees us so long as we also have economic freedom. Economic freedom and political freedom go hand in hand. And economic freedom is nurtured and guaranteed by broad-based economic ownership in our country.

Jefferson believed in broad-based economic ownership. Small businesses and family farms dotting the prairies and populating our main streets represent broad-based economic ownership and, ultimately, represent the opportunity within economic freedom.

The country these days has seen an orgy of mergers. Gee, every day you wake up and you pick up the morning paper and somebody else has merged. You see it in almost every industry. Recently, it has been banks. The biggest banks in the country discover they love each other, apparently, and decide they want to get married. We didn't even know they were dating, and all of a sudden the newspaper in the morning tells us they want to get hitched, so they merge and two big banks make a much bigger bank.

Airlines have been doing it as well. Big airlines take a look at the little airlines and they don't like the competition. They say, ''We want to buy you up and merge.'' So they merge. Two big airlines decide they will be better off if they merge, and they merge.

It doesn't matter what industry you look at. We used to have 30 or 40 class 1 railroads in this country. Now we have a handful at best. They all merged.

Some say that would also be good for farming. Let's have them all merge together; we can have farmland farmed; just get the family out of there. That is what some say. They say we can have giant corporate agrifactories producing agricultural products from California to Maine and that we don't need family farmers living out on the farms.

First of all, I think the people who ignore the question of size and mergers in this country do so at their own peril. And I think the people who ignore the question of the health of family farms do so at their own peril as well. Broad-based economic ownership in this country is important, and we ought to be concerned about it. We especially ought to be concerned about it on the family farm.

In addition to hearing about mergers every morning, you turn on the radio going to work and you hear reports on America's economic health. It is always some gray-suited economist who comes from the same university and

works for the same entities, in most cases, who tells us how healthy America is, and they tell us in the morning how healthy America is by their latest reports on what we consume.

I actually used to teach economics a couple of years. I don't always admit that. Yet, I have been able to overcome that experience and, nonetheless, go on to lead a decent life. When I taught economics, I was one of those who didn't teach that our economic health in America is dependent on what we consume. No, it is dependent on what we produce. Real economic wealth is represented by what you produce.

The most prodigious producers in our country are family farmers. They are the all-star producers, bar none. Yet, you can take a look at this economy of ours and who is doing well and who isn't. Then you will discover that this economy has decided, for a whole series of reasons, some of which are public policy reasons and others, that the producers on the family farm are somehow expendable; it doesn't matter whether they do well.

I mentioned some while ago that in North Dakota family farmers lost 98 percent of their income in 1 year. I don't know of anyone who can withstand the loss of 98 percent of their income, not in theory, not in practice. When you lose 98 percent of your income, you lose your ability to continue.

I am going to read just a few letters from some North Dakotans, because they say it much better than I can.

A woman named Shirley in North Dakota. Their son is a beginning farmer. Shirley and her husband farm. Their son is a beginning farmer. She said:

> My son filled a sprayer with water, then checked the temperature at 4:30 a.m. this morning, June 3, 1998. Last night, freezing temperature records were forecast for all of North Dakota.

They ran into a cold spell.

She said:

> My son filled a sprayer with water, then checked the temperature at 4:30 a.m. because it freezes usually just before sunrise. He was prepared to go out and spray the beans with water to prevent them from being killed by frost. He probably already put in a 15- to 18-hour day, but at 4:30 a.m., he was up filling the sprayer with water to try to save his crop.
>
> He does carpentry work all winter to make ends meet. He serves on cooperative boards. He is a volunteer on the emergency medical team that runs two rural ambulances in our community. Last year, two quarter sections of his land were totaled by hail, and Federal crop paid almost nothing. He's been able to pay his $5,294-a-year health insurance bill only by giving up some farm-related necessities, like hail insurance.

She said:

> This letter is my personal plea that Congress appreciate the value of family farmers in this country and do something to help stabilize their income.

This is from Edwin from North Dakota. He said:

> If things continue as they are now, in 10 to 15 years, you'll find very few family farms. I believe when and if this happens and the farms get big enough, the price of food will go up drastically because the companies that operate these corporate farms will then be able to hold back production until they get what they want to make a profit. I farm a 1,200-acre farm. The original farm was homesteaded by my grandad, so I'm the third generation to be out here on the family farm. I'm 61 years old and have a son who would very much like to take over the farm when I retire, and I would like nothing better. But I have no choice but to tell him that as it is now, it is almost impossible to make a living on this farm anymore.
>
> The Federal Government says they want to keep family farms viable, but the freedom to farm bill is selling them down the river, in my opinion.

Mr. President, a letter from a man named Kelly, a family farmer. He wrote to Secretary Glickman and sent me a copy of it. He said:

> You can say that a farm crisis is occurring in a small isolated area and that Mother Nature has caused all of this, but I disagree. First of all, this is not an isolated area. This is a huge area. The population is small because many farms have already been forced out of business. Mother Nature is something farmers are used to dealing with when they have the proper tools to manage the climate wrath that she can behold. But these tools have slowly been taken away from farmers as yield guarantees and crop insurance formulas are getting lower and lower each time a claim is filed. Secondly, farmers' marketing tools—export enhancement and restricted trade with Canada—have been thrown in the junk pile by two successive administrations.

I am not going to continue to read more letters, but I think everyone understands the circumstances. Let me mention, finally, a paragraph from a woman named Kristen who talks about her father:

> I spoke to my father and he said if he doesn't have a good year this year, doesn't make it this year, he probably will have to get another job and sell the farm.

She said:

> That broke my heart. My father worked so hard all his life to give me and my brother the best upbringing and education. He put me through undergraduate and graduate school. As a child, I remember not seeing him much from April until he started taking me to basketball practice in August. He got up before dawn and returned long after I went to bed. That is what family farming is. The winters were not idle, either. Intricate planning necessary to run a successful farm is done all year-round. The reason my father is struggling is not because he is not a good farmer. He doesn't spend money frivolously. There is an increase in disease ravaging his crops, and the government is cutting back the help to make up for these losses.

Well, Mr. President, you get the point. But the point is more than just that. There is suffering and there is a farm crisis. The point is that somehow this system of ours has decided that everybody else can make money with the farmer's product. Yet the persons who grow it, it is OK if they do not make any money, and it is OK if they go broke.

You raise some crops, as I mentioned a bit ago, on the farm, and ship them through the process. The people who are going to haul that crop are going to make money. We have a railroad through our State that is going to charge them twice as much to haul that grain per carload of wheat, than they would charge on another line where there is competition. From Bismarck to Minneapolis there is no competition, so a farmer is told, ''You pay $2,300 a carload to ship your wheat to Minneapolis.'' Yet, if you put the wheat on a train from Minneapolis to Chicago, which is about the same distance, you pay $1,000. Why do they charge us more than double? Because they can. That is the way the system works.

The people who haul the wheat make money. The people who mill the wheat, the flour mills, are doing just fine. About four firms control about 60 percent of that. They are doing just great, probably making record profits. Grocery interests are doing just fine.

Virtually everywhere you look, the people who turn it into breakfast food and puff it and crisp it and mangle it and shape it and box it and package it and send it to the store shelves and charge $4 for it, they do just fine. What about the person who produces it and takes all the risks and does all the work to produce the food out there in the family farm. They are the ones going broke in record numbers. In my State, they have had so many farm sales this spring they had to call auctioneers out of retirement to handle the sales.

The question for the Congress is whether we are we going to do something that says to the family farmers: ''You matter. You are important to this country, and we want to provide something that helps you in a range of areas?''

We ought to help because we have a trade system in this country that, in my judgment, sells out the interests of producers. Our system of trade is not fair. We say to farmers, ''We're upset with Cuba; therefore, we won't ship grain to Cuba, and you pay the cost of that lost market. We're upset with Libya; we will not allow you to ship grain to Libya, and you pay the cost, Mr. and Mrs. Farmer, for that lost market.''

Ten percent of the wheat market in the world is off limits to our farmers. And farmers are told that is a foreign policy judgment, and we want you to pay the cost of it. That is not fair.

We also negotiate trade agreements with Canada, Mexico, China, Japan, and many others. In every set of circumstances, somehow we end up losing. We send negotiators out and they can lose in a day. I do not understand that. Will Rogers said some 60 years ago, ''The United States of America has never lost a war and never won a conference.'' He surely must have been thinking about our trade negotiators. How can they lose so quickly?

Let s talk about Canada. They negotiated an agreement with Canada which fundamentally sells out the interests of our farmers. Every day, in every way, there is a flood of unfairly

subsidized grain coming into this country eating away at the profits of our farmers, diminishing our price.

When we say to the Canadians, ''We think you are violating the antidumping laws of this country, and we demand you open your books to our inspectors,'' they thumb their noses at us and say, ''Go fly a kite. You have no ability to determine the trade practices of Canada.'' This incidentally is happening despite the fact that the trade negotiator who negotiated the trade agreement with Canada promised in writing it would not happen. That promise was not worth the paper it was written on.

I can speak at great length about trade. Why can't we get more wheat into China? Why can't we get more beef into Japan? Why can't we get raw potatoes into Mexico? Why can you drink all the Mexican beer up here you can possibly consume in a lifetime, but try to order an American beer in Mexico. Yes, when I talk about beer, I am talking about barley. But rather than talk at great length about all of those trade problems that confront our farmers and diminish their price, my point is, this isn't their fault.

The Federal Government, through a series of policy initiatives must take some responsibility. First of all, there were bad trade deals that were negotiated poorly, and then not enforced at all. Secondly, there has been a ravaging crop disease which decimates the quantity and quality of a crop. Then third, prices have collapsed following a farm bill that was passed by this Congress. which pulled the rug out from family farmers, and left them without a working safety net.

When Congress passed the farm bill a couple years ago, the price of wheat peaked at $5.75 a bushel. They called it the Freedom to Farm bill. To pull the rug out from under family farmers and say, ''We're going to get rid of the price supports for you,'' would be like saying to the minimum wage folks, ''Let's cut the minimum wage to $1 an hour and call it freedom to work.'' That is what freedom to farm is all about.

Since freedom to farm was passed, the price of wheat has gone straight down. Now it is almost $2 a bushel below what it costs the family farmer to raise wheat or to produce wheat. Family farmers cannot continue with prices below their costs of production.

This Congress has to decide whether it wants family farmers in our country's future or doesn't it? If it does, the question becomes what can and must we do together? What can Republicans and Democrats, conservatives and liberals and moderates do together? What can and must we do together to develop some kind of basic safety net to say to family farmers, ''You matter. When prices collapse, and you are confronting monopolies on the upside and monopolies on the downside, or you are confronting unfair trade agreements, or you are confronting sanctions all around the world, or when you are confronting crop disease that is devastating your crops, then this Government cares about that, and the rest of the American people will provide some basic kind of safety net for you.''

That is going to be the question that is posed to Members of Congress in the coming couple of weeks: Do family farmers matter? If they do, what can we do together to try to say to these people, ''We'll give you some hope for the future. If you don't get a decent price at the marketplace, we'll provide a support mechanism of some type to get you over this price valley.''

For decades, this country had decided that when farm prices collapse, we will build a bridge across those price valleys, because family farming matters and we want family farmers to be able to populate this country and retain broad-based economic ownership of the land in America.

That is the question we have to confront in the next couple of days and couple of weeks as we talk about this farm crisis that gets worse by the day and is affecting more and more areas of the country.

It is true that North Dakota is hardest hit. It is true that North Dakota had a 98-percent loss of net farm income for family farmers in our State. That is devastating. But it is also the case that crop disease called scab or fusarium head blight is spreading across this country. And it is also true that collapsed grain prices eventually will cause the same kind of problems they cause for our farmers in other parts of the United States.

Mr. President, with that, I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I just want to speak for a few moments.

The PRESIDING OFFICER. I advise the Senator that, under the previous agreement, we are to adjourn at 12:30.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent to be able to speak for up to 5 minutes on an amendment that has just passed.

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

AMENDMENT NO. 3134

Mrs. HUTCHISON. Mr. President, I want to thank Senator COCHRAN and Senator BUMPERS for helping pass a sense-of-the-Senate resolution about an hour ago that addresses the devastating drought that we have been experiencing in Texas. They did it on behalf of Senator GRAMM and myself. This is a very important sense of the Senate, because it direct the Secretary of Agriculture to do everything possible to relieve the drought conditions—not to provide rain, obviously, but to do everything we can to prepare for the relief that is going to be necessary due to the economic losses that Texas farmers and ranchers are facing because of the worst drought that we have seen in my memory in the State of Texas.

In fact, it is now estimated that more than $4.6 billion in losses will result to the agriculture community according to the Texas Agricultural Extension Service. Direct losses of income to agricultural producers is $517 million, which will lead to another $1.2 billion in economic activity for the State.

What we are asking the Secretary to do is to streamline the drought declaration process to provide necessary relief as quickly as possible. The Secretary has released CRP acres in 53 counties for haying and grazing.

It will help to have these acres available for grazing because there is so little grass and few crops able to grow right now. Not only will haying the land provide food for the livestock, but it will take up dry grass so that it will not be a fire hazard.

In addition, we have asked and the President has given us an emergency declaration so that we can start positioning equipment in places where there is imminent danger of wildfires. We are very concerned about this potential because we have had so little rain for such a long period of time.

We have also ensured that the local farm agencies are equipped with full-time and emergency personnel in these drought-stricken areas to assist the producers with the disaster loan application pages. We are doing everything we can to prepare for the disaster that we are seeing unfold before our very eyes in our State right now. In fact, we have had more days of back-to-back temperatures over 100 than at any time in our State's history.

As you know, when you have, day after day after day, of no rain, and over 100-degree temperatures, it does start baking our land pretty quickly. I hope the Secretary of Agriculture will continue to respond to the requests that Senator GRAMM and I are making. As I will continue to do everything to prepare for the farmers who are losing their crops—as we speak right now—to give them the insurance that they need to get through this year economically. I want to thank both Senator COCHRAN and Senator BUMPERS for working with us to expedite this sense-of-the-Senate resolution. I just hope that, in lieu of rain, we will do everything else we can to prepare and give a cushion to the farmers and ranchers of my State that are suffering greatly right now.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Texas for her leadership in bringing to the attention of the Senate the facts about the Texas drought. We have already had news reports on that subject. It is obvious that there are very serious conditions there that need the immediate attention of the Federal Government. Her resolution, cosponsored by Senator GRAMM from Texas, will be very helpful in directing the way for this response to be made.

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.

DNA programs for forensic and identification purposes.

Sexual offender identification and registration systems.

Domestic violence offender identification and information systems.

Programs for fingerprint-supported background checks for non-criminal justice purposes including youth service employees and volunteers and other individuals in positions of trust, if authorized by federal or state law and administered by a government agency.

Criminal justice information systems with a capacity to provide statistical and research products including incident-based reporting systems and uniform crime reports.

Online and other state-of-the-art communications technologies and programs.

Multi-agency, multi-jurisdictional communications systems to share routine and emergency information among federal, state and local law enforcement agencies.

Let me just give a couple of examples from my home State of Vermont that illustrate how our comprehensive legislation will aid state and local law enforcement agencies across the country.

The future of law enforcement must focus on working together to harness the power of today s information age to prevent crime and catch criminals. One way to work together is for state and local law enforcement agencies to band together to create efficiencies of scale. For example, together with New Hampshire and Maine, the State of Vermont has pooled its resources together to build a tri-state IAFIS system to identify fingerprints. Our bipartisan legislation would foster these partnerships by allowing groups of States to apply together for grants.

Another challange for law enforcement agencies across the country is communication difficulties between federal, state and local law enforcement officials. In a recent report, the Department of Justice s National Institute of Justice concluded that law enforcement agencies throughout the nation lack adequate communications systems to respond to crimes that cross state and local jurisdictions.

A 1997 incident along the Vermont and New Hampshire border underscored this problem. During a cross border shooting spree that left four people dead including two New Hampshire state troopers, Vermont and New Hampshire officers were forced to park two police cruisers next to one another to coordinate activities between federal, state and local law enforcement officers because the two states' police radios could not communicate with one another.

The Vermont Department of Public Safety, the Vermont U.S. Attorney s Office and others have reacted to this communications problem by developing the Northern Lights proposal. This project will allow the northern borders States of Vermont, New York, New Hampshire and Maine to integrate their law enforcement communications systems to better coordinate interdiction efforts and share intelligence data seamlessly.

Our legislation would provide grants for the development of integrated Federal, State and local law enforcement communications systems to foster cutting edge efforts like the Northern Lights project.

In addition, our bipartisan legislation will help each of our States meet its obligations under national anti-crime initiatives. For instance, the FBI will soon bring online NCIC 2000 and IAFIS which will require states to update their criminal justice systems for the country to benefit. States are also being asked to participate in several other national programs such as sexual offender registries, national domestic violence legislation, Brady Act, and National Child Protection Act.

Currently, there are no comprehensive programs to support these national crime-fighting systems. Our legislation will fill this void by helping the each State meet its obligations under these Federal laws.

The Crime Identification Technology Act provides a helping hand with the heavy hand of a top-down, Washington-knows-best approach. Unfortunately, some in Congress have pushed legislation mandating minute detail changes that States must make in their laws to qualify for Federal funds. Our bill rejects this approach. Instead, we provide the States with Federal support to improve their criminal justice idenfication, information and communication systems without prescriping new Federal mandates

Mr. President, we have patterned the administration of the technology grants under our bill after the highly successful DOJ National Criminal History Improvement Program (N-CHIP),which was created by the 1993 Brady Act.

The Vermont Department of Public Safety has received funds under the N–CHIP program for the past three years and I have been proud to strongly support their efforts. With that Federal assistance, Vermont has been achieved acquiring the automated fingerprint identification system in conjunction with Maine and New Hampshire, upgrading its records repository computer systems, as well as extending their online incident-based reporting system to local jurisdictions throughout Vermont. Our bill builds on the Justice Department s existing infrastructure under the successful N-CHIP program to provide fair and effective grant administration.

I know that the Justice Department, under Attorney General Reno's leadership, has made it a priority to modernize and automate criminal history records. Our legislation will continue that leadership by providing each State with the necessary resources to continue to make important efforts to bring their criminal justice systems up to date.

I urge my colleagues in the House of Representatives to act quickly on the Crime Identification Technology Act to ensure that each State has the resources to capture the power of emerging information and communications technologies to serve and protect all of our citizens.

INTERSTATE IDENTIFICATION INDEX (III) COMPACT

Mr. LEAHY. Mr. President, I am delighted that the Senate passed, S.2294, the National Criminal History Access and Child Protection Act. I want to thank Senators HATCH, DEWINE and DASCHLE for their strong support of this legislation to enact the Interstate Identification Index (III) Compact.

This Compact is the product of a decade-long effort by federal and state law enforcement officials to establish a legal framework for the exchange of criminal history records for authorized noncriminal justice purposes, such as security clearances, employment or licensing background checks.

Since 1924, the FBI has collected and maintained duplicate state and local fingerprint cards, along with arrest and disposition records. Today, the FBI has over 200 million fingerprint cards in its system. These FBI records are accessible to authorized government entities for both criminal and authorized noncriminal justice purposes.

Maintaining duplicate files at the FBI is costly and leads to inaccuracies in the criminal history records, since follow-up disposition information from the States is often incomplete. Such a huge central database of routinely incomplete criminal history records raises significant privacy concerns.

In addition, the FBI releases these records for noncriminal justice purposes (as authorized by Federal law), to State agencies upon request, even if the State from which the records originated or the receiving State more narrowly restricts the dissemination of such records for noncriminal justice purposes.

The III Compact is an effort to get the FBI out of the business of holding a duplicate copy of every State and local criminal history record, and instead to keep those records at the State level. Once fully implemented, the FBI will only need to hold the Interstate Identification Index (III), consisting of the national fingerprint file and a pointer index to direct the requestor to the correct State records repository. The Compact would eliminate the necessity for duplicate records at the FBI for those States participating in the Compact. Eventually, when all the States become full participants in the Compact, the FBI s centralized files of state offender records will be discontinued and users of such records will obtain those records from the appropriate State s central repository (or from the FBI if the offender has a federal record).

The Compact would establish both a framework for this cooperative exchange of criminal history records for noncriminal justice purposes, and create a Compact Council with representatives from the FBI and the States to monitor system operations and issue necessary rules and procedures for the integrity and accuracy of the records and compliance with privacy standards. Importantly, this Compact would not in any way expand or diminish noncriminal justice purposes for which criminal history records may be used under existing State or Federal law.

Overall, I believe that the Compact would increase the accuracy, completeness and privacy protection for criminal history records.

In addition, the Compact would result in important cost savings from establishing a decentralized system. Under the system envisioned by the Compact, the FBI would hold only an index and pointer to the records maintained at the originating State. The FBI would no longer have to maintain duplicate State records. Moreover, States would no longer have the burden and costs of submitting arrest fingerprints and charge/disposition data to the FBI for all arrests. Instead, the State would only have to submit to the FBI the fingerprints and textual identification data for a person s first arrest.

With this system, criminal history records would be more up-to-date, or complete, because a decentralized system will keep the records closer to their point of origin in State repositories, eliminating the need for the States to keep sending updated disposition information to the FBI. To ensure further accuracy, the Compact would require requests for criminal history checks for noncriminal justice purposes to be submitted with fingerprints or some other form of positive identification, to avoid mistaken release of records.

Furthermore, under the Compact, the newly created Council must establish procedures to require that the most current records are requested and that when a new need arises, a new record check is conducted.

Significantly, the newly created Council must establish privacy enhancing procedures to ensure that requested criminal history records are only used by authorized officials for authorized purposes. Furthermore, the Compact makes clear that only the FBI and authorized representatives from the State repository may have direct access to the FBI index. The Council must also ensure that only legally appropriate information is released and, specifically, that record entries that may not be used for noncriminal justice purposes are deleted from the response.

Thus, while the Compact would require the release of arrest records to a requesting State, the Compact would also ensure that if disposition records are available that the complete record be released. Also, the Compact would require States receiving records under the Compact to ensure that the records are disseminated in compliance with the authorized uses in that State. Consequently, under the Compact, a State that receives arrest-only information would have to give effect to disposition-only policies in that State and not release that information for noncriminal justice purposes. Thus, in my view, the impact of the Compact for the privacy and accuracy of the records would be positive.

I am pleased to have joined with Senators HATCH and DEWINE to make a number of refinements to the Compact as transmitted by to us by the Administration. Specifically, we have worked to clarify that (1) the work of the Council includes establishing standards to protect the privacy of the records; (2) sealed criminal history records are not covered or subject to release for noncriminal justice purposes under the Compact; (3) the meetings of the Council are open to the public, and (4) the Council s decisions, rules and procedures are available for public inspection and copying and published in the Federal Register.

Commissioner Walton of the Vermont Department of Public Safety supports this Compact. He hopes that passage of the Compact will encourage Vermont to become a full participant in III for both criminal and noncriminal justice purposes, so that Vermont can reap the benefits of cost savings and improved data quality. The Compact is also strongly supported by the FBI and SEARCH.

We all have an interest in making sure that the criminal history records maintained by our law enforcement agencies at the local, State and Federal levels, are complete, accurate and accessible only to authorized personnel for legally authorized purposes. This Compact is a significant step in the process of achieving that goal.

PERFORMANCE OF BILL LANN LEE

Mr. LEAHY. Mr. President, the Senate Judiciary Committee has repeatedly postponed hearings regarding the performance of the Civil Rights Division of the Justice Department, including one that had been noticed for this morning. I am disappointed that this hearing was canceled because it would have offered us a chance to look at the outstanding on-the-job performance of Bill Lann Lee, our Acting Assistant Attorney General for Civil Rights.

At the end of last year, Bill Lee got caught up in one of the political whirlwinds that hit Washington every now and then. The result was that he became a victim of the right wing anti-affirmative action lobby and was denied a fair chance at a vote by the full Senate on his nomination to head the Civil Rights Division. Bill Lee was mischaracterized last fall as a wild-eyed radical and as someone ready to impose an extreme agenda on the United States. He was also mis-portrayed as a supporter of quotas.

I knew nothing could be further from the truth. After looking at Bill Lee's record, I knew he was a man who could effectively lead the Civil Rights Division, enforce the law and resolve disputes. I noted at the time: ''He has been involved in approximately 200 cases in his 23 years of law practice, and he has settled all but six of them. Clearly, this is strong evidence that Mr. Lee is a problem solver and practical in his approach to the law. No one who has taken the time to thoroughly review his record could call him an idealogue.'' I recognized last fall that Bill Lee would be reasonable and practical in his approach to the job, and that he would be a top-notch enforcer of the Nation's civil rights laws.

Last December, after this nomination was blocked from going to the Senate for an up or down vote, the President and the Attorney General determined that the right thing to do was to have Bill Lee proceed to act as the head of the Civil Rights Division and to resubmit his nomination to the Senate. The Nation needs leadership in this important position. Bill Lee has been serving for seven months now, and he has established a solid track record. It is a shame that today's hearing was canceled, because it would have been a chance to show the Nation what an outstanding job he is doing for all Americans.

In preparation for the scheduled hearing, I have had a chance to take a close look at what Bill Lee has been doing while serving as the acting head of the Civil Rights Division. What I find is a record of strong accomplishments. In addition, I see professionalism and effective problem solving. I find him enforcing the law in a sensible and fair manner.

Over the past seven months, the Division has focused most intensely on three areas of the law: violations of our Nation's fair housing laws, enforcement of the Americans with Disabilities Act (''ADA''), and cases involving hate crimes. Bill Lee and his team of civil rights attorneys have made advances in each of these areas of the law.

The Division has resolved the following housing discrimination cases over the past few months:

An agreement was reached with two large New Jersey apartment complexes resolving allegations that the defendants had discriminated against potential renters based on family status and race. A housing discrimination case in Michigan was settled involving an apartment manager who told black applicants that no apartments were available at the same time that he was showing vacant apartments to white applicants. An agreement was also reached with the second largest real estate company in Alabama, which had been steering applicants to agents and residential areas based on race.

The Civil Rights Division has also focused on educating the public about

the ADA and enforcing it where necessary. These cases have included: resolution of a case in Hawaii to allow those who are vision impaired to travel to the State without having to quarantine their guide dogs for four months in advance of arrival; a consent decree with the National Collegiate Athletic Association so that high school athletes with learning disabilities have the opportunity to compete for scholarships and participate in college athletics; an agreement with private hospitals in Connecticut to ensure patients who are deaf have access to sign-language interpreters; and assistance to the State of Florida to update their building code to bring it into compliance with the ADA. Florida joins Maine, Texas and Washington State in having a certified building code thereby ensuring better compliance with the ADA by architects, builders and contractors within the State.

The Civil Rights Division has also resolved several hate crimes cases over the past seven months, including: In Idaho, six men pled guilty to engaging in a series of racially motivated attacks on Mexican American men, women and children, some as young as 9; in Arizona, three members of a skinhead group pled guilty to burning a cross in the front yard of an African American woman; and in Texas, a man pled guilty to entering a Jewish temple and firing several gun shots while shouting anti-Semitic slurs.

The Division has also been vigorously enforcing its criminal statutes, including: indictments against three people in Arkansas charged with church burning; guilty pleas by 16 Puerto Rico correctional officers who beat 22 inmates and then tried to cover it up; cases arising from Mexican women and girls, some as young as 14, being lured to the U.S. and then being forced into prostitution; and guilty pleas from 18 defendants who forced 60 deaf Mexican nationals to sell trinkets on the streets of New York. Out of concerns about slavery continuing in the U.S., Bill Lee has created a Worker Exploitation Task Force to coordinate enforcement efforts with the Department of Labor. I commend Mr. Lee for putting the spotlight on these shameful crimes.

Other significant cases which the Civil Rights Division has handled in the past few months include the following: several long-standing school desegregation cases were settled or their consent decrees were terminated, including cases in Kansas City, Kansas; San Juan County, Utah; and Indianapolis, Indiana. Japanese-Latin Americans who were deported and interned in the United States during World War II finally received compensation this year. Lawsuits in Ohio and Washington, D.C. were settled to allow women access to women's health clinics.

This record indicates that Bill Lee has been running the Division the way it should be run. Here in Washington, where we have lots of show horses, Bill Lee is a work horse—a dedicated public official who is working hard to help solve our Nation's problems. I like people who get the job done. I commend Bill Lann Lee and the many hard-working professionals at the Civil Rights Division.

Bill Lee has served as acting head of the Civil Rights Division for seven months now. Given the claims made by many in the Senate last fall that Mr. Lee would lead the Division astray, you might expect that he would be in the headlines every day associated with some extreme decision. Instead, we have seen the strong and steady work of the Division—solid achievements and effective law enforcement.

Just last week, I received a letter from Governor Zell Miller of Georgia that is emblematic of the record that Bill Lee has established. Governor Miller discusses Bill Lee's efficient and effective ability to settle an action which involved Georgia's juvenile detention facilities. He notes that he was not exactly a fan of the Civil Rights Division before Bill Lee came along and writes that he ''was fearful that Georgia would be unable to get a fair forum in which to present our position, and that we would once again be compelled to engage in protracted and expensive litigation.'' Governor Miller writes that his fears were unfounded, that the parties engaged in ''intensive and expeditious negotiations'' and reached a fair agreement. Governor Miller also notes:

> I have indicated to Mr. Lee both personally and publicly that he and his staff treated Georgia with professionalism, fairness, and respect during our negotiations. Under the direction of Bill Lann Lee, what began as a potentially divisive and litigious process was transformed into an atmosphere where the State was able to have its case heard fairly, resulting in a reasonable agreement benefiting all parties. This is the way in which the Civil Rights Division should operate in its dealings with the states, and I am pleased to commend Mr. Lee and his staff for their efforts in this matter.

Bill Lee continues to build on his reputation as a professional and effective negotiator who routinely earns praise from opposing parties. I had high expectations for Bill Lee when he was nominated and I have not been disappointed. He is doing a terrific job, and I know that he will keep up the good work.

The President renominated Bill Lann Lee to be Assistant Attorney General in charge of the Civil Rights Division on January 29 of this year. Given his outstanding performance over the past seven months, I hope Chairman HATCH and the other Republican members of the Judiciary Committee will reconsider his nomination, review his record and favorably report the nomination of Bill Lee to the Senate so that he may be confirmed as the Assistant Attorney General for Civil Rights. Bill Lee deserves it.

I ask unanimous consent that the letter from Governor Miller of Georgia be printed in the RECORD.

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

STATE OF GEORGIA,
OFFICE OF THE GOVERNOR,
Atlanta, July 9, 1998.

Hon. ORRIN HATCH,
U.S. Senate, Russell Senate Office Building, Washington, DC.

Hon. PATRICK LEAHY,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATORS HATCH AND LEAHY: It is my understanding that you are conducting an oversight hearing concerning the Civil Rights Division of the United States Department of Justice. The purpose of this letter is to advise you of the State of Georgia's recent experience with the Civil Rights Division, which ultimately resulted in a joint agreement concerning our state juvenile detention facilities.

During much of 1997, representatives of the Civil Rights Division investigated certain alleged conditions and practices in detention facilities operated by Georgia's Department of Juvenile Justice. The Justice Department received full cooperation from state officials during its investigation

When the Justice Department's findings letter was released earlier this year, I was very upset with the manner in which the letter was issued and many of the comments contained in that correspondence. Frankly, given our state's prior experiences with the Department of Justice in general, and the Civil Rights Division in particular, I was fearful that Georgia would be unable to get a fair forum in which to present our position, and that we would once again be compelled to engage in protracted and expensive litigation.

I, members of my staff, and the Attorney General of Georgia made these concerns known to Acting Assistant Attorney General Bill Lann Lee and other Justice Department officials. We indicated a willingness to discuss the Justice Department's concerns and reach a reasonable resolution, as long as the legitimate interests of the State of Georgia in insuring public safety and developing its own policies would be honored.

After intensive and expeditious negotiations, the State of Georgia and the Department of Justice, through its Civil Rights Division directed by Mr. Lee, arrived at a Memorandum of Agreement which recognizes Georgia's legitimate interests to protect its citizens and set its own policies while, at the same time, improve services for youths in state custody. I have indicated to Mr. Lee both personally and publicly that he and his staff treated Georgia with professionalism, fairness, and respect during our negotiations.

Under the direction of Bill Lann Lee, what began as a potentially divisive and litigious process was transformed into an atmosphere where the State was able to have its case heard fairly, resulting in a reasonable agreement benefiting all parties.

This is the way in which the Civil Rights Division should operate in its dealings with the states, and I am pleased to commend Mr. Lee and his staff for their efforts in this manner.

With kindest regards, I remain.

Sincerely,

ZELL MILLER.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting one nomination which was referred to the Committee on Energy and Natural Resources.

(The nomination received today is printed at the end of the Senate proceedings.)

REPORT CONCERNING THE COMPREHENSIVE NATIONAL ENERGY STRATEGY—MESSAGE FROM THE PRESIDENT—PM 142

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources.

To the Congress of the United States:

I am pleased to transmit the Comprehensive National Energy Strategy (Strategy) to the Congress. This report required by section 801 of the Department of Energy Organization Act (Public Law 95–91; 42 U.S.C. 7321(b)), highlights our national energy policy. It contains specific objectives and plans for meeting five essential, common sense goals enumerated in the accompanying message from Secretary Peña.

Energy is a global commodity of strategic importance. It is also a key contributor to our economic performance, and its production and use affect the environment in many ways. Thus, affordable, adequate, and environmentally benign supplies of energy are critical to our Nation's economic, environmental, and national security.

The Strategy reflects the emergence and interconnection of three preeminent challenges in the late 1990s: how to maintain energy security in increasingly globalized energy markets; how to harness competition in energy markets both here and abroad; and how to respond to local and global environmental concerns, including the threat of climate change. The need for research and development underlies the Strategy, which incorporates recommendations of my Committee of Advisors on Science and Technology (PCAST) for improvements in energy technologies that will enable the United States to address our energy-related challenges. Advances in energy technology can strengthen our economy, reduce our vulnerability to oil shocks, lower the cost of energy to consumers, and cut emissions of air pollutants as well as greenhouse gases.

This Strategy was developed over several months in an open process. Three public hearings were held earlier this year in California, Texas, and Washington, D.C., and more than 300 public comments were received. This Strategy is not a static document; its specifics can be modified to reflect evolving conditions, while the framework provides policy guidance into the 21st century. My Administration looks forward to working with the Congress to implement the Strategy and to achieve its goals in the most effective manner possible.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 14, 1998.*

REPORT ON FEDERAL ADVISORY COMMITTEES FOR FISCAL YEAR 1997—MESSAGE FROM THE PRESIDENT—PM 143

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs.

To the Congress of the United States:

As provided by the Federal Advisory Committee Act (FACA), as amended (Public Law 92–463; 5 U.S.C. App. 2, 6(c)), I am submitting the *Twenty-sixth Annual Report on Federal Advisory Committees,* covering fiscal year 1997.

Consistent with my commitment to create a more responsive government, the executive branch continues to implement my policy of maintaining the number of advisory committees within the ceiling of 534 required by Executive Order 12838 of February 10, 1993. As a result, the number of discretionary advisory committees (established under general congressional authorizations) was held to 467, or 42 percent fewer than those 801 committees in existence at the beginning of my Administration.

Through the advisory committee planning process required by Executive Order 12838, the total number of advisory committees specifically mandated by statute has declined. The 391 such groups supported at the end of fiscal year 1997 represents a 4 percent decrease over the 407 in existence at the end of fiscal year 1996. Compared to the 439 advisory committees mandated by statute at the beginning of my Administration, the net total for fiscal year 1997 reflects an 11 percent decrease since 1993.

Furthermore, my Administration will assure that the total estimated costs to fund these groups in fiscal year 1998, or $43.8 million, are dedicated to support the highest priority public involvement efforts. We will continue to work with the Congress to assure that all advisory committees that are required by statute are regularly reviewed through the congressional reauthorization process and that any such new committees proposed through legislation are closely linked to national interests.

Combined savings achieved through actions taken by the executive branch to eliminate unneeded advisory committees during fiscal year 1997 were $2.7 million, including $545,000 saved through the termination of five advisory committees established under Presidential authority.

During fiscal year 1997, my Administration successfully worked with the Congress to clarify further the applicability of FACA to committees sponsored by the National Academy of Sciences (NAS) and the National Academy of Public Administration (NAPA). This initiative resulted in the enactment of the Federal Advisory Committee Act Amendments of 1997 (Public Law 105–153), which I signed into law on December 17, 1997. The Act provides for new and important means for the public and other interested stakeholders to participate in activities undertaken by committees established by the Academies in support of executive branch decisionmaking processes.

As FACA enters its second quarter-century during fiscal year 1998, it is appropriate for both the Congress and my Administration to continue examining opportunities for strengthening the Act's role in encouraging and promoting public participation. Accordingly, I am asking the Administrator of General Services to prepare a legislative proposal for my consideration that addresses an overall policy framework for leveraging the public's role in Federal decisionmaking through a wide variety of mechanisms, including advisory committees.

By jointly pursuing this goal, we can fortify what has been a uniquely American approach toward collaboration. As so aptly noted by Alexis de Tocqueville in *Democracy in America* (1835), ''In democratic countries knowledge of how to combine is the mother of all other forms of knowledge; on its progress depends that of all the others.'' This observation strongly resonates at this moment in our history as we seek to combine policy opportunities with advances in collaboration made possible by new technologies, and an increased desire of the Nation's citizens to make meaningful contributions to their individual communities and their country.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 14, 1998.*

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 7, 1997, the Secretary of the Senate, on July 14, 1998, during the adjournment of the Senate, received a message from the House of Representatives announcing that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 2282. An act to amend the Arms Export Control Act, and for other purposes.

ENROLLED BILL SIGNED

The following enrolled bill, previously signed by the Speaker pro tempore of the House, was signed on today, July 14, 1998, by the President pro tempore (Mr. THURMOND):

H.R. 1635. An act to establish within the United States National Park Service the National Underground Railroad Network to Freedom program, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–6000. A communication from the Director of the Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Shrimp Fishery of the Gulf of Mexico; Texas Closure'' received on July 10, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6001. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Metric Equivalents'' (RIN2137–AC98) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6002. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Special Local Regulations; Winter Harbor Lobster Boat Race, Winter Harbor, ME'' (Docket 01–96–008) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6003. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Regulated Navigation Area; Ohio River, Mile 461.0–462.0, Cincinnati, OH'' (Docket 08–98–038) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6004. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Operation Regulations; Beaufort Channel, Beaufort, North Carolina'' (Docket 05–97–080) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6005. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Special Local Regulations for Marine Events; Norfolk Harbor, Elizabeth River, Norfolk and Portsmouth, Virginia'' (Docket 05–98–046) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6006. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Special Local Regulations; Swim Buzzards Bay Day, New Bedford, MA'' (Docket 01–96–015) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6007. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety Zone Regulations; Baptiste Collette Bayou Channel, Mile 11.5, Left Descending Bank, Lower Mississippi River, Above Head of Passes'' received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6008. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Special Local Regulations; Parker International Waterski Marathon'' (Docket 11–98–001) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6009. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Special Local Regulations for Marine Events; Virginia is for Lovers Cup Unlimited Hydroplane Races, Willoughby Bay, Norfolk, Virginia'' (Docket 05–98–045) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6010. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Special Local Regulations for Marine Events; Dragon Boat Races, Inner Harbor, Baltimore, Maryland'' (Docket 05–98–047) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6011. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Airbus Model A300, A310, A300–600 Series Airplanes'' (Docket 98–NM–132–AD) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6012. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Airbus Model A319, A320, and A321 Series Airplanes'' (Docket 98–NM–93–AD) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6013. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Boeing Model 767 Series Airplanes'' (Docket 98–NM–95–AD) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6014. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Boeing Model 747 Series Airplanes'' (Docket 98–NM–145–AD) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6015. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Johnson City, TX'' (Docket 98–ASW–33) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6016. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revocation of Class E Airspace; Spofford, TX'' (Docket 98–ASW–21) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6017. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Boeing Model 747–400, 757, 767, and 777 Series Airplanes Equipped with AlliedSignal RIA–35B Instrument Landing System Receivers'' (Docket 98–NM–155–AD) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6018. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Fokker Model F27 Mark 100, 200, 300, 400, 500, 600, and 700 Series Airplanes, and Model F27 Mark 050 Series Airplanes'' (Docket 97–NM–139–AD) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6019. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Turbopropeller-Powered McDonnell Douglas Model DC–3 and DC–3C Series Airplanes'' (Docket 97–NM–72–AD) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6020. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class D Airspace, San Diego, North Island NAS, CA'' (Docket 98–AWP–14) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6021. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Dornier Model 328–100 Series Airplanes'' (Docket 98–NM–123–AD) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6022. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Morgan City, LA'' (Docket 98–ASW–36) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6023. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Refugio, TX'' (Docket 98–ASW–34) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6024. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Pascagoula, MS'' (Docket 98–ASW–38) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6025. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Cameron, LA'' (Docket 98–ASW–38) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6026. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Theodore, AL'' (Docket 98–ASW–39) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6027. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class D Airspace; San Antonio, Kelly AFB, TX'' (Docket 98–ASW–35) received on July 9, 1998; to the Committee on Commerce, Science, and Transportation.

EC–6028. A communication from the Secretary of Defense, transmitting, notice of military retirements; to the Committee on Armed Services.

EC–6029. A communication from the Director, Operational Test and Evaluation, Office of the Secretary of Defense, transmitting, certification that realistic survivability testing of the DDG 51 Flight IIA class of naval ship would be unreasonably expensive and impractical; to the Committee on Armed Services.

EC–6030. A communication from the Chief Counsel of the Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Sudanese Sanctions Regulations'' received on June 29, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–6031. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule regarding 1993 Periodic Carbon Monoxide Emission Inventories for Colorado (FRL6124–4) received on July 10, 1998; to

the Committee on Environment and Public Works.

EC–6032. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled ''Maritime Terrorism: A Report to Congress'' for calendar year 1997; to the Committee on Foreign Relations.

EC–6033. A communication from the Assistant Secretary of Labor for Occupational Safety and Health Administration, transmitting, pursuant to law, the report of a rule entitled ''Standards Improvement (Miscellaneous Changes) For General Industry and Construction Standards; Paperwork Collection of Coke Oven Emissions and Inorganic Arsenic'' (RIN1218–AB53) received on July 8, 1998; to the Committee on Labor and Human Resources.

EC–6034. A communication from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled ''Schedule for Rating Disabilities: Cold Injuries'' (RIN2900–AI46) received on July 10, 1998; to the Committee on Veterans Affairs.

EC–6035. A communication from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled ''Provision of Drugs and Medicines to Certain Veterans in State Homes'' (RIN2900–AJ34) received on July 10, 1998; to the Committee on Veterans Affairs.

EC–6036. A communication from the Chairman of the National Labor Relations Board, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1997 through March 31, 1998; to the Committee on Governmental Affairs.

EC–6037. A communication from the Principal Deputy, Acquisition and Technology, Department of Defense, transmitting, pursuant to law, the report of Department of Defense purchases from foreign entities for fiscal year 1997; to the Committee on Armed Services.

EC–6038. A communication from the Secretary of Defense, transmitting, pursuant to law, a report entitled ''Military Capabilities of the People's Republic of China''; to the Committee on Armed Services.

EC–6039. A communication from the Acting Chairman of the Depositor Protection Oversight Board, transmitting, pursuant to law, the report on the Resolution Funding Corporation for calendar year 1997; to the Committee on Banking, Housing, and Urban Affairs.

EC–6040. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the Federal Transit Administration's charter bus demonstration program; to the Committee on Environment and Public Works.

EC–6041. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Food Additives Permitted for Direct Addition to Food for Human Consumption; Acesulfame Potassium'' (Docket 93F–0286) received on July 9, 1998; to the Committee on Labor and Human Resources.

EC–6042. A communication from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting, pursuant to law, the report of a rule entitled ''General Services Administration Acquisition Regulation; 10 Day Payment Clause for Certain Federal Supply Service Contracts and Authorized Price Lists Under Federal Supply Service'' (RIN3090–AG47) received on July 9, 1998; to the Committee on Governmental Affairs.

EC–6043. A communication from the Acting Assistant Attorney General, Department of Justice, transmitting, pursuant to law, a report on the Civil Rights of Institutionalized Persons Act for fiscal year 1997; to the Committee on the Judiciary.

EC–6044. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within seven days of enactment (Report 445); to the Committee on the Budget.

EC–6045. A communication from the President of the United States, transmitting, pursuant to law, a report on the emigration laws and policies of Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; to the Committee on Finance.

EC–6046. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Gypsy Moth Generally Infested Areas'' (Docket 98–072–1) received on July 13, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6047. A communication from the Acting Associate Chief of the Forest Service, Department of Agriculture, transmitting, pursuant to law, a report of Forest Service accomplishments for fiscal year 1997; to the Committee on Agriculture, Nutrition, and Forestry.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MACK (for himself, Mr. BREAUX, Mr. CHAFEE, Mr. MURKOWSKI, Mr. HATCH, Mr. D'AMATO, Mr. ROCKEFELLER, Mr. GRAMM, Mr. WARNER, Mrs. HUTCHISON, Mr. DODD, Mr. GREGG, Mr. ROBB, Mr. THURMOND, Mr. LIEBERMAN, and Mr. COCHRAN):

S. 2296. A bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the amount of receipts attributable to military property which may be treated as exempt foreign trade income; to the Committee on Finance.

By Mr. GORTON:

S. 2297. A bill to provide for the distribution of certain publications in units of the National Park System under a sales agreement between the Secretary of the Interior and a private contractor; to the Committee on Energy and Natural Resources.

S. 2298. A bill to provide for enforcement of title II of the Civil Rights Act of 1968, commonly known as the ''Indian Civil Rights Act''; to the Committee on Indian Affairs.

S. 2299. A bill to provide for the enforcement of certain contracts made by Indian tribes; to the Committee on Indian Affairs.

S. 2300. A bill to provide for the collection of certain State taxes from an individual who is not a member of an Indian tribe; to the Committee on Indian Affairs.

S. 2301. A bill to provide for accountability by Indian tribes under certain Federal environmental laws, and for other purposes; to the Committee on Indian Affairs.

S. 2302. A bill to provide for tort liability insurance for Indian tribes, and for other purposes; to the Committee on Indian Affairs.

By Mr. LEAHY (for himself and Mr. BIDEN):

S. 2303. A bill to deter and punish international crime, to protect United States nationals and interests at home and abroad, and to promote global cooperation against international crime; to the Committee on the Judiciary.

By Mr. BENNETT:

S. 2304. A bill to amend the Internal Revenue Code of 1986 to allow the carryover of unused nontaxable benefits under cafeteria plans, flexible spending arrangements, and health flexible spending accounts; to the Committee on Finance.

By Mr. DURBIN:

S. 2305. A bill for the relief of Nizar Sweilem and Hassan Sweilem; to the Committee on the Judiciary.

By Mr. BURNS (for himself and Mr. MCCAIN):

S. 2306. A bill to require the Federal Communications Commission to modify its duopoly rule for multiple ownership of television stations; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MACK (for himself, Mr. BREAUX, Mr. CHAFEE, Mr. MURKOWSKI, Mr. HATCH, Mr. D'AMATO, Mr. ROCKEFELLER, Mr. GRAMM, Mr. WARNER, Mrs. HUTCHISON, Mr. DODD, Mr. GREGG, Mr. ROBB, Mr. THURMOND, Mr. LIEBERMAN, and Mr. COCHRAN):

S. 2296. A bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the amount of receipts attributable to military property which may be treated as exempt foreign trade income; to the Committee on Finance.

DEFENSE JOBS AND TRADE PROMOTION ACT OF 1998

Mr. MACK. Mr. President, I rise to introduce the Defense Jobs and Trade Promotion Act of 1998. This bill will eliminate a provision of tax law which discriminates against United States exporters of defense products.

Other nations have systems of taxation which rely less on corporate income taxes and more on value-added taxes. By rebating the value-added taxes for products that are exported, these nations lower the costs of their exports and provide their companies a competitive advantage that is not based on quality, ingenuity, or resources but rather on tax policy.

In an attempt to level the playing field, our tax code allows U.S. companies to establish Foreign Sales Corporations (FSCs) through which U.S.-manufactured products may be exported. A portion of the profits from FSC sales are exempted from corporate income taxes, to mitigate the advantage that other countries give their exporters through value-added tax rebates.

But the tax benefits of a FSC are cut in half for defense exporters. This 50% limitation is the result of a compromise enacted 22 years ago as part of the predecessor to the FSC provisions. This compromise was not based on policy considerations, but instead merely split the difference between members who believed that the U.S. defense industry was so dominant in world markets that the foreign tax advantages

were inconsequential, and members who believed that all U.S. exporters should be treated equally.

Today, U.S. defense manufacturers face intense competition from foreign businesses. With the sharp decline in the defense budget over the past decade, exports of defense products play a prominent role in maintaining a viable U.S. defense industrial base. It makes no sense to allow differences in international tax systems to stand as an obstacle to exports of U.S. defense products. We must level the international playing field for U.S. defense product manufacturers.

The fifty percent exclusion for sales of defense products makes even less sense when one considers that the sale of every defense product to a foreign government requires the determination of both the President and the Congress that the sale will strengthen the security of the United States and promote world peace. This is more than a matter of fair treatment for all U.S. exporters. National security is enhanced when our allies use U.S.-manufactured military equipment, because of its compatibility with equipment used by our armed forces.

The bill I am introducing today will repeal the provision of the Foreign Sales Corporation laws that discriminates against U.S. defense product manufacturers, enhancing both the competitiveness of U.S. companies in world markets and our national security.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Defense Jobs and Trade Promotion Act of 1998''.

SEC. 2. REPEAL OF LIMITATION ON RECEIPTS ATTRIBUTABLE TO MILITARY PROPERTY WHICH MAY BE TREATED AS EXEMPT FOREIGN TRADE INCOME.

(a) IN GENERAL.—Subsection (a) of section 923 of the Internal Revenue Code of 1986 (defining exempt foreign trade income) is amended by striking paragraph (5) and by redesignating paragraph (6) as paragraph (5).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

By Mr. GORTON:

S. 2297. A bill to provide for the distribution of certain publications in units of the National Park System under a sales agreement between the Secretary of the Interior and a private contractor; to the Committee on Energy and Natural Resources.

NATIONAL PARKS MAGAZINE PROPOSAL LEGISLATION

• Mr. GORTON. Mr. President, as Chairman of the Senate Interior Appropriations Subcommittee responsible for funding the National Park System's annual budget and as a long time resident of Washington State—home to some of the true crown jewels of the system, I have long held both a personal and professional interest in ensuring that our parks are adequately funded and well maintained.

Unfortunately in recent years due to declining budgets, more units added to the system, and substantial increases in visitation, our park system faces some serious challenges. All told, the total unfunded backlog in maintenance, resource stabilization, infrastructure repair and employee housing alone is a staggering $8.7 billion.

While I have done everything I can to ensure that the National Park Service receives annual increases at a time when overall funding for the Department of Interior continues to decline, the fact is new, innovative ideas are imperative to overcome this desperate situation. For this reason, I have promoted such ideas in my Interior Appropriations bill.

One idea that was incorporated into our bill during the 104th Congress was the establishment of the recreation fee demonstration program. Under this three-year pilot program, individual units of the National Park and National Forest systems that charge an additional entry fee get to keep 80% of the receipts collected from that fee within the park or forest unit to help address the backlog of operational and maintenance needs.

The user fee program is designed to give each unit more authority over the resources needed to maintain facilities, to repair roads and other areas in need of up keep. While nobody likes higher fees, I have long believed that the public is willing to pay more to visit these national treasures if it could be assured that such increases went to addressing critical needs at the parks they visited. The recreation fee demonstration program is a small, but positive step forward in this direction.

More recently, I have gotten behind the ideas and efforts of Senator CRAIG THOMAS, Chairman of the authorizing subcommittee on national parks. Senator THOMAS recently developed a comprehensive and forward thinking proposal to reinvigorate the park system. In addition to making my Recreation Fee Demonstration Program permanent and extending it to all units of the National Park System, Senator THOMAS' proposal which passed the Senate last month contains a number of reforms which would improve overall services at our parks and hopefully generate more revenue. I am pleased to have supported Senator THOMAS in this effort both as a fellow member of the Senate Energy Committee and on the Senate floor.

In addition to my colleagues and my own ideas, I am also relying on the suggestions of the recreation community in my state of Washington which is home to the Olympic, Mount Ranier, and North Cascades National Parks. Recently, I was approached by Mr. John Taylor, a constituent of mine from the Seattle area, who came up with a thoughtful—albeit narrower proposal—which only furthers the interests of the system. This idea would create a National Park Service magazine similar to that established by the National Smithsonian Institution through its publication of the Smithsonian Magazine.

A National Park magazine would be created for people who visit or have a particular interest in our parks, their programs, and purpose. The plan is to create a high quality commercial consumer publication that will have broad appeal and park specific sections that will provide useful information and serve as a guide for the park where a specific edition is distributed.

Revenue generated from the sale of advertising in the magazine as well as from the sale of the publication itself would go directly to the Park in which the magazines are sold. Proponents of such a project inform me that such a magazine would generate $45 million for the National Park Service over the first 5 years of publication and $10–$12 million each year thereafter.

Unfortunately, current Park Service regulations severely restrict the sale of publications which contain advertising in units of the national park. Existing regulations are unnecessary in this case because a magazine for the national parks would no more commercialize the parks than the Smithsonian Magazine commercializes the Smithsonian Institution.

Ads in a Park publication are very different than corporate signs and corporate sponsorships in the parks. Magazines are invisible except to those who purchase them. They don't enter the landscape in any way. They don't alter infrastructure. They don't use facilities. They don't express or imply any kind of ownership or funding of any part of the Parks by sponsoring companies. Nor do they imply an endorsement of the product by the National Park Service. Moreover, individual parks have for years distributed information, maps and so on which contain ads from local community sponsors to cover their cost. A National Park Service magazine is merely an expansion of this idea.

Because of current NPS administrative roadblocks, I am introducing legislation which would correct this problem and allow the Park Service to begin consideration of magazine proposals. The entire cost of the project will be covered by the advertising and sales revenue the publication will generate through the large anticipated readership. The Park Service not only gains a vehicle for educating and informing the public about Parks—something that has been sorely needed for years—it does so at no cost. In fact under this proposal, it could do so while generating revenue for the Parks.

While the revenue generated from this proposal is a mere pittance compared to the multibillion backlog our

parks currently face, the continued development and implementation of ideas such as this are critical to the long term restoration of our parks. I believe every Senator has an obligation to listen to good ideas at the grass roots level that help solve this growing problem. With budgets continuing to decline and demands only increasing for recreational outlets. Congress must continue to rely on the interested public for creative solutions that will generate more revenue for this important purpose.●

By Mr. BENNETT:

S. 2304. A bill to amend the Internal Revenue Code of 1986 to allow the carryover of unused nontaxable benefits under cafeteria plans, flexible spending arrangements, and health flexible spending accounts; to the Committee on Finance.

FLEXIBLE SPENDING ACCOUNTS LEGISLATION

● Mr. BENNETT. Mr. President, today I introduce a bill to provide individuals with greater control over their health care choices and dollars. This legislation will allow individuals enrolled in Flexible Spending Accounts (FSA) at year's end to move unutilized funds in the amount of $500 or less to other tax protected accounts such as: a medical savings account, an individual retirement account or a 401k account.

A flexible spending account is one of the options available to employers as they provide benefits to their employees. At the beginning of the year the employer gives the employee a set number of pre-tax benefit dollars which they can then allocate to any one or combination of the IRS approved FSA uses: health care, life insurance, day care, vacation, or retirement. The employee then must determine at the beginning of the year the number of dollars they will put in each account. In most cases the employee hopes they have made the appropriate allocation. If the employee has over funded a particular account they lose those benefit dollars at the end of the year.

About 21.7 million Americans lose between $125 to $200 every year because of a 1984 Internal Revenue Service regulation that governs FSAs. Every year Americans lose between $4.3 and $2.7 billion due to this IRS regulation! The regulation mandates that individuals with FSAs must either ''use-it-or-lose-it.'' In other words, if you do not spend your money by the end of the year, your employer gets to keep the money you don't spend!

This legislation will allow individuals enrolled in flexible spending accounts at year's end to ''rollover'' or move up to $500 per year from their FSA into one of the approved accounts including: IRAs, MSAs, or 401ks. The funds rolled over into an appropriate account would be treated for tax purposes as a rollover contribution for the taxable year from which it was unused. The $500 allowable rollover would be indexed in increments of $50 and rounded to the lowest multiple of $50.

I believe this small change would have a significant impact on individuals and their health care. First, the incentive would be to spend these dollars only on health care services that are necessary, thus encouraging rational health care spending rather than the irrational health care spending promoted by the ''use-it-or-lose-it'' policy. Second, individuals would be more inclined to open up a MSA, and in doing so they would have both greater portability and greater choice. This would empower individuals by giving them greater control over their own health care dollars and expand access and choice. Third, more rational spending is likely to translate into lower health care costs and greater competition.

I hope the Senate will act swiftly to hold hearings and to move this legislation through the committee process to the Senate floor for final consideration. I would urge my colleagues to support this legislation and would welcome their cosponsorship. ●

By Mr. DURBIN:

S. 2305. A bill for the relief of Nizar Sweilem and Hassan Sweilem; to the Committee on the Judiciary.

PRIVATE RELIEF LEGISLATION

● Mr. DURBIN. Mr. President, today I introduce a private relief bill, under the Immigration and Nationality Act, that would grant Nizar and Hassan Sweilem permanent residence in the United States. Nizar and Hassan Sweilem are natives and citizens of Lebanon. They are also brothers.

The Sweilem brothers have lived in Des Plaines, Illinois for fourteen years and have made the most of this opportunity to obtain a first-class education in this country. Nizar recently earned a Ph.D. in biochemistry from the University of Illinois at Chicago. Hassan earned a B.S. in Political Science and is completing a degree in Computer Science also at the University of Illinois.

Both Nizar and Hassan were born in Beirut, Lebanon. They entered the United States as children in August of 1983 to visit relatives. When they entered the United States, they were accompanied by their mother, and their maternal uncle. Their uncle returned early to Lebanon and was killed two weeks later when a rocket destroyed the Sweilem family home.

In April of 1984, because of her brother's murder and her own fear of persecution, Leila Sweilem applied to the INS for asylum in the United States without the assistance of counsel. Nizar and Hassan Sweilem were included in their mother's application since they were her minor children. Since 1984, the Sweilem brothers have been pursuing the right to live legally in the United States as permanent residents.

In 1985, the INS denied the Sweilems' request for asylum and initiated deportation proceedings against the family. Leila, Nizar and Hassan renewed their application for asylum in their hearing before an Immigration Judge, but those requests were denied. The Sweilems appealed that decision, but before any decision was issued, the Attorney General designated nationals of Lebanon eligible for Temporary Protected Status on account of the extreme level of violence created by the Lebanese civil war. TPS for citizens of Lebanon continued until March of 1993.

In August of 1993, Hassan and Nizar asked that their asylum appeal be reinstated and that their case be remanded to allow them to apply for suspension of deportation. In November of 1994, Hassan and Nizar applied for suspension of deportation. While their application was pending, Congress passed the Illegal Immigration Reform and Responsibility Act in September of 1996. This law retroactively made Nizar and Hassan ineligible for suspension of deportation and left them with no alternate remedy. The 1996 Act eliminated suspension of deportation and established a new form of relief entitled cancellation of removal that required an applicant to accrue ten years of continuous residence as of the date of the initial notice charging the applicant with being removable. Despite the fact that at that time the Sweilem brothers had twelve years of continuous residence in the U.S., the time accrued after the denial of their mother's initial asylum request does not count.

Last year, this Congress recognized that these new provisions could result in grave injustices to certain groups of people, so in November of 1997, the Nicaraguan and Central American Relief Act granted relief to certain citizens of former Soviet block countries and several Central American countries.

That law allowed several hundred thousand Central Americans and former Soviet Union or Warsaw Pact countries, who came to the U.S. during the civil strife of the 1980's to adjust to permanent resident status under more lenient hardship rules that existed prior to the 1996 change. The U.S. had allowed Central Americans to reside and work here for over a decade, during which time many of them established families, careers and community ties. If Nizar and Hassan Sweilem were citizens of Nicaragua, El Salvador Guatemala or any of the former Communist countries of Eastern Europe, they could continue to pursue their applications for suspension of deportation. The fact that they are citizens of Lebanon makes them ineligible for relief.

Nizar and Hassan Sweilem have lived in the United States for almost 15 years, since they were 12 and 14, respectively. They have taken full advantage of their educational opportunities and are more than capable of caring for themselves. The brothers will face undue hardship by returning to Lebanon, as evidenced by their uncle's murder. The Sweilem brothers' extended family now resides in the United States, and the brothers have strong ties to the local community. My office has received numerous letters

from the community on their behalf, including a letter from the Director of Graduate Studies at the University of Illinois. They have no family left in Lebanon and have never visited it in the last 15 years.

The Sweilem brothers have spent more than half their lives in the United States. At every step, the Sweilems took American law at its word: they always attempted to follow the law only to have Congress suddenly pull the rug out from under them. I think this is an injustice and these two brothers from Lebanon deserve the same relief that we gave people from Nicaragua, El Salvador and Czechoslovakia. Mr. President, I ask you and my fellow colleagues to support these Lebanese brothers by giving them permanent residence status and not depriving them of the opportunity to become United States citizens.

Mr. President, I ask unanimous consent that a copy of the legislation be printed in the RECORD.

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

S. 2305

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT RESIDENCE.

Notwithstanding any other provision of law, for purposes of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), Nizar Sweilem and Hassan Sweilem shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act upon payment of the required visa fees.

SEC. 2. REDUCTION OF NUMBER OF AVAILABLE VISAS.

Upon the granting of permanent residence to Nizar Sweilem and Hassan Sweilem, as provided in this Act, the Secretary of State shall instruct the proper officer to reduce by the appropriate number during the current fiscal year the total number of immigrant visas available to natives of the country of the aliens' birth under section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)).●

By Mr. BURNS (for himself and Mr. MCCAIN):

S. 2306. A bill to require the Federal Communications Commission to modify its duopoly rule for multiple ownership of television stations; to the Committee on Commerce, Science, and Transportation.

FEDERAL COMMUNICATIONS COMMISSION LEGISLATION

● Mr. BURNS. Mr. President, today I introduce legislation that would eliminate the outdated broadcast ownership restrictions in place at the Federal Communications Commission. I am pleased to note that I am introducing this legislation with the co-sponsorship of the Chairman of the Commerce Committee. I welcome Senator MCCAIN's support on this issue and look forward to working with him to make sure that these impractical restrictions are eliminated.

Currently, the FCC disallows ownership of stations in separate markets if the broadcast signals overlap. For example, a broadcaster may not now own a station in each of the Washington, DC, and Baltimore markets. I believe that ownership of stations with overlapping signals should be allowed if the stations are licensed to communities in different markets. Practical ownership policies will encourage the construction of new television stations and broadcast networks that will promote increased consumer choice.

In the Senate Communications Subcommittee, I have recently held numerous FCC oversight hearings on how best to create a regulatory framework for the age of competition. I believe this bill will help to move in the direction of deregulation and I look forward to working with my colleagues to ensure its passage.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2306

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MULTIPLE OWNERSHIP RULES.

The Federal Communications Commission shall modify the television contour overlap rule set forth at section 73.3555 of title 47, Code of Federal Regulations, to permit any party (including all parties under common control), to own, operate, or control television stations despite overlapping contours if the television stations are licensed to communities in different television markets (as defined in section 76.55(e) of such title).●

ADDITIONAL COSPONSORS

S. 636

At the request of Mr. FRIST, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 636, a bill to establish a congressional commemorative medal for organ donors and their families.

S. 1251

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 1251, a bill to amend the Internal Revenue Code of 1986 to increase the amount of private activity bonds which may be issued in each State, and to index such amount for inflation.

S. 1385

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 1385, a bill to amend title 38, United States Code, to expand the list of diseases presumed to be service connected with respect to radiation-exposed veterans.

S. 1413

At the request of Mr. LUGAR, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1413, a bill to provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions.

S. 1764

At the request of Mr. THURMOND, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 1764, a bill to amend sections 3345 through 3349 of title 5, United States Code (commonly referred to as the ''Vacancies Act'') to clarify statutory requirements relating to vacancies in certain Federal offices, and for other purposes.

S. 1825

At the request of Mrs. MURRAY, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1825, a bill to amend title 10, United States Code, to provide sufficient funding to assure a minimum size for honor guard details at funerals of veterans of the Armed Forces, to establish the minimum size of such details, and for other purposes.

S. 1862

At the request of Mr. DEWINE, the name of the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 1862, a bill to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

S. 1993

At the request of Ms. COLLINS, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1993, a bill to amend title XVIII of the Social Security Act to adjust the formula used to determine costs limits for home health agencies under medicare program, and for other purposes.

S. 2003

At the request of Mr. REID, the name of the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 2003, a bill to amend title II of the Social Security Act to allow workers who attain age 65 after 1981 and before 1992 to choose either lump sum payments over four years totalling $5,000 or an improved benefit computation formula under a new 10-year rule governing the transition to the changes in benefit computation rules enacted in the Social Security Amendments of 1977, and for other purposes.

S. 2078

At the request of Mr. FAIRCLOTH, his name was added as a cosponsor of S. 2078, a bill to amend the Internal Revenue Code of 1986 to provide for Farm and Ranch Risk Management Accounts, and for other purposes.

S. 2118

At the request of Mr. CHAFEE, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 2118, a bill to amend the Internal Revenue Code of 1986 to reduce the tax on vaccines to 25 cents per dose.

S. 2170

At the request of Mr. ALLARD, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 2170, a bill to amend the Internal Revenue Code of 1986 to eliminate the temporary increase in unemployment tax.

S. 2266

At the request of Mr. THURMOND, the names of the Senator from Colorado

(Mr. ALLARD) and the Senator from Arizona (Mr. KYL) were added as cosponsors of S. 2266, a bill to amend the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973 to exempt State and local agencies operating prisons from the provisions relating to public services.

S. 2285

At the request of Mr. DODD, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 2285, a bill to establish a commission, in honor of the 150th Anniversary of the Seneca Falls Convention, to further protect sites of importance in the historic efforts to secure equal rights for women.

S. 2295

At the request of Mr. MCCAIN, the names of the Senator from Connecticut (Mr. DODD), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 2295, a bill to amend the Older Americans Act of 1965 to extend the authorizations of appropriations for that Act, and for other purposes.

SENATE CONCURRENT RESOLUTION 80

At the request of Ms. MOSELEY-BRAUN, the name of the Senator from Kentucky (Mr. FORD) was added as a cosponsor of Senate Concurrent Resolution 80, a concurrent resolution urging that the railroad industry, including rail labor, management and retiree organization, open discussions for adequately funding an amendment to the Railroad Retirement Act of 1974 to modify the guaranteed minimum benefit for widows and widowers whose annuities are converted from a spouse to a widow or widower annuity.

SENATE CONCURRENT RESOLUTION 95

At the request of Mr. DODD, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of Senate Concurrent Resolution 95, a concurrent resolution expressing the sense of Congress with respect to promoting coverage of individuals under long-term care insurance.

SENATE RESOLUTION 237

At the request of Mrs. MURRAY, her name was added as a cosponsor of Senate Resolution 237, a resolution expressing the sense of the Senate regarding the situation in Indonesia and East Timor.

AMENDMENTS SUBMITTED

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

HARKIN (AND OTHERS) AMENDMENT NO. 3127

Mr. DASCHLE (for Mr. HARKIN for himself, Mr. DASCHLE, Mrs. MURRAY, and Mr. WELLSTONE) proposed an amendment to the bill (S. 2159) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for fiscal year ending September 30, 1999, and for other purposes; 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;

Thirty-two of the fifty States experienced declines in personal farm income between 1996 and 1997;

Whereas, 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 livelihoods and life savings

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.

BUMPERS (AND COCHRAN) AMENDMENT NO. 3128

Mr. COCHRAN (for Mr. BUMPERS for himself and Mr. COCHRAN) proposed an amendment to the bill, S. 2159, supra; as follows:

On page 10, line 17, strike ''$767,921,000'' and insert in lieu thereof ''$768,221,000''.

On page 13, line 11, strike ''$49,200,000'' and insert in lieu thereof ''$50,500,000''.

On page 14, line 17, strike ''$434,782,000'' and insert in lieu thereof ''$436,082,000''.

On page 35, line 7, strike ''$700,201,000'' and insert in lieu thereof ''$703,601,000''.

On page 36, line 14, after the ''systems'', insert '': *Provided further,* That of the total amount appropriated, $2,800,000 shall be available for a community improvement project in Arkansas''.

On page 64, line 18, strike ''140,000'' and insert in lieu thereof ''120,000''.

On page 67, after line 23, add the following:

''SEC. 739. None of the funds appropriated or otherwise made available by this Act may be used to require any producer to pay an administrative fee for catastrophic risk protection under section 508(b)(5)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)(A)) in an amount that is greater than $50 per crop per county.''.

''SEC. 740. Nothing in this Act shall be interpreted or construed to alter the current implementation of the Wetlands Reserve Program, unless expressly provided herein.''.

COCHRAN (AND BUMPERS) AMENDMENTS NOS. 3129–3130

Mr. COCHRAN (for himself and Mr. BUMPERS) proposed two amendments to the bill, S. 2159, supra; as follows:

AMENDMENT NO. 3129

On page 35, line 25, strike ''$1,000,000'' and insert ''$70,000''.

AMENDMENT NO. 3130

On page 26, line 26, strike ''$488,872,000'' and insert in lieu thereof ''$510,649,000''.

On page 27, line 7, insert ''and'' before ''for''.

On page 27, lines 8 and 9, strike '';and for credit sales of acquired property, $25,000,000''.

On page 27, line 13, strike ''$16,320,000'' and insert in lieu thereof ''$19,580,000''.

On page 27, line 20, insert ''and'' before ''for''.

On page 27, lines 21 and 22, strike ''; and for credit sales of acquired property, $3,260,000''.

BUMPERS AMENDMENT NO. 3131

Mr. BUMPERS proposed an amendment to the bill, S. 2159, supra; as follows:

On page 67, after line 23, insert the following:

''SEC. . That notwithstanding section 4703(d)(1) of title 5, United States Code, the personnel management demonstration project established in the Department of Agriculture, as described at 55 FR 9062 and amended at 61 FR 9507 and 61 FR 49178, shall be continued indefinitely and become effective upon enactment of this bill.''

D'AMATO (AND SARBANES) AMENDMENTS NO. 3132

Mr. COCHRAN (for Mr. D'AMATO for himself and Mr. SARBANES) proposed an amendment to the bill, S. 2159, supra; as follows:

On page 67, after line 23, insert the following:

SEC. ____. (a) The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking ''fiscal year 1998'' and inserting ''fiscal year 1999''.

(b) Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking ''September 30, 1998'' and inserting ''September 30, 1999''.

(c) The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking ''fiscal year 1998'' and inserting ''fiscal year 1999''.

(d) Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (t), by striking ''fiscal year 1998'' and inserting ''fiscal year 1999''; and

(2) in subsection (u), by striking ''September 30, 1998'' and inserting ''September 30, 1999''.

GRAHAM AMENDMENT NO. 3133

Mr. COCHRAN (for Mr. GRAHAM) proposed an amendment to the bill, S. 2159, supra; as follows:

On page 67, after line 23, add the following:

SEC. 7___. METHYL BROMIDE ALTERNATIVES RESEARCH.

(a) REVIEW.—The Secretary of Agriculture, acting through the Agricultural Research Service, shall conduct a review of the methyl bromide alternatives research conducted by the Secretary that describes—

(1) the amount of funds expended by the Secretary since January 1, 1990, on methyl bromide alternatives research, including a description of the amounts paid for salaries, expenses, and actual research;

(2) plot and field scale testing of methyl bromide alternatives conducted by the Secretary since January 1, 1990, including a description of—

(A) the total amount of funds expended for the testing;

(B) the amount of funds expended for the testing as a portion of a larger project or independently of other projects; and

(C) the results of the testing and the impact of the results on future research; and

(3) variables that impact the effectiveness of methyl bromide alternatives, including a description of—

(A) the individual variables; and

(B) the plan of the Secretary for addressing each of the variables during the plot and field scale testing conducted by the Secretary.

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Secretary shall submit to the Appropriations Committees of both Houses of Congress a report that describes the results of the review conducted under subsection (a).

GRAMM (AND HUTCHISON) AMENDMENT NO. 3134

Mr. COCHRAN (for Mr. GRAMM for himself and Mrs. HUTCHISON) Proposed an amendment to the bill, S. 2159, supra; as follows:

On page 67, after line 23, add the following:

SEC. ___. SENSE OF SENATE ON DISASTER ASSISTANCE FOR TEXAS AGRICULTURAL PRODUCERS.

(a) FINDINGS.—The Senate finds that—

(1) the statewide economic impact of the drought on agriculture in the State of Texas could be more than $4,600,000,000 in losses, according to the Agricultural Extension Service of the State;

(2) the direct loss of income to agricultural producers in the State is $1,500,000,000;

(3) the National Weather Service has reported that all 10 climatic regions in the State have received below-average rainfall from March through May of 1998, a critical time in the production of corn, cotton, sorghum, wheat, and forage;

(4) the total losses for cotton producers in the State have already reached an estimated $500,000,000;

(5) nearly half of the rangeland in the State (as of May 31, 1998) was rated as poor or very poor as a result of the lack of rain;

(6) the value of lost hay production in the State will approach an estimated $175,000,000 statewide, leading to an economic impact of $582,000,000;

(7) dryland fruit and vegetable production losses in East Texas have already been estimated at $33,000,000;

(8) the early rains in many parts of the State produced a large quantity of forage that is now extremely dry and a dangerous source of fuel for wildfires; and

(9) the Forest Service of the State has indicated that over half the State is in extreme or high danger of wildfires due to the drought conditions.

(b) SENSE OF SENATE.—It is the sense of the Senate that the Secretary of Agriculture should—

(1) streamline the drought declaration process to provide necessary relief to the State of Texas as quickly as is practicable;

(2) ensure that local Farm Service Agency offices in the State are equipped with full-time and emergency personnel in drought-stricken areas to assist agricultural producers with disaster loan applications;

(3) direct the Forest Service, and request the Federal Emergency Management Agency, to assist the State in prepositioning fire fighting equipment and other appropriate resources in affected counties of the State;

(4) authorize haying and grazing on acreage in the State that is enrolled in the conservation reserve program carried out under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831); and

(5) convene experts within the Department of Agriculture to develop and implement an emergency plan for the State to help prevent wildfires and to overcome the economic impact of the continuing drought by providing assistance from the Department in a rapid and efficient manner for producers that are suffering from drought conditions.

LUGAR AMENDMENT NO. 3135

Mr. COCHRAN (for Mr. LUGAR) proposed an amendment to the bill, S. 2159, supra; as follows:

On page 67, after line 23, add the following new sections:

SEC. . Section 1237D(c)(1) of Subchapter C of the Food Security Act of 1985 is amended by inserting after ''perpetual'' the following ''or 30-year.''

SEC. . Section 1237(b)(2) of Subchapter C of the Food Security Act of 1985 is amended by adding the following: ''(C) For purposes of subparagraph (A), to the maximum extent practicable should be interpreted to mean that acceptance of wetlands reserve program bids may be in proportion to landowner interest expressed in program options.''

LUGAR (AND OTHERS) AMENDMENT NO. 3136

Mr. COCHRAN (for Mr. LUGAR for himself, Mr. SANTORUM, Ms. COLLINS, Mr. HARKIN, and Mr. LEAHY) proposed an amendment to the bill, S. 2159, supra; as follows:

On page 67, after line 23, insert the following:

SEC. ___. TECHNICAL CORRECTIONS TO AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.

(a) FOREST AND RANGELAND RENEWABLE RESOURCES RESEARCH.—Section 3(d)(3) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(d)(3)) (as amended by section 253(b) of the Agricultural Research, Extension, and Education Reform Act of 1998) is amended by striking ''The Secretary'' and inserting ''At the request of the Governor of the State of Maine, New Hampshire, New York, or Vermont, the Secretary''.

(b) HONEY RESEARCH, PROMOTION, AND CONSUMER INFORMATION.—Section 7(e)(2) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606(e)(2)) (as amended by section 605(f)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998) is amended by striking ''$0.0075'' each place it appears and inserting ''$0.01''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of the Agricultural Research, Extension, and Education Reform Act of 1998.

ROBB AMENDMENT NO. 3137

Mr. COCHRAN (for Mr. ROBB) proposed an amendment to the bill, S. 2159, supra; as follows:

After line 23 on page 67, add the following new title:

TITLE VIII

''SEC. 1. SHORT TITLE.

This section may be cited as the 'Agricultural Credit Restoration Act'.

SEC. 2. AMENDMENTS TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

(a) Section 343(a)(12)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)(B)) is amended to read as follows:

''(B) EXCEPTIONS.—The term 'debt forgiveness' does not include—

''(i) consolidation, rescheduling, reamortization, or deferral of a loan;

''(ii) 1 debt forgiveness in the form of a restructuring, write-down, or net recovery buy-out which occurred prior to date of enactment and was due to a financial problem of the borrower relating to a natural disaster or a medical condition of the borrower or of a member of the immediate family of the borrower (or, in the case of a borrower that is an entity, a principal owner of the borrower or a member of the immediate family of such an owner); and

''(iii) any restructuring, write-down, or net recovery buy-out provided as a part of a resolution of a discrimination complaint against the Secretary.''.

(5) Section 355(c)(2) of such Act (7 U.S.C. 2003(c)(2)) is amended to read as follows:

''(2) RESERVATION AND ALLOCATION.—

''(A) IN GENERAL.—The Secretary shall, to the greatest extent practicable, reserve and allocate the proportion of each State's loan funds made available under subtitle B that is equal to that State's target participation rate for use by the socially disadvantaged farmers or ranchers in that State. The Secretary shall, to the extent practicable, distribute the total so derived on a county by county basis according to the number of socially disadvantaged farmers or ranchers in the county

''(B) REALLOCATION OF UNUSED FUNDS.—The Secretary may pool any funds reserved and allocated under this paragraph with respect to a State that are not used as described in subparagraph (A) in a State' in the first 10 months of a fiscal year with the funds similarly not so used in other States, and may reallocate such pooled funds in the discretion of the Secretary for use by socially disadvantaged farmers and ranchers in other States.''.

(c) Section 373(b)(1) of such Act (7 U.S.C. 2008h(b)(1)) is amended to read as follows:

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may not make or guarantee a loan under subtitle A or B to a borrower who received debt forgiveness on a loan made or guaranteed under this title unless such forgiveness occurred prior to April 4, 199* * *''.

SEC. 2. REGULATIONS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall promulgate regulations necessary to carry out the amendments made by this Act, without regard to—

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

(2) the statement of policy of the Secretary of Agriculture relating to notices of proposed rulemaking and public participation in rulemaking that became effective on July 24, 1971 (36 Fed. Reg. 13804).

COVERDELL AMENDMENTS NOS. 3138–3139

(Ordered to lie on the table.)

Mr. COVERDELL submitted two amendments intended to be proposed by him to the bill, S. 2159, supra; as follows:

AMENDMENT NO. 3138

On page 67, after line 23, add the following:

SEC. ___. HEALTH THREATS POSED BY E. COLI:0157H7.

(a) TRANSFER.—Using $2,550,000 of the amounts appropriated under this Act, the Secretary of Agriculture shall carry out activities under subsection (b) to address urgent health threats posed by E. coli:0157H7.

(b) USE OF FUNDS.—From amounts transferred under subsection (a), the Secretary shall—

(1) provide $550,000 to fund ongoing research to detect or prevent colonization of E. coli:0157H7 in live cattle:

(2) provide, through the existing partnership between the Federal Government, industry, and consumer groups, $1,000,000 for the National Consumer Education Campaign on Food Safety as part of the activities to address safe food handling practices; and

(3) provide $1,000,000 for a contract to be entered into with the National Academy of Sciences to assess the effectiveness of testing to ensure zero tolerance of E. coli:0157H7 in raw ground beef products.

AMENDMENT NO. 3139

On page 67, after line 23, add the following:

SEC. ___. AGRICULTURAL CREDIT IMPROVEMENT.

(a) DEFINITION OF FAMILY FARM.—

(1) REAL ESTATE LOANS.—Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by adding at the end the following:

''(c) DETERMINATION OF QUALIFICATION FOR LOAN.—

''(1) PRIMARY FACTOR.—The primary factor to be considered in determining whether an applicant for a loan under this subtitle is engaged primarily and directly in farming or ranching shall be whether the applicant is participating in routine, ongoing farm activities and in overall decisionmaking with regard to the farm or ranch.

''((2) NO BASIS FOR DENIAL OF LOAN.—The Secretary may not deny a loan under this subtitle solely because 2 or more individuals are employed full-time in the farming operation for which the loan is sought.''.

(2) OPERATING LOANS.—Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended by adding at the end the following:

''(d) DETERMINATION OF QUALIFICATION FOR LOAN.—

''(1) PRIMARY FACTOR.—The primary factor to be considered in determining whether an applicant for a loan under this subtitle is engaged primarily and directly in farming or ranching shall be whether the applicant is participating in routine, ongoing farm activities and in overall decisionmaking with regard to the farm or ranch.

''(2) NO BASIS FOR DENIAL OF LOAN.—The Secretary may not deny a loan under this subtitle solely because 2 or more individuals are employed full-time in the farming operation for which the loan is sought.''.

(3) EMERGENCY LOANS.—Section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) is amended by adding at the end the following:

''(e) DETERMINATION OF QUALIFICATION FOR LOAN.—

''(1) PRIMARY FACTOR.—The primary factor to be considered in determining whether an applicant for a loan under this subtitle is engaged primarily and directly in farming or ranching shall be whether the applicant is participating in routine, ongoing farm activities and in overall decisionmaking with regard to the farm or ranch.

''(2) NO BASIS FOR DENIAL OF LOAN.—The Secretary may not deny a loan under this subtitle solely because 2 or more individuals are employed full-time in the farming operation for which the loan is sought.''.

(b) GROWER-SHIPPER AGREEMENTS.—

(1) REAL ESTATE LOANS.—Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) (as amended by subsection (a)(1)) is amended by adding at the end the following:

''(d) GROWER-SHIPPER AGREEMENTS.—This section does not prohibit the Secretary from making a loan under this subtitle to an applicant that has entered into an agreement with a shipper of perishable commodities under which the applicant and the shipper share in the proceeds from the sale of an agricultural commodity if—

''(1) in the absence of such an agreement, the applicant could not easily market the agricultural commodity or could not market the agricultural commodity without incurring significant additional risk; and

''(2) the agreement is clearly beneficial to the applicant.''.

(2) OPERATING LOANS.—Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) (as amended by subsection (a)(2)) is amended by adding at the end the following:

''(e) GROWER-SHIPPER AGREEMENTS.—This section does not prohibit the Secretary from making a loan under this subtitle to an applicant that has entered into an agreement with a shipper of perishable commodities under which the applicant and the shipper share in the proceeds from the sale of an agricultural commodity if—

''(1) in the absence of such an agreement, the applicant could not easily market the agricultural commodity or could not market the agricultural commodity without incurring significant additional risk; and

''(2) the agreement is clearly beneficial to the applicant.''.

(3) EMERGENCY LOANS.—Section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) (as amended by subsection (a)(3)) is amended by adding at the end the following:

''(f) GROWER-SHIPPER AGREEMENTS.—This section does not prohibit the Secretary from making a loan under this subtitle to an applicant that has entered into an agreement with a shipper of perishable commodities under which the applicant and the shipper share in the proceeds from the sale of an agricultural commodity if—

''(1) in the absence of such an agreement, the applicant could not easily market the agricultural commodity or could not market the agricultural commodity without incurring significant additional risk; and

''(2) the agreement is clearly beneficial to the applicant.''.

(c) COMBINED LIMIT ON AMOUNT OF FARM OWNERSHIP AND OPERATING LOANS; INDEXATION TO INFLATION.—

(1) LIMIT ON AMOUNT OF GUARANTEED FARM OWNERSHIP LOANS.—Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended—

(A) by striking ''SEC.305. The Secretary'' and inserting the following:

''SEC. 305. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.

''(a) IN GENERAL.—The Secretary'';

(B) by striking ''$300,000'' and inserting ''$700,000 (increased, beginning with fiscal year 1998, by the inflation percentage applicable to the fiscal year in which the loan is to be made or insured), reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary'';

(C) by striking ''In determining'' and inserting the following:

''(b) DETERMINATION OF VALUE.—In determining''; and

(D) by adding at the end the following:

''(c) INFLATION PERCENTAGE.—For purposes of this section, the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

''(1) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 12-month period ending on August 31 of the immediately preceding fiscal year; exceeds

''(2) the average of the Consumer Price Index (as so defined) for the 12-month period ending on August 31, 1996.''.

(2) LIMIT ON AMOUNT OF OPERATING LOANS.—Section 313 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943) is amended—

(A) by striking ''SEC. 313. The Secretary'' and inserting the following:

''SEC. 313. LIMITATIONS ON AMOUNT OF OPERATING LOANS.

''(a) IN GENERAL.—The Secretary'';

(B) by striking ''this subtitle (1) that would cause'' and inserting ''this subtitle—

''(1) that would cause'';

(C) by striking ''$400,000; or (2) for the purchasing'' and inserting ''$700,000 (increased, beginning with fiscal year 1998, by the inflation percentage applicable to the fiscal year in which the loan is to be made or insured), reduced by the unpaid indebtedness of the borrower on loans under the sections specified in section 305 that are guaranteed by the Secretary; or

''(2) for the purchasing''; and

(D) by adding at the end the following:

''(b) INFLATION PERCENTAGE.—For purposes of this section, the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

''(1) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 12-month period ending on August 31 of the immediately preceding fiscal year; exceeds

''(2) the average of the Consumer Price Index (as so defined) for the 12-month period ending on August 31, 1996.''.

(d) APPLICABILITY OF DISASTER LOAN COLLATERAL REQUIREMENTS UNDER THE SMALL BUSINESS ACT.—Section 324(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964(d)) is amended—

(1) by striking ''(d) All loans'' and inserting the following:

''(d) REPAYMENT.—

''(1) IN GENERAL.— All loans''; and

(2) by adding at the end the following:

''(2) NO BASIS FOR DENIAL OF LOAN.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall not deny a loan under this subtitle to a borrower by reason of the fact that the borrower lacks a particular amount of collateral for the loan if it is reasonably certain that the borrower will be able to repay the loan.

''(B) REFUSAL TO PLEDGE AVAILABLE COLLATERAL.—The Secretary may deny or cancel a loan under this subtitle if a borrower refuses to pledge available collateral on request by the Secretary.''.

(e) PROHIBITION OF LOAN GUARANTEES TO BORROWERS THAT HAVE RECEIVED DEBT FORGIVENESS AFTER APRIL 4, 1996.—

(1) IN GENERAL.—Section 373 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008h) is amended by striking subsection (b) and inserting the following:

''(b) PROHIBITION OF LOANS FOR BORROWERS THAT HAVE RECEIVED DEBT FORGIVENESS.—

''(1) PROHIBITIONS.—Except as provided in paragraph (2)—

''(A) the Secretary may not make a loan under this title to a borrower that has received debt forgiveness on a loan made or guaranteed under this title; and

''(B) the Secretary may not guarantee a loan under this title to a borrower that has received debt forgiveness after April 4, 1996, on a loan made or guaranteed under this title.

''(2) EXCEPTIONS.—

''(A) IN GENERAL.—The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses of a borrower that was restructured with a write-down under section 353.

''(B) EMERGENCY LOANS.—The Secretary may make an emergency loan under section 321 to a borrower that—

''(i) on or before April 4, 1996, received not more than 1 debt forgiveness on a loan made or guaranteed under this title; and

''(ii) after April 4, 1996, has not received debt forgiveness on a loan made or guaranteed under this title.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section take effect on the date of enactment of this Act.

(2) DEFINITION OF FAMILY FARM.—The amendments made by subsection (a) take effect on January 1, 1997.

DEWINE (AND HUTCHINSON) AMENDMENT NO. 3140

(Ordered to lie on the table.)

Mr. DEWINE (for himself and Mr. HUTCHINSON) submitted an amendment intended to be proposed by them to the bill, S. 2159, supra; as follows:

At the appropriate place in title VII, insert the following:

SEC. ___. METERED-DOSE INHALERS.

(a) FINDINGS.—Congress finds that—

(1) the Montreal Protocol on Substances That Deplete the Ozone Layer (referred to in this section as the ''Montreal Protocol'') requires the phaseout of products containing ozone-depleting substances, including chloroflourocarbons;

(2) the primary remaining legal use in the United States of newly produced chloroflourocarbons is in metered-dose inhalers;

(3) treatment with metered-dose inhalers is the preferred treatment for many patients with asthma and chronic obstructive pulmonary disease;

(4) the incidence of asthma and chronic obstructive pulmonary disease is increasing in children and is most prevalent among low-income persons in the United States;

(5) the Parties to the Montreal Protocol have called for development of national transition strategies to non-chloroflourocarbon metered-dose inhalers;

(6) the Commissioner of Food and Drugs published an advance notice of proposed rulemaking that suggested a tentative framework for how to phase out the use of metered-dose inhalers that contain chloroflourocarbons in the Federal Register on March 6, 1997, 62 Fed. Reg. 10242 (referred to in this section as the ''proposal''); and

(7) the medical and patient communities, while calling for a formal transition strategy through the FDA rulemaking process have expressed serious concerns that, if implemented without change, the phaseout framework tentatively proposed by the FDA in the ANPR could result in the removal of MDIs containing CFCs from the market before adequate non-chloroflourocarbon replacements are available, thus potentially placing some patients at risk.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Food and Drug Administration should, in consultation with the Environmental Protection Agency, assess the risks and benefits to the environment and to patient health of the proposal and any alternatives;

(2) in conducting such assessments, the Food and Drug Administration should consult with patients, physicians, other health care providers, manufacturers of metered-dose inhalers, and other interested parties;

(3) upon completion of these assessments, the Food and Drug Administration should promptly issue a rule ensuring that a range of non-chloroflourocarbon metered-dose inhaler alternatives is available which for all populations of users, are comparable to existing treatments (as of the date of issuance of the regulation) in terms of safety and efficacy, use for therapeutic indications, dosage strength, delivery system, and sufficient availability to meet patient needs. Such rule should not be based on a therapeutic class phaseout approach; and

(4) A proposed rule should be issued by the FDA no later than July 1, 1999.

BROWNBACK AMENDMENT NO. 3141

(Ordered to lie on the table.)

Mr. BROWNBACK submitted an amendment intended to be proposed by him to the bill, S. 2159, supra; as follows:

On page 67, after line 23, add the following:

SEC. 7___. CENSUS OF AGRICULTURE.

(a) IN GENERAL.—Section 2 of the Census of Agriculture Act of 1997 (7 U.S.C. 2204g) is amended—

(1) in subsection (b), by inserting before the period at the end the following: '', except that a survey or other information collection shall consist of not more than 20 questions''; and

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

''(d) COMPLIANCE.—

''(1) FRAUD.—A person over 18 years of age shall not willfully give an answer that is false to a question that the Secretary is authorized to submit to the person in connection with a census under this section.

''(2) REFUSAL OR NEGLECT TO ANSWER QUESTIONS.—A person over 18 years of age shall not refuse or willfully neglect to answer a question that the Secretary is authorized to submit to the person in connection with a census under this section.

''(3) PENALTIES.—A person that violates paragraph (1) or (2) shall not be subject to any penalty or injunction under this Act or any other law by reason of the violation.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on January 1, 1998.

BUMPERS (AND COCHRAN) AMENDMENT NO. 3142

Mr. BUMPERS (for himself and Mr. COCHRAN) proposed an amendment to the bill, S. 2159, supra; 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.''

DASCHLE AMENDMENT NO. 3143

Mr. BUMPERS (for Mr. DASCHLE) proposed an amendment to the bill, S. 2159, supra; 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'').

DURBIN AMENDMENT NO. 3144

Mr. BUMPERS (for Mr. DURBIN) proposed an amendment to the bill, S. 2159, supra; 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 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.

BYRD AMENDMENT NO. 3145

Mr. BUMPERS (for Mr. BYRD) proposed an amendment to the bill, S. 2159, supra; 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,*''.

DASCHLE (AND OTHERS) AMENDMENT NO. 3146

Mr. DASCHLE (for himself, Mr. HARKIN, Mr. WELLSTONE, Mrs. MURRAY, Mr. KERREY, Mr. CONRAD, Mr. DORGAN, and Mr. BAUCUS) proposed an amendment to the bill, S. 2159, supra; 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.

LIEBERMAN (AND DODD) AMENDMENT NO. 3147

Mr. BUMPERS (for Mr. LIEBERMAN for himself and Mr. DODD) proposed an amendment to the bill, S. 2159, supra; 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 Agriculture 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.''.

TROPICAL FOREST CONSERVATION ACT OF 1998

HELMS (AND OTHERS) AMENDMENT NO. 3148

Mr. ROBERTS (for Mr. HELMS for himself, Mr. BIDEN, and Mr. LUGAR) proposed an amendment to the bill (S. 1758) to amend the Foreign Assistance Act of 1961 to facilitate protection of tropical forests through debt reduction with developing countries with tropical forests; as follows:

On page 6, line 11, strike ''continental'' and insert ''regional, continental,''.

On page 11, line 7, strike ''For the cost'' and insert the following:

''(A) IN GENERAL.—For the cost''.

On page 11, line 11, strike ''(A)'' and insert ''(i)''.

On page 11, line 12, strike ''(B)'' and insert ''(ii)''.

On page 11, line 13, strike ''(C)'' and insert ''(iii)''.

On page 11, between lines 13 and 14, insert the following:

''(B) LIMITATION.—The authority provided by this section shall be available only to the extent that appropriations for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of the modification of any debt pursuant to this section are made in advance.

On page 15, line 2, insert ''the lessor of'' after ''than''.

On page 15, between lines 6 and 7, insert the following:

''(3) LIMITATION.—The authority provided by paragraphs (1) and (2) shall be available only to the extent that appropriations for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of the modification of any debt pursuant to such paragraphs are made in advance.

On page 15, line 7, strike ''(3)'' and insert ''(4)''.

On page 15, line 12, strike ''(4)'' and insert ''(5)''.

On page 18, line 2, strike ''agroforestry'' and insert ''forestry''.

On page 18, line 16, strike ''to provide grants to preserve'' and insert ''only to provide grants to conserve,''.

On page 18, line 18, strike ''including'' and insert ''through''.

On page 19, lines 1 and 2, strike ''strengthen conservation institutions and increase'' and insert ''increase the''.

On page 19, strike lines 10 and 11.

On page 19, line 12, strike ''(7)'' and insert ''(6)''.

On page 19, line 14, strike '', including the cultures of such individuals,''.

On page 19, line 21, insert ''forestry,'' after ''conservation,''.

On page 22, line 7, strike ''agricultural'' and insert ''forestry''.

On page 23, line 5, insert ''forestry,'' after ''scientific,''.

On page 23, line 7, insert ''forestry,'' after ''scientific,''.

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

BAUCUS AMENDMENTS NOS. 3149–3150

(Ordered to lie on the table.)

Mr. BAUCUS submitted two amendments intended to be proposed by him to the bill, S. 2159, supra; as follows:

AMENDMENT NO. 3149

On page 14, line 17, after the semicolon insert ''$550,000 for research at Montana State University into an effective delivery system for a genetically engineered vaccine for brucellosis;''

AMENDMENT NO. 3150

At the appropriate place, insert the following:

AGRICULTURAL RESEARCH SERVICE

For research efforts of the Agricultural Research Service of the Department of Agriculture for counter-narcotics research activities, $13,000,000, of which—

(1) $5,000,000 shall be used for chemical and biological crop eradication technologies;

(2) $2,000,000 shall be used for narcotics plant identification, chemistry, and biotechnology;

(3) $1,000,000 shall be used for worldwide crop identification, detection, tagging, and production estimation technology; and

(4) $5,000,000 shall be used for improving the disease resistance, yield, and economic competitiveness of commercial crops that can be promoted as alternatives to the production of narcotics plants.

For a contract with a commercial entity for the product development, environmental testing, registration, production, aerial distribution system development, product effectiveness monitoring, and modification of multiple mycoherbicides to control narcotic crops (including coca, poppy, and cannabis), $10,000,000, except that the entity shall—

(1) to be eligible to enter into the contract, have—

(A) long-term international experience with diseases of narcotic crops.

(B) intellectual property involving seed-borne dispersal formulations;

(C) the availability of state-of-the-art containment or quarantine facilities;

(D) country-specific mycoherbicide formulations;

(E) specialized fungicide resistant formulations; and

(F) special security arrangements; and

(2) report to a member of the Senior Executive Service in the Department of Agriculture.

At the appropriate place, insert the following:

SEC. ___. MASTER PLAN FOR MYCOHERBICIDES TO CONTROL NARCOTIC CROPS.

(a) IN GENERAL.—The Secretary of Agriculture shall develop a 10-year master plan for the use of mycoherbicides to control narcotic crops (including coca, poppy, and cannabis).

(b) COORDINATION.—The Secretary shall develop the plan in coordination with—

(1) the Office of National Drug Control Policy (ONDCP);

(2) the Bureau for International Narcotics and Law Enforcement Activities (INL) of the Department of State;

(3) the Drug Enforcement Administration (DEA) of the Department of Justice;

(4) the Department of Defense;

(5) the United States Information Agency (USIA); and

(6) other appropriate agencies.

(c) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit a report to Congress that describes the activities undertaken to carry out this section.

GRASSLEY AMENDMENTS NOS. 3151–3152

(Ordered to lie on the table.)

Mr. GRASSLEY submitted two amendments intended to be proposed by him to the bill, S. 2159, supra; as follows:

AMENDMENT NO. 3151

On page 67, after line 23, add the following:

SEC. 7___. SENSE OF THE SENATE CONCERNING APPROPRIATE ACTIONS TO BE TAKEN TO ALLEVIATE THE ECONOMIC EFFECT OF LOW COMMODITY PRICES.

It is the sense of the Senate that—

(1) Congress should pass and the President should sign S.1269, which would reauthorize fast-track trading authority for the President;

(2) Congress should pass and the President should sign S.2078, the Farm and Ranch Risk Management Act, which would allow farmers and ranchers to better prepare for fluctuations in the agricultural economy;

(3) the House of Representatives should follow the Senate and provide full funding for the International Monetary Fund;

(4) Congress should pass and the President should sign S.1413, the Enhancement of Trade Security and Human Rights Through Sanctions Reform Act, so that the agricultural economy of the United States is not harmed by sanctions on foreign trade;

(5) Congress should pass and the President should sign legislation providing normal trade relations status for China and continue to pursue normal trade relations with China;

(6) the House and Senate should continue to pursue a package of capital gains and estate tax reforms; and

(7) the House and Senate should pursue stronger oversight on genetically modified organism and biotechnology negotiations.

AMENDMENT NO. 3152

At the appropriate place, insert the following title:

SECTION 1. SHORT TITLE.

This title may be cited as the ''Reciprocal Trade Agreements Act of 1997''.

SEC. 2. TRADE NEGOTIATING OBJECTIVES OF THE UNITED STATES.

(a) STATEMENT OF PURPOSES.—The purposes of this Act are to achieve, through trade agreements affording mutual benefits—

(1) more open, equitable, and reciprocal market access for United States goods, services, and investment;

(2) the reduction or elimination of barriers and other trade-distorting policies and practices;

(3) a more effective system of international trading disciplines and procedures; and

(4) economic growth, higher living standards, and full employment in the United States, and economic growth and development among United States trading partners.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—The principal trade negotiating objectives of the United States for agreements subject to the provisions of section 3 include the following:

(1) REDUCTION OF BARRIERS TO TRADE IN GOODS.—The principal negotiating objective of the United States regarding barriers to trade in goods is to obtain competitive opportunities for United States exports in foreign markets substantially equivalent to the opportunities afforded foreign exports to United States markets, including the reduction or elimination of tariff and nontariff trade barriers, including—

(A) tariff and nontariff disparities remaining from previous rounds of multilateral trade negotiations that have put United States exports at a competitive disadvantage in world markets;

(B) measures identified in the annual report prepared under section 181 of the Trade Act of 1974 (19 U.S.C. 2241); and

(C) tariff elimination for products identified in section 111(b) of the Uruguay Round Agreements Act (19 U.S.C. 3521(b)) and the accompanying Statement of Administrative Action related to that section.

(2) TRADE IN SERVICES.—

(A) The principal negotiating objectives of the United States regarding trade in services are—

(i) to reduce or eliminate barriers to, or other distortions of, international trade in services, including regulatory and other barriers that deny national treatment or unreasonably restrict the establishment and operation of service suppliers in foreign markets; and

(ii) to develop internationally agreed rules, including dispute settlement procedures, that—

(I) are consistent with the commercial policies of the United States, and

(II) will reduce or eliminate such barriers or distortions, and help ensure fair, equitable opportunities for foreign markets.

(B) In pursuing the negotiating objectives described in subparagraph (A), United States negotiators shall take into account legitimate United States domestic objectives, including protection of legitimate health, safety, essential security, environmental, consumer, and employment opportunity interests. The preceding sentence shall not be construed to authorize any modification of United States law.

(3) FOREIGN INVESTMENT.—

(A) The principal negotiating objectives of the United States regarding foreign investment are—

(i) to reduce or eliminate artificial or trade-distorting barriers to foreign investment, to expand the principle of national treatment, and to reduce unreasonable barriers to establishment; and

(ii) to develop internationally agreed rules through the negotiation of investment agreements, including dispute settlement procedures, that—

(I) will help ensure a free flow of foreign investment, and

(II) will reduce or eliminate the trade distortive effects of certain trade-related investment measures.

(B) In pursuing the negotiating objectives described in subparagraph (A), United States negotiators shall take into account legitimate United States domestic objectives, including protection of legitimate health, safety, essential security, environmental, consumer, and employment opportunity interests. The preceding sentence shall not be construed to authorize any modification of United States law.

(4) INTELLECTUAL PROPERTY.—The principal negotiating objectives of the United States regarding intellectual property are—

(A) to further promote adequate and effective protection of intellectual property rights, by—

(i) seeking the enactment and effective enforcement by foreign countries of laws that—

(I) recognize and adequately protect intellectual property, including copyrights, patents, trademarks, semiconductor chip layout designs, and trade secrets, and

(II) provide protection against unfair competition;

(ii) accelerating and ensuring the full implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights referred to in section 101(d)(15) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(15)), and achieving improvements in the standards of that Agreement;

(iii) providing strong protection for new and emerging technologies and new methods of transmitting and distributing products embodying intellectual property;

(iv) preventing or eliminating discrimination with respect to matters affecting the availability, acquisition, scope, maintenance, use, and enforcement of intellectual property rights; and

(v) providing for strong enforcement of intellectual property rights through accessible, expeditious, and effective civil, administrative, and criminal enforcement mechanisms;

(B) to secure fair, equitable, and nondiscriminatory market access opportunities for United States persons that rely on intellectual property protection; and

(C) to recognize that the inclusion in the WTO of—

(i) adequate and effective substantive norms and standards for the protection and enforcement of intellectual property rights, and

(ii) dispute settlement provisions and enforcement procedures,

is without prejudice to other complementary initiatives undertaken in other international organizations.

(5) AGRICULTURE.—The principal negotiating objectives of the United States with respect to agriculture are, in addition to those set forth in section 1123(b) of the Food Security Act of 1985 (7 U.S.C. 1736r(b)), to achieve, on an expedited basis to the maximum extent feasible, more open and fair conditions of trade in agricultural commodities by—

(A) developing, strengthening, and clarifying rules for agricultural trade, including disciplines on restrictive or trade-distorting import and export practices such as those that would impact perishable or cyclical products;

(B) increasing United States agricultural exports by eliminating barriers to trade (including transparent and nontransparent barriers) and reducing or eliminating the subsidization of agricultural production consistent with the United States policy of agricultural stabilization in cyclical and unpredictable markets;

(C) creating a free and more open world agricultural trading system by resolving questions pertaining to export and other trade-distorting subsidies, market pricing, and market access;

(D) eliminating or reducing substantially other specific constraints to fair trade and more open market access, such as tariffs, quotas, and other nontariff practices; and

(E) developing, strengthening, and clarifying rules that address practices that unfairly decrease United States market access opportunities or distort agricultural markets to the detriment of the United States, including—

(i) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms, including lack of price transparency;

(ii) unjustified restrictions or commercial requirements affecting new technologies, including biotechnology;

(iii) unjustified sanitary or phytosanitary restrictions;

(iv) other unjustified technical barriers to trade; and

(v) restrictive rules in the administration of tariff-rate quotas.

(6) UNFAIR TRADE PRACTICES.—The principal negotiating objectives of the United States with respect to unfair trade practices are—

(A) to enhance the operation and effectiveness of the relevant Uruguay Round Agreements and any other agreements designed to define, deter, discourage the persistent use of, and otherwise discipline, unfair trade practices having adverse trade effects, including forms of subsidy and dumping not adequately disciplined, such as resource input subsidies, diversionary dumping, dumped or subsidized inputs, third country dumping, circumvention of antidumping or countervailing duty orders, and export targeting practices; and

(B) to obtain the enforcement of WTO rules against—

(i) trade-distorting practices of state trading enterprises, and

(ii) the acts, practices, or policies of any foreign government which, as a practical matter, unreasonably require that—

(I) substantial direct investment in the foreign country be made,

(II) intellectual property be licensed to the foreign country or to any firm of the foreign country, or

(III) other collateral concessions be made, as a condition for the importation of any product or service of the United States into the foreign country or as a condition for carrying on business in the foreign country.

(7) SAFEGUARDS.—The principal negotiating objectives of the United States regarding safeguards are—

(A) to improve and expand rules and procedures covering safeguard measures;

(B) to ensure that safeguard measures are—

(i) transparent,

(ii) temporary,

(iii) degressive, and

(iv) subject to review and termination when no longer necessary to remedy injury and to facilitate adjustment; and

(C) to require notification of, and to monitor the use by, WTO members of import relief actions for their domestic industries.

(8) IMPROVEMENT OF THE WTO AND MULTILATERAL TRADE AGREEMENTS.—The principal negotiating objectives of the United States regarding the improvement of the WTO and other multilateral trade agreements are—

(A) to improve the operation and extend the coverage of the WTO and such agreements to products, sectors, and conditions of trade not adequately covered; and

(B) to expand country participation in particular agreements, where appropriate.

(9) DISPUTE SETTLEMENT.—The principal negotiating objectives of the United States with respect to dispute settlement are—

(A) to provide for effective and expeditious dispute settlement mechanisms and procedures in any trade agreement entered into under this authority; and

(B) to ensure that such mechanisms within the WTO and agreements concluded under the auspices of the WTO provide for more effective and expeditious resolution of disputes and enable better enforcement of United States rights.

(10) TRANSPARENCY.—The principal negotiating objective of the United States regarding transparency is to obtain broader application of the principle of transparency through increased public access to information regarding trade issues, clarification of the costs and benefits of trade policy actions, and the observance of open and equitable procedures by United States trading partners and within the WTO.

(11) DEVELOPING COUNTRIES.—The principal negotiating objectives of the United States regarding developing countries are—

(A) to ensure that developing countries promote economic development by assuming the fullest possible measure of responsibility for achieving and maintaining an open international trading system by providing reciprocal benefits and assuming equivalent obligations with respect to their import and export practices; and

(B) to establish procedures for reducing nonreciprocal trade benefits for the more advanced developing countries.

(12) CURRENT ACCOUNT SURPLUSES.—The principal negotiating objective of the United States regarding current account surpluses is to promote policies to address large and persistent global current account imbalances of countries (including imbalances which threaten the stability of the international trading system), by imposing greater responsibility on such countries to undertake policy changes aimed at restoring current account equilibrium through expedited implementation of trade agreements where feasible and appropriate.

(13) ACCESS TO HIGH TECHNOLOGY.—

(A) The principal negotiating objective of the United States regarding access to high technology is to obtain the elimination or reduction of foreign barriers to, and acts, policies, or practices by foreign governments which limit, equitable access by United States persons to foreign-developed technology, including barriers, acts, policies, or practices which have the effect of—

(i) restricting the participation of United States persons in government-supported research and development projects;

(ii) denying equitable access by United States persons to government-held patents;

(iii) requiring the approval of government entities, or imposing other forms of government intervention, as a condition of granting licenses to United States persons by foreign persons (other than approval which may be necessary for national security purposes to control the export of critical military technology); and

(iv) otherwise denying equitable access by United States persons to foreign-developed technology or contributing to the inequitable flow of technology between the United States and its trading partners.

(B) In pursuing the negotiating objective described in subparagraph (A), the United States negotiators shall take into account United States Government policies in licensing or otherwise making available to foreign persons technology and other information developed by United States laboratories.

(14) BORDER TAXES.—The principal negotiating objective of the United States regarding border taxes is, within the WTO, to obtain a revision of the treatment of border adjustments for internal taxes in order to redress the disadvantage to countries that rely primarily on direct taxes rather than indirect taxes for revenue.

(15) REGULATORY COMPETITION.—The principal trade negotiating objectives of the United States regarding the use of government regulation or other practices by foreign governments to provide a competitive advantage to their domestic producers, service providers, or investors and thereby reduce market access for United States goods, services, and investment are—

(A) to ensure that government regulation and other government practices do not unfairly discriminate against United States goods, services, or investment; and

(B) to prevent the use of foreign government regulation and other government practices, including the lowering of, or derogation from, existing labor (including child labor), health and safety, or environmental

standards, for the purpose of attracting investment or inhibiting United States exports.

Nothing in subparagraph (B) shall be construed to authorize in an implementing bill, or in an agreement subject to an implementing bill, the inclusion of provisions that would restrict the autonomy of the United States in these areas.

(c) INTERNATIONAL ECONOMIC POLICY OBJECTIVES DESIGNED TO REINFORCE THE TRADE AGREEMENTS PROCESS.—

(1) IN GENERAL.—It is the policy of the United States to reinforce the trade agreements process by—

(A) fostering stability in international currency markets and developing mechanisms to assure greater coordination, consistency, and cooperation between international trade and monetary systems and institutions in order to protect against the trade consequences of significant and unanticipated currency movements;

(B) supplementing and strengthening standards for protection of intellectual property rights under conventions designed to protect such rights that are administered by international organizations other than the WTO, expanding the conventions to cover new and emerging technologies, and eliminating discrimination and unreasonable exceptions or preconditions to such protection;

(C) promoting respect for workers' rights, by—

(i) reviewing the relationship between workers' rights and the operation of international trading systems and specific trade arrangements; and

(ii) seeking to establish in the International Labor Organization (referred to in this Act as the ''ILO'') a mechanism for the systematic examination of, and reporting on, the extent to which ILO members promote and enforce the freedom of association, the right to organize and bargain collectively, a prohibition on the use of forced labor, a prohibition on exploitative child labor, and a prohibition on discrimination in employment; and

(D) expanding the production of goods and trade in goods and services to ensure the optimal use of the world's resources, while seeking to protect and preserve the environment and to enhance the international means for doing so.

(2) APPLICATION OF PROCEDURES.—Nothing in this subsection shall be construed to authorize the use of the trade agreement approval procedures described in section 3 to modify United States law.

SEC. 3. TRADE AGREEMENT NEGOTIATING AUTHORITY.

(a) AGREEMENTS REGARDING TARIFF BARRIERS.—

(1) IN GENERAL.—Whenever the President determines that 1 or more existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that the purposes, policies, and objectives of this Act will be promoted thereby, the President—

(A) may enter into trade agreements with foreign countries before—

(i) October 1, 2001, or

(ii) October 1, 2005, if the authority provided by this Act is extended under subsection (c); and

(B) may, consistent with paragraphs (2) through (5), proclaim—

(i) such modification or continuance of any existing duty,

(ii) such continuance of existing duty-free or excise treatment, or

(iii) such additional duties,

as the President determines to be required or appropriate to carry out any such trade agreement.

(2) LIMITATIONS.—No proclamation may be made under paragraph (1) that—

(A) reduces any rate of duty (other than a rate of duty that does not exceed 5 percent ad valorem on the date of enactment of this Act) to a rate which is less than 50 percent of the rate of such duty that applies on such date of enactment;

(B) provides for a reduction of duty on an article to take effect on a date that is more than 10 years after the first reduction that is proclaimed to carry out a trade agreement with respect to such article; or

(C) increases any rate of duty above the rate that applied on the date of enactment of this Act.

(3) AGGREGATE REDUCTION; EXEMPTION FROM STAGING.—

(A) AGGREGATE REDUCTION.—Except as provided in subparagraph (B), the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement entered into under paragraph (1) shall not exceed the aggregate reduction which would have been in effect on such day if—

(i) a reduction of 3 percent ad valorem or a reduction of one-tenth of the total reduction, whichever is greater, had taken effect on the effective date of the first reduction proclaimed under paragraph (1) to carry out such agreement with respect to such article; and

(ii) a reduction equal to the amount applicable under clause (i) had taken effect at 1-year intervals after the effective date of such first reduction.

(B) EXEMPTION FROM STAGING.—No staging under subparagraph (A) is required with respect to a rate reduction that is proclaimed under paragraph (1) for an article of a kind that is not produced in the United States. The United States International Trade Commission shall advise the President of the identity of articles that may be exempted from staging under this subparagraph.

(4) ROUNDING.—If the President determines that such action will simplify the computation of reductions under paragraph (3), the President may round an annual reduction by the lesser of—

(A) the difference between the reduction without regard to this paragraph and the next lower whole number; or

(B) one-half of 1 percent ad valorem.

(5) OTHER LIMITATIONS.—A rate of duty reduction or increase that may not be proclaimed by reason of paragraph (2) may take effect only if a provision authorizing such reduction or increase is included within an implementing bill provided for under section 5 and that bill is enacted into law.

(6) EXPANDED TARIFF PROCLAMATION AUTHORITY.—

(A) IN GENERAL.—Notwithstanding the provisions of paragraphs (1) through (5), before October 1, 2001 (or before October 1, 2005, if the authority provided by this Act is extended under subsection (c)), and subject to the consultation and layover requirements of section 115 of the Uruguay Round Agreements Act (19 U.S.C. 3524) and the notification and consultation requirements of section 4(a) of this Act, the President may proclaim the modification of any duty or staged rate reduction of any duty set forth in Schedule XX, as defined in section 2(5) of the Uruguay Round Agreements Act, if the United States has agreed to such modification or staged rate reduction in a negotiation for the reciprocal elimination or harmonization of duties, within the same tariff categories, under the auspices of the World Trade Organization or as part of an interim agreement leading to the formation of a regional free-trade area.

(B) NOTICE REQUIRED.—The modification or staged rate reduction authorized under subparagraph (A) with respect to any negotiation initiated after the date of enactment of this Act may be proclaimed only on articles in tariff categories with respect to which the President has provided notice in accordance with section 4(a).

(7) TARIFF MODIFICATIONS UNDER URUGUAY ROUND AGREEMENTS ACT.—Nothing in this subsection shall limit the authority provided to the President under section 111(b) of the Uruguay Round Agreements Act.

(b) AGREEMENTS REGARDING TARIFF AND NONTARIFF BARRIERS.—

(1) IN GENERAL.—

(A) DETERMINATION BY PRESIDENT.—Whenever the President determines that—

(i) any duty or other import restriction imposed by any foreign country or the United States or any other barrier to, or other distortion of, international trade—

(I) unduly burdens or restricts the foreign trade of the United States or adversely affects the United States economy, or

(II) is likely to result in such a burden, restriction, or effect, and

(ii) the purposes, policies, and objectives of this Act will be promoted thereby,

the President may, before October 1, 2001 (or before October 1, 2005, if the authority provided under this Act is extended under subsection (c)) enter into a trade agreement described in subparagraph (B).

(B) TRADE AGREEMENT DESCRIBED.—A trade agreement described in this subparagraph means an agreement with a foreign country that provides for—

(i) the reduction or elimination of such duty, restriction, barrier, or other distortion; or

(ii) the prohibition of, or limitation on the imposition of, such barrier or other distortion.

(2) CONDITIONS.—A trade agreement may be entered into under this subsection only if—

(A) such agreement makes progress in meeting the applicable objectives described in section 2(b); and

(B) the President satisfies the conditions set forth in section 4 with respect to such agreement.

(3) BILLS QUALIFYING FOR TRADE AGREEMENT APPROVAL PROCEDURES.—The provisions of section 151 of the Trade Act of 1974 (in this Act referred to as ''trade agreement approval procedures'') apply to implementing bills submitted with respect to trade agreements entered into under this subsection, except that, for purposes of applying section 151(b)(1), such implementing bills shall contain only—

(A) provisions that approve a trade agreement entered into under this subsection that achieves one or more of the principal negotiating objectives set forth in section 2(b) and the statement of administrative action (if any) proposed to implement such trade agreement;

(B) provisions that are—

(i) necessary to implement such agreement; or

(ii) otherwise related to the implementation, enforcement, and adjustment to the effects of such trade agreement and are directly related to trade; and

(C) provisions necessary for purposes of complying with section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 in implementing the applicable trade agreement.

(c) EXTENSION PROCEDURES.—

(1) IN GENERAL.—Except as provided in section 5(b)—

(A) subsections (a) and (b) shall apply with respect to agreements entered into before October 1, 2001; and

(B) subsections (a) and (b) shall be extended to apply with respect to agreements

entered into on or after October 1, 2001, and before October 1, 2005, if (and only if)—

(i) the President requests such extension under paragraph (2); and

(ii) neither House of Congress adopts an extension disapproval resolution under paragraph (5) before October 1, 2001.

(2) REPORT TO CONGRESS BY THE PRESIDENT.—If the President is of the opinion that the authority under subsections (a) and (b) should be extended, the President shall submit to Congress, not later than July 1, 2001, a written report that contains a request for such extension, together with—

(A) a description of all trade agreements that have been negotiated under subsections (a) and (b) and, where applicable, the anticipated schedule for submitting such agreements to Congress for approval;

(B) a description of the progress that has been made in negotiations to achieve the purposes, policies, and objectives set out in section 2 (a) and (b) of this Act, and a statement that such progress justifies the continuation of negotiations; and

(C) a statement of the reasons why the extension is needed to complete the negotiations.

(3) REPORT TO CONGRESS BY THE ADVISORY COMMITTEE.—The President shall promptly inform the Advisory Committee for Trade Policy and Negotiations established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) of the President's decision to submit a report to Congress under paragraph (2). The Advisory Committee shall submit to Congress as soon as practicable, but not later than August 1, 2001, a written report that contains—

(A) its views regarding the progress that has been made in negotiations to achieve the purposes, policies, and objectives of this Act; and

(B) a statement of its views, and the reasons therefor, regarding whether the extension requested under paragraph (2) should be approved or disapproved.

(4) REPORTS MAY BE CLASSIFIED.—The reports submitted to Congress under paragraphs (2) and (3), or any portion of the reports, may be classified to the extent the President determines appropriate.

(5) EXTENSION DISAPPROVAL RESOLUTIONS.—

(A) IN GENERAL.—For purposes of this subsection, the term ''extension disapproval resolution'' means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: ''That the ___ disapproves the request of the President for an extension, under section 3(c) of the Reciprocal Trade Agreements Act of 1997, of _____ after September 30, 2001.'', with the first blank space being filled with the name of the resolving House of Congress and the second blank space being filled with one or both of the following phrases: ''the tariff proclamation authority provided under section 3(a) of the Reciprocal Trade Agreements Act of 1997'' or ''the trade agreement approval procedures provided under section 3(b) of the Reciprocal Trade Agreements Act of 1997''.

(B) INTRODUCTION AND REFERRAL.—Extension disapproval resolutions—

(i) may be introduced in either House of Congress by any member of such House;

(ii) shall be jointly referred, in the House of Representatives, to the Committee on Ways and Means and the Committee on Rules; and

(iii) shall be referred, in the Senate, to the Committee on Finance.

(C) FLOOR CONSIDERATION.—The provisions of sections 152(d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192(d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to extension disapproval resolutions.

(D) COMMITTEE ACTION REQUIRED.—It is not in order for—

(i) the Senate to consider any extension disapproval resolution not reported by the Committee on Finance;

(ii) the House of Representatives to consider any extension disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules; or

(iii) either House of Congress to consider an extension disapproval resolution after September 30, 2001.

SEC. 4. NOTICE AND CONSULTATIONS.

(a) NOTICE AND CONSULTATION BEFORE NEGOTIATION.—With respect to any agreement subject to the provisions of section 3 (a) or (b), the President shall—

(1) not later than 90 calendar days before initiating negotiations, provide written notice to Congress regarding—

(A) the President's intent to initiate the negotiations;

(B) the date the President intends to initiate such negotiations;

(C) the specific United States objectives for the negotiations; and

(D) whether the President intends to seek an agreement or changes to an existing agreement;

(2) consult regarding the negotiations—

(A) before and promptly after submission of the notice described in paragraph (1), with the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and such other committees of the House and Senate as the President deems appropriate; and

(B) with any other committee that requests consultations in writing; and

(3) consult with the appropriate industry sector advisory groups established under section 135 of the Trade Act of 1974 before initiating negotiations.

(b) CONSULTATION WITH CONGRESS BEFORE AGREEMENT ENTERED INTO.—

(1) CONSULTATION.—Before entering into any trade agreement under section 3 (a) or (b), the President shall consult with—

(A) the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate; and

(B) each other committee of the House and the Senate, and each joint committee of Congress, which has jurisdiction over legislation involving subject matters that would be affected by the trade agreement.

(2) SCOPE.—The consultation described in paragraph (1) shall include consultation with respect to—

(A) the nature of the agreement;

(B) how and to what extent the agreement will achieve the applicable purposes, policies, and objectives of this Act;

(C) where applicable, the implementation of the agreement under section 5, including whether the agreement includes subject matter for which supplemental implementing legislation may be required which is not subject to trade agreement approval procedures; and

(D) any other agreement the President has entered into or intends to enter into with the country or countries in question.

(c) ADVISORY COMMITTEE REPORTS.—The report required under section 135(e)(1) of the Trade Act of 1974 regarding any trade agreement entered into under section 3(b) of this Act shall be provided to the President, Congress, and the United States Trade Representative not later than 30 calendar days after the date on which the President notifies Congress under section 5(a)(1)(A) of the President's intention to enter into the agreement.

(d) CONSULTATION BEFORE AGREEMENT INITIALED.—In the course of negotiations conducted under this Act, the United States Trade Representative shall consult closely and on a timely basis (including immediately before initialing an agreement) with, and keep fully apprised of the negotiations, the congressional advisers for trade policy and negotiations appointed under section 161 of the Trade Act of 1974 (19 U.S.C. 2211), the Committee on Finance of the Senate, and the Committee on Ways and Means of the House of Representatives.

SEC. 5. IMPLEMENTATION OF TRADE AGREEMENTS.

(a) IN GENERAL.—

(1) NOTIFICATION AND SUBMISSION.—Any agreement entered into under section 3(b) shall enter into force with respect to the United States if (and only if)—

(A) the President, at least 90 calendar days before the day on which the President enters into the trade agreement, notifies the House of Representatives and the Senate of the President's intention to enter into the agreement, and promptly thereafter publishes notice of such intention in the Federal Register;

(B) within 60 calendar days after entering into the agreement, the President submits to Congress a description of those changes to existing laws that the President considers would be required in order to bring the United States into compliance with the agreement;

(C) after entering into the agreement, the President submits a copy of the final legal text of the agreement, together with—

(i) a draft of an implementing bill described in section 3(b)(3);

(ii) a statement of any administrative action proposed to implement the trade agreement; and

(iii) the supporting information described in paragraph (2); and

(D) the implementing bill is enacted into law.

(2) SUPPORTING INFORMATION.—The supporting information required under paragraph (1)(C)(iii) consists of—

(A) an explanation as to how the implementing bill and proposed administrative action will change or affect existing law; and

(B) a statement—

(i) asserting that the agreement makes progress in achieving the applicable purposes, policies, and objectives of this Act; and

(ii) setting forth the reasons of the President regarding—

(I) how and to what extent the agreement makes progress in achieving the applicable purposes, policies, and objectives referred to in clause (i), and why and to what extent the agreement does not achieve other applicable purposes, policies, and objectives;

(II) whether and how the agreement changes provisions of an agreement previously negotiated;

(III) how the agreement serves the interests of United States commerce;

(IV) why the implementing bill qualifies for trade agreement approval procedures under section 3(b)(3); and

(V) any proposed administrative action.

(3) RECIPROCAL BENEFITS.—To ensure that a foreign country which receives benefits under a trade agreement entered into under section 3 (a) or (b) is subject to the obligations imposed by such agreement, the President shall recommend to Congress in the implementing bill and statement of administrative action submitted with respect to such agreement that the benefits and obligations of such agreement apply solely to the parties to such agreement, if such application is consistent with the terms of such agreement. The President may also recommend with respect to any such agreement that the benefits and obligations of such agreement not

apply uniformly to all parties to such agreement, if such application is consistent with the terms of such agreement.

(b) LIMITATIONS ON TRADE AGREEMENT APPROVAL PROCEDURES.—

(1) DISAPPROVAL OF THE NEGOTIATION.—The trade agreement approval procedures shall not apply to any implementing bill that contains a provision approving any trade agreement that is entered into under section 3(b) with any foreign country if the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives disapprove of the negotiation of the agreement before the close of the 90-calendar day period that begins on the date notice is provided under section 4(a)(1) with respect to the negotiation of such agreement.

(2) FOR LACK OF NOTICE OR CONSULTATIONS.—

(A) IN GENERAL.—The trade agreement approval procedures shall not apply to any implementing bill submitted with respect to a trade agreement entered into under section 3(b) if during the 60-day period beginning on the date that one House of Congress agrees to a procedural disapproval resolution for lack of notice or consultations with respect to that trade agreement, the other House separately agrees to a procedural disapproval resolution with respect to that agreement.

(B) PROCEDURAL DISAPPROVAL RESOLUTION.—For purposes of this paragraph, the term ''procedural disapproval resolution'' means a resolution of either House of Congress, the sole matter after the resolving clause of which is as follows: ''That the President has failed or refused to notify or consult (as the case may be) with Congress in accordance with sections 4 and 5 of the Reciprocal Trade Agreements Act of 1997 with respect to ____ and, therefore, the trade agreement approval procedures set forth in section 3(b) of that Act shall not apply to any implementing bill submitted with respect to that trade agreement.'', with the blank space being filled with a description of the trade agreement with respect to which the President is considered to have failed or refused to notify or consult.

(C) COMPUTATION OF CERTAIN PERIODS OF TIME.—The 60-day period of time described in subparagraph (A) shall be computed without regard to—

(i) the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die; and

(ii) any Saturday and Sunday, not excluded under clause (i), when either House of Congress is not in session.

(3) PROCEDURES FOR CONSIDERING PROCEDURAL DISAPPROVAL RESOLUTIONS.—

(A) PROCEDURAL DISAPPROVAL RESOLUTIONS.—Procedural disapproval resolutions—

(i) in the House of Representatives—

(I) shall be introduced by the chairman or ranking minority member of the Committee on Ways and Means or the chairman or ranking minority member of the Committee on Rules;

(II) shall be jointly referred to the Committee on Ways and Means and the Committee on Rules; and

(III) may not be amended by either Committee; and

(ii) in the Senate shall be original resolutions of the Committee on Finance.

(B) FLOOR CONSIDERATION.—The provisions of section 152 (d) and (e) of the Trade Act of 1974 (19 U.S.C. 2192 (d) and (e)) (relating to the floor consideration of certain resolutions in the House and Senate) apply to procedural disapproval resolutions.

(C) COMMITTEE ACTION REQUIRED.—

(i) HOUSE OF REPRESENTATIVES.—It is not in order for the House of Representatives to consider any procedural disapproval resolution not reported by the Committee on Ways and Means and the Committee on Rules.

(ii) SENATE.—It is not in order for the Senate to consider any procedural disapproval resolution not reported by the Committee on Finance.

(c) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—Subsection (b) of this section and section 3(c) are enacted by Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such are deemed a part of the rules of each House, respectively, and such procedures supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

SEC. 6. TREATMENT OF CERTAIN TRADE AGREEMENTS.

(a) IN GENERAL.—Notwithstanding section 3(a)(6)(B) and section 3(b)(2), the provisions of section 4(a) shall not apply with respect to agreements that result from—

(1) negotiations under the auspices of the World Trade Organization regarding trade in information technology products;

(2) negotiations or work programs initiated pursuant to a Uruguay Round Agreement, as defined in section 2 of the Uruguay Round Agreements Act; or

(3) negotiations with Chile,

that were commenced before the date of enactment of this Act, and the applicability of trade agreement approval procedures with respect to such agreements shall be determined without regard to the requirements of section 4(a).

(b) PROCEDURAL DISAPPROVAL RESOLUTION NOT IN ORDER.—A procedural disapproval resolution under section 5(b) shall not be in order with respect to an agreement described in subsection (a) of this section based on a failure or refusal to comply with section 4(a).

SEC. 7. CONFORMING AMENDMENTS.

(a) IN GENERAL.—Title I of the Trade Act of 1974 (19 U.S.C. 2111 et seq.) is amended as follows:

(1) IMPLEMENTING BILL.—

(A) Section 151(b)(1) (19 U.S.C. 2191(b)(1)) is amended—

(i) by striking ''section 1103(a)(1) of the Omnibus Trade and Competitiveness Act of 1988, or section 282 of the Uruguay Round Agreements Act'' and inserting ''section 282 of the Uruguay Round Agreements Act, or section 5(a)(1) of the Reciprocal Trade Agreements Act of 1997''; and

(ii) by adding after subparagraph (C) the following flush sentence:

''For purposes of applying this paragraph to implementing bills submitted with respect to trade agreements entered into under section 3(b) of the Reciprocal Trade Agreements Act of 1997, subparagraphs (A), (B), and (C) of section 3(b)(3) of such Act shall be substituted for subparagraphs (A), (B), and (C) of this paragraph.''.

(B) Section 151(c)(1) (19 U.S.C. 2191(c)(1)) is amended by striking ''or section 282 of the Uruguay Round Agreements Act'' and inserting '', section 282 of the Uruguay Round Agreements Act, or section 5(a)(1) of the Reciprocal Trade Agreements Act of 1997''.

(2) ADVICE FROM INTERNATIONAL TRADE COMMISSION.—Section 131 (19 U.S.C. 2151) is amended—

(A) in subsection (a)—

(i) in paragraph (1), by striking ''section 123 of this Act or section 1102 (a) or (c) of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 123 of this Act or section 3 (a) or (b) of the Reciprocal Trade Agreements Act of 1997,''; and

(ii) in paragraph (2), by striking ''section 1102 (b) or (c) of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 3(b) of the Reciprocal Trade Agreements Act of 1997'';

(B) in subsection (b), by striking ''section 1102(a)(3)(A)'' and inserting ''section 3(a)(3)(A) of the Reciprocal Trade Agreements Act of 1997'' before the end period; and

(C) in subsection (c), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' and inserting ''section 3 of the Reciprocal Trade Agreements Act of 1997,''.

(3) HEARINGS AND ADVICE.—Sections 132, 133(a), and 134(a) (19 U.S.C. 2152, 2153(a), and 2154(a)) are each amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988,'' each place it appears and inserting ''section 3 of the Reciprocal Trade Agreements Act of 1997,''.

(4) PREREQUISITES FOR OFFERS.—Section 134(b) (19 U.S.C. 2154(b)) is amended by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 3 of the Reciprocal Trade Agreements Act of 1997''.

(5) ADVICE FROM PRIVATE AND PUBLIC SECTORS.—Section 135 (19 U.S.C. 2155) is amended—

(A) in subsection (a)(1)(A), by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''section 3 of the Reciprocal Trade Agreements Act of 1997'';

(B) in subsection (e)(1)—

(i) by striking ''section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' each place it appears and inserting ''section 3 of the Reciprocal Trade Agreements Act of 1997''; and

(ii) by striking ''section 1103(a)(1)(A) of such Act of 1988'' and inserting ''section 5(a)(1)(A) of the Reciprocal Trade Agreements Act of 1997''; and

(C) in subsection (e)(2), by striking ''the applicable overall and principal negotiating objectives set forth in section 1101 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''the purposes, policies, and objectives set forth in section 2 (a) and (b) of the Reciprocal Trade Agreements Act of 1997''.

(6) TRANSMISSION OF AGREEMENTS TO CONGRESS.—Section 162(a) (19 U.S.C. 2212(a)) is amended by striking ''or under section 1102 of the Omnibus Trade and Competitiveness Act of 1988'' and inserting ''or under section 3 of the Reciprocal Trade Agreements Act of 1997''.

(b) APPLICATION OF CERTAIN PROVISIONS.—For purposes of applying sections 125, 126, and 127 of the Trade Act of 1974 (19 U.S.C. 2135, 2136(a), and 2137)—

(1) any trade agreement entered into under section 3 shall be treated as an agreement entered into under section 101 or 102, as appropriate, of the Trade Act of 1974 (19 U.S.C. 2111 or 2112); and

(2) any proclamation or Executive order issued pursuant to a trade agreement entered into under section 3 shall be treated as a proclamation or Executive order issued pursuant to a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 8. TRADE ADJUSTMENT ASSISTANCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended—

(A) in subsection (a), by striking ''1993, 1994, 1995, 1996, 1997, and'' and inserting ''1999, and 2000,'' after ''1998,''; and

(B) in subsection (b), by striking ''1994, 1995, 1996, 1997, and'' and inserting ''1999, and 2000,'' after ''1998,''.

(2) ASSISTANCE FOR FIRMS.—Section 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is

amended by striking ''1993, 1994, 1995, 1996, 1997, and'' and inserting '', 1999, and 2000,'' after ''1998''.

(b) TERMINATION.—Section 285(c) of the Trade Act of 1974 (19 U.S.C. 2271 note preceding) is amended—

(1) in paragraph (1), by striking ''1998'' and inserting ''2000''; and

(2) in paragraph (2)(A), by striking ''the day that is'' and all that follows through ''effective'' and inserting ''September 30, 2000''.

SEC. 9. FEES FOR CERTAIN CUSTOMS SERVICES.

Section 13031(b)(1)(C) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(b)(1)(C)) is amended by striking ''to fiscal years'' and all that follows through ''1997'' and inserting ''before September 1, 1998''.

SEC. 10. DEFINITIONS.

In this Act:

(1) DISTORTION.—The term ''distortion'' includes, but is not limited to, a subsidy.

(2) TRADE.—The term ''trade'' includes, but is not limited to—

(A) trade in both goods and services; and

(B) foreign investment by United States persons, especially if such investment has implications for trade in goods and services.

(3) URUGUAY ROUND AGREEMENTS.— The term ''Uruguay Round Agreements'' has the meaning given such term in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7).

(4) WORLD TRADE ORGANIZATION.—The term ''World Trade Organization'' means the organization established pursuant to the WTO Agreement.

(5) WTO AGREEMENT.—The term ''WTO Agreement'' means the Agreement Establishing the World Trade Organization entered into on April 15, 1994.

(6) WTO AND WTO MEMBER.—The terms ''WTO'' and ''WTO member'' have the meanings given those terms in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501).

COVERDELL AMENDMENT NO. 3153

(Ordered to lie on the table.)

Mr. COVERDELL submitted an amendment intended to be proposed by him to the bill, S. 2159, supra; as follows:

On page 14, line 17, strike ''in all, $434,782,000'' and insert ''$550,000 for research to detect or prevent colonization of E. coli:0157H7 in live cattle; in all, $435,332,000''.

On page 49, line 23, strike ''$131,795,000'' and insert ''$131,245,000''.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that the hearing regarding H.R. 856, a bill to provide a process leading to full self-government for Puerto Rico; and S. 472, a bill to provide for referenda in which the residents of Puerto Rico may express democratically their preferences regarding the political status of the territory, and for other purposes, which began Tuesday, July 14 will continue on Wednesday, July 15 at 9:00 a.m. in Room SH–216 of the Hart Senate Office Building in Washington, D.C.

For further information, please call Jim Beirne (202)–224–2564) or Betty Nevitt (202–224–0765).

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. CRAIG. Mr. President, I would like to announce for the public that the previously announced hearing by the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources for July 21, 1998 has been postponed.

The hearing was scheduled to take place Tuesday, July 21, 1998, at 2:30 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, D.C. to receive testimony on S. 1964, the Ivanpah Valley Airport Public Land Transfer Act.

For further information, please call Amie Brown or Mike Menge (202) 224–6170.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce that a full committee hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Thursday, July 23, 1998, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of this hearing is to conduct oversight on the results of the Arctic National Wildlife Refuge, 1002 Area, Petroleum Assessment, 1998, conducted by the United States Geological Survey.

Those who wish to submit written testimony should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. Presentation of oral testimony is by Committee invitation only. For further information, please contact Jo Meuse or Brian Malnak at (202) 224–6730.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, July 14, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to receive testimony on H.R. 856, a bill to provide a process leading to full self-government for Puerto Rico; and S. 472, a bill to provide for referenda in which the residents of Puerto Rico may express democratically their preferences regarding the political status of the territory, and for other purposes.

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

COMMITTEE ON FINANCE

Mr. COCHRAN. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Tuesday, July 14, 1998 beginning at 9:30 a.m. in room 215 Dirksen.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, July 14, 1998 at 2:00 p.m. to hold a closed business meeting.

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

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs be authorized to meet during the session of the Senate on Tuesday, July 14, 1998 at 10:00 a.m. to hold a hearing.

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

SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Transportation and Infrastructure be granted permission to conduct a hearing Tuesday, July 14, 9:30 a.m., Hearing Room (SD–406), on S. 1647, to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965, and other pending legislation to reauthorize.

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

SUBCOMMITTEE ON WATER AND POWER

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, July 14, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:30 p.m. The purpose of this hearing is to receive testimony on S. 1515, the Dakota Water Resources Act of 1997; S. 2111, a bill to establish the conditions under which the Bonneville Power Administration and certain Federal agencies may enter into a memorandum of agreement concerning management of the Columbia/Snake River Basin, to direct the Secretary of the Interior to appoint an advisory committee to make recommendations regarding activities under the memorandum of understanding, and for other purposes; and S. 2117, the Perkins County Rural Water System Act of 1997.

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

ADDITIONAL STATEMENTS

TRIBUTE TO ROLAND W. CULPEPPER, JR.

• Mr. WARNER. Mr. President, I rise today to honor the retirement of Roland W. Culpepper, Jr., an extraordinary individual who has rendered thirty-three years of civil service not only to the Commonwealth of Virginia, but also to the nation.

Mr. Culpepper, who resides in Chesapeake, Virginia, with his wife, Shirley, will soon enter into retirement after a lifetime of service in the Norfolk District of the United States Army Corps of Engineers.

During his time in the Norfolk District, Mr. Culpepper's expertise and professionalism facilitated his ascendance to the Chief of Programs and Project Management. His responsibilities included full delegated authority for the Norfolk District's Civil Works, Military, Environmental and Support for Others programs and projects. Preceding his duties as the Chief of Programs and Project Management, Mr. Culpepper spent a full twelve years as Chief, Plan Formulation Branch where he was responsible for the management of several large comprehensive water resources studies which led to Congressional-authorized projects. Afterwards, Mr. Culpepper moved to the administrative level within the Norfolk District as the Deputy Chief of the Planning and subsequently, served as Chief, Planning Division in 1986.

Throughout his thirty-three year career as a professional engineer, Mr. Culpepper has received numerous awards and distinctions in recognition of his exceptional career. Among them, Mr. Culpepper has received the Meritorious Civilian Service Award, the Commander's Award for Civilian Service, and the Engineer of the Year Award. Further distinguishing his performance is Mr. Culpepper's graduation from the Executive Development Program for the Engineers and Scientists Career Program in 1993.

Mr. President, Mr. Culpepper's thirty-three years of exceptional service, his numerous awards, and his distinguished education serve as testament of his dedication to the environmental improvement of the Commonwealth of Virginia and our country. I urge my colleagues to stand and join me in paying tribute to Roland W. Culpepper, Jr., and in wishing him happiness and contentment in his well-deserved retirement.●

CONFERENCE REPORT ON THE IRS REFORM AND RESTRUCTURING BILL (H.R. 2676)

● Mr. CLELAND. Mr. President, as we approached the final Senate vote on H.R. 2676, the IRS Reform and Restructuring bill, I was reminded of Dickens' ''A Tale of Two Cities''. As a conferee on this badly needed piece of legislation, I am led to observe that it is the best of bills, it is the worst of bills.

In its germane provisions reforming the operations of the Internal Revenue Service it represents the best of Congress in identifying and enacting legislation to address the real needs of American citizens. But in its last minute, secretive addition of several extraneous matters, most notably the ISTEA technical corrections, it represents the Congress at its worst in circumventing public debate and scrutiny.

In its putting the emphasis on the ''Service'' part of the IRS it demonstrates the best of policy-making in pursuit of the public interest which should be the focus of our efforts as national legislators. But, it also demonstrates the worst of our process in that in our haste to get something done rapidly, before the July 4 break, we are willing to cut some corners on important matters of national security.

Mr. President, I support, 100 percent, the public's right to know when a federal agency abuses a taxpayer, and I support the public's demand for a remedy to that intolerable situation. I was extremely proud to have been chosen to serve as a member of the conference committee on the IRS bill. Chairman ROTH, Vice Chairman ARCHER, Senator MOYNIHAN, Congressman RANGEL, and the remaining conferees from the Senate Finance Committee and the House Ways and Means Committee did yeoman's work in crafting one of the most significant acts of the 105th Congress—the IRS Reform and Restructuring bill.

This is groundbreaking legislation which recreates the IRS and puts in place dramatic changes which will make the agency more accountable to the American taxpayer. This bill revives the original purpose of the Internal Revenue Service: to collect tax revenue while providing the assistance and service taxpayers deserve.

Most importantly, taxpayers will receive overdue rights under the IRS Reform and Restructuring Act. Under the new law, the burden of proof will lie with the IRS, and taxpayers' rights in recovering civil damages as a result of unacceptable collection practices by the IRS will be expanded. An ''innocent spouse'' provision is also contained in this legislation. This provides that all understated tax is transferred to the culpable spouse. Also, for couples who are divorced or have been legally separated for more than 12 months, taxpayers are only liable for the deficiency that is attributable to their income reporting. This is an important provision for those who have burdened with a tax bill for which they are not responsible.

This conference report also reorganizes the tax collecting agency around the idea of taxpayer service. Knowledgeable employees who are specialized in meeting the needs of specific taxpayer categories—like individuals, small businesses, and corporations—will be available to answer taxpayers' questions. And, the IRS Commissioner will have some hiring flexibility to offer special packages to qualified, successful private sector employees who will increase the professionalism and responsiveness of the agency.

Because of these and other needed improvements, I endorse the IRS Reform and Restructuring Act, and despite some misgivings I am about to enunciate, I will vote for the adoption of the conference report. However, I did not sign the report because, at the last minute, extraneous material was tacked on to this landmark legislation. Out of the blue, and without being considered in either the House or Senate bill, the ISTEA technical corrections bill was included as part of the IRS conference report. Through this maneuver, Senator ROCKEFELLER was prevented from offering his amendment on the floor of the Senate to correct an injustice done to disabled veterans with smoking-related disabilities in the original ISTEA reauthorization bill. Through this maneuver, the Senate and the American people were denied the opportunity for open debate and an up-or-down vote on an issue affecting America's veterans who put their life on the line for this nation.

Justice Louis Brandeis once said, ''Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants; electric light the most efficient policeman.'' I could not vote to report out of committee the conference report because it runs counter to the open door, public process by which Congress should responsibly pass our laws. Sadly, all too often conference committees are the vehicle by which lawmakers fast-track controversial measures behind closed doors in order to avoid unpopular votes. There are no fingerprints. Issues which were not in the House-passed bill, not in the Senate-passed bill, too often mysteriously appear in the final conference report. Where is our accountability as the legislators of this country?

However, though I will vote for this conference report because on balance it is good legislation which American taxpayers need and deserve, I want to make it crystal clear that this issue of appropriate compensation to veterans with smoking-related disabilities will NOT go away. When we come back into session after the July 4 break, I will work with Sen. ROCKEFELLER, and others, to correct the injustice done to our veterans in the ISTEA reauthorization bill. Specifically, I believe we need to strike the veterans' disability compensation offset which was included in the President's budget and in the ISTEA bill as more of budget-saving device rather than as a clearly considered matter of veterans' benefit policy.

On another front, I am also troubled by two provisions in this conference report which I believe, unintentionally, compromise the security of our nation. The first provision removes the lawful ability of the President, and most Cabinet members, to start or stop an audit or investigation of a taxpayer. Make no mistake: we all condemn the misuse of power to halt legitimate investigations or audits. But the lack of an exemption in the case of national security and law enforcement jeopardizes critical efforts to protect American citizens. It is my understanding that the Department of Justice has stated that the provision is unconstitutional.

I have similar concerns about the second provision, which carves out an

exception to the Inspector General statute, so that the Secretary of the Treasury is prohibited from exercising his authority to stop an investigation by the Tax IG when national security or law enforcement issues are at stake. The Treasury Department and the Central Intelligence Agency are both opposed to this provision.

I worked with the other conferees to try to work out these national security problems but ultimately those efforts fell short because of time constraints.

On balance, though, I support, enthusiastically, H.R. 2676, the IRS Reform and Restructuring Act. It will significantly improve the position of American taxpayers in their dealings with the IRS. But I abhor the closed door process by which the ISTEA technical corrections bill was attached. However, this and the national security flaws are correctable, if not now on this legislation, then certainly before the Senate adjourns for the year. I pledge my efforts to achieve that goal.●

PARTIAL BIRTH ABORTION

● Mr. ABRAHAM. Mr. President, a recent, near-tragic incident has come to my attention; an incident which in my view casts significant light on the debate over partial birth abortion.

According to the Associated Press, on June 30 of this year Dr. John Biskind delivered a full-term baby girl. Unfortunately, this little girl was almost killed. She suffered cuts to her face and a skull fracture. Officials have refused to comment on her condition. She is scheduled to be adopted by a Texas couple, so it is my hope that she will experience a full recovery.

But we should not lose track of the cause of her injuries: Dr. Biskind attempted to perform a partial birth abortion. The 17 year-old mother had come to Dr. Biskind's A-Z Women's Center seeking an abortion. The clinic performed an ultrasound, determining that what they had here was a 23.6 week fetus, and determined to perform a partial birth abortion.

Dr. Biskind thought he was performing this inhuman procedure on a fetus two thirds of the way to term. That would be bad enough. But in fact Dr. Biskind's clinic made an unbelievable mistake in the ultrasound. The girl actually was approaching full term. And Dr. Biskind did not realize this fact until he already had begun aborting her.

This is astounding, Mr. President. According to Dr. Carolyn Gerster, a Phoenix physician and chairman of Arizona Right to Life, a 24-week-old fetus weighs an average of 2 pounds, whereas a 36 week-old fetus weighs about 6 and a half pounds. As Dr. Gerster commented, ''I don't know how such a grave error could be made in estimating the size. There shouldn't be that kind of discrepancy in an ultrasound. It's horrendous.''

Horrendous indeed, Mr. President. But this was not the first horrendous mistake made by this abortionist. Dr. Biskind was censured by the medical board in 1996 when a patient bled to death after undergoing an abortion. He also was reprimanded in 1989 for misdiagnosis or mistreatment of a patient, and in 1990 for improperly prescribing drugs. A similar complaint was dismissed in 1994.

This incident, and Dr. Biskind's deplorable record as a physician, cast on ugly light on an unfortunate procedure. Too many women in America are being subjected to partial birth abortions. Whatever one's views on the abortion issue itself, and I am strongly pro-life, there is no basis for defending partial birth abortion. The procedure is never, let me emphasize that Mr. President, never necessary for the life or health of the mother. It is in fact an unnecessarily dangerous procedure that increases the chance of physical harm to the mother, and which most reputable doctors refuse to even consider performing.

Defenders of partial birth abortion have relied on a number of untruths, including the false story that the procedure is performed only in rare occasions. We now know, Mr. President, that that just isn't so. We also know that there are abortionists like Dr. Biskind out there who let their patients bleed to death and who allow an ultrasound in their clinic to be botched so badly that they almost kill a fully formed baby girl.

It is time to shut down clinics like Dr. Biskind's. If defenders of abortion rights are really serious about defending women's health, they should join with me and those of my colleagues who have sought to ban partial birth abortion. They also should fight with me to keep women from having to undergo any kind of abortion.

Clearly, Mr. President, America is not doing enough for her expectant mothers. Too many are abandoned by their husbands, boyfriends, and families in their time of special need. Too many feel alone and powerless in the face of an unexpected pregnancy. Too many fall into the hands of the Dr. Biskind's of this world because they have not been fully informed of their options, including the availability of loving couples like the one that is adopting the girl Dr. Biskind almost aborted.

I intend to work as hard as I can, Mr. President, to bring practices like Dr. Biskind's to an end. It is long past time, in my view, for us to overturn President Clinton's veto of the ban on partial birth abortion. It also is long past time for us to make women more aware of the adoption option as we seek to make the better choice—the choice of life—easier to make.

Mr. President, I ask that the full text of the associated press story, as it appears in the Washington Times, be printed in the RECORD.

The article follows:

[From The Washington Times, Fri., July 10, 1998]

ABORTION ABORTED FOR BIRTH OF GIRL—FETUS' AGE WAS MISCALCULATED

Phoenix (AP)—A doctor performing a partial-birth abortion on what he says he thought was a 23-week fetus realized in the middle of the procedure that the pregnancy was much further along and instead delivered a full-term baby.

Police and the Arizona Board of Medical Examiners are investigating Dr. John Biskind and the June 30 birth at A–Z Women's Center, which terminates pregnancies through the 24th week.

''At this point, it doesn't appear anybody will be charged with anything,'' Sgt. Mike Torres said.

The 6-pound, 2-ounce girl suffered a skull fracture and cuts on her face and remained hospitalized yesterday. Officials refused to comment on her condition. A Texas couple plans to adopt the girl, authorities said.

The 17-year-old mother went to the clinic June 29 seeking to undergo a procedure in which the doctor delivers a fetus feet first up to its neck, punches a hole into its skull and sucks out its brain through a tube, killing the child.

Ultrasound testing at the clinic determined her fetus was 23.6 weeks' developed, the doctor said.

During the procedure the next day, Dr. Biskind realized the pregnancy was much further along, halted the abortion and delivered the infant, police said.

A woman who answered the phone at the abortion clinic said Dr. Biskind had no comment. ''We're dealing with the police on this,'' said the woman, who would not give her name.

Police and the Maricopa County Attorney's Office are investigating to determine whether a crime was committed.

Dr. Carolyn Gerster, a Phoenix physician who is chairwoman of Arizona Right to Life, said the average weight for a 24-week fetus is about 2 pounds and about 6½ pounds at 36 weeks.

''I don't know how such a grave error could be made in estimating the size,'' she said. ''There shouldn't be that kind of discrepancy in an ultrasound. It's horrendous.''

The medical board censured Dr. Biskind in 1996 after a patient bled to death following an abortion. The patient's family has a lawsuit pending against him.

He also was reprimanded in 1989 for misdiagnosis or mistreatment of a patient and for improperly prescribing drugs in 1990. A similar complaint was dismissed in 1994.●

CONGRATULATING THE SMALL BUSINESS ADMINISTRATION'S YOUNG ENTREPRENEUR OF THE YEAR

● Mr. AKAKA. Mr. President, today I rise to recognize a very special Hawaii business person. Charles Wesley Fortner is the recipient of the 1998 U.S. Small Business Administration's Young Entrepreneur of the Year Award. Mr. Fortner, 28 years of age, is a resident of Mililani, Hawaii, and the founder and president of the Honolulu-based telecommunications firm, Island Page, Inc.

In 1994, Mr. Fortner had the courage to move to Hawaii to open the business by himself. With two partners who gave him the paging rights to the Hawaiian Islands, Mr. Fortner established the business location and field tested

the equipment that carries the paging signals by driving and walking all over the island.

In less than four years, Island Page has grown from a one-man operation to a company with a trained staff of 18 employees. Mr. Fortner's motivational ability and management style encourage his employees to operate the business with a strong customer service attitude. Those who know Mr. Fortner consider him the model of the new business mentor for the next century.

Island Page sales totaled $280,000 in 1995 and increased 370 percent in 1996 to pass the $1 million mark. Sales for 1997 were expected to increase another 50 percent. The company achieved a profit of 12 percent in 1996 and anticipated a 25 percent return in 1997.

Mr. Fortner is the man behind Island Page's popular ''Captain Beep Beep'' radio campaign. His creative abilities have also played a major role in establishing the technical requirements of the company. He brought with him to Hawaii a new line of equipment that allowed him to operate the business at a lower cost than his competitors. The company started in one location on Oahu, moved into the Dillingham community in the second year and opened a third location in Hawaii Kai in 1997. Mainland travelers can use the Island Page network and local subscribers can travel anywhere in the country and receive a page from Hawaii.

I am pleased that Charles Wesley Fortner has been named SBA's 1998 Young Entrepreneur of the Year. I believe that he embodies the best Hawaii has to offer.●

TRIBUTE TO HERBERT C. GREEN: AN INSPIRATIONAL LEADER AND DEVOTED HUSBAND

● Mr. CLELAND. Mr. President, I rise today to honor Herbert Green from Norcross, Georgia for his service in the United Auto Workers Union, and on 50 years of love and devotion to his lovely wife Autince as they celebrate their Golden Wedding Anniversary on Sunday, July 19, 1998.

Walter Ruether, the great UAW leader, once said, ''the most important thing in the world is to fight for the other guy.''

This quote reminds me a lot of Herb Green because, for the last several decades, he has been organizing, educating and tirelessly fighting for the rights of working men and women in Georgia and our Nation.

Many of us know how important the labor movement has been for the improvement of working conditions and fair compensation for millions of Americans. None of this would have happened if it had not been for tireless, visionary individuals who were willing to work on behalf of their coworkers, such as Herb Green. Prior to his retirement in 1987 as the International Representative for Region 8, he focused his efforts in the educational and political arenas of the UAW and the State of Georgia. His UAW involvement continues as a member of the UAW's Advisory Council.

Herb's union work began in 1938 when he became a member of the Boot & Shoe Workers Union, followed by membership in the Packing House Workers Union from 1940 to 1942. After being hired at Local 10 (then GM BOP, now GM CPC) in Doraville in January 1949, Herb established his first UAW membership. He quickly became an active participant in Local 10's affairs, where he served as an Alternate Committeeman, Trustee, member of the Building Committee, District Committeeman, and for a number of years, Chairman of the Shop Committee.

In January 1962 he was appointed as a member of the Region's CAP Education Staff by then Director, E. T. Michael, a job he held through most of his union career, representing Georgia, Florida and South Carolina. He also served as a UAW International Representative of Region 8, consisting of the states of Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, four counties in south central Pennsylvania, the District of Columbia, and Berkeley County, West Virginia.

I have had the pleasure of knowing and working with Herb for many years. On issues like employee rights and education for our children, nobody has worked longer, fought harder or been more committed than him. I am proud to call Herb a close friend and someone who I look to for advice and guidance.

A long time activist in the political and civic life of Georgia, Herb has served as a member of the Board of Review of the Georgia Employment Security Agency, the Urban League, Board Member of the United Way, Vice Chairman of the Gwinnett County Democratic Party, Member of the Board of Elections of the Gwinnett County Democratic Party, Member of Georgia State University's Advisory Committee of Labor Studies, and Chairman of the Trustees of Winter's Chapel Methodist Church, where he and his family have been members for many years.

Herb, who just celebrated his 77th birthday, was born on July 6, 1921. He and his wife have two children, a daughter Kathy and a son Terry, and five grandchildren—the true inspirations of their lives.

I am pleased to call attention to Herb's nearly half a century of dedicated service to the UAW and to congratulate him and Autince on 50 years of marital bliss. I know that they have many more years of happiness ahead of them. I wish them both the best and look forward to continuing our cherished friendship.●

JOINT MEETING OF THE TWO HOUSES—ADDRESS BY THE PRESIDENT OF ROMANIA

Mr. ROBERTS. Mr. President, I ask unanimous consent that the President pro tempore of the Senate be authorized to appoint a committee on the part of the Senate to join with a like committee on the part of the House of Representatives to escort the President of Romania into the House Chamber for the joint meeting at 10 a.m. on Wednesday, July 15, 1998.

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

UNANIMOUS CONSENT AGREEMENT—S. 2282

Mr. ROBERTS. I ask unanimous consent that when the Senate receives from the House a message on S. 2282, the agriculture export bill, and the text of the House amendment is identical to the text I now send to the desk, then the Senate concur in the House amendment and the motion to reconsider be laid upon the table. I also ask that the Senate be authorized to receive the message this evening after the Senate adjourns.

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

The text of the amendment follows:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Agriculture Export Relief Act of 1998''.

SEC. 2. SANCTIONS EXEMPTIONS.

(a) EXEMPTION REGARDING FOOD AND OTHER AGRICULTURAL COMMODITY PURCHASES.—Section 102(b)(2)(D) of the Arms Export Control Act (22 U.S.C. 2799aa–1(b)(2)(D)) is amended as follows:

(1) In clause (i) by striking ''or'' at the end.

(2) In clause (ii) by striking the period and inserting '', or''.

(3) By inserting after clause (ii) the following new clause:

''(iii) to any credit, credit guarantee, or financial assistance provided by the Department of Agriculture to support the purchase of food or other agricultural commodity.''.

(b) DESCRIPTION OF AGRICULTURAL COMMODITIES.—Section 102(b)(2)(F) of such Act is amended by striking the period at the end and inserting '', which includes fertilizer.''.

(c) OTHER EXEMPTIONS.—Section 102(b)(2)(D)(ii) of such Act is further amended by inserting after ''to'' the following: ''medicines, medical equipment, and''.

(d) APPLICATION OF AMENDMENTS.—The amendment made by subsection (a)(3) shall apply to any credit, credit guarantee, or other financial assistance provided by the Department of Agriculture before, on, or after the date of enactment of this Act through September 30, 1999.

(e) EFFECT ON EXISTING SANCTIONS.—Any sanction imposed under section 102(b)(1) of the Arms Export Control Act before the date of the enactment of this Act shall cease to apply upon that date with respect to the items described in the amendments made by subsections (b) and (c). In the case of the amendment made by subsection (a)(3), any sanction imposed under section 102(b)(1) of the Arms Export Control Act before the date of the enactment of this Act shall not be in effect during the period beginning on that date and ending on September 30, 1999, with respect to the activities and items described in the amendment.

TROPICAL FOREST PROTECTION ACT OF 1998

Mr. ROBERTS. I ask unanimous consent that the Senate proceed to the

consideration of Calendar No. 420, S. 1758.

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

The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1758) to amend the Foreign Assistance Act of 1961 to facilitate protection of tropical forests through debt reduction with developing countries with tropical forests.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Foreign Relations, with amendments, as follows:

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

S. 1758

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEBT REDUCTION FOR DEVELOPING COUNTRIES WITH TROPICAL FORESTS.

The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following:

"PART V—DEBT REDUCTION FOR DEVELOPING COUNTRIES WITH TROPICAL FORESTS

"SEC. 801. SHORT TITLE.

''This part may be cited as the 'Tropical Forest Conservation Act of 1998'.

"SEC. 802. FINDINGS AND PURPOSES.

''(a) FINDINGS.—The Congress finds the following:

''(1) It is the established policy of the United States to support and seek protection of tropical forests around the world.

''(2) Tropical forests provide a wide range of benefits to humankind by—

''(A) harboring a major share of the Earth's biological and terrestrial resources, which are the basis for developing pharmaceutical products and revitalizing agricultural crops;

''(B) playing a critical role as carbon sinks in reducing greenhouse gases in the atmosphere, thus moderating potential global climate change; and

''(C) regulating hydrological cycles on which far-flung agricultural and coastal resources depend.

''(3) International negotiations and assistance programs to conserve forest resources have proliferated over the past decade, but the rapid rate of tropical deforestation continues unabated.

''(4) Developing countries with urgent needs for investment and capital for development have allocated a significant amount of their forests to logging concessions.

''(5) Poverty and economic pressures on the populations of developing countries have, over time, resulted in clearing of vast areas of forest for conversion to agriculture, which is often unsustainable in the poor soils underlying tropical forests.

''(6) Debt reduction can reduce economic pressures on developing countries and result in increased protection for tropical forests.

''(7) Finding economic benefits to local communities from sustainable uses of tropical forests is critical to the protection of tropical forests.

''(b) PURPOSES.—The purposes of this part are—

''(1) to recognize the values received by United States citizens from protection of tropical forests;

''(2) to facilitate greater protection of tropical forests (and to give priority to protecting tropical forests with the highest levels of biodiversity and under the most severe threat) by providing for the alleviation of debt in countries where tropical forests are located, thus allowing the use of additional resources to protect these critical resources and reduce economic pressures that have led to deforestation;

''(3) to ensure that resources freed from debt in such countries are targeted to protection of tropical forests and their associated values; and

''(4) to rechannel existing resources to facilitate the protection of tropical forests.

"SEC. 803. DEFINITIONS.

''As used in this part:

''(1) ADMINISTERING BODY.—The term 'administering body' means the entity provided for in section 809(c).

''(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term 'appropriate congressional committees' means—

''(A) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

''(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

''(3) BENEFICIARY COUNTRY.—The term 'beneficiary country' means an eligible country with respect to which the authority of section 806(a)(1), section 807(a)(1), or paragraph (1) or (2) of section 808(a) is exercised.

''(4) BOARD.—The term 'Board' means the board referred to in section 811.

''(5) DEVELOPING COUNTRY WITH A TROPICAL FOREST.—The term 'developing country with a tropical forest' means—

''(A)(i) a country that has a per capita income of $725 or less in 1994 United States dollars (commonly referred to as 'low-income country'), as determined and adjusted on an annual basis by the International Bank for Reconstruction and Development in its World Development Report; or

''(ii) a country that has a per capita income of more than $725 but less than $8,956 in 1994 United States dollars (commonly referred to as 'middle-income country'), as determined and adjusted on an annual basis by the International Bank for Reconstruction and Development in its World Development Report; and

''(B) a country that contains at least one tropical forest that is globally outstanding in terms of its biological diversity or represents one of the larger intact blocks of tropical forests left, on a continental or global scale.

''(6) ELIGIBLE COUNTRY.—The term 'eligible country' means a country designated by the President in accordance with section 805.

''(7) TROPICAL FOREST AGREEMENT.—The term 'Tropical Forest Agreement' or 'Agreement' means a Tropical Forest Agreement provided for in section 809.

''(8) TROPICAL FOREST FACILITY.—The term 'Tropical Forest Facility' or 'Facility' means the Tropical Forest Facility established in the Department of the Treasury by section 804.

''(9) TROPICAL FOREST FUND.—The term 'Tropical Forest Fund' or 'Fund' means a Tropical Forest Fund provided for in section 810.

"SEC. 804. ESTABLISHMENT OF THE FACILITY.

''There is established in the Department of the Treasury an entity to be known as the 'Tropical Forest Facility' for the purpose of providing for the administration of debt reduction in accordance with this part.

"SEC. 805. ELIGIBILITY FOR BENEFITS.

''(a) IN GENERAL.—To be eligible for benefits from the Facility under this part, a country shall be a developing country with a tropical forest—

''(1) whose government meets the requirements applicable to Latin American or Caribbean countries under paragraphs (1) through (5) and (7) of section 703(a) of this Act; and

''(2) that has put in place major investment reforms, as evidenced by the conclusion of a bilateral investment treaty with the United States, implementation of an investment sector loan with the Inter-American Development Bank, World Bank-supported investment reforms, or other measures, as appropriate.

''(b) ELIGIBILITY DETERMINATIONS.—

''(1) IN GENERAL.—Consistent with subsection (a), the President shall determine whether a country is eligible to receive benefits under this part.

''(2) CONGRESSIONAL NOTIFICATION.—The President shall notify the appropriate congressional committees of his intention to designate a country as an eligible country at least 15 days in advance of any formal determination.

"SEC. 806. REDUCTION OF DEBT OWED TO THE UNITED STATES AS A RESULT OF CONCESSIONAL LOANS UNDER THE FOREIGN ASSISTANCE ACT OF 1961.

''(a) AUTHORITY TO REDUCE DEBT.—

''(1) AUTHORITY.—The President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1998, as a result of concessional loans made to an eligible country by the United States under part I of this Act, chapter 4 of part II of this Act, or predecessor foreign economic assistance legislation.

''(2) AUTHORIZATION OF APPROPRIATIONS.—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to this section, there are authorized to be appropriated to the President—

''(A) $25,000,000 for fiscal year 1999;

''(B) $75,000,000 for fiscal year 2000; and

''(C) $100,000,000 for fiscal year 2001.

''(3) CERTAIN PROHIBITIONS INAPPLICABLE.—

''(A) IN GENERAL.—A reduction of debt pursuant to this section shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

''(B) ADDITIONAL REQUIREMENT.—The authority of this section may be exercised notwithstanding section 620(r) of this Act or section 321 of the International Development and Food Assistance Act of 1975.

''(b) IMPLEMENTATION OF DEBT REDUCTION.—

''(1) IN GENERAL.—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in subsection (a) outstanding as of the date specified in subsection (a)(1).

''(2) EXCHANGE OF OBLIGATIONS.—

''(A) IN GENERAL.—The Facility shall notify the agency primarily responsible for administering part I of this Act of an agreement entered into under paragraph (1) with an eligible country to exchange a new obligation for outstanding obligations.

''(B) ADDITIONAL REQUIREMENT.—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation for the country shall be established relating to the agreement, and the agency primarily responsible for administering part I of this Act shall make an adjustment in its accounts to reflect the debt reduction.

''(c) ADDITIONAL TERMS AND CONDITIONS.—The following additional terms and conditions shall apply to the reduction of debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 704(a)(1) of this Act:

''(1) The provisions relating to repayment of principal under section 705 of this Act.

''(2) The provisions relating to interest on new obligations under section 706 of this Act.

''SEC. 807. REDUCTION OF DEBT OWED TO THE UNITED STATES AS A RESULT OF CREDITS EXTENDED UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

''(a) AUTHORITY TO REDUCE DEBT.—

''(1) AUTHORITY.—Notwithstanding any other provision of law, the President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1998, as a result of any credits extended under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.) to a country eligible for benefits from the Facility.

''(2) AUTHORIZATION OF APPROPRIATIONS.—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to this section, there are authorized to be appropriated to the President—

''(A) $25,000,000 for fiscal year 1999;

''(B) $50,000,000 for fiscal year 2000; and

''(C) $50,000,000 for fiscal year 2001.

''(b) IMPLEMENTATION OF DEBT REDUCTION.—

''(1) IN GENERAL.—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in subsection (a) outstanding as of the date specified in subsection (a)(1).

''(2) EXCHANGE OF OBLIGATIONS.—

''(A) IN GENERAL.—The Facility shall notify the Commodity Credit Corporation of an agreement entered into under paragraph (1) with an eligible country to exchange a new obligation for outstanding obligations.

''(B) ADDITIONAL REQUIREMENT.—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation shall be established for the country relating to the agreement, and the Commodity Credit Corporation shall make an adjustment in its accounts to reflect the debt reduction.

''(c) ADDITIONAL TERMS AND CONDITIONS.—The following additional terms and conditions shall apply to the reduction of debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 604(a)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738c):

''(1) The provisions relating to repayment of principal under section 605 of such Act.

''(2) The provisions relating to interest on new obligations under section 606 of such Act.

''SEC. 808. AUTHORITY TO ENGAGE IN DEBT-FOR-NATURE SWAPS AND DEBT BUYBACKS.

''(a) LOANS AND CREDITS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

''(1) DEBT-FOR-NATURE SWAPS.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser described in subparagraph (B) any concessional loans described in section 806(a)(1) or any credits described in section 807(a)(1), or on receipt of payment from an eligible purchaser described in subparagraph (B), reduce or cancel such loans (or credits) or portion thereof, only for the purpose of facilitating a debt-for-nature swap to support eligible activities described in section 809(d).

''(B) ELIGIBLE PURCHASER DESCRIBED.—A loan or credit may be sold, reduced, or canceled under subparagraph (A) only to a purchaser who presents plans satisfactory to the President for using the loan or credit for the purpose of engaging in debt-for-nature swaps to support eligible activities described in section 809(d).

''(C) CONSULTATION REQUIREMENT.—Before the sale under subparagraph (A) to any eligible purchaser described in subparagraph (B), or any reduction or cancellation under such subparagraph (A), of any loan or credit made to an eligible country, the President shall consult with the country concerning the amount of loans or credits to be sold, reduced, or canceled and their uses for debt-for-nature swaps to support eligible activities described in section 809(d).

''(D) AUTHORIZATION OF APPROPRIATIONS.—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to subparagraph (A), amounts authorized to appropriated under sections 806(a)(2) and 807(a)(2) shall be made available for such reduction of debt pursuant to subparagraph (A).

''(2) DEBT BUYBACKS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible country any concessional loans described in section 806(a)(1) or any credits described in section 807(a)(1), or on receipt of payment from an eligible country, reduce or cancel such loans (or credits) or portion thereof, only for the purpose of facilitating a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support eligible activities described in section 809(d).

''(3) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans and credits may be sold, reduced, or canceled pursuant to this section.

''(4) ADMINISTRATION.—

''(A) IN GENERAL.—The Facility shall notify the administrator of the agency primarily responsible for administering part I of this Act or the Commodity Credit Corporation, as the case may be, of eligible purchasers described in paragraph (1)(B) that the President has determined to be eligible under paragraph (1), and shall direct such agency or Corporation, as the case may be, to carry out the sale, reduction, or cancellation of a loan pursuant to such paragraph.

''(B) ADDITIONAL REQUIREMENT.—Such agency or Corporation, as the case may be, shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

''(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

''SEC. 809. TROPICAL FOREST AGREEMENT.

''(a) AUTHORITY.—

''(1) IN GENERAL.—The Secretary of State is authorized, in consultation with other appropriate officials of the Federal Government, to enter into a Tropical Forest Agreement with any eligible country concerning the operation and use of the Fund for that country.

''(2) CONSULTATION.—In the negotiation of such an Agreement, the Secretary shall consult with the Board in accordance with section 811.

''(b) CONTENTS OF AGREEMENT.—The requirements contained in section 708(b) of this Act (relating to contents of an agreement) shall apply to [a Agreement] *an Agreement* in the same manner as such requirements apply to an Americas Framework Agreement.

''(c) ADMINISTERING BODY.—

''(1) IN GENERAL.—Amounts disbursed from the Fund in each beneficiary country shall be administered by a body constituted under the laws of that country.

''(2) COMPOSITION.—

''(A) IN GENERAL.—The administering body shall consist of—

''(i) one or more individuals appointed by the United States Government;

''(ii) one or more individuals appointed by the government of the beneficiary country; and

''(iii) individuals who represent a broad range of—

''(I) environmental nongovernmental organizations of, or active in, the beneficiary country;

''(II) local community development nongovernmental organizations of the beneficiary country; and

[''(III) scientific or academic organizations or institutions of the beneficiary country.]

''(III) scientific, academic, or agroforestry organizations of the beneficiary country.

''(B) ADDITIONAL REQUIREMENT.—A majority of the members of the administering body shall be individuals described in subparagraph (A)(iii).

''(3) RESPONSIBILITIES.—The requirements contained in section 708(c)(3) of this Act (relating to responsibilities of the administering body) shall apply to an administering body described in paragraph (1) in the same manner as such requirements apply to an administering body described in section 708(c)(1) of this Act.

''(d) ELIGIBLE ACTIVITIES.—Amounts deposited in a Fund shall be used to provide grants to preserve, maintain, and restore the tropical forests in the beneficiary country, including one or more of the following activities:

''(1) Establishment, restoration, protection, and maintenance of parks, protected areas, and reserves.

''(2) Development and implementation of scientifically sound systems of natural resource management, including land and ecosystem management practices.

''(3) Training programs to strengthen conservation institutions and increase scientific, technical, and managerial capacities of individuals and organizations involved in conservation efforts.

''(4) Restoration, protection, or sustainable use of diverse animal and plant species.

''(5) Research and identification of medicinal uses of tropical forest plant life to treat human diseases and illnesses and health related concerns.

''[(5)] *(6)* Mitigation of greenhouse gases in the atmosphere.

''[(6)] *(7)* Development and support of the livelihoods of individuals living in or near a tropical forest, including the cultures of such individuals, in a manner consistent with protecting such tropical forest.

''(e) GRANT RECIPIENTS.—

''(1) IN GENERAL.—Grants made from a Fund shall be made to—

''(A) nongovernmental environmental, conservation, and indigenous peoples organizations of, or active in, the beneficiary country;

''(B) other appropriate local or regional entities of, or active in, the beneficiary country; [and] *or*

''(C) in exceptional circumstances, the government of the beneficiary country.

''(2) PRIORITY.—In providing grants under paragraph (1), priority shall be given to projects that are run by nongovernmental organizations and other private entities and that involve local communities in their planning and execution.

''(f) REVIEW OF LARGER GRANTS.—Any grant of more than $100,000 from a Fund shall

be subject to veto by the Government of the United States or the government of the beneficiary country.

''(g) ELIGIBILITY CRITERIA.—In the event that a country ceases to meet the eligibility requirements set forth in section 805(a), as determined by the President pursuant to section 805(b), then grants from the Fund for that country may only be made to nongovernmental organizations until such time as the President determines that such country meets the eligibility requirements set forth in section 805(a).

''SEC. 810. TROPICAL FOREST FUND.

''(a) ESTABLISHMENT.—Each beneficiary country that enters into a Tropical Forest Agreement under section 809 shall be required to establish a Tropical Forest Fund to receive payments of interest on new obligations undertaken by the beneficiary country under this part.

''(b) REQUIREMENTS RELATING TO OPERATION OF FUND.—The following terms and conditions shall apply to the Fund in the same manner as such terms as conditions apply to an Enterprise for the Americas Fund under section 707 of this Act:

''(1) The provision relating to deposits under subsection (b) of such section.

''(2) The provision relating to investments under subsection (c) of such section.

''(3) The provision relating to disbursements under subsection (d) of such section.

''SEC. 811. BOARD.

''(a) ENTERPRISE FOR THE AMERICAS BOARD.—The Enterprise for the Americas Board established under section 610(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738i(a)) shall, in addition to carrying out the responsibilities of the Board under section 610(c) of such Act, carry out the duties described in subsection (c) of this section for the purposes of this part.

''(b) ADDITIONAL MEMBERSHIP.—

''(1) IN GENERAL.—The Enterprise for the Americas Board shall be composed of an additional four members appointed by the President as follows:

''(A) Two representatives from the United States Government, including a representative of the International Forestry Division of the United States Forest Service.

''(B) Two representatives from private nongovernmental environmental, [scientific, and] *scientific, agricultural, or* academic organizations with experience and expertise in preservation, maintenance, *sustainable uses,* and restoration of tropical forests.

''(2) CHAIRPERSON.—Notwithstanding section 610(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738i(b)(2)), the Enterprise for the Americas Board shall be headed by a chairperson who shall be appointed by the President from among the representatives appointed under section 610(b)(1)(A) of such Act or paragraph (1)(A) of this subsection.

''(c) DUTIES.—The duties described in this subsection are as follows:

''(1) Advise the Secretary of State on the negotiations of Tropical Forest Agreements.

''(2) Ensure, in consultation with—

''(A) the government of the beneficiary country,

''(B) nongovernmental organizations of the beneficiary country,

''(C) nongovernmental organizations of the region (if appropriate),

''(D) environmental, scientific, and academic leaders of the beneficiary country, and

''(E) environmental, scientific, and academic leaders of the region (as appropriate), that a suitable administering body is identified for each Fund.

''(3) Review the programs, operations, and fiscal audits of each administering body.

''SEC. 812. CONSULTATIONS WITH THE CONGRESS.

''The President shall consult with the appropriate congressional committees on a periodic basis to review the operation of the Facility under this part and the eligibility of countries for benefits from the Facility under this part.

''SEC. 813. ANNUAL REPORTS TO THE CONGRESS.

''(a) IN GENERAL.—Not later than December 31 of each [fiscal] year, the President shall prepare and transmit to the Congress an annual report concerning the operation of the Facility for the prior fiscal year. Such report shall include—

''(1) a description of the activities undertaken by the Facility during the previous fiscal year;

''(2) a description of any Agreement entered into under this part;

''(3) a report on any Funds that have been established under this part and on the operations of such Funds; and

''(4) a description of any grants that have been provided by administering bodies pursuant to Agreements under this part.

''(b) SUPPLEMENTAL VIEWS IN ANNUAL REPORT.—Not later than December 15 of each [fiscal] year, each member of the Board shall be entitled to receive a copy of the report required under subsection (a). Each member of the Board may prepare and submit supplemental views to the President on the implementation of this part by December 31 for inclusion in the annual report when it is transmitted to Congress pursuant to this section.''.

AMENDMENT NO. 3148

(Purpose: To make technical and clarifying amendments)

Mr. ROBERTS. Mr. President, there is an amendment at the desk making technical changes. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. ROBERTS], for Mr. HELMS, for himself, Mr. BIDEN, and Mr. LUGAR, proposes an amendment numbered 3148.

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

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

The amendment is as follows:

On page 6, line 11, strike ''continental'' and insert ''regional, continental,''.

On page 11, line 7, strike ''For the cost'' and insert the following:

''(A) IN GENERAL.—For the cost''.

On page 11, line 11, strike ''(A)'' and insert ''(i)''.

On page 11, line 12, strike ''(B)'' and insert ''(ii)''.

On page 11, line 13, strike ''(C)'' and insert ''(iii)''.

On page 11, between lines 13 and 14, insert the following:

''(B) LIMITATION.—The authority provided by this section shall be available only to the extent that appropriations for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of the modification of any debt pursuant to this section are made in advance.

On page 15, line 2, insert ''the lessor of'' after ''than''.

On page 15, between lines 6 and 7, insert the following:

''(3) LIMITATION.—The authority provided by paragraphs (1) and (2) shall be available only to the extent that appropriations for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of the modification of any debt pursuant to such paragraphs are made in advance.

On page 15, line 7, strike ''(3)'' and insert ''(4)''.

On page 15, line 12, strike ''(4)'' and insert ''(5)''.

On page 18, line 2, strike ''agroforestry'' and insert ''forestry''.

On page 18, line 16, strike ''to provide grants to preserve'' and insert ''only to provide grants to conserve,''.

On page 18, line 18, strike ''including'' and insert ''through''.

On page 19, lines 1 and 2, strike ''strengthen conservation institutions and increase'' and insert ''increase the''.

On page 19, strike lines 10 and 11.

On page 19, line 12, strike ''(7)'' and insert ''(6)''.

On page 19, line 14, strike '', including the cultures of such individuals,''.

On page 19, line 21, insert ''forestry,'' after ''conservation,''.

On page 22, line 7, strike ''agricultural'' and insert ''forestry''.

On page 23, line 5, insert ''forestry,'' after ''scientific,''.

On page 23, line 7, insert ''forestry,'' after ''scientific,''.

Mr. LUGAR. Mr. President, there has been a remarkable degree of bipartisan cooperation in moving this bill forward. I would like to thank Senator BIDEN, Senator CHAFEE, and Senator LEAHY for their help in drafting the Senate bill, which is a companion to H.R. 2870, introduced by Representatives PORTMAN, KASICH and HAMILTON. I would also like to thank my twenty nine additional Senate cosponsors from both sides of the aisle for their important support. I would especially like to thank Senator HELMS for cosponsoring the bill and moving it expeditiously through the Committee on Foreign Relations, which approved it by voice vote on May 19, 1998.

Senator BIDEN and I have worked together on international environmental issues for many years. The original debt-for-nature bill was the Biden-Lugar Global Environmental Protection Assistance Act of 1989. This was followed by President Bush's Enterprise for the Americas Initiative (EAI), which also linked debt reduction and environmental protection in the developing nations of Latin America and the Caribbean.

S. 1758, the Tropical Forest Conservation Act, allows lower and middle income developing countries to reduce certain debts owed to the U.S. Government under the Foreign Assistance Act and the Agricultural Trade and Development Assistance Act. In return, they must place local currencies in a tropical forest fund to protect outstanding tropical forests in their own country.

The tropical forest fund in each country would be administered by a local board. These boards would be comprised of representatives of its government, our government and environmental, community development, forestry, scientific and academic organizations with expertise in the protection of tropical forests. A majority of the

local board would have to represent these nongovernmental organizations. Oversight would be accomplished through expanding the Enterprise for the Americas Board to fifteen members, with eight members representing federal agencies and seven representing nongovernmental organizations with expertise in the protection of tropical forests. All grants of more than $100,000 would have to be approved by this Board.

The United States has a strong interest in helping to protect tropical forests in developing countries. Our world food security depends on tropical forests, which provide genetic materials to enhance world food production and which regulate the hydrological cycles on which world agriculture depends. The fight against cancer depends upon plants in tropical forests. Tropical forests also store carbon, mitigating the build up of greenhouse gas concentrations in the atmosphere.

I urge the Senate to support S. 1758 along with the technical and clarifying amendments which Senator HELMS, Senator BIDEN and I have offered to the Committee reported bill.

Mr. BIDEN. Mr. President, I join with my friend, the distinguished senior Senator from Indiana, to urge my colleagues to support the Tropical Forest Protection Act of 1998.

Mr. President, this bill marks a real victory for sensible, bipartisan action on an issue of global importance. Just looking at the list of our cosponsors—thirty-one of our colleagues, evenly divided between our two parties—shows me that good policy is good politics.

Right now, as we speak today, fires are burning in tropical forests around the world, the result of a combustible mix of unusually dry weather with unsustainable human activity. Slash-and-burn agriculture, logging, and the road cuts to support those activities, have exposed one of our planet's most important resources to a deadly threat.

Rainforests have a profound effect on our planet's weather, through their ability to absorb the most important greenhouse gas, carbon dioxide. They influence rainfall, and are therefore the sources of many of our most important rivers, that in turn support the farms and fisheries that feed us.

They are home to rich biological diversity—both flora and fauna—that we are just now realizing hold the secret to disease-resistant crops and new medicines.

But as the nations that contain our most significant rainforests enter the world economy, they are under increasing pressure to turn these irreplaceable assets into cash, for both their own short-term domestic needs and to service debts owed to the industrial nations, including the United States.

That's why this bill is so important. It allows the reduction of the debt those nations owe us, if they use the savings to protect those rainforests. This will help to break the tie between debt and the destruction of rainforests, to the benefit of everyone. It won't put out those fires, but it will remove some of the financial arrangements that fuel them.

I am particularly pleased to join again with my friend, Senator LUGAR, to expand on earlier Lugar-Biden legislation that has been on the books since 1989, and that is part of the 1990 Enterprise for the Americas Initiative.

And I am honored to be joined in this effort by the distinguished Chairman of the Foreign Relations Committee, the distinguished Chairman of the Environment and Public Works Committee, and so many other of our colleagues on both sides of the aisle.

Thank you, Mr. President.

Mr. CHAFEE. Mr. President I am pleased to be here today with my distinguished colleagues to offer my support for the Tropical Forest Conservation Act of 1998. This bipartisan legislation addresses one of the most important global environmental issues today—the protection and preservation of tropical rain forests.

Since 1950 the world has lost as much as half of its tropical forests, and the destruction is continuing unabated. The most comprehensive survey of global deforestation estimated that, last year alone, we lost more than 30 million acres of tropical rain forest—an area the size of the State of Washington. This is a devastating loss because of the potential biological impacts deforestation can have both regionally and globally.

Tropical forests contain the world's richest stores of biological diversity, and their health is essential for life on Earth. Scientists estimate that more than 50 percent of the Earth's terrestrial biological diversity is contained within these forests, which account for less than 2 percent of the planet's land surface. Almost 40 percent of all terrestrial plants and at least 25 percent of terrestrial vertebrate species are endemic to these areas. Many of these species are found only in a small area of the forests. And as the forests are destroyed, Mr. President, the species are permanently lost through extinction.

Tropical forests also function as carbon ''sinks,'' storing greenhouse gasses that could otherwise contribute to global climate change. While there are still many scientific uncertainties related to climate change, it is undeniable that atmospheric carbon dioxide levels are rising rapidly. A significant number of scientists believe that humans have already influenced our global climate. In order to lessen the risks associated with this change, such as sea level rise, extreme weather conditions, and higher average temperatures, it is important that the United States join with other nations to take preventative action. Protecting our tropical rain forests, and thus preserving their vital function of reducing greenhouse gases in the atmosphere, is one such action.

Many of the world's tropical forests are located in developing countries that, since the international debt crisis of the 1970s, have been unable to repay loans to foreign lenders. These countries are in need of hard currency, and to come up with cash, they have resorted to exploiting their natural resources with little regard for environmental planning. Vast areas of tropical forests are destroyed each year for logging, agriculture and livestock operations. This trend will continue as debt continues to mount.

Mr. President, the Tropical Forest Conservation Act will help turn the tide against this deforestation. This legislation builds upon President Bush's Enterprise for the Americas Initiative, or EAI. EAI created a system by which Latin American and Carribean governments could restructure some of their official debt to the United States, while channeling local currency into funds to support environmental and child development programs.

Using so-called ''debt-for-nature swaps,'' EAI restructured bilateral debt to provide $154 million to environmental trust funds in Latin America. Under these swaps, a nation's debt is modified, rescheduled, or written off, in return for the borrower nation's commitment of its own currency towards local conservation. The legislation before us today would extend the debt-for-nature mechanism of the EAI to the protection of significant tropical forests in lower and middle income countries throughout the world, not just those in Latin America and the Caribbean.

The Tropical Forest Conservation Act will authorize $325 million over three years to be used for debt-for-nature swaps with developing countries that have forests with the greatest biodiversity and the highest risk of threat. S. 1758 assists countries with tropical forests that are globally outstanding in terms of their biodiversity, and applies to any lesser developed country with tropical forests and qualified U.S. debt. The authorized amount would be used to compensate the Treasury Department for any revenues lost due to the restructuring of outstanding debt.

The legislation gives the President authority to reduce debt owed to the United States as a result of any credit extended through specific loan programs. In exchange, the developing countries would establish funds in their local currency to preserve and restore tropical forests. To ensure accountability, funds shall be administered and overseen by U.S. Government officials, environmental nongovernmental organizations active in the beneficiary country, and scientific or academic organizations.

To qualify for assistance, countries must meet the criteria established by Congress under EAI, including that the government must be democratically elected, has not provided support for acts of international terrorism, is not failing to cooperate on international

narcotics control matters, and does not participate in a consistent pattern of gross violations of internationally recognized human rights.

Mr. President, I believe this is an important bill that will go a long way in helping protect some of the world's most ecologically sensitive and vital areas. The Tropical Forest Conservation Act promotes debt reduction, investment reforms, community based conservation and sustainable use of the environment. In addition, it stretches limited Federal dollars making an effective use of international environmental assistance. I urge my colleagues here in the Senate to support S. 1758.

Mr. ROBERTS. Mr. President, I ask unanimous consent the amendment be considered and agreed to, the committee amendments be agreed to, and the bill be read a third time.

The amendment (No. 3148) was agreed to.

The Committee amendments were agreed to.

The bill (S. 1758) was read the third time.

Mr. ROBERTS. I further ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of H.R. 2870, that the Senate proceed to its immediate consideration, and all after the enacting clause be stricken and the text of S. 1758, as amended, be inserted in lieu thereof. I further ask unanimous consent that the bill be read a third time, passed, and the motion to reconsider be laid upon the table, and, finally, S. 1758 be placed back on the calendar.

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

The bill (H.R. 2870), as amended, was considered read the third time and passed, as follows:

Resolved, That the bill from the House of Representatives (H.R. 2870) entitled ''An Act to amend the Foreign Assistance Act of 1961 to facilitate protection of tropical forests through debt reduction with developing countries with tropical forests.'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. DEBT REDUCTION FOR DEVELOPING COUNTRIES WITH TROPICAL FORESTS.

The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following:

''PART V—DEBT REDUCTION FOR DEVELOPING COUNTRIES WITH TROPICAL FORESTS

''SEC. 801. SHORT TITLE.

''This part may be cited as the 'Tropical Forest Conservation Act of 1998'.

''SEC. 802. FINDINGS AND PURPOSES.

''(a) FINDINGS.—The Congress finds the following:

''(1) It is the established policy of the United States to support and seek protection of tropical forests around the world.

''(2) Tropical forests provide a wide range of benefits to humankind by—

''(A) harboring a major share of the Earth's biological and terrestrial resources, which are the basis for developing pharmaceutical products and revitalizing agricultural crops;

''(B) playing a critical role as carbon sinks in reducing greenhouse gases in the atmosphere, thus moderating potential global climate change; and

''(C) regulating hydrological cycles on which far-flung agricultural and coastal resources depend.

''(3) International negotiations and assistance programs to conserve forest resources have proliferated over the past decade, but the rapid rate of tropical deforestation continues unabated.

''(4) Developing countries with urgent needs for investment and capital for development have allocated a significant amount of their forests to logging concessions.

''(5) Poverty and economic pressures on the populations of developing countries have, over time, resulted in clearing of vast areas of forest for conversion to agriculture, which is often unsustainable in the poor soils underlying tropical forests.

''(6) Debt reduction can reduce economic pressures on developing countries and result in increased protection for tropical forests.

''(7) Finding economic benefits to local communities from sustainable uses of tropical forests is critical to the protection of tropical forests.

''(b) PURPOSES.—The purposes of this part are—

''(1) to recognize the values received by United States citizens from protection of tropical forests;

''(2) to facilitate greater protection of tropical forests (and to give priority to protecting tropical forests with the highest levels of biodiversity and under the most severe threat) by providing for the alleviation of debt in countries where tropical forests are located, thus allowing the use of additional resources to protect these critical resources and reduce economic pressures that have led to deforestation;

''(3) to ensure that resources freed from debt in such countries are targeted to protection of tropical forests and their associated values; and

''(4) to rechannel existing resources to facilitate the protection of tropical forests.

''SEC. 803. DEFINITIONS.

''As used in this part:

''(1) ADMINISTERING BODY.—The term 'administering body' means the entity provided for in section 809(c).

''(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term 'appropriate congressional committees' means—

''(A) the Committee on International Relations and the Committee on Appropriations of the House of Representatives; and

''(B) the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

''(3) BENEFICIARY COUNTRY.—The term 'beneficiary country' means an eligible country with respect to which the authority of section 806(a)(1), section 807(a)(1), or paragraph (1) or (2) of section 808(a) is exercised.

''(4) BOARD.—The term 'Board' means the board referred to in section 811.

''(5) DEVELOPING COUNTRY WITH A TROPICAL FOREST.—The term 'developing country with a tropical forest' means—

''(A)(i) a country that has a per capita income of $725 or less in 1994 United States dollars (commonly referred to as 'low-income country'), as determined and adjusted on an annual basis by the International Bank for Reconstruction and Development in its World Development Report; or

''(ii) a country that has a per capita income of more than $725 but less than $8,956 in 1994 United States dollars (commonly referred to as 'middle-income country'), as determined and adjusted on an annual basis by the International Bank for Reconstruction and Development in its World Development Report; and

''(B) a country that contains at least one tropical forest that is globally outstanding in terms of its biological diversity or represents one of the larger intact blocks of tropical forests left, on a regional, continental, or global scale.

''(6) ELIGIBLE COUNTRY.—The term 'eligible country' means a country designated by the President in accordance with section 805.

''(7) TROPICAL FOREST AGREEMENT.—The term 'Tropical Forest Agreement' or 'Agreement' means a Tropical Forest Agreement provided for in section 809.

''(8) TROPICAL FOREST FACILITY.—The term 'Tropical Forest Facility' or 'Facility' means the Tropical Forest Facility established in the Department of the Treasury by section 804.

''(9) TROPICAL FOREST FUND.—The term 'Tropical Forest Fund' or 'Fund' means a Tropical Forest Fund provided for in section 810.

''SEC. 804. ESTABLISHMENT OF THE FACILITY.

''There is established in the Department of the Treasury an entity to be known as the 'Tropical Forest Facility' for the purpose of providing for the administration of debt reduction in accordance with this part.

''SEC. 805. ELIGIBILITY FOR BENEFITS.

''(a) IN GENERAL.—To be eligible for benefits from the Facility under this part, a country shall be a developing country with a tropical forest—

''(1) whose government meets the requirements applicable to Latin American or Caribbean countries under paragraphs (1) through (5) and (7) of section 703(a) of this Act; and

''(2) that has put in place major investment reforms, as evidenced by the conclusion of a bilateral investment treaty with the United States, implementation of an investment sector loan with the Inter-American Development Bank, World Bank-supported investment reforms, or other measures, as appropriate.

''(b) ELIGIBILITY DETERMINATIONS.—

''(1) IN GENERAL.—Consistent with subsection (a), the President shall determine whether a country is eligible to receive benefits under this part.

''(2) CONGRESSIONAL NOTIFICATION.—The President shall notify the appropriate congressional committees of his intention to designate a country as an eligible country at least 15 days in advance of any formal determination.

''SEC. 806. REDUCTION OF DEBT OWED TO THE UNITED STATES AS A RESULT OF CONCESSIONAL LOANS UNDER THE FOREIGN ASSISTANCE ACT OF 1961.

''(a) AUTHORITY TO REDUCE DEBT.—

''(1) AUTHORITY.—The President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1998, as a result of concessional loans made to an eligible country by the United States under part I of this Act, chapter 4 of part II of this Act, or predecessor foreign economic assistance legislation.

''(2) AUTHORIZATION OF APPROPRIATIONS.—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to this section, there are authorized to be appropriated to the President—

''(A) $25,000,000 for fiscal year 1999;

''(B) $75,000,000 for fiscal year 2000; and

''(C) $100,000,000 for fiscal year 2001.

''(3) CERTAIN PROHIBITIONS INAPPLICABLE.—

''(A) IN GENERAL.—A reduction of debt pursuant to this section shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

''(B) ADDITIONAL REQUIREMENT.—The authority of this section may be exercised notwithstanding section 620(r) of this Act or section 321 of the International Development and Food Assistance Act of 1975.

''(b) IMPLEMENTATION OF DEBT REDUCTION.—

''(1) IN GENERAL.—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in subsection (a) outstanding as of the date specified in subsection (a)(1).

''(2) EXCHANGE OF OBLIGATIONS.—

''(A) IN GENERAL.—The Facility shall notify the agency primarily responsible for administering part I of this Act of an agreement entered into under paragraph (1) with an eligible country to exchange a new obligation for outstanding obligations.

''(B) ADDITIONAL REQUIREMENT.—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation for the country shall be established relating to the agreement, and the agency primarily responsible for administering part I of this Act shall make an adjustment in its accounts to reflect the debt reduction.

''(c) ADDITIONAL TERMS AND CONDITIONS.—The following additional terms and conditions shall apply to the reduction of debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 704(a)(1) of this Act:

''(1) The provisions relating to repayment of principal under section 705 of this Act.

''(2) The provisions relating to interest on new obligations under section 706 of this Act.

''SEC. 807. REDUCTION OF DEBT OWED TO THE UNITED STATES AS A RESULT OF CREDITS EXTENDED UNDER TITLE I OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

''(a) AUTHORITY TO REDUCE DEBT.—

''(1) AUTHORITY.—Notwithstanding any other provision of law, the President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1998, as a result of any credits extended under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.) to a country eligible for benefits from the Facility.

''(2) AUTHORIZATION OF APPROPRIATIONS.—

''(A) IN GENERAL.—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to this section, there are authorized to be appropriated to the President—

''(i) $25,000,000 for fiscal year 1999;

''(ii) $50,000,000 for fiscal year 2000; and

''(iii) $50,000,000 for fiscal year 2001.

''(B) LIMITATION.—The authority provided by this section shall be available only to the extent that appropriations for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of the modification of any debt pursuant to this section are made in advance.

''(b) IMPLEMENTATION OF DEBT REDUCTION.—

''(1) IN GENERAL.—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations of the type referred to in subsection (a) outstanding as of the date specified in subsection (a)(1).

''(2) EXCHANGE OF OBLIGATIONS.—

''(A) IN GENERAL.—The Facility shall notify the Commodity Credit Corporation of an agreement entered into under paragraph (1) with an eligible country to exchange a new obligation for outstanding obligations.

''(B) ADDITIONAL REQUIREMENT.—At the direction of the Facility, the old obligations that are the subject of the agreement shall be canceled and a new debt obligation shall be established for the country relating to the agreement, and the Commodity Credit Corporation shall make an adjustment in its accounts to reflect the debt reduction.

''(c) ADDITIONAL TERMS AND CONDITIONS.—The following additional terms and conditions shall apply to the reduction of debt under subsection (a)(1) in the same manner as such terms and conditions apply to the reduction of debt under section 604(a)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738c):

''(1) The provisions relating to repayment of principal under section 605 of such Act.

''(2) The provisions relating to interest on new obligations under section 606 of such Act.

''SEC. 808. AUTHORITY TO ENGAGE IN DEBT-FOR-NATURE SWAPS AND DEBT BUYBACKS.

''(a) LOANS AND CREDITS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

''(1) DEBT-FOR-NATURE SWAPS.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser described in subparagraph (B) any concessional loans described in section 806(a)(1) or any credits described in section 807(a)(1), or on receipt of payment from an eligible purchaser described in subparagraph (B), reduce or cancel such loans (or credits) or portion thereof, only for the purpose of facilitating a debt-for-nature swap to support eligible activities described in section 809(d).

''(B) ELIGIBLE PURCHASER DESCRIBED.—A loan or credit may be sold, reduced, or canceled under subparagraph (A) only to a purchaser who presents plans satisfactory to the President for using the loan or credit for the purpose of engaging in debt-for-nature swaps to support eligible activities described in section 809(d).

''(C) CONSULTATION REQUIREMENT.—Before the sale under subparagraph (A) to any eligible purchaser described in subparagraph (B), or any reduction or cancellation under such subparagraph (A), of any loan or credit made to an eligible country, the President shall consult with the country concerning the amount of loans or credits to be sold, reduced, or canceled and their uses for debt-for-nature swaps to support eligible activities described in section 809(d).

''(D) AUTHORIZATION OF APPROPRIATIONS.—For the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) for the reduction of any debt pursuant to subparagraph (A), amounts authorized to appropriated under sections 806(a)(2) and 807(a)(2) shall be made available for such reduction of debt pursuant to subparagraph (A).

''(2) DEBT BUYBACKS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible country any concessional loans described in section 806(a)(1) or any credits described in section 807(a)(1), or on receipt of payment from an eligible country, reduce or cancel such loans (or credits) or portion thereof, only for the purpose of facilitating a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than the lessor of 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support eligible activities described in section 809(d).

''(3) LIMITATION.—The authority provided by paragraphs (1) and (2) shall be available only to the extent that appropriations for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990) of the modification of any debt pursuant to such paragraphs are made in advance.

''(4) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans and credits may be sold, reduced, or canceled pursuant to this section.

''(5) ADMINISTRATION.—

''(A) IN GENERAL.—The Facility shall notify the administrator of the agency primarily responsible for administering part I of this Act or the Commodity Credit Corporation, as the case may be, of eligible purchasers described in paragraph (1)(B) that the President has determined to be eligible under paragraph (1), and shall direct such agency or Corporation, as the case may be, to carry out the sale, reduction, or cancellation of a loan pursuant to such paragraph.

''(B) ADDITIONAL REQUIREMENT.—Such agency or Corporation, as the case may be, shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

''(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

''SEC. 809. TROPICAL FOREST AGREEMENT.

''(a) AUTHORITY.—

''(1) IN GENERAL.—The Secretary of State is authorized, in consultation with other appropriate officials of the Federal Government, to enter into a Tropical Forest Agreement with any eligible country concerning the operation and use of the Fund for that country.

''(2) CONSULTATION.—In the negotiation of such an Agreement, the Secretary shall consult with the Board in accordance with section 811.

''(b) CONTENTS OF AGREEMENT.—The requirements contained in section 708(b) of this Act (relating to contents of an agreement) shall apply to an Agreement in the same manner as such requirements apply to an Americas Framework Agreement.

''(c) ADMINISTERING BODY.—

''(1) IN GENERAL.—Amounts disbursed from the Fund in each beneficiary country shall be administered by a body constituted under the laws of that country.

''(2) COMPOSITION.—

''(A) IN GENERAL.—The administering body shall consist of—

''(i) one or more individuals appointed by the United States Government;

''(ii) one or more individuals appointed by the government of the beneficiary country; and

''(iii) individuals who represent a broad range of—

''(I) environmental nongovernmental organizations of, or active in, the beneficiary country;

''(II) local community development nongovernmental organizations of the beneficiary country; and

''(III) scientific, academic, or forestry organizations of the beneficiary country.

''(B) ADDITIONAL REQUIREMENT.—A majority of the members of the administering body shall be individuals described in subparagraph (A)(iii).

''(3) RESPONSIBILITIES.—The requirements contained in section 708(c)(3) of this Act (relating to responsibilities of the administering body) shall apply to an administering body described in paragraph (1) in the same manner as such requirements apply to an administering body described in section 708(c)(1) of this Act.

''(d) ELIGIBLE ACTIVITIES.—Amounts deposited in a Fund shall be used only to provide grants to conserve, maintain, and restore the tropical forests in the beneficiary country, through one or more of the following activities:

''(1) Establishment, restoration, protection, and maintenance of parks, protected areas, and reserves.

''(2) Development and implementation of scientifically sound systems of natural resource management, including land and ecosystem management practices.

''(3) Training programs to increase the scientific, technical, and managerial capacities of individuals and organizations involved in conservation efforts.

''(4) Restoration, protection, or sustainable use of diverse animal and plant species.

''(5) Research and identification of medicinal uses of tropical forest plant life to treat human diseases and illnesses and health related concerns.

''(6) Development and support of the livelihoods of individuals living in or near a tropical forest in a manner consistent with protecting such tropical forest.

''(e) GRANT RECIPIENTS.—

''(1) IN GENERAL.—Grants made from a Fund shall be made to—

''(A) nongovernmental environmental, forestry, conservation, and indigenous peoples organizations of, or active in, the beneficiary country;

''(B) other appropriate local or regional entities of, or active in, the beneficiary country; or

''(C) in exceptional circumstances, the government of the beneficiary country.

''(2) PRIORITY.—In providing grants under paragraph (1), priority shall be given to projects that are run by nongovernmental organizations and other private entities and that involve local communities in their planning and execution.

''(f) REVIEW OF LARGER GRANTS.—Any grant of more than $100,000 from a Fund shall be subject to veto by the Government of the United States or the government of the beneficiary country.

''(g) ELIGIBILITY CRITERIA.—In the event that a country ceases to meet the eligibility requirements set forth in section 805(a), as determined by the President pursuant to section 805(b), then grants from the Fund for that country may only be made to nongovernmental organizations until such time as the President determines that such country meets the eligibility requirements set forth in section 805(a).

''SEC. 810. TROPICAL FOREST FUND.

''(a) ESTABLISHMENT.—Each beneficiary country that enters into a Tropical Forest Agreement under section 809 shall be required to establish a Tropical Forest Fund to receive payments of interest on new obligations undertaken by the beneficiary country under this part.

''(b) REQUIREMENTS RELATING TO OPERATION OF FUND.—The following terms and conditions shall apply to the Fund in the same manner as such terms as conditions apply to an Enterprise for the Americas Fund under section 707 of this Act:

''(1) The provision relating to deposits under subsection (b) of such section.

''(2) The provision relating to investments under subsection (c) of such section.

''(3) The provision relating to disbursements under subsection (d) of such section.

''SEC. 811. BOARD.

''(a) ENTERPRISE FOR THE AMERICAS BOARD.—The Enterprise for the Americas Board established under section 610(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738i(a)) shall, in addition to carrying out the responsibilities of the Board under section 610(c) of such Act, carry out the duties described in subsection (c) of this section for the purposes of this part.

''(b) ADDITIONAL MEMBERSHIP.—

''(1) IN GENERAL.—The Enterprise for the Americas Board shall be composed of an additional four members appointed by the President as follows:

''(A) Two representatives from the United States Government, including a representative of the International Forestry Division of the United States Forest Service.

''(B) Two representatives from private nongovernmental environmental, scientific, forestry, or academic organizations with experience and expertise in preservation, maintenance, sustainable uses, and restoration of tropical forests.

''(2) CHAIRPERSON.—Notwithstanding section 610(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738i(b)(2)), the Enterprise for the Americas Board shall be headed by a chairperson who shall be appointed by the President from among the representatives appointed under section 610(b)(1)(A) of such Act or paragraph (1)(A) of this subsection.

''(c) DUTIES.—The duties described in this subsection are as follows:

''(1) Advise the Secretary of State on the negotiations of Tropical Forest Agreements.

''(2) Ensure, in consultation with—

''(A) the government of the beneficiary country,

''(B) nongovernmental organizations of the beneficiary country,

''(C) nongovernmental organizations of the region (if appropriate),

''(D) environmental, scientific, forestry, and academic leaders of the beneficiary country, and

''(E) environmental, scientific, forestry, and academic leaders of the region (as appropriate), that a suitable administering body is identified for each Fund.

''(3) Review the programs, operations, and fiscal audits of each administering body.

''SEC. 812. CONSULTATIONS WITH THE CONGRESS.

''The President shall consult with the appropriate congressional committees on a periodic basis to review the operation of the Facility under this part and the eligibility of countries for benefits from the Facility under this part.

''SEC. 813. ANNUAL REPORTS TO THE CONGRESS.

''(a) IN GENERAL.—Not later than December 31 of each year, the President shall prepare and transmit to the Congress an annual report concerning the operation of the Facility for the prior fiscal year. Such report shall include—

''(1) a description of the activities undertaken by the Facility during the previous fiscal year;

''(2) a description of any Agreement entered into under this part;

''(3) a report on any Funds that have been established under this part and on the operations of such Funds; and

''(4) a description of any grants that have been provided by administering bodies pursuant to Agreements under this part.

''(b) SUPPLEMENTAL VIEWS IN ANNUAL REPORT.—Not later than December 15 of each year, each member of the Board shall be entitled to receive a copy of the report required under subsection (a). Each member of the Board may prepare and submit supplemental views to the President on the implementation of this part by December 31 for inclusion in the annual report when it is transmitted to Congress pursuant to this section.''.

PRESENTATION OF CONGRESSIONAL GOLD MEDAL TO NELSON ROLIHLAHLA MANDELA

Mr. ROBERTS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3156, which was received from the House.

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

The legislative clerk read as follows:

A bill (H.R. 3156) to present a Congressional Gold Medal to Nelson Rolihlahla Mandela.

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

Mr. D'AMATO. Mr. President, today I rise to encourage Senate passage of H.R. 3156, a bill to authorize the President to present Nelson Mandela with the Congressional gold medal. President Mandela is a courageous world leader who has championed rights for freedom and equality for decades.

Nelson Mandela was born in South Africa in 1918, the son of a Tembu tribal chief. His tribal name, Rolihlahla, means, ''one who brings trouble upon himself.'' The name seems to have led the young Mandela into a life of challenge, from the time he chose to enroll in college in pursuit of a law degree over his right to become tribal chiefdom, to his more than 25 years spent incarcerated as a political prisoner in his native South Africa. Nelson Mandela continually led the cause for liberation of his people.

Mr. President, who could forget the image as multitudes of South Africans stood in long lines on April 27, 1994 to cast their first vote in the country's first-ever democratic elections. In his inaugural address, President Mandala presented himself as the right man to lead all people of South Africa into a time of healing for peace, justice, and democracy. His blueprint for South Africa is one for all citizens of that country regardless of race, religious affiliation or gender, working together to build a nation of prosperity.

Nelson Mandela is known throughout the world for his long struggle in the fight against apartheid and has received a number of prestigious humanitarian awards, including the Nobel Peace Prize in 1993. It is only fitting that this country recognize Nelson Mandela's life of dedication and sacrifice and his victory over racial inequality not only for South Africa, but for all peoples everywhere.

Mr. ROBERTS. Mr. President, I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

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

The bill (H.R. 3156) was passed.

ORDERS FOR WEDNESDAY, JULY 15, 1998

Mr. ROBERTS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9 a.m. on Wednesday, July 15. I further ask that when the Senate reconvenes on Wednesday, immediately following the prayer, the routine requests through the morning hour be granted, and there then be 20 minutes for the following Senators limited to 5 minutes each: Senators MCCAIN, COATS, LIEBERMAN, and MURRAY. I further ask that following that debate the Senate stand in recess until 11 a.m.

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

Mr. ROBERTS. I further ask that when the Senate reconvenes, Mr. President, at 11 a.m., the Senate resume consideration of the Daschle amendment No. 3146 under the previous agreement.

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

PROGRAM

Mr. ROBERTS. Mr. President, for the information of all Senators, when the Senate reconvenes on Wednesday at 11 a.m. and following morning business, the Senate will resume consideration of the Daschle amendment regarding marketing assistance loans. There are 3 hours of debate on the amendment, although some time is expected to be yielded back. Therefore, the first rollcall vote of Wednesday's session is expected to occur between 12 and 1 p.m. Also, a joint meeting of Congress is scheduled for 10 a.m. tomorrow. Senators are asked to be in the Senate Chamber at 9:40 a.m. in order to proceed as a body to the Hall of the House

of Representatives to hear an address by the President of Romania. The Senate is expected to be in session into the evening with votes on Wednesday in order to complete action on the agriculture appropriations bill.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERTS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:05 p.m., adjourned until Wednesday, July 15, 1998, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 14, 1998:

DEPARTMENT OF ENERGY

BILL RICHARDSON, OF NEW MEXICO, TO BE SECRETARY OF ENERGY, VICE FEDERICO PENA, RESIGNED.