

carried a gun, knife, or other weapon to school at least once during that year for self-protection or use in a fight, I began looking for ways to better address the problem of school violence. In 1994, when Congress passed the Improving America's Schools Act in an effort to reauthorize and improve the existing Elementary and Secondary Education Act, I offered two amendments aimed at reducing the level of school violence.

First, the Congress adopted my proposal directing local school districts to refer to the criminal justice system any student who brings a weapon to school. Possession of a weapon on school property is a crime, and when a crime occurs, the police should be notified. While school discipline is an appropriate and essential first step in reprimanding a student for such a violation, it is simply not enough. Possession of a firearm on school grounds is an outrage and a true impediment to the environment that teachers are striving to foster.

The second amendment that I authored in 1994, which was approved by Congress, required the U.S. Secretary of Education to conduct the first major study of violence in schools since 1978. In July of this year, the National Center for Education Statistics, in concert with the Department of Education, released the results of this study, which was conducted with a nationally representative sample of 1,234 regular public, elementary, middle, and secondary schools in all 50 States and the District of Columbia.

In a snapshot of the 1996-1997 school year, the study revealed that, with more than half of U.S. public schools reporting at least one crime incident, and one in ten schools reporting at least one serious violent crime during that school year, violence continues to beset schools across this country, all too often resulting in fatal situations.

Back in my day, no student would have considered such lawless and unruly behavior. We knew right from wrong, as it was instilled in us from our parents, sometimes with the aid of a switch that we were made to fetch ourselves. We were told that the classroom was a sacred precinct. I was told that if I got a whipping at school I would get a thrashing at home.

The classroom was a place where quiet prevailed and where students cherished the opportunity they had to learn, and that was the attitude we adopted. Unfortunately, today, students, many of them it seems, must be threatened by an impending obligation before the criminal justice system to make them behave and, often, even that has proven inadequate in keeping guns out of the hands of children and off school properties. Mr. President, what is it going to take to keep our students safe—metal detectors in every elementary and secondary school in the nation? Is that the direction in which our country is headed?

In the wake of reports of violence and tragedy at schools across the country,

Congress is, once again, honing in on the issue of school safety. In more recent efforts, as part of the Fiscal Year 1999 Commerce/Justice/State Appropriations Bill, the Senate approved \$210 million for a new national safe schools initiative to assist community-level efforts. Of that funding, \$175 million is to increase community policing in and around schools.

Just a few weeks ago, as part of the Fiscal Year 1999 Labor/Health and Human Services/Education and Related Agencies Appropriations Bill, the Senate Appropriations Committee reported out legislation which contains more than \$150 million for a comprehensive school safety initiative to support activities that promote safe learning environments for students. Such activities may include targeted assistance, training for teachers and school security officers, and enhancing the capacity of schools to provide mental health services to troubled youth.

Since the release of the 1990 report from the Centers for Disease Control and Prevention, my home state of West Virginia has made great strides in addressing school violence, and is setting a true precedent for communities around the country in helping to establish safe schools which support learning for all children and the professionals who teach them. According to the West Virginia Department of Education, incidents involving a weapon have decreased by sixty-nine percent during the years 1994 through 1997, perhaps, in large part, due to short- and long-term initiatives underway in the State of West Virginia.

Mr. President, our nation has been grappling with the issue of improved school safety for years, and I am frankly alarmed that American school children continue to face increasing crime and violence. It is time to stop wringing our hands over this issue and take action.

We have a school system today run in many instances by hoodlums who are converting sacred temples for learning into terror camps with innocent children becoming casualties in scholastic "free fire" zones. We have teachers working in fear, too anxious even to teach their students properly. We must get guns out of the schools and put an end to this sense of panic which is pervading our nation's elementary and secondary education system. I am hopeful that these initiatives we have promulgated in the Senate this year will begin the mission of setting our nation back on track.

One of the most important things that we can provide to our children is the opportunity for a good education. I was afforded the opportunity to obtain a good, solid education back when I was a student attending class in a two-room schoolhouse. Today, we have mammoth schools, with all kinds of high-tech equipment, computers, and amenities that I never had or had never even heard of, or couldn't even imagine in those years. Yet our students are

not learning. We owe our young people today the chance to learn and excel in an environment free from guns, knives, and other weapons.

One of the National Education Goals, as included in the Goals 2000 legislation enacted in 1994, states "all schools in America will be free of drugs and violence and the unauthorized presence of firearms and alcohol, and offer a disciplined environment that is conducive to learning by the year 2000." To accomplish that goal—it is almost going to be impossible—we must send a message loud and clear that we will not tolerate weapons in our schools.

Protecting our children is not simply a matter of public policy. It is a matter of basic values, of teaching children right from wrong and punishing those who insist on doing wrong, of instilling them with respect for the law and providing them with limitations. Students must know that they will be punished for doing the wrong thing, or for choosing the bad route.

Mr. President, in the blink of an eye, we have lost the lives of precious young children to school violence—children who may have grown to be teachers, doctors, businessmen and women, and perhaps even future Senators. We in Congress have a responsibility to stop this deadly trend from striking other innocent families. The time has long since come and gone for decency and sanity to re-enter the schoolhouse door—let's get moving.

Mr. President, I yield the floor.

AGRICULTURAL, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

The PRESIDING OFFICER. The Senate will now proceed to the conference report on H.R. 4101 until 1:30 with the time equally divided.

The Senate resumed consideration of the conference report.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Who yields time?

Mr. FEINGOLD. Mr. President, I ask unanimous consent the full hour be accorded that was intended for the agriculture appropriations bill.

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

Mr. FEINGOLD. Mr. President, I yield myself such time as I require.

The PRESIDING OFFICER. Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I intend to vote against the Conference Report on Fiscal Year 1999 Agriculture Appropriations bill for a number of reasons. In the final version, the congressional majority has added a \$3.6 billion unfunded emergency spending provision, while simultaneously stripping out consumer and farmer protections.

However, today I will focus on the worst provision in the conference report. I am extremely disappointed that

the final version contains language from the House bill extending USDA's rulemaking period on Federal Milk Marketing Order Reform. Once again, on the issue of milk orders, bad politics prevailed over good policy.

This extension will require the new milk pricing system to be in place in October of 1999, instead of the original date of April, 1999 set in the Farm Bill. Mr. President, officials at USDA have assured me that they did not request this extension nor do they need it.

House Appropriators argued that the extension was necessary to give Congress ample time to review, comment and act on the final rule. They claim that if the rule were to be announced in late November, they would not have time to act on it. Mr. President, let's examine this argument because it does not hold water. My House and Senate colleagues who support this provision on these grounds surely remember passage of the Small Business Regulatory Enforcement Fairness Act of 1996. This law empowers Congress and the courts to overturn regulations with Presidential approval. This law gives Congress 60 days to act, once a rule has been published in the Federal Register. So, whether the rule is published in late November, early December, or mid-February of 1999, Congress has 60 days of session to act. So this really tells us what is going on here.

Mr. President, this dairy provision was included solely to intimidate and bully USDA and Secretary Glickman into an anti-Wisconsin dairy pricing reform. Instead of allowing USDA to do its job, some Members of Congress want to do it for them, and do it to benefit their own producers at the expense of dairy farmers in the Upper Midwest.

Let's just take a look at the current system which is shown on this chart, which some have called the Eau Claire system. I like to call it the anti-Eau Claire system because it is an unfair system for Eau Claire, WI, and our entire state—in fact, the entire upper Midwest.

This chart shows that the Class I differential received by dairy farmers in Eau Claire, Wisconsin is \$1.20 per hundredweight. Believe it or not, Mr. President, Federal pricing policy dictates that the farther you travel from Eau Claire, WI, the higher your Class I differential. You will notice that the price in Chicago is \$1.40, in Kansas City, Missouri it's \$1.92 and in Charlotte, NC it's \$3.08 per hundredweight. Our friends in Florida make \$3.58 in Tallahassee, \$3.88 in Tampa, and \$4.18 in Miami. Dairy farmers in Miami make nearly \$3.00 more per hundredweight than farmers in the Upper Midwest. Does that make any sense? Absolutely not.

Let me illustrate this with another chart.

To illustrate just how senseless this whole system is, I have borrowed this graphic from my colleague from Minnesota, Senator ROD GRAMS. As you

can see, pricing milk based on its distance from Eau Claire, WI, is as arbitrary and ridiculous as pricing oranges from their distance from Florida, computers from their distance from Seattle, or—even more shocking to some of us—country music from its distance from Nashville. But wait, now that I think about it, maybe Congress should pass legislation to price maple syrup based on its distance from Burlington, VT, and white wine on its distance from California. While we are at it, lets pass a law to pay Members of Congress according to the distance of their hometown from Washington, DC. Sound ridiculous? It is, just as the current milk pricing system is ridiculous. It would almost be funny if it weren't so destructively unfair to Wisconsin's dairy farmers, undermining the livelihoods of their families.

Mr. President, the current system desperately needs reform, a reform the Secretary of Agriculture has indicated he is willing to make—but that some members of Congress are very anxious to prevent. This poster is an illustration of today's Federal milk pricing system—how milk is produced and priced in America. You can see that the price of milk begins not with the cow, but with the Congress. Its interesting to note that the market and the farmer don't enter into the equation until two-thirds down the page. I could walk you through all the confusing steps shown here, but I understand we are scheduled to recess sometime in October, and frankly, I would need until mid-November to describe fully the inequity of this system.

This system has outlived its usefulness, its patently unfair and its bad policy.

The extension of USDA's rulemaking had another intent as well. Extending the rulemaking period automatically extends the life of the Northeast Interstate Dairy Compact. The 1996 Farm Bill requires a sunset of the Compact when the new federal pricing system is implemented. At the rate Congress is going, tacking this issue onto appropriations bills, there is no telling when implementation will now occur.

The effects of the Compact on consumers within the region and producers outside of it is indisputable. Dairy compacts are harmful, unnecessary and a burden to this country's taxpayers.

The worst part of this entire 65 year dairy fiasco is its effect on the producers in the Upper Midwest. The 6 month extension puts an additional 900 Wisconsin producers at risk. Wisconsin loses approximately 3 dairy farmers a day. Producers cannot stand 6 more days of the current program, let along 6 more months.

I am truly troubled by this turn of events and would like to read into the record a few excerpts from letters I have received from struggling dairy farmers in my home state of Wisconsin.

From Pulaski, Wisconsin a constituent writes:

I would love to encourage my son or daughter to take over this farm someday.

But without a fair pricing system, they cannot earn a decent living, and I cannot and will not encourage them to farm. That will be a great loss to the world of agriculture.

A letter from Bloomer, WI reads:

We, in the Upper Midwest are not asking for a handout, just a more level playing field. Fair competition and price reform is our only hope.

Another constituent writes:

In my opinion, just because a pricing system has been in implementation for years, doesn't make it useful today. It must also change with the times. How many more farms are we willing to let fall victim to the prejudiced pricing? . . . Its much easier to put a pillow over our heads, roll over and ignore the cry for help from the Wisconsin dairy farmers . . . I realize changing the present milk pricing system will not heal the strained economics of dairy farming. It's only a step . . . I urge you to take this step and . . . hear the cry of dairy farmers like me.

And finally, a dairy producer makes this comment:

Eau Claire was chosen as the reference point because it was judged by the government to be the center of the dairy industry's most productive region. Since California now produces more milk than Wisconsin, this [rule] should no longer apply. Maybe we should change the [milk pricing] reference point to Fresno, California, to encourage dairy production in the Midwest.

These examples illustrate the need for dairy pricing reform and illustrate the state of Wisconsin's dairy industry—struggling needlessly under the burden of current dairy policy.

Mr. President, not only is legislating dairy policy on this bill inappropriate, its bad precedent, it circumvents the appropriate committees, the Agriculture and Judiciary Committees, and circumvents USDA's authority. We ought to give USDA the opportunity to do the right thing for today's national dairy industry and put an end to the unfair Eau Claire system now, not 6 months from now.

Mr. President, I urge my colleagues to take a second look at this antiquated and harmful policy. Stand up for equity, fairness, and for what is best for America's dairy industry, our consumers and our taxpayers. I yield back the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, we begin consideration again today of the Agriculture Appropriations Conference Report. Yesterday we were on that report for 3½ hours and had a full discussion of views on the question of whether or not the conference report should be adopted. I was pleased to see this morning an assessment of the situation by the Washington Post, in an editorial entitled, "The Appropriations Game." I read excerpts from that editorial:

In the agricultural bill, an election-year bidding war has broken out between the parties over aid to distressed farmers. This is

one from which the president should back away . . . The Democrats want not just to give a larger amount but to do so in such a way as to repudiate the last farm bill . . . The administration earlier in the year rightly resisted the position it has now adopted; it should revert.

That is the end of the quotation from the Washington Post editorial. I think it appropriately points out the difficulty we face in confronting a threat from the President to veto this conference report. It is not just about money.

The President is suggesting, through his Secretary of Agriculture and through the Democratic leadership, that this conference report is unacceptable, not because it doesn't appropriate enough money, but because it doesn't change the policy that was agreed upon in the 1996 farm bill and signed by this President. It changes a fundamental policy of setting Government loan rates and using them to encourage the planning of some five or more specific commodities.

To get away from that old way of Government support, the Congress and the President, the administration, worked together to develop an alternative, a farm policy that would be driven by the dictates of the market, the demands of the market, the signals that the market would send to producers to indicate what prices might likely be during a crop year, and farmers themselves would make the choice as to what they would plant.

Some call this Freedom to Farm—freedom to plant what you want to rather than what the Government dictates you have to plant in order to be eligible for Government support. To make this a transition where the Government wasn't going to just say, "OK, everybody, you're on your own, farmers are on their own," there would be a series, over 5 years, of transition payments made.

Interestingly enough, as pointed out by the distinguished Senator from Kansas, Senator ROBERTS, yesterday during the debate, this year's transition payments are going to be higher. It was assumed by the writers of that policy, the legislative committees, that at first farmers would really need to have higher payments. They were very prescient figuring this out and including that provision in the farm bill.

What we have suggested in our disaster assistance plan is, not to change the policy, but to provide bonus payments under the market transition formulas to increase the amount that all producers who are eligible for these payments would receive to help deal with the income losses that are occurring because of lost markets in Asia and elsewhere during this global economic crisis.

Then there are those who have sustained weather-related disasters in certain areas, which has meant lost crops, not just lost income, not just diminished yields, which the increased market transition payments will help deal with. But, for those who have suffered

crop losses, no loan rate is going to help them. There is nothing to put under the loan.

The Washington Post points out, correctly, that we are not just in a bidding war on this bill—we are out of sorts because the Democrats keep advertising that their plan is worth \$7 billion plus, and the Republicans only \$4 billion; and therefore, the Democrats have a preferable plan and one that would provide more benefits—but the fact is, you change the policy instead of providing direct disaster assistance and you are not necessarily delivering money to those people who need the disaster benefits.

The \$4.2 billion plan is a direct assistance plan to those who qualify because they have suffered losses, plus the additional amount that is included in the transition bonuses.

We continue to debate the issue. I am hopeful the Senate will approve the conference report. We have voted twice in the Senate, at the Democrats' insistence, on lifting the loan caps under the 1996 farm bill, and that has been rejected each time. We have voted twice on it, and twice it has been rejected. Now the administration is saying if you don't reconsider those two decisions, put that or something similar in the farm bill, in the disaster program, then the President will veto the bill.

This is a \$59.9 billion bill—\$59.9 billion. We are talking about a very small part, a disagreement on a matter of policy where the Democrats are trying to get the Congress to be required by this President to repudiate a part of the 1996 farm bill so some Senators, I suppose, can go home and say, "I told you so; we had a better bill," even though it has been pointed out clearly that under the old farm bill, under the old policy that they are trying to reinstate pro tanto—a good law school phrase—they would be getting less money.

Under the Freedom to Farm bill, all farmers are getting more money from the Government as transition payments than they would have been eligible to receive under the 1996 farm bill which they want to exhume, resurrect, breathe life into, and put back on the books. That is not a very impressive proposal. That is not a very attractive proposal, and this Senate ought to reject it.

I hope there will be votes enough to override the President's veto. It has been done before on an agriculture appropriations bill. It was a long time ago. But you usually don't see a President vetoing an agriculture appropriations bill. I hope somebody will get around to pointing out what all is in this bill for production agriculture, for the women, infants, and children feeding program, for food stamps for people who are unable to provide for their own nutrition needs, for school lunch and breakfast programs.

I just came from a conference with the House on a reauthorization bill for child nutrition programs. We have

some very important needs that are met in this legislation. Close to 65 percent of the funding in this appropriations bill that we are approving today goes to help people provide for their own nutrition needs.

The President may call this a veto of a disaster assistance program, but that is one very small part of what he is saying no to. He is rejecting the hard work of many Members of this body and the other body as well in crafting a bill that meets the need for agriculture research, for rural water and sewer system loans and grants, for economic development initiatives in small towns and rural communities throughout the United States.

If one looks at the amount of money that goes to support production agriculture in this legislation, it is minuscule compared to the total amount being spent on other programs. Many in agriculture have said that this bill should not even be named an agriculture appropriations bill—that there should be a more accurate way of describing the funding that is contained in the bill. It doesn't go to agriculture, or at least not most of it, very little of it, as a percentage of the total amount appropriated. But the President is willing to put at risk those programs that are funded in this bill to accommodate the interests of a few Senators who are suggesting that this is an unfair, insensitive approach to providing disaster assistance to those who have suffered weather-related disasters and suffered because of a downturn in the world economic situation.

We are confronting a serious crisis in American agriculture. This bill responds to that crisis by providing direct assistance to those who have been harmed and who are eligible for transition payments and weather-related disaster benefits.

I suggest the Washington Post is right about this, and to repeat what they say this morning in this editorial, this is an election-year bidding war from which the President should back away.

The Democrats want not just to give a larger amount but to do so in such a way as to repudiate the last farm bill. . . . The administration earlier in the year rightly resisted the position it has now adopted; it should revert.

And so the observers at the Washington Post have figured this out. I hope that Senators will resist the entreaties being made to vote against this bill. This conference report ought to be adopted. It is a fair allocation of resources across the programs that are funded in the bill.

I mentioned the Department of Agriculture programs that are funded in the bill that the President is willing to put at risk and to create the uncertainty and the anxieties among those who are expecting benefits at the beginning of this fiscal year. Right now we are operating under a continuing resolution. To veto the bill creates more delay, more uncertainty, more

anxiety. It puts in jeopardy the very benefits we are trying to make available for people now.

Farmers need help now. They are beginning to be skeptical of the whole process and promises that are made by the Federal Government. I would like to do something to correct that. I would like to make sure that Government is trusted again to do what it promises to do and what it says it is willing to do, and many of us have been trying to put together a package of benefits that makes sense, is supported by the facts, can be administered.

We provide additional funds in this bill for the administration of the program. And it is going to cost more. We have tried to work with the administration to determine the amount needed so that there will not have to be extra burdens assumed at county offices throughout the country, where there will be an increase in the workload, where there will be more demands made on the administration, the farm service agency in particular.

We have tried to cooperate with this administration. It was our recommendation at the conference that these funds be added to help the administration deal with it. And now they turn right around and say, "We're going to veto that bill because it is inconsistent with the proposal made by Senate Democrats on the Senate floor," that was twice rejected by the Senate. "If you don't include the disaster bill the way they want it written or in that respect, then we're going to veto this entire bill."

This entire bill, Mr. President, provides \$56 billion in funding for a wide range of programs, most of them nutrition assistance, as I mentioned. So I hope the people in the country will stop and think what this administration is about to do to you if you are depending upon and looking to the Federal Government for support in nutrition programs. If you have free and reduced lunch and breakfast programs in your schools, they are not going to be funded on time because this President says, "I'm vetoing this bill because it doesn't satisfy a few Senate Democrats."

That is not only bad politics, that is bad Government, and it ought to be repudiated by the Congress. If the President does insist on carrying out this promise or this threat to veto the bill, I hope the Senate will—if the House can—overturn the veto and not sustain the President's action.

The Washington Post is right, the President ought to go back to the position he earlier had taken. The President signed the 1996 farm bill, and now he is suggesting that we need to go back and rewrite portions of it and that that will satisfy the needs of production agriculture, that that would be a better deal for farmers. The fact of the matter is, if we start going down that old road again, we will have an unworkable and unpredictable level of support from the Federal Government.

Now farmers know what the Federal Government is going to provide in transition payments that are outlined in legislation over a 5-year period. Farmers can look at that. They can make judgments about what is best for their own farm operation, what the market conditions are, so that they can make decisions based on what is best for them at that farm in that crop year, given their own economic conditions as to what they will do. They will not lose benefits because they make a decision to change the crop they are planting. They would under the old law. If you do not plant that same crop that you are eligible for, you lose your eligibility for any assistance from the Government.

And another thing. If you do not make a crop, you cannot put any crop in the loan. You cannot put an empty basket under the loan program that the Democrats are trying to resurrect. So if you would—like you have in southern Georgia—have crop losses, and you just plowed up a field, and you did not even try to harvest it because it was burned up, increasing the loan rate would not help you—not a bit.

So my point is, the Democrats' plan is not all that it is cracked up to be. It is more an expression of frustration. And I sympathize with the frustration in many parts of the country. It is an effort to grasp at some straw in the wind and hold out the hope that this is going to make everything right.

We are doing a very workmanlike job, in my view, of bringing together all of the different problems in agriculture and trying to design a program of benefits and assistance that helps farmers make it to the next year, helps compensate them to the extent that some will be spared going into bankruptcy or having to sell their farms at a forced sale. And it is that bad in some areas.

We think this is a balanced approach, not only for this disaster assistance program that is funded in this bill to the extent of \$4.2 billion. That is in addition to all the other transition payments that we are providing under the existing law. And an option to obtain an accelerated payment of next year's market transition payment, that is available now in October because of a bill that was passed just recently.

We think the bill itself, the entire conference report, justifies the support of this Senate and an overwhelming vote to approve it and to send it to the President.

Before I yield the floor, Mr. President, I want to point out that this is just one aspect of what is being done or what is attempted to be done by this Congress to help the outlook for farming in America and in agriculture. Our economy—that is one of the most successful of any sectors of our economy in terms of its ability to export, to generate income for people not just on the farm but at the store, driving trucks in the transportation system, the inputs that go into production agriculture,

the equipment that is purchased, the seeds, all the rest that go into this giant part of our economy—is very important to our country.

We generate a positive trade balance. I think this year it is going to be almost \$20 billion in trade surplus. This is comparing the amount and the value of exports with imports of agriculture and food products.

The House just recently passed a tax bill, reported out of the House Ways and Means Committee. It was my hope that we could take that bill up here and pass it in the Senate, because it delivers to farmers and farm families some new tax benefits that can help them in this time of crisis on the farm and would be good policy changes for the future, one of which permits a 5-year carryback of operating losses. Another makes permanent the income averaging provision of the more recent tax bill that was signed into law. Another accelerates the phasing in of exemptions of inheritance tax and gift tax for small businesses and farms. That is very helpful to farmers and farm families.

Another provides 100 percent deductibility of the costs of self-employed health insurance, health insurance for those people who work for themselves. In the past, they weren't able to deduct the costs of that health insurance.

Under the bill that was reported out of the House Ways and Means Committee and passed by the other body, the total costs of that premium could be deducted from income tax. We should make that the law now. Farmers need that now. Farm families need that benefit now.

Because of a threat by the Democrat minority, we can't call that bill up. We are told there will be an objection. And if a motion is made to proceed to consider the House bill, 60 votes would be required to shut off debate on the motion to proceed. So that bill is unlikely to be considered by the Senate, we are told, because of those objections and that resistance. Again the President said, "If you pass it, I will veto that."

So farmers ought to know where the problem is. They are being told with big speeches out here and a lot of charts that the Democrats are the farmers' best friend. The evidence is piling up on the other side of that argument. I think it is going to become very, very clear that that is not the case.

Here is another example. We have been told that American agriculture is suffering right now—unfairness in the international marketplace. People are erecting barriers to trade while we are trying to sell more in the market or break into a new market for agriculture products and foodstuffs, that we are running into barriers of one kind or another, and that the importation of certain foodstuff—cattle, wheat—from Canada violates existing rules of fair trade in this hemisphere. For months, the administration has done absolutely nothing that I know of to try to deal with that situation.

One thing they asked last year of the Congress was to enact fast-track negotiating authority for the administration so agreements to adjust these problems, to resolve the difficulties, could be negotiated and worked out. Congress would make a commitment that if fair agreements were worked out we would take them up under fast-track procedures and vote them up or down. So the Speaker of the House, as we were working to put together the disaster assistance program, agreed he would call up the fast-track authority legislation in the House for a vote; the Senate has acted. The House couldn't pass it because the Democrats wouldn't vote for it. A huge number of Democrats voted against it. The President, apparently without the ability to lead on that issue in the House, couldn't turn out the votes to pass the legislation he said was important, he said was needed to help agriculture. The Republican leadership called it up and most of them voted for it.

I am suggesting that is another example of a problem that we have here in the government. I am not trying to put this into a partisan debate to say that the Republicans are right on everything and the Democrats are wrong; but I am pointing out these facts that exist in the context of trying to do something to help farmers and help agriculture.

Most people live outside the United States, and if the growth is going to be achieved in agriculture sales and we are going to see increases in incomes and prices, we are going to have to sell more of what we produce in the export market. Mr. President, 95 percent of the people in this world live outside the United States. It is that area of the world where the population is growing the fastest. The needs are greater for foodstuffs.

I hope, as Senators look at this problem and try to decide whether we are doing the right thing or not by approving this bill, they will recognize we can't solve every problem that this sector has in one bill. But this is a very positive step toward dealing with the real crisis that exists out there in agriculture today. I am hopeful that the Senate will vote for this conference report and that we will have a resounding vote to overturn and override the President's veto, if he insists on continuing down this path. It is wrong. It is not justified. I hope he will change his mind.

I yield to the distinguished Senator from Idaho such time as he may consume.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, let me join with my chairman, Senator THAD COCHRAN, chairman of the Agricultural Appropriations Subcommittee, who spoke with a certain amount of frustration in his voice just a few moments ago. He has every reason to be frustrated.

This chairman has bent over backwards in the last 6 months trying to

understand and address the agricultural crisis that is now upon America's production agriculture. He has joined with us—those of us here in the Senate who come from strong agricultural States—at every step along the way to see how we could resolve this under current policy. I don't blame his frustration.

I came to the floor just a few moments ago to announce that the President is in town for the full week for the first time in a good many weeks, and the first thing he says is that he is going to veto the agriculture appropriations bill. I am critical of this President. Mr. President, wake up. You haven't had a position on agriculture your entire term in office. Now you say, "I'm going to veto," at a time when this Congress has worked collectively, on a very strong bipartisan vote on the House side just last week, 333 House Members, Democrat and Republican, on the very issue that we have on the floor now that the chairman has spoken to and that we will vote on this afternoon.

I am not quite sure why he is doing that. I suggested this morning that maybe it was a bit of "Wag the Dog." I don't want to make accusations, but why isn't he helping us, working with us to resolve this, rather than simply addressing it with a veto threat.

What has the bill to offer production agriculture? For the last several days, we have laid out the amount of money that is being spent that will go directly to farmers to offset the market losses that they have experienced, the very real and dramatic declines in commodity prices that are going to place some of our very good farmers and ranchers in bankruptcy. We want to be sensitive to that. This Congress is being sensitive to that with a \$4.2 billion package. Payments directly to farmers who have experienced natural disasters—\$1.5 billion for that—through no fault of their own, have lost their crops; market loss payments, reflective of what has gone on in the Pacific Rim and the loss of markets there, payments of about \$1.65 billion, directly down through to the farmer and the rancher; a multiple-year losses program of about \$675 million; livestock feed assistance for those areas that were "droughted" out who obviously produced no feed for their livestock this year and are having to reach well outside their barriers and pay premium price for hay to be brought in; and, of course, emergency-related aid of about \$200 million. This bill is very sensitive to the needs of production agriculture.

What is the debate really about? Why would the President want to veto a bill that provides so much at a time of true need to production agriculture? As I said, it could be a "Wag the Dog" problem, but more importantly it is probably a debate over significant problems.

We—Republicans—believe, and I think American agriculture supports a recognition that farmers ought to be

farming to the market. The Freedom to Farm bill reflected that and we made significant change to policy. We also said government has a responsibility to break down the political barriers that the chairman spoke about to expand world trade, and yet the tools to do that are rusting down in the toolshed at USDA because they have failed to use them. Throughout the time this crisis was growing, not one kernel of grain was purchased for humanitarian purposes. Yet, the Secretary had the tools to do it. The Secretary had the tools to enhance trade for the purpose of moving the product that was stored out there on America's farms, or in America's granaries. Yet, that didn't happen. And now, all of a sudden, when we are trying to shape some form of aid to get us through this cropping season and keep what American farmers say is a good farm policy in place, the President takes time off from his world travels and his campaign fundraising events to say, "I am going to veto this bill."

Mr. President, I hope you will study it a bit and change your mind, because if you think you are going to use an additional \$3 billion or \$4 billion from the surplus that you want to put in Social Security to save Social Security, think again. It isn't necessary and it isn't needed, and I don't think this Congress is willing to provide it. Those are the realities with which we are dealing.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CRAIG. With that, Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, how much time do those in opposition have?

The PRESIDING OFFICER. Twenty minutes.

Mr. WELLSTONE. Does the manager know whether or not others are going to come over on our side?

Mr. COCHRAN. If the Senator will yield, I think other Senators want to speak, but not right now. We have another hour, from 2:15 to 3:15, that will be available for debate. So as long as you see no competition on your side of the aisle, you have it all to yourself.

Mr. WELLSTONE. I thank my colleague.

Mr. President, I had a chance to speak yesterday and I don't want to really repeat the arguments I made yesterday. I do not intend to vote for this bill today, but I think that by the end of the week, or at least I am hopeful, we will be able to resolve our differences and pass a farm relief bill that will do the job—or at least will be a huge help for family farmers in Minnesota and across the country.

Mr. President, the President of the United States indicated on Saturday that the farm relief bill—this bill that we are looking at right now, which we will be voting on—is inadequate. He

has said that more will need to be done with farm relief. It will have to be improved before he can sign an Agriculture appropriations bill. I am hopeful that either following the veto of this bill, or as part of the negotiations—and I think I have a different view from my colleague from Idaho, I am not sure—as part of the negotiations on the emergency supplemental packages, which may be included in an omnibus appropriations bill, we will see an improved version of this farm relief package.

I said yesterday to my colleague from Mississippi, Senator COCHRAN, I much appreciate the work he has done. We have come a significant way from where we were. This is a \$4 billion relief package. I think that given the position the President has taken—and as a Senator from Minnesota, I have certainly requested that he take this position; I have said I hope he will veto this bill or wait until we get some kind of relief package that I think would do a better job. I have to continue to fight as long and as hard as I can for family farmers in my State, for what I think will be most helpful to them. Frankly, I believe that given the Senators who are dealing with this question on both sides of the aisle—we all care fiercely about agriculture, and I think we have an understanding about it—I don't see any reason why, by the end of this week, given the position the President has taken, we can't have some really strenuous, but I think substantive, negotiations and come up with a much better relief package.

Now, this relief package that my colleague, Senator COCHRAN, brings to the floor of the Senate is a credible effort. But I think it is insufficient. There is an inadequate amount of money, and I think it utilizes the wrong mechanism to deliver the assistance that is meant to address the price crisis. Let me just be clear about what is at issue here. Surely, given the position the President is taking, which is the position that the Senator from Minnesota and many other Midwestern Senators asked him to take, which is to make it clear that he will veto this bill unless there are negotiations and we can get a better package.

Why have we taken this position? Well, our proposal, \$7 billion-plus, and the proposal we have before us on the floor of the Senate are similar in that both include between \$2 billion and \$2.5 billion for indemnity assistance for crop loss. This is an increase from the original \$500 million, which many of us worked very hard to include in the original Senate bill. It is not surprising. There are a whole lot of people who have really been hit hard and who need the help.

The Republican package, however, that is before us also contains an additional \$1.7 billion. So there is agreement on the indemnity part. We went from \$500 million to \$2 billion to \$2.5 billion. The Republican package also contains about \$1.7 billion to address

the price crisis. The way they deliver this assistance is through a supplemental or bonus transition payment, and that is where there is a big disagreement. The prices for our major commodities, such as wheat, corn and soybeans, are 15 to 30 percent below the 5-year market average. Our \$5 billion proposal to address the price crisis—where there is the difference here—would lift the current caps on the loan rate and raise those loan rates about 57 cents a bushel for wheat, about 28 cents a bushel for corn, and over 20 cents a bushel for soybeans. This would not only immediately boost farm income for the farmers of these commodities, but in raising the loan rate, it also has a beneficial effect on market prices. It tends to lift them up. That is why I think our proposal is superior.

Mr. President, I worry about these transition payments because I think there are a couple of problems with them. First of all, these payments are based on the old farm program's historic yields. Farmers such as traditional soybean farmers, who never had a program based on the old program, don't get any of these AMTA payments. That is one huge problem. On the other hand, it is possible for some people who might not even have planted a crop to receive them because the Freedom to Farm—or what I call the "Freedom to Fail"—payments are completely unconnected to production or price.

I have to tell you, that is the key issue. That is the key difference. At the very minimum, in dealing with the price crisis, we ought to make sure that the payments are connected to production and price. So what we have here in this bill is the wrong mechanism for addressing the price crisis. Our proposal would lift the cap on the loan rates. I think there can be negotiation. The President is correct in vetoing this bill if that is what is required to get better assistance. Thousands of family farmers across the country could go out of business due to conditions that are beyond their control. In Minnesota, up to 20 percent of our family farmers are threatened. Now, the other part of this is that the Democratic proposal for the State of Minnesota is worth about an additional one-quarter of a billion dollars.

I ask the Chair, has 20 minutes expired?

The PRESIDING OFFICER. Twelve minutes remain.

Mr. WELLSTONE. The proposal is worth an additional one-quarter of a billion dollars for agriculture in Minnesota, for rural Minnesota, for what we call "greater Minnesota." It is no small amount of money, especially when you consider the multiplier effect in our communities.

So I say to my colleague, Senator COCHRAN from Mississippi, this is a start. I am going to vote against this. The President has said he is going to veto it unless there is further negotiation. I think we can do better. I don't

like the rider that basically continues another 6 months with the dairy compact. I have dairy farmers in my State who are going under because of very unfair pricing mechanisms.

In addition, I emphasize again, we are in agreement when it comes to crop losses, disaster, people who didn't have the insurance because of wet weather, scab disease or whatever. We are not in agreement on the price.

There are two problems. The main one is at the very minimum you have to target the price, whatever you do by way of dealing with low prices. You have to make sure that the payments are connected to the production of the price. Too many of these transition payments go to landowners, and not necessarily producers. I don't think that makes a lot of sense. Some, like soybean growers, won't be helped at all.

I think we can do better on the price part. I think we have to do better if this relief package is going to do the job. I think we have some differences out here. They are honestly held differences. All of us care about agriculture. All of us know what the economic and personal pain is out there in the countryside.

Some are quite often critical of some of the President's policies, but I thank him for exerting strong leadership on this question and for making it clear that surely this week in negotiations we can do better. We can come up with an even better package.

My colleague from Mississippi brings a package out here that is an important start. We are going to get the job done by the end of the week or by next week. We are going to get the job done. We are going to have a relief package, because we have to, because that is why we are here. I believe we can do that through the negotiations that are to come.

#### BISON INSPECTION

Mr. ALLARD. Mr. President, I would like to engage in a colloquy with my good friend from Vermont, Senator LEAHY regarding an issue that impacts bison ranchers nationwide as well as in both of our States.

It is my understanding that the U.S. Department of Agriculture has taken major steps during the past year to ensure that our country's food supply is as safe as possible. USDA requires all firms that wish to sell meat to USDA and other Federal agencies to comply with newly adopted regulations known as HACCP.

It is also my understanding that the beef, pork, and poultry industries are provided USDA inspection at no cost, and that ranchers who raise American bison must pay a steep fee to USDA for inspection at slaughter and inspection of products to be sold to USDA. These costs exceed \$40 per hour, per inspector, both for inspection at slaughter and at further processing.

I would like to ask my colleague on the Agricultural Appropriations Subcommittee, Senator LEAHY, whether he

would agree with me that USDA should explore what impact inspection fees has on the bison industry?

Mr. LEAHY. Yes, I do agree.

It is my understanding that USDA collects substantial fees from those bison ranchers and processing firms for Federal inspection. It is my understanding that this fee is set yearly by USDA and that it is approximately \$41 per hour. I believe that these fees directly impact thousands of small ranchers who belong to the National Bison Association.

Mr. ALLARD. Would the Senator further support asking Secretary Glickman to report back this next year on ways in which USDA might lower the inspection fees to help strengthen the U.S. bison industry.

Mr. LEAHY. We have bison ranchers in my state and in every other State in the country. I agree with the Senator that while we are looking for policies and programs that help small farmers and ranchers, we look carefully at all other actions that could make a difference. I believe that the issue of inspection fees charged bison producers should be explored by the Department of Agriculture, and that the Department should provide us with their analysis of this impact early in 1999.

Mr. ALLARD. I thank the Senator for his comments.

Mr. GORTON. Mr. President, on March 28, 1996, Congress passed the Federal Agricultural Improvement and Reform Act, most commonly referred to as the farm bill. This comprehensive, forward looking legislation provides U.S. agriculture the free market principles that our farmers and ranchers requested and desired. Government no longer dictates to farmers how much to plant, when to plant, when to buy, or when to sell. The farm bill provides the flexibility, predictability, and simplicity that our farmers and ranchers asked for from their government.

In the past few months, agriculture in the United States has been impacted by chaotic world markets, natural disasters, and disease. These occurrences are not the result of the Farm Bill, but without a doubt have impacted the prices paid for U.S. commodities. As a member of the Agriculture Appropriations Subcommittee, I had the opportunity to review and subsequently pass a disaster package as part of the Fiscal Year 1999 Agriculture Appropriations Conference Report. This package includes relief for those farmers who experienced one or all three of the aforementioned occurrences.

The Pacific Northwest is experiencing misfortune that is not weather or disease related, but market related. Producers in the State of Washington rely heavily on international trade. Wheat growers in the state export approximately 85 percent of their crop. Our apple and minor crop industries rely heavily on Asia as an export market. When world markets collapse, so too does the price paid for each of these commodities.

The disaster package which is included in the conference report provides some relief for growers in Washington state. However, because a bulk of the assistance provided in the package will benefit farmers in the mid-west states, I voted with Senator BURNS to increase the relief plan by \$610 million. Although this plan was defeated, I believe the overall package is adequate and a necessary starting point for recharging the cash flow to the family farm. This package, combined with the Agriculture Market Transition Act payments farmers will receive in October and December of this year, and the loan deficiency payments for program crops totals over \$17 billion in cash payments for 1998 and 1999.

Because Pacific Northwest agriculture is so trade dependent, I believe we must focus on expanding trade and gaining new markets. In this arena, I fear that the administration's silence has been deafening.

Two weeks ago the House defeated the bill to provide the President fast track-trade negotiating authority. Unfortunately, a wounded President and a weak Secretary of the U.S. Department of Agriculture failed to convince our colleagues the importance of passing this legislation. With one in four jobs in the State of Washington directly related to trade, and with agriculture being the State's number one employer, the passage of fast track was essential.

Just last week I made a statement regarding the administration's trade policy with China. Finally, a member of the Administration commented on the inability of the President to make headway with China's protectionist position. The Undersecretary of International Trade at the Department of Commerce admitted that U.S. trade policy with China is flawed and that the Administration's policy of 'engagement' has not moved China toward free trade practices.

China claims that wheat from our region is inflected with a disease called TCK smut. At the bipartisan request of many Senators from the Pacific Northwest, the President was asked to discuss this bogus phytosanitary concern with Chinese President Jiang Zemin. The President personally met with President Zemin twice in the last two years, but the Pacific Northwest wheat industry remains locked out of another potential, enormous market.

As a border state of Canada, Washington has encountered many trade discrepancies with our Northern counterparts. The beef trade between Washington and Canada has evoked bad feelings and more recently tensions escalated. Just two days ago, United States Trade Representative Charlene Barshefsky and Agriculture Secretary Dan Glickman announced their intention to begin intensive negotiations to resolve some of the restrictive trade practices utilized by Canada. While I applaud the Administration for taking

this action, it is unfortunate that it comes only after ranchers in bordering States began blockading Canadian farm shipments. Agriculture trade relations have been thorny with Canada for quite some time, and many believe that the Administration's inability to support and defend the U.S. beef and wheat industries in negotiations with Canada have left agriculture with the short end of the stick. We are consistently being out-witted by the Canadian trade negotiators and the farmers and ranchers in this country are expected to pick up the pieces.

These are just a few of the Administration's trade policies which directly impact the bottom line of farmers in the State of Washington. While I recognize and empathize with the family farm at a time when cash flow is sparse, I do not support the President or the Administration in its threats to veto the Agriculture Appropriations bill because the disaster package is not to their liking.

There are several items that in addition to this disaster package, AMTA payments, and LDP payments which deserve attention. While expansion of trade is of obvious importance to the State of Washington and is certainly a long-term goal, regulatory relief, tax relief, adequate funding for agriculture research, and deductibility of health insurance for the self-employed are immediate mechanisms to provide assistance to the family farm. Unfortunately, the vehicles providing this relief—the Interior appropriations bill and the House passed tax package—are also under the threat of a Presidential veto.

Mr. President, the Agriculture appropriations bill is a constructive piece of legislation that deserves our support. While the unfortunate politics of partisanship has appeared to weigh heavily on this legislation, I sincerely hope that the Administration would remember the family farm and the longevity of production agriculture in this country and sign the bill.

Mr. LEAHY. Mr. President, if ironies were flowers the area inside the Washington beltway would be covered with fields of flowers sprouting out of every square inch of land.

I am surprised that many of the same Senators who say they want farmers to receive higher income for what they produce strongly oppose the same for other farmers if the product is not produced in their home states.

Many Senators have recently spoken on the floor about the disaster facing their farmers. Some have likened it to losses caused by natural disasters such as Hurricanes. Regarding this farm disaster, their biggest concern is the huge loss in farm income. The culprit this time is low prices and the loss of farm income.

In speech after speech many complain that their farmers face low prices—and thus low income. And, as is so often said, farmers do not want welfare they want higher income for their

labors. These Senators assert that farmers do not just want a handout—they want higher prices so they can earn an reasonable income and stay in business.

Whether the commodity is wheat, soybeans, corn, or other feedgrains we hear time and time again that prices are too low—and thus their farmers may go out of business.

There is a sense of great panic in the farm community. It is real. I am advised that farm income in some areas has been reduced by 98 percent. I have been moved by many of the compelling descriptions of the agony faced by these farm families. I am concerned about this even though my home state of Vermont is not as directly affected.

Thomas Paine made an interesting comment about these situations which is still as true today as it was in 1776. He said: "Panics, in some cases, have their uses. . . . their peculiar advantage is, that they are the touchstone of sincerity and hypocrisy, and bring things and men to light, which might otherwise have lain forever undiscovered."

There is indeed a touch of hypocrisy in this crisis. Some, including some at the U.S. Department of Agriculture, see the loan deficiency payments as a great solution. If prices drop below a target price the farmers get the difference between their market price and this target price. If prices increase above a certain level then the farmers cannot receive this cash payment. Recently I twice voted for these proposals along with every Democratic Senator save one.

I do think this approach is a good idea and I hope in the end it is included in any continuing resolution we work out. It is important that any income relief in the resolution be targeted to 1998 year crop production and that it go to producers, not mere landowners.

Many strongly support this approach for commodities produced by their farmers. However, if the benefit is to be provided to farmers not producing their commodities some turn a deaf ear. This is an unfortunate irony—some will not listen to the very arguments they use to support additional income to their farmers if other commodities are involved. I voted for their solution even though it is of little benefit to my home state of Vermont. Turning a deaf ear toward farm problems in other areas of the country raises a lot of concerns.

The Northeast Interstate Dairy Compact is the perfect example. The major benefit of the compact is to provide income to farmers when milk prices are low—income is not provided to farmers when prices rise past a certain point. The amount of the payment a farmer gets depends on how far milk prices are below the target price. You could simply repeat those two sentences but substitute the word "corn," "soybeans" or "wheat," or whichever commodity, for "milk" and you have described how the loan deficiency payment system works.

Many certainly want this benefit for their commodities. Some Senators

would rather their farmers get a check for increased "freedom to farm payments" instead of cash payments called loan deficiency payments. In this way these Senators provide cash to feedgrains producers to make up for the fact that farm prices are so low. Either way, almost all Senators want farmers to receive some additional cash payments. And farms families deserve this.

But try to apply this system to milk prices and many Members of Congress and some in the Administration say "no."

This is a major issue for me since more than 70 percent of all farm income in my state is from dairy. Vermont is first in the nation in terms of the relative importance of dairy to total farm income. This is why the Compact is crucial to me.

Dairy farmers like other farmers work hard—milking cows early in the morning, moving cows around to pasture, feeding them, worrying about veterinary bills. I wish we could all work together on this matter—all areas of the country—and support farm income for all producers.

I freely admit that the Compact does give dairy farmers a lot more income when prices are low. It is supposed to do that—just like loan deficiency payments. We are not concealing the fact that during the first 6 months of operation OMB reported that "New England dairy farm income rose by an estimated \$22–27 million . . ."

Several Senators from the Upper Midwest insisted that OMB do a study on the effects of the Compact. The OMB report is called the "The Economic Effects of the Northeast Interstate Dairy Compact." I will be quoting a lot from that study that those Senators wanted in this floor statement.

As a little background, the Interstate Dairy Compact Commission with 26 delegates appointed by the six governors is authorized to determine a "target price"—\$16.94/cwt in this case. Under the Compact language approved by the six states any state can opt-out temporarily—until a later date that the state determines—or opt-in and receive that additional income for producers. The Compact is voluntary, it is up to each state.

As I just pointed out in this respect, when prices are low the effect of the Compact is similar to the loan deficiency payments made under marketing loan programs in that, roughly speaking, producers get the difference between a "capped" target amount and the current price. When farm prices are high, no cash payments are made to producers under the Compact.

Why is this additional income for dairy farmers as justifiable as additional income—whether in the form of loan deficiency payments or increased freedom to farm payments—for feedgrain farmers? The answer is simple—it keeps their families on the farm. All farmers deserve to earn a decent income for their families.

This additional income to farmers in New England based on the Compact has kept farmers in business. For example, news articles have focused on how in Connecticut and Vermont the rate of farm loss is much less than before the Compact went into effect. Before the Compact, OMB reports that New England suffered a "20-percent decline" in the number of farms with milk cows from 1990 to 1996. Now, this horrible rate of attrition has stopped. I wish other states could also stop their loss of farm families. I have supported reasonable efforts to keep family farmers in business throughout our country and will insist on that in any continuing resolution.

It is clear that efforts to keep dairy farmers in business will become more critical over time since, as OMB reports, "the Farm Bill also calls for the termination of many elements of USDA's current dairy program by January 2000." Also, dairy producers do not receive any so-called "freedom to farm payments" for milk production and the milk support program will be terminated in the year 2000.

Also, since dairy farmers sell a perishable fluid product that needs refrigeration they are not able to hold product off the market until they can get a better price. Feedgrains can be and are stored to get a better price—indeed the government will even give you a loan based on the value of the grain you are storing. This provides farmers with cash to pay bills—this program is not available regarding the production of milk.

Of course, by taking this grain off the market this can have the effect of increasing grain prices. FAPRI has provided Congress with information on these anticipated increases in grain prices based on the marketing loan program.

One disadvantage to increasing the caps in marketing loan programs, or increasing freedom to farm payments, is that it costs taxpayers a bundle—in this case several billion dollars. I voted for the marketing loan proposals twice because I think it is worth it to increase farm income in Iowa, North Dakota, South Dakota, Nebraska, Missouri and a number of other states. While marketing loan programs do not benefit New England dairy farmers, I have always felt that farmers should stick together and help each other out. I wish more Members of Congress felt that way.

I am very willing to work with my Colleagues from the Upper Midwest to try to figure a way so that all of us can work together. But I will insist on one thing—that our goal should be to protect income for dairy farmers and to keep farmers in business. I do have some ideas that I think we can all agree upon and want to sit down with my Colleagues from the Upper Midwest, and around the country, to work something out.

I will support reasonable programs that benefit their farmers, as I do

farmers in others states and as I do for other commodities.

As long as I am on the subject of the Compact I want to make a few additional points about how well it is working.

First, I want to thank many of the Members of Congress who want to support farm income for all farmers—not just farmers producing feedgrains. I am very pleased that the Compact will get a short extension in the appropriations bill. Some opponents have begun complaining that it is included in the Agriculture Appropriations bill. It was included in the House bill and is now included in the Conference Report.

I am very pleased with this since the 1996 farm bill created a three-year Compact pilot project for the Northeast. However, long delays in implementing the Compact by USDA have cut that three-year period down to less than two years. That is not what the Congress had in mind when it passed a three-year time period in 1996. I am pleased that this Appropriations Bill will extend the Compact at least until September 30, 1999, so that the Congress can find out how well it has served farmers. Even with this extension, the time-period is less than Congress set forth in 1996.

It is interesting that one of my distinguished Colleagues blasted the Compact on the Senate floor by saying that dairy farmers have not seen positive benefits as a result of the compact. What surprises me about this statement is that most dairy farmers would say that a significant increase in their income over a six-month period was a "positive benefit."

Maybe things are different in the Upper Midwest but New England farmers like this increase in income and consider higher income a positive benefit. It could be that since New England only produces three percent of the fluid milk in the nation that an increase of \$22 million to \$27 million in income over a six month period, according to OMB, is not considered large by Upper Midwest standards.

I also disagree with the complaint that under the Compact "consumers have been hurt by higher prices." OMB has an answer for that which proves the value of the Compact. OMB reported after an initial increase in prices at some stores just as the Compact was implemented that: "New England retail milk prices by December [the sixth month after implementation] returned to the historical relationship to national levels, being about \$0.05 per gallon lower."

So, OMB has concluded that consumer milk prices are lower in New England than the rest of the nation. I would like to repeat that—consumer prices in New England with the Compact are lower than national levels. I would encourage a study to check out that relationship now—I am very confident that prices in New England are still lower than the rest of the nation.

The Connecticut Agriculture Commissioner Shirley Ferris reports, "In

June of 1997, the month before the Compact took effect, the average retail price for a gallon of whole milk was \$2.72. This June, almost a year after the Compact took effect, the price for a gallon of whole milk is only \$2.73. And the price of a gallon of 1% milk is even less expensive now than before the Compact—\$.03 less per gallon than last June."

Consumer milk prices, as economists had predicted, are lower in the Compact region than the average for the nation.

Another interesting assertion—that milk consumption has dropped in the compact region—was made on the Senate floor recently. This is most odd since national data shows that the rate of milk consumption has dropped more in the rest of the nation than in the Compact region.

According to the most recent A.C. Neilson Corporation marketing research data, U.S. gallon sales of fluid milk are down 1.8 percent compared to one year ago. New England gallon sales of fluid milk, however, have decreased by only 0.7 percent. National sales of fluid milk have declined 1.1 percent more than New England sales of fluid milk.

In another assertion it was said that "The only real winners have been the largest industrial dairies of the Upper Northeast." First of all, I am not certain if the use of Upper refers to Maine. Second, I am not certain what the "largest industrial dairies" means since our plants are so small compared to the Upper Midwest.

And third, under the Compact, and as confirmed by the OMB study, it is the producers of milk, the farmers, who get the increase in income under the Compact. If anyone doubts that the dairy farmers in New England did not get increased pay checks someone should randomly call them on the phone and see if they really got the checks. I certainly have not heard complaints that the paychecks were lost in the mails.

My distinguished Colleague also said that the Compact puts "traditional dairy farms" outside the region "at a competitive disadvantage." OMB reports just the opposite. But again, you do not need an OMB report. Simply pick up the phone and call some dairy producers who live near the Compact region. They are selling milk into the region to take advantage of the Compact. If Wisconsin or Minnesota switched places with New York State, farmers in Wisconsin and Minnesota would do the same—sell into the Compact region to make more income.

While I do not know for sure, I suspect that dairy producers in Wisconsin and Minnesota would like more income for all their hard labor. Vermont dairy farmers and neighboring New York dairy farmers sure do.

OMB reports there has been "an increase in milk shipments into New England equal to 8 percent." This is not surprising since neighboring producers get higher prices for their milk in the compact region.

Except for this benefit for neighboring farmers living just outside the Compact region, OMB reported that "New England has little effect on dairy markets outside its region, or on national prices or trends. . . . Its shipments outside the region in the form of cheese or milk are small."

Opponents of the Compact have constantly repeated that it would be a "trade barrier" on sales into New England. I could point to many statements to this effect on the floor.

I predicted before the Compact was implemented, on the other hand, that since the law required that anyone could sell into the region and since the law required that these sellers get the benefit of the Compact, that there would be increased sales into the region.

I was correct—and the evidence reported by OMB shows that neighboring farmers get the benefit of the higher Compact price and thus there has been an increase of sales into the region of 8 percent.

This Compact has thus increased trade. Something that increases trade is not usually called a trade barrier.

As an interesting footnote OMB reports that the Compact commission decided to provide additional money for New England WIC programs so that more eligible infants, children and pregnant women would be able to participate than would have participated without the Compact. The OMB report states that the "Compact could support a small increase in participation during the demonstration period." The Commission has recently decided to provide additional funding to the school lunch programs.

I also want to address the surplus production issue. As background, note that if New England regional milk production decreases less—or increases more—than the national rate, the farm bill requires that the Commission reimburse the federal government for the cost of Commodity Credit Corporation purchases of any "surplus production" that might occur.

This year the Commission will pay a reimbursement as determined by the Secretary. Very favorable conditions in New England and low feedgrain prices and very unfavorable weather conditions throughout much of the rest of the country created this shift even though there was decrease—2,000 fewer—in cows milked from April to June 1998.

As these relatively very unfavorable weather conditions in the rest of the country subside I expect that New England's rate of production will once again grow at a lower rate than the rest of the country—especially with the drop in cows milked in New England. Also note that almost all of the CCC purchases were of milk product from other regions of the country.

To provide some perspective, I also wanted to mention that OMB reports that in 1996, "New England accounted for 2.93 percent of the Nation's milk

production and 2.9 percent of its milk cows."

As the OMB report shows if other states had a dairy compact, farmers in those states could receive a significant increase in income. So why are some supporting billions' worth of increases in payments to farmers producing nondairy commodities but are opposed to increases in farm income to dairy farmers?

The answer is easy. Sir Walter Scott knew many years ago that: "Oh, what a tangled web we weave, when first we practice to deceive."

Corporate opponents of the Compact have tried to argue that this was a fight between consumers and farmers. The OMB study proves that consumer prices are lower in New England than the average for the rest of the country. So that is a false argument.

The fight is actually between large manufacturers of milk products—large multinational corporations—and farmers. Manufacturers of any product, not just manufacturers of cheese or ice cream, want to buy their inputs as cheaply as possible.

How do we know that? As with the answers to many questions all you have to do is follow the money. Who is buying ads and time to distort the truth? Who is staffing up to fight the Compact? And who mostly wants the Compact defeated?

It certainly isn't farmers in areas that border the Compact region. They take advantage of the Compact's open invitation to trade—and make more money selling into the Compact region.

It certainly isn't consumers since they get lower prices than the average for the rest of the nation. It certainly isn't farmers living in the region since they have gotten a significant boost in farm income.

To find out the answer one just has to look at lobbying reports that have to be filed in Washington. Who funded efforts and hired people to oppose the Compact?

Groups representing the large manufacturers of milk products—that's who. The International Dairy Food Association for example. Their members, like any manufacturers, want to buy their inputs at low cost.

One of their members, Kraft, which is owned by a large tobacco company, wants to pass a bill that will allow them to buy milk at less than the price set by milk marketing orders through something called forward contracting. This could greatly increase their profits.

They also oppose the dairy compact. The Compact has producers selling milk at more than the level set by milk marketing orders. Under the Dairy Compact, producers receive an over-order premium which means that they get more money than the minimum set by the order, not less.

So why was there ever a concern about consumer prices increasing in the Compact region? Prices should have never increased.

The Wall Street Journal and the New York Times discussed this in news articles about retail store price gouging. GAO raised the issue in 1991 and is looking at it now.

We do know that retail prices for milk are often over double what farmers get for their milk—nationwide. Think about that.

Lets look at the time period just before the compact took effect—and pick Vermont as the sample state. As the Wall Street Journal pointed out, in "Are Grocers Getting Fat by Overcharging for Milk?," beginning in November, 1996, the price that farmers got for their milk dropped by almost 25 percent—35 cents or so per gallon. Store prices stayed high which locked in a huge benefit to stores selling to consumers. 35 cents a gallon is a significant increase in benefits to retail stores.

Comparing November 1996, to June 1997, the price farmers got for their milk dropped 35 cents a gallon, and stayed low, but the prices stores charged for milk stayed about the same.

I have always contended that Dairy Compacts can help reduce this retail store price inflation by stabilizing the price that farmers get for milk—thus reducing the need for stores to build in a safety cushion to protect themselves in case it costs more for them to purchase milk.

Without a compact, the price farmers get for their milk can vary significantly. These variations in price are passed through to stores by co-ops and other handlers. Yet stores prefer not to constantly change prices for customers so they build in a cushion. But this huge profit margin can be reduced by Compacts which means that Dairy Compacts will save consumers money and provide more income to farmers.

Unfortunately, the OMB study is based on very limited information from USDA. USDA only gave OMB price information from 6 stores in New England—and only in two cities where it was announced in press accounts, in advance, that retail prices would go up even though store and wholesaler costs had dropped 35 cents per gallon.

Even in light of this OMB concluded that after 6 months, retail store prices in the compact region of New England were 5 cents lower than the rest of the nation.

New England newspaper accounts of the implementation of the Compact were very interesting. For example, the July 1, 1997, the Portland Press Herald, Portland, Maine, points out that "Cumberland Farms increased the price of whole milk by four cents but dropped the price of skim by a penny" when the Compact was implemented.

Also, they note that "At Hannaford's Augusta store, Hood milk—a brand-name product—was selling for \$2.63 a gallon, while the Hannaford store brand was selling for \$2.32."

Also, "Shaw's increased its price by about 20 cents a gallon in [parts of] the

five other New England states but kept the price the same here [in Maine]."

The June 26, 1997, Boston Globe and the June 27, Providence Journal pointed out before the Compact was implemented that one of the chains signaled a price increase. A spokesman for Shaw's Supermarkets, Bernard Rogan, is quoted as saying that milk prices will go up next week.

The June 30, Boston Globe reported that "The region's major supermarkets are raising their milk prices 20 cents a gallon, ignoring arguments that their profit margins are big enough to absorb a new price subsidy for New England dairy farmers that takes effect this week."

As OMB discovered, after six months this initial signaled increase, described above, was being subjected to competitive pressures and that consumer prices in New England were on average lower than the rest of the nation.

Studies of prices charged in stores in Vermont, for example, show that the most important factor in the price of milk is the brand and the store. In cities and towns in Vermont the variation in price among stores was in the 50 cents to one dollar range. In other words, in the same town the price of a gallon of milk varied greatly and still does.

These store variations, and variations through the use of store coupons, dwarf any possible impact of the compact.

Also note that reports have indicated that the dairy case is the most profitable part of a supermarket. The product profitability of fluid milk is \$16.46 per square foot, whereas regular grocery items return only \$2.32 per square foot. This information is from testimony of Professor Andrew Novakovic, on April 10, 1991, before the Committee on Agriculture of the U.S. House of Representatives.

All other food expenditures dwarf how much income that consumers spend on fluid milk. The savings consumers can achieve through buying "on sale" or house-brand items, or through using discount coupons, far exceed typical changes in the price of fluid milk. Only 3 percent of the average household's total expenditures on food go for fluid milk. This information is from an article called "Food Cost Review," 1995, from the Economic Research Service of U.S.D.A.

Note also that OMB reported that the Northeast has the Nation's second highest cost of dairy production (\$14.27 per cwt in 1996) and its milk generated the lowest returns per cwt after expenses. OMB found that a smaller proportion of New England farms are competitive than in other regions. Net average returns per cow in Vermont are \$350 per year and in Wisconsin are \$460 year. OMB determined that the Compact generated about \$70 more in annual income per cow.

So why all the fuss about the compact and who is generating it?

For one, Kraft, the international milk manufacturing giant, opposes the

compact. Kraft's annual U.S. sales exceed \$16 billion. They are owned by Phillip Morris, the tobacco giant.

Perhaps the writer Ben Johnson said it best: "Whilst that for which all virtue now is sold, And almost every vice—almighty gold."

IDFA, which receives funding from Kraft which is owned by big tobacco, went on a spending spree. One big staff acquisition was from Public Voice for Food and Health Policy. The very person who led Public Voice's press attack on the Compact was negotiating for a job with the milk manufacturers who opposed the Compact.

Lobbying registration forms show the whole sad story.

In June 1996, the Senior Vice President for Programs at Public Voice publicly defended his organization from charges that its analysis was influenced by corporate contributions.

A Lobby Registration form filed in July 1996 shows that he worked for William Wasserman of M & R Strategic as a "consultant" for this lobbying arm of IDFA.

This is the major reason I returned the golden carrot award back to Public Voice. It is one thing to have honest disagreements about policy. It is another to be working on getting a job with opponents of the Compact at the same time you are leading the charge for Public Voice against the Compact. The Lobbying Reports tell the story.

There is an unseemly web of money and promises between the dairy processors and Public Voice.

For example, we know that during a critical time period between January 1995 and June 1996, Public Voice accepted \$41,000 from the International Dairy Foods Association (IDFA).

We do not know how much IDFA has contributed to Public Voice after June 1996 or how much any of IDFA's corporate members and officers of those corporations have individually contributed to Public Voice. We do not know how much big tobacco gives to Public Voice. I have always expected that it is a huge number considering the large salaries IDFA pays to its top officers.

For a six-month period in 1996, IDFA paid at least \$30,000 to M & R Strategic Services for its lobbying efforts.

These are all public facts documented by lobbying disclosure forms or derived directly from quotes from Public Voice officials.

This overwhelming and unseemly evidence compelled me to conclude that, for Public Voice, when it comes to the Dairy Compact, contributions come first, and analysis comes second. The New York Times and other editorial pages have relied upon the numbers provided by Public Voice to substantiate their editorials against the Compact, but we now know those numbers were cooked, and flat-out wrong.

I challenged Public Voice to release the names of any dairy-related or tobacco-related contributors and how much they contributed during the last three years. They have not done so yet.

I would be pleased just to know if the amount is \$100,000 or \$500,000, total, over the last three years.

IDFA also made other major acquisitions. They hired the Director of Consumer Affairs at USDA, William Wasserman, who set up a subsidiary called the "Campaign for Fair Milk Prices" through M & R Associates.

Money can solve a lot of problems. For example, his Lobby Report filed on August 15, 1996, shows his client as IDFA and shows him specifically working on the "Northeast Dairy Compact." His Lobbying Registration form filed on February 13, 1996, shows he worked for IDFA on dairy price supports and marketing orders.

A key USDA official who represented USDA at dairy meetings on Capitol Hill was also hired by IDFA. Mr. Charles Shaw is now listed as Senior Economist and Director of IDFA in the book 1997 Washington Representatives.

Listed as "counsel or consultants" for IDFA are—you guessed it—M & R Strategic Services lobbyists Allen Rosenfeld and William Wasserman in 1997 Washington Representatives.

I will explain the importance of this in a minute. Before I begin I want to point out that the battle over the Compact is really a battle between well-off dairy manufacturers and struggling dairy farmers.

These huge dairy manufacturers cannot win over the editorial boards of The New York Times or The Washington Post on that basis.

But if a group like Public Voice carries their public relations message, casting this as a consumer issue, they have a foot in the door.

Public Voice has focused on the price increases which took place just as the Compact was implemented. I mentioned these price signaling newspaper articles earlier.

But Public Voice has ignored the conclusion that consumer prices are lower in New England than the average for the nation. I wonder why.

I wonder how much money they have received from all the major manufacturers of milk and tobacco companies throughout the country over the last three years? I wonder how much money they have received from IDFA and other groups that represent manufacturers over the last three years? I wonder how many others they will hire to influence public opinion in a way that supports the efforts of huge milk manufacturers against the interest of dairy farmers in New England?

I want to make one final point. The New York Times has reported on how important the Compact is for the environment. In an article entitled "Environmentalists Supporting Higher Milk Price for Farmers" it was explained that keeping farmers on the land maintains the beauty of New England.

A lack of farm income resulting from low dairy prices is cited as the major reason dairy farmers leave farming in New England. Production costs in New England are much higher than in other

areas of the nation while the value of the land for nonfarm purposes is often greater than its value as farmland.

In many cases I am advised that this is very different as compared to vast areas of the Midwest and Upper Midwest where land is worth very little except for its value as farmland. As the Vermont Economy Newsletter reported in July 1994:

In the all important dairy industry, the decrease in farm income has come from a continuation of the long term trends the industry has been facing. Should these trends persist, and there is every expectation they will, Vermont will continue to see dairy farms disappearing from its landscape during the 1990s.

One of the consequences of the exit of dairy farmers in New England is that land is released from agriculture. Given the close proximity to population centers and recreational areas in New England, good land is in high demand, and as a result there is often a strong incentive to develop the land.

What are the consequences of land being converted from farm to non-farm uses?

One consequence is that the rural heritage and aesthetic qualities of the working landscape are lost forever. The impact of this loss would be devastating to Vermont and to much of New England. The tourists from some of America's largest urban centers are drawn to rural New England because of its beauty, its farms and valleys, and picturesque roads.

Strip malls and condominiums do not have the same appeal to vacationers.

The Vermont Partnership for Economic Progress, noted in its 1993 report, A Plan for a Decade of Progress: Actions for Vermont's Economy, "There are many issues that will influence the [tourism] industry's future in Vermont . . . [including] our state's ability to preserve its landscape." The report went on to list among its primary goals:

1. Maintain the existing amount of land in agriculture and related uses;
2. Preserve the family farm as part of our economic base and as an integral factor in Vermont's quality of life from "A Plan for a Decade of Progress."

The priority of these goals show that preserving farmland and a viable agriculture industry are important for the overall economic health of the region from Maine, to rural parts of Connecticut, Rhode Island, and Massachusetts, to Vermont and New Hampshire.

Other consequences of farm losses are equally destructive. The American Farmland Trust has completed cost of community services studies in four New England towns, one in Connecticut and three in Massachusetts. The information is from "Does Farmland Protection Pay?"

These studies show the cost of providing community services for farmland and developed land. It is true that developed land brings in more tax revenues than farmland, especially when farmland is assessed at its agricultural value, as it is in most New England

states. Developed land, however, requires far more in the way of services than the tax revenues it returns to the treasuries of municipalities.

For example, residential land in these four New England towns required \$1.11 in services for every one dollar in tax revenue generated while the farmland required only \$0.34 of services for every one dollar of revenue it generated. This demonstrates the major impact that losing dairy farmland has on rural New England. This information is from "Does Farmland Protection Pay?"

National Geographic recently detailed the risk of economic death by strip malling otherwise tourist-drawing farmland. New England should be allowed to try to reverse this trend, especially in ways that help neighboring states such as under the Compact.

The American Farmland Trust Study pointed out that agricultural land actually enhanced the value of surrounding lands in addition to sustaining important economic uses.

Farming is a cost effective, private way to protect open space and the quality of life. It also supports a profusion of other interests, including: hunting, fishing, recreation, tourism, historic preservation, floodplain and wetland protection. "Does Farmland Protection Pay?"

Keeping land in agriculture and protecting it from development is vitally important for all of New England, which is one reason all six New England states have funded or authorized purchase of agricultural conservation easement programs to help protect farmland permanently.

Other economic uses, from condominiums and second homes for retired or professional people from New York, Boston, or Philadelphia to shopping malls to serve them, are waiting in the wings. The pressure to develop in New England is voracious.

A 1993 report from the American Farmland Trust called "Farming on the Edge" showed that only 14 of the more than 67 counties in New England, were not significantly influenced by urban areas.

In fact, eight New England counties were considered to be farming areas in the greatest danger of being lost to development because of their high productivity and close proximity to urban areas. The Champlain and Hudson River Valleys were considered to be among the top 12 threatened agricultural areas in the entire country according to this "Farming on the Edge" study.

Dairy farming is New England's number one agricultural industry, and a lack of farm income is a major cause for farmers leaving dairying. This discussion underscores the compelling need for the Northeast Interstate Dairy Compact because towns will not only lose their rural character with the loss of farms, but they will suffer economic consequences as well. New England suffers the economic losses of the economic activity from farming, but will spend

more in services than they gain in revenue as good farmland gets developed.

I need to address one more dairy issue, milk marketing order reform. This bill does give USDA a few more months to study this critical issue. I have been fighting for a fair revision of the milk marketing orders as have other Colleagues. Although dairy farmers across the country have told the Agriculture Department that they prefer Option 1-A, the Department continues to support Option 1-B.

It has been made clear that the U.S. Department of Agriculture prefers Option 1-B for fluid milk pricing, even though it has been demonstrated that this system would be disastrous for dairy farmers across the country. Economists for AgriMark estimate that under Option 1-B, dairy farmers' income would drop by \$365 million dollars next year—that is a loss of \$1 million each and every day of the year. I am told by economists at AgriMark that Option 1-B reduces farm income in almost every area of the country.

I am also told that every area of the country, including the Upper Midwest, will have higher farm income under Option 1-A as compared to Option 1-B.

At the close of the comment period for milk pricing reform, I was joined by 60 Senators in a letter to USDA supporting Option 1-A. Option 1-A is the only option which is both fair and equitable to farmers while promising to continue providing consumers with reasonably priced fresh, wholesome milk.

Mr. President, this year Vermont farmers took a one-two punch from Mother Nature. The unprecedented ice storm this winter that knocked out power across the state, forcing farmers to cull their herds, dump milk and scramble for feed. This summer's flooding hit many of these same farmers just as their crops were starting to produce. Their fields have been saturated with water ever since leaving them without feed going into the winter. Ten out of the fourteen counties in Vermont have been declared National Disaster Areas by the President this year.

Because the margins are already so close for many farmers, helping these farmers recover from their feed losses could mean the difference between staying in business or selling out. The Livestock Feed Assistance Program will help Vermont farmers get through the winter and not be overwhelmed by recovery costs. I visited these farms after the ice storm and went back again to some of the same areas after the flooding.

What I heard at every farm I visited was very simple: farmers need enough assistance to get them through this season. They do not expect a lot of assistance, but they do expect it to be fast and they expect it to be fair.

Unfortunately, disaster assistance programs have not always worked this way. Too often, the criteria and program thresholds developed by the na-

tional office do not catch the small, family dairy farms we have in the Northeast. The disasters that hit Vermont this year caused damage much like what you see after a tornado. One farm may have lost half his crop while his neighbor may not have been touched. But the way the disaster programs work now, if the county as a whole did not sustain at least 40 percent damage, none of the farmers hit by the disaster would be eligible for assistance.

In addition, these programs often require a farmer to sustain at least 40 or 50 percent damage on his farm. This requirement has prevented many farmers who are barely making it anyway from getting assistance. After the ice storm, many Vermont farmers were tinkering at the edge of losing their farms.

I know that Secretary Glickman shares my commitment to preserving the family farm and I look forward to working with him to make sure these disaster programs are flexible enough to help our small, family farms. Let me quote a letter from Edie Connellee and Bill Cartright of Waitsfield, Vermont, "I hope we all purposefully remember to use this experience as a way to better be a community and especially remember that small acts of kindness, even just a phone call, make a huge difference when someone is hurting in any way." I hope this is the approach the Agriculture Department will take when implementing these disaster programs.

Finally, Mr. President, let me take a moment to talk about the funding levels for the conservation programs in this year's Agriculture Appropriations bill. When we passed the 1996 Farm Bill one of cornerstones of that package was the mandatory funding for the conservation programs. We set aside \$200 million a year for the Environmental Quality Incentives Program. Unfortunately, it was all too tempting for the appropriators to cap that program this year at \$175 million and use the savings elsewhere. In a year where we have seen state legislation regulating agriculture waste on farms and new regulations from the Environmental Protection Agency, this program is all the more critical to making sure farmers can comply with these requirements.

Having worked with dairy farmers across Vermont, but especially around Lake Champlain and Lake Memphremagog, I know how committed they are to protecting our watersheds from farm run-off. Vermont farmers lead the country in developing innovative techniques to control agriculture waste. But they cannot do it alone. The EQIP cost-share payments help them do the right thing without putting them in a financial bind. Now is not the time to be slowing down such a successful program.

Mr. SHELBY. Mr. President, I rise today to add my voice to the debate regarding the FY 1999 Agriculture Appropriations bill. While I know this bill

contains numerous important items including funding for agricultural research, credit programs, conservation programs, and food safety initiatives. I want to specifically mention my concern regarding the portions of this legislation which provide emergency relief to America's farmers.

The last few years have been very difficult for America's farmers. I know this very well because of the numerous difficulties suffered by farmers in my state of Alabama. Last year, North Alabama was hit with an especially cold and rainy spring which greatly reduced the yields of cotton farmers. Peanut farmers in Southeastern Alabama were hit with a toxic mold blight which cost them greatly when they tried to market their peanuts. Before the close of the Summer of 1997, Hurricane Danny dumped inches of rain on and brought devastating winds to Southwestern Alabama. This storm alone caused millions of dollars in crop losses and farm related damages.

Mr. President, unfortunately I cannot say that weather conditions improved much in Alabama this year. Early spring flooding was followed by devastating heat and drought. Alabama's cotton producers, corn producers, cattle producers and peanut producers were forced to battle extreme conditions as they tried to keep crops and livestock alive. If this was not enough, Hurricane Georges swept through the Gulf Coast this past week and caused millions of dollars more in crop losses.

To add insult to these weather-induced injuries, the troubled economic conditions in Asia and throughout other parts of the world have decreased the number of available markets for our farmers. The loss of these markets has in turn led to lower prices. Where our farmers have actually made a crop, they are finding that the market has bottomed out and there is very little profit available to them.

Mr. President, a series of natural disasters coupled with economic collapse have hit Alabama's farmers extremely hard. They need help.

I am well aware of the fact that many other regions have suffered significant farm-related losses. As I have pointed out, however they have not been affected exclusively. I want the devastation that Alabama's farmers have suffered to be recognized on the record.

Mr. President, this bill provides \$2.1 billion in disaster assistance funding and grants the Secretary of Agriculture broad discretion to implement disaster assistance awards. I urge the Secretary to make a full and complete review of all the factors affecting farmers in every region of the country. I want it noted that I believe that it is fundamentally important that the Secretary be aware of the extreme conditions that have befallen farmers in my state.

When Secretary Glickman makes the awards for farm disasters and economic

losses, I want him to make them based on a fair appraisal of all farm losses throughout the country. I believe that all my colleagues will agree. Our farmers deserve no less.

Mr. ENZI. Mr. President, I rise to speak on the Agriculture appropriations conference report. I commend Senator COCHRAN for his hard work in putting together this bill to fund our Nation's agricultural and nutrition programs and to provide emergency assistance to America's farmers in this difficult year.

I am disappointed, however, that some provisions that would have benefited our Nation's family ranchers who are also suffering from low commodity prices were dropped from the final conference report. Although these measures were unsuccessful this year, I am confident that they will come before the Senate again next year and I intend to work hard for their passage.

In particular, I am disappointed that the amendment to require the labeling of imported meat was dropped from the final package. I strongly believe that we need to require foreign meat products to be clearly labeled as such. I support free trade, but in order to have free trade you need to have full disclosure. American consumers have a right to know if the meat they are buying has been produced in our Nation. American stockgrowers have a strong record of producing top quality products, and the American consumer should have the ability to identify these top quality products in the grocery store.

I am also disappointed that the amendment to establish a price reporting pilot project was dropped. Many of my constituents who are family ranchers are very concerned about the current state of the packing industry, notably the increase in packer concentration. I share their concerns. Although I generally do not favor government mandates on any industry, I believe that the price reporting amendment would have provided us with more transparency to determine what effect the recent trend towards consolidation in the packing industry has had on cattle prices.

In addition, I think we need to add fairness to our meat inspection programs by allowing State-inspected meat to move across State lines. We already allow Canadian and Mexican meat products to be sold in our Nation based on a promise that their standards are the same as ours. There is no reason for our government to trust foreign inspectors and not State inspectors. We need to level the playing field for meat inspections to help out our small packers. Allowing small packers to ship their products across State lines is not only fair, it would also increase competition in the packing industry. Unfortunately this important issue was not considered this year at all.

So Mr. President, while I will not object to this Agriculture appropriations

bill because I recognize how important it is to America's farmers, I am disappointed that it did not do more to address the financial problems facing our Nation's ranching industry. Family ranchers are struggling with the lowest beef prices in over 20 years. Their problems are not now and never have been addressed by huge government spending programs. But Congress should take action to provide free and fair competition in the livestock industry. The three measures I have just outlined would do just that, and I will work hard to make sure that they receive the careful consideration of Congress next year.

#### WATER QUALITY RESEARCH

Mr. DORGAN. Mr. President, I would like to ask a few questions of my friend from Arkansas, Senator BUMPERS, regarding the water quality component of the Cooperative State Research, Education and Extension Service (CSREES) Special Grants Program. In particular, I note that although the Senate agriculture appropriations bill for fiscal year 1999 included \$436,000 for water quality grant in North Dakota, the conference report now before us has moved those funds into a separate water quality item. Could the Senator explain the reason for this action?

Mr. BUMPERS. Over the past several years, the Congress has funded water quality grants through three separate items within the CSREES Special Grants Program, including the two the Senator from North Dakota mentions. The fiscal year 1999 appropriations bill which Senator COCHRAN and I reported to the Senate earlier this year included a total of \$2,897,000 for these activities. This amount includes funds at last year's level for the North Dakota program and the balance directed to the undesignated water quality item. The House included the third water quality grant and provided a total of \$3,389,000 for all water quality special grants.

The conferees recognized the need to strengthen our cooperative research activities for water quality, in a manner similar to the treatment of food safety and other priority research areas, and decided to consolidate and increase the funding level for water quality through the CSREES Special Grants Program. Accordingly, all funding for water quality research was moved to a single item and in recognition of the excellent record of the North Dakota program, language was included in the Statement of Managers explaining that the North Dakota program should continue to secure funding through that item.

Mr. DORGAN. I thank the Senator for that explanation. Is the Senator from Arkansas aware of the work underway in North Dakota regarding water quality?

Mr. BUMPERS. Yes, I am. I understand the North Dakota program, developed through the Red River Water Management Consortium (RRWMC) is doing important work to help understand the occurrence, transport, and

fate of agricultural chemicals in the Northern Great Plains region. I believe it is also noteworthy that the RRWMC is a basin-wide water management group, comprised of a number of government and industry stakeholders throughout the water basin and has included partners from municipalities, agricultural industries, county governments, resource conservation and development organizations, and public utilities. Cooperation and coordination of all these groups is vital and the network established in North Dakota should serve as an excellent model for other parts of the United States where water contamination, especially from agricultural runoff, poses a real or potential threat to the environment and public health.

Mr. DORGAN. I appreciate the Senator's understanding of the importance of this research and his familiarity with the RRWMC's activities. Is it the understanding of the Senator from Arkansas that the goals of the North Dakota project are consistent with the overall water quality research objectives of CSREES?

Mr. BUMPERS. Yes, I believe they are. The CSREES water quality programs are intended to help investigate the impacts of non-point source pollution and recognize the public's concern about the possible risks to the environment resulting from the use of agricultural chemicals. Therefore, the purpose of the RRWMC's activities are clearly consistent with the goals of the agency's water quality research mission. Further, I understand that the RRWMC has been able to leverage non-federal funds on a ratio of about two to one. Given current budget constraints, this accomplishment is to be commended especially in recognition of the fact that the CSREES water quality grant has received nearly \$48 million in appropriations since 1990 and has only been able to leverage approximately \$1 million per year during that time. The record of RRWMC in leveraging non-federal funds is, therefore, all the more impressive and worthy of these federal dollars. In view of the important ongoing work of the RRWMC on the important issues of water quality protection, their cooperative relationships with a wide variety of stakeholders, and their ability to leverage non-federal resources, I believe the conferees would agree that RRWMC should be able to secure funding of, at least, last year's level in the coming fiscal year.

Mr. DORGAN. I appreciate the Senator's understanding of the fine work of the RRWMC and his words of encouragement for their activities under CSREES in the coming fiscal year.

Mr. KEMPTHORNE. Mr. President, I rise today to declare my support for the fiscal year 1999 Agriculture appropriations bill.

American agriculture is in a state of emergency. No one who has read a commodity report in the last few months would disagree. Wheat and barley prices are at record lows as are

prices for other important Idaho agricultural products. In August, I talked to growers all over Idaho who are on the verge of bankruptcy, they tell me they are in trouble.

This appropriations bill will help farmers get back on their feet. The bill provides funding for a wide range of USDA programs, including agricultural research, export initiatives, foreign market development, nutrition programs and other department operations. Much-needed short term relief is also provided—\$1.5 billion in one-time payments to assist producers who have been hit by crop losses in 1998, an additional \$675 million to provide assistance to farmers who have suffered multi-year crop losses, \$175 million for livestock feed assistance in a cost-share program available to ranchers who lost their 1998 feed supplies to disaster, and \$1.65 billion for increased AMTA (Agriculture Market Transition Act) payments.

In a time when its farmers are experiencing severe economic hardship, Idaho is one of the big winners in the process. Many important Idaho research projects were included in the bill, including over \$1.2 million for potato variety development, \$329,000 for peas and lentils, \$423,000 for grass seed and \$550,000 for small fruit research, among others.

The agriculture appropriations bill will also help promote American agriculture overseas. The Market Access Program continues to be a vital and important part of U.S. trade policy aimed at maintaining and expanding U.S. agricultural exports, countering subsidized foreign competition, strengthening farm income and protecting American jobs. MAP has been a tremendous success by any measure. Since the program was established, U.S. agricultural exports have doubled. In fiscal year 1997, U.S. agricultural exports amounted to \$57.3 billion, resulting in a positive agricultural trade surplus of approximately \$22 billion and contributing billions of dollars more in increased economic activity and additional tax revenues. This appropriations bill continues funding for MAP.

Also included in the bill is funding for the Agriculture Education Competitive Grants Program. This program funds grants for school-based agricultural education at the high school and junior college levels of instruction. Competitive grants targeted to school-based agricultural education will be used to enhance curricula, increase teacher competencies, promote the incorporation of agriscience and agribusiness education into other subject matter, like science and mathematics, and facilitate joint initiatives between secondary schools, 2-year postsecondary schools, and 4-year universities. This will help our young people be successful in an ever-increasing competitive agriculture market.

Is this a perfect bill? No, but it is one that is fiscally responsible and it does not return to the failed policies of

the past. We must allow American farmers to compete and give them the tools they need to do so. This bill is another step in that direction.

Mr. President, I will vote yes for the appropriations bill and urge my colleagues to do the same.

Ms. MIKULSKI. Mr. President, I rise today in opposition to the Agriculture Appropriations Conference Report. I oppose this bill for three reasons. First and foremost, it does not meet the needs of my state of Maryland. Second, it does not sufficiently fund agriculture programs in order to help all American farmers. Third, the method by which the funding is spent is wholly inadequate to address the farm crisis.

In my state of Maryland, we have been plagued by drought for the second consecutive year. Our farmers are losing crops and they are losing money. They are struggling just to survive. Couple the drought with the record low prices, high costs and a glut in the market and that spells disaster for our farmers. Official data reports that drought has destroyed between 30 percent and 65 percent of the crops in nine Southern Maryland and lower Eastern Shore counties. Loss of soybean, tobacco, wheat and corn crops is making this a very tough season for Maryland farmers. Let me assure you I will not just stand by and let this happen to my farmers.

I am already fighting with the rest of the Maryland delegation team to provide emergency loans from the Department of Agriculture to our farmers and to officially designate them disaster areas because of the drought. But this money does not really take care of the problem. This is not some heroic assistance program for our farmers. It is just a loan. This is money that must be paid back. It does not provide any real long term assistance for our farming community. That is precisely the job of Congress today.

Our farmers need help so they can continue to farm. They need help now, this is true, and they need these loans. But eventually, loans must be paid back with money earned. And this money will not and cannot be earned without our help. We should be uplifting our farmers and helping them to help themselves. Not just continuing their burden of debt. We need help, and this Agriculture Appropriations bill neither addresses Maryland's agricultural problems nor the agricultural problems scourging the rest of our country.

Farmers in my state of Maryland came to me with their priorities for this bill, neither of which are adequately addressed. First, this bill does not provide adequate funding for operating loans so farmers can buy the equipment and supplies necessary to plan for the next season. Without these loans, many of our farmers will not have the funds they need to plant. This then becomes a vicious cycle. Without the funds to plant, the farmers cannot make money for the next year, and pay

back or even be eligible for loan assistance.

The second, and most important reason this bill does not satisfy the needs of my state is because this bill does not uncap the market loans. My farmers have told me that their number one priority is to take the artificial caps off the market loans. In fact, my farmers have told me they desperately needed the caps off the market loans. Last week, a new U.S. Department of Agriculture report forecasted a net farm income for 1998 at \$42 billion, down \$7.9 billion from last year. This amounts to nearly a 16 percent drop in farm income. The report also said that farm debt is anticipated to reach \$172 billion by the end of 1998.

What do these forecasts tell us? This says that any federal response that stops short of recognizing the fundamental problem of depressed prices will absolutely not address the problem. We cannot pass a band-aid measure and expect it to stick in the long term. This is just not possible. The only way to start to correct the problem is to start at the root. And this means acknowledging and dealing with the depressed crop prices. Uncapping the market loans is crucial to confronting this problem.

I will not vote for this bill today because it does not provide enough funding to deal with these problems. The Democratic farm relief package offered by Senator HARKIN in conference was sadly defeated along partisan lines. This package would have provided the necessary \$7.3 billion in funds to cover both disaster and economic losses, including a provision to increase marketing loan rates. The Republican plan—less than \$4 billion—adopted by the committee came as an extreme disappointment. All states suffer under the Republican plan. In my state alone, Maryland would receive only \$7 million in assistance versus \$21 million under the Democratic plan.

The magnitude of losses suffered simply does not merit this meager and shallow attempt to pass this bill. All one need do is look at the facts. The level of economic assistance contained in the bill is \$1.65 billion. The net farm income projected is expected to fall this year alone by \$8 billion to \$10 billion. Clearly, this bill does not increase the amount of relief to a level that will help farmers weather the economic crisis.

Finally, I will not support this bill because the method by which the funding is spent is wholly inadequate to address the farm crisis. The assistance is not directed to the person who suffered the loss. Increasing the Republican plan would simply send money to landlords who have already been paid their cash rent for the year. These Agricultural Market Transition Act (AMTA) payments benefit the absentee landowner, rather than the farmers who need the assistance. One recent study showed that 73 percent of the nation's farmers feel the current farm bill does

not provide adequate income during low-price periods. This means the current system is failing us. Rather than pump more money into a failed system, it is time we overhaul the method.

Let me say that I absolutely agree with Senators DASCHLE and HARKIN that this bill does not sufficiently address the farm crisis. More needs to be done. I am sorry not to vote for this appropriations bill. Mr. President, let me be clear—I wanted to vote for an agriculture appropriations bill today. I think we all did. In fact, I want to see all thirteen of these appropriations bills pass, as they rightly should. But I will not support a bill that shortchanges our farmers. I did not vote for the Freedom to Farm bill for this very reason, I will not vote for the agriculture appropriations bill today.

Mr. LUGAR. Mr. President, I will vote for the 1999 agriculture appropriations conference report. Unfortunately, several unwise provisions have been added since this bill passed the Senate. The cumulative weight of these mistaken policies does not outweigh the many good things in the bill, but is still reason for substantial concern.

The bill is commendable in many ways. The conferees wisely rejected efforts to increase price support loan rates. Instead, they expanded disaster assistance from \$500 million in the Senate bill to \$2.35 billion. This aid will benefit farmers with 1998 losses as well as producers in some regions who have suffered several consecutive years of loss because of weather or disease.

The bill also provides \$1.65 billion in market loss payments to farmers. These payments provide income support without doing violence to the basic structure of the 1996 FAIR Act. In preserving the FAIR Act's "freedom to farm," the market loss payments are clearly superior to the higher loan rates preferred by our Democratic colleagues. Raising loan rates, according to the non-partisan Food and Agricultural Policy Research Institute, would cause more production, higher surplus stocks and lower prices and incomes in future years. Even though higher loan rates might raise prices in the short term, they would have deleterious effects that would plague U.S. agriculture for years to come.

Other parts of the bill deserve praise. The conferees adopted a biodiesel provision in the Senate bill which I sponsored along with other Senators. Encouraging the use of biodiesel will advance, in a small way, the neglected cause of energy self-sufficiency and renewability. The conference report will also facilitate an increase in overseas food assistance through Food for Progress.

I also commend the conferees for adopting a regulatory standstill that will restore legal certainty to swap transactions. This standstill will allow the Commodity Futures Trading Commission to take necessary actions in a financial emergency, as well enforcement actions. It leaves regulators free

to act prudently. However, the provision will ensure that the President's Working Group on Financial Markets has an opportunity to advance its current study of the appropriate regulation of over-the-counter derivatives, a study I asked the working group to begin back in July. The turbulence in financial markets during recent weeks should finally convince everyone of the need to expedite this study. The standstill also allows crucial decisions about OTC derivatives to be made, as they should be, in Congress.

Restoring legal certainty to swaps will also help to calm markets: In a volatile period, the last thing markets need to deal with is the threat of valid contracts becoming unenforceable. I commend Senator COCHRAN for his sponsorship of this provision, which Congressman BOB SMITH and I proposed.

Unfortunately, the conference report has a number of undesirable provisions. Most regrettably, this conference report adopts a House provision to deny funding for the Initiative for Future Agriculture and Food Systems. It is difficult to understand why this initiative, which passed both Houses of Congress by overwhelming margins earlier this year, was neglected when many less urgent—and more parochial—research items were funded. The initiative's competitive grants and carefully chosen priorities represent the direction in which federal research funding should go. To deny funding for research that will help us feed future generations is unconscionable.

The conference report has other flaws. It adopts new loan programs for honey and mohair which were not contained in either bill. Programs for these commodities were abolished only a few years ago. The conference report also adopts language from the House bill which will delay the reform of milk marketing orders by six months. Such a delay is doubly unfortunate since the Secretary of Agriculture is already proposing only half-measures to reform this antiquated and byzantine system.

The report's statement of managers contains statements about the sugar program which, though not legally binding, would negate a provision of the FAIR Act if they were taken seriously by the Department of Agriculture. The managers state, in effect, that the one-cent-per-pound penalty assessed on forfeited sugar should not be considered an effective reduction in the support price of sugar, especially for purposes of determining the tariff rate quota for imports. But that was, of course, precisely the intent and effect of this provision. The logical result of a one-cent penalty is to reduce by that amount the price at which a sugar processor would be indifferent to forfeiture or a market sale. It is instructive to read comments on the floor of the House, during debate on the FAIR Act by a strong advocate of the sugar program, former Congressman E de la Garza. The former chairman of the

House Agriculture Committee said that the FAIR Act's sugar section "effectively reduces the loan rate by 1 cent and ensures an increase in foreign imports."

The conference report also reverses one recent reform of the catastrophic crop insurance program. Not only does the conference report allow multi-million dollar operations to continue buying catastrophic coverage for as little as \$60, rather than a small percentage of crop value. It also extends this provision into the future, something that is simply not appropriate in a one-year appropriation bill. Finally, funding was cut for environmental assistance that mitigates non-point source pollution—the Environmental Quality Incentives Program. Like the Initiative for Future Agriculture and Food Systems, EQIP is funded through mandatory accounts that are under the jurisdiction of authorizing, not appropriating, committees.

Even after listing disappointing actions, I have chosen to highlight the positive achievements in this bill and other recent bills and enacted statutes in which Republicans have shown their ability to assist farmers in troubled times.

Under the Republican FAIR Act, loan deficiency payments and marketing loan gains for 1998 crops will total \$4.2 billion. Most of this amount is not counted in the most recent Administration estimates of net farm income. This summer, Republicans led the way in passing a bill to augment farm cash flow by speeding up 1999 "freedom to farm" payments. Now, Republicans are asking the President to join in a \$4 billion cash infusion into the farm economy—\$2.35 billion in disaster assistance and \$1.65 billion in market loss payments.

These Republican initiatives will lift 1998 net farm income to near the 1997 level and above the average level of the 1990s. Without a doubt, many producers are under severe stress. Not every operation will survive. Like most other commodity prices, farm prices are depressed because of the shock waves sweeping through the world economy. In such trying times, Republicans have responded with practical assistance rather than ideological demagoguery.

We should send this conference report to the President, and he should sign it promptly.

Ms. LANDRIEU. Mr. President, after two and a half months of debate on the economic and disaster crisis facing rural America and thousands of farm families, we are voting on a measure that provides \$4.2 billion in economic relief to our farmers.

During the course of this debate, we have heard from our Democratic Leader, who I want to commend for his leadership on this issue, our President, and many others who believe that much more assistance is needed to adequately address the serious situation facing rural America. I fully agree that the relief provided in this legislation is

far less than meaningful for Louisiana and other Southern states who are suffering one of the worst droughts in 100 years. Already, we have thousands of farmers whose crops and pasture land have been burnt up by the heat and an estimated \$450 million in crop losses in Louisiana alone. These same farmers are also facing some of the worst commodity prices in over a decade. Not only are Louisiana farmers hit with low prices, they also have no crop. Therefore, I have argued and strongly supported additional funding to address this crisis. This funding is justified and should be provided.

However, Mr. President, we also have a conference report before us, a bill that provides a total of \$55.7 billion in essential funding for some very important agriculture, rural development, and nutrition programs. Additionally, included in this measure is over \$25 million for much needed research and education projects in Louisiana.

Mr. President, the senior Senator from Louisiana and I have both advocated for additional funding for our farmers. However, the bottom line is that many members in the House and Senate have differing views about how this assistance should be delivered. Furthermore, many members have strong philosophical reasons for opposing even the \$4.2 billion provided in this relief package. Therefore, with only a few days remaining, before the Congress adjourns and the \$450 million in associated crop damages facing Louisiana, the \$4.2 billion provided in this legislation, is the best option on the table for providing immediate assistance to my state. Therefore, I am rising in support of this measure, which as stated by the Chairman and Senator BUMPERS has been one of the most difficult conference reports ever considered by the Agriculture Appropriations Subcommittee.

Mr. President, before I conclude my remarks I want to make two additional points. While I recognize that this is not the appropriate bill to reform crop insurance, I want to make a prediction that if this issue along with revisions to the current loan rate structure are not addressed early next year, we will be back on the Senate floor debating an even greater economic farm crisis. Then, we will not only be hearing from farmers, but bankers, retail store owners and state chambers of commerce.

I know that many of my colleagues strongly support crop insurance reform. However, many Senators are opposed to revisiting any of the loan rate provisions included in the 1996 Farm Bill. From my discussions with several reputable farmers in Louisiana this issue should be reconsidered.

Mr. President, with the many complicated issues facing farmers, only through a bipartisan effort can we begin to address these matters. Therefore, I hope that the Democratic and Republican leaders in the House and Senate will take the additional steps needed early next year to address and

resolve this pending economic agricultural crisis.

I thank the Chairman for yielding his time and I yield the floor.

Mr. KERREY. Mr. President, during my October 5, 1998, floor statement on the 1999 Agriculture Appropriations Conference Report, I referred to and inserted for the record a chart showing a state-by-state breakdown of the Democratic and Republican ag relief proposals. I wish to clarify that the chart was not generated by the Congressional Budget Office, but rather an estimate prepared by the Senate Agriculture Committee staff based on the aggregate CBO estimate of the cost to remove the caps placed on marketing loans in the 1996 Farm Bill.

Mr. President, I appreciate this opportunity to make this clarification.

Mr. BRYAN. Mr. President, I rise today to briefly discuss two provisions included in the conference report accompanying H.R. 4101, the Agriculture Appropriations Bill.

First, I want to express my gratitude to the House and Senate conferees for retaining a provision in the conference report that was originally passed here in the Senate relating to the Market Access Program.

As my colleagues are aware, the Market Access Program is administered by the U.S. Department of Agriculture through its Foreign Agriculture Service. MAP funding is designed to reimburse private companies, industry associations and cooperatives for the promotion of brand-name products as well as generic commodities overseas.

Unfortunately, Mr. President, it has become quite clear that the Market Access Program is a flagrant example of a federal spending program gone wrong—one that is simply unproductive, unjustified and unaffordable.

Over the past few years, I have stood here on the Senate floor several times to highlight the assorted flaws with this program, particularly the outrageous reality that we are channeling millions and millions of taxpayers dollars to some of the most prosperous corporations in America, including Sunkist, Welch Foods, Gallo and General Mills.

My efforts to terminate the Market Access Program were endorsed by a sweeping coalition of fiscal watchdogs, including Taxpayers For Common Sense, National Taxpayers Unions, Citizens Against Government Waste, Friends of the Earth, Citizens for a Sound Economy and the U.S. Public Interest Research Group.

Unfortunately, proponents of this policy made claims about the program that were difficult for the General Accounting Office to refute as a result of the lack of available information about the effectiveness and value of the program. Clearly, greater scrutiny of this program is appropriate and necessary.

In July of this year, the Senate passed an amendment that I authored to the Agriculture Appropriations bill that I believe will have a profound effect on the future of the Market Access

Program. I am pleased this provision has been retained in the conference report before us today.

This provision requires the USDA to estimate the impact of the Market Access Program on the agriculture sector as well as on U.S. consumers, while also considering the costs and benefits of alternative uses of the funds currently allocated to MAP.

Additionally, the amendment requires USDA to evaluate the additional spending of participants and the amount of exports additionally resulting from the Market Access Program.

I believe, Mr. President, that this information will allow the General Accounting Office to produce a useful evaluation that will enable Congress to make an informed, responsible decision about the utility of continuing this program in future years.

Unfortunately, while this amendment will throw a spotlight on one wasteful federal spending program, I am concerned that another provision in this conference report could compromise past and future efforts to rein in other wasteful and unnecessary federal expenditures.

As part of an effort to provide economic assistance to farmers and producers who have been hit hard by the worsening weather and market conditions facing rural America, this legislation includes roughly \$6.5 million in the form of recourse loans for mohair producers.

Perhaps this funding assistance is warranted. Clearly, the entire agricultural community is reeling from prolonged disastrous weather conditions, a 20-year low in commodity prices and dwindling overseas exports.

It is imperative that we provide to our producers in need, timely disaster and other economic assistance for crop losses and other related dilemmas.

However, we must be clear in stating that the emergency assistance provided in this bill for mohair producers is not in any way, shape or form an attempt to resuscitate the mohair subsidy program that was shut down by the Congress just a few short years ago.

My colleagues will recall that the mohair subsidy program originated in 1954, when Congress passed the National Wool Act, authorizing a subsidy program to guarantee the production of domestic wool for military uniforms during the Cold War era.

Mohair, which was used for decorative braids on military uniforms, was inexplicably affixed to the wool subsidy program.

Over the years, the need and justification for both the wool and mohair subsidies has plainly evaporated. Yet in 1992, years after the sun had set on the Cold War and the strategic need for wool and mohair had long expired, wool producers were still receiving roughly 130 million dollars in subsidy payments while mohair producers were still receiving about 48 million dollars.

In light of this, I joined with several of my colleagues in 1993, including Sen-

ators KERRY and FEINGOLD, in terminating the wool and mohair subsidy that had existed for nearly forty years. We shut that program down.

That was no small accomplishment, Mr. President.

The Congress is clearly capable of, and has been somewhat successful in reducing the size, scope and funding for a number of federal spending programs.

But to actually terminate a program and to categorically wipe that program clean from the federal budget, is indeed, an uncommon achievement.

Mr. President, I am not here to dispute the contention that mohair producers are deserving of emergency assistance. Certainly, virtually every component of our agricultural community has been adversely affected by the crisis that is facing our Nation's farmers and producers.

But I do want to take this opportunity to express to the distinguished Chairman and distinguished Ranking Member of the Subcommittee my sincere hope that the inclusion of this funding for mohair producers is not an attempt to re-open the wool and mohair subsidy program that was shut down by Congress just a few short years ago.

Terminating the wool and mohair subsidy was a small step on the road to a balanced budget, and I fully intend to monitor this situation next year. If we are to stay the course of fiscal responsibility, we must make sure that the American taxpayer is not forced to subsidize those antiquated programs the Congress has deemed to be wasteful and unaffordable.

Mr. McCAIN. Mr. President, the Agriculture Appropriations bill continues funding for the various agricultural and land-based programs within USDA and directs \$4 billion in additional spending to support emergency farm relief and crop assistance to help farmers in need during a critical year of disaster-related conditions.

Back in July, I reported more than \$241 million in earmarks contained in the Senate bill for unrequested, unauthorized or purely parochial projects. A review of the conference report leads me to determine that the conferees jointly decided to overload this report with even more flagrant examples of wasteful and unnecessary spending. This year's conference agreement is more than \$381 million above the budget request and higher than either the Senate or House had proposed.

Included in this spending bill is an added farm relief package that totals \$4 billion for crop loss assistance and market loss payments to help farmers cope with emergency situations and falling prices. We did not vote on this measure as part of the original Senate or House bill, it was added in conference. This is a very serious issue which involves a substantial amount of federal spending. Certainly, this deserves thoughtful deliberation and careful review through our established process, and should not be attached at

the midnight hour to a conference report. This is not the way we ought to conduct the business of prioritizing taxpayer dollars.

Mr. President, each year, appropriations bills are a target for members to advance political platforms. I find that the accounts for the Agricultural Research Service and the Cooperative State Research, Education, and Extension Service are a virtual goldmine for member-interest earmarks.

For example, specific earmarks are directed at the cost of:

\$250,000 for "alternative fish feed" in Idaho; \$750,000 for grasshopper research in Alaska; \$250,000 for lettuce geneticist/breeding in Salinas, California; \$1,000,000 for peanut quality research in Dawson, Georgia and Raleigh, North Carolina; \$162,000 for peach tree shortlife in South Carolina; \$200,000 for tomato wilt virus in Georgia, and \$750,000 to the Fish Farming Experiment Laboratory in Stuttgart, Arkansas.

While I am not an expert in the agricultural field, I find it incredulous that we can expend one million dollars on peanut quality research while we are experiencing a crisis in the farm economy! Additionally, a quarter of a million is earmarked for "alternative fish feed"? While I am certain that the members from these respective states can make their case for directed funding for these projects, I question their desire to side-step a competitive and merit-based review process.

I was pleased to note in the conference report a recognition of the importance of merit review procedures for grant funding. However, despite this recognition, the report continues to include directive language which explicitly leads the agency to grant specific projects with special consideration.

For example, the report reads:

The House and Senate reports recommend projects for consideration under various rural development programs and the conferees expect the department to apply established review procedures when considering applications.

The report then directs:

The conferees further expect the Department to give consideration to business enterprise and housing preservation projects in the city of Bayview, VA; applications for rural business enterprise grants from TELACU, for a project in Selma, CA; for assistance for a community improvement program in Arkansas; water and sewer improvements for the City of Vaughn, NM; the Shulerville/Honey Hill Water project, South Carolina; and a rural enterprise grant for Indian Hills Community College in Iowa.

This is a true disservice to the many potential competitors who are vying for funding, yet decide to work through the designated competitive grant process.

Last year I noticed a practice by the appropriators of using the appropriations process to prevent Federal agencies from following government-wide efforts to down-size and cut back on unnecessary bureaucracy. This year's conference report formalizes this practice as a tradition by including language such as:

Language whereby the conferees "expect the Secretary, to the extent practicable, to avoid the use of reductions-in-force or furloughs for both Federal and non-federal employees or any county office closings"; or,

Prohibitive language which prevents the expenditure of funds made available by the Food and Drug Administration to close or relocate, or to plan to close or relocate, the Food and Drug Division of Drug Analysis in St. Louis, Missouri.

Mr. President, I am not trying to undermine the hard work of the conferees for they do have a difficult responsibility. I commend the managers on both sides of the aisle in working out a careful compromise. Unfortunately, the Agriculture Appropriations conference report is representative of legislative circumvention and the troubling practice of pork-barrel spending.

Mr. President, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. 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.

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

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

UNANIMOUS CONSENT REQUEST—  
S. RES. 264, ESTABLISHING A  
DAY OF CONCERN FOR YOUNG  
PEOPLE AND GUN VIOLENCE

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. Res. 264 and that the Senate proceed to its immediate consideration, that the resolution and preamble be agreed to en bloc, and the motion to reconsider be laid upon the table without intervening action.

Mr. COCHRAN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I really regret the objection and I rise today to really plead with my colleagues to lift the hold on this really simple, bipartisan resolution that simply encourages our children to stay away from gun violence. I thank my friend and colleague, Senator KEMPTHORNE, who has been working with me to try to move this resolution.

In 2 days it will be October 8, the day this resolution calls upon the President to establish a Day of National Concern for Young People and Gun Violence. In 2 days, the Senate will have missed an opportunity to send a message to our kids that gun violence is the wrong way to solve problems.

Fortunately, groups like the National Parent-Teacher Association, Mothers Against Violence in America, the American Medical Association, and others are spreading the word without our help. They are encouraging young people all over this country to sign a pledge and promise they—will never take a gun to school; will never use a gun to settle a dispute; and will use their influence to prevent friends from using guns to settle disputes. That is what this resolution is about.

Mr. President, this is exactly the message the United States Senate should be sending to our children. We want them to make a personal commitment against violence. We want them to help convince their friends to do the same. We want them to join together to fight against youth violence. Just like we should be doing.

We must pass this resolution. Let me read to you a list of the Senators who have committed themselves to establishing this day of concern and helping steer kids away from violence: Senators KEMPTHORNE, LAUTENBERG, SMITH of Oregon, KENNEDY, BAUCUS, SPECTER, ROBB, AKAKA, SARBANES, CHAFEE, LIEBERMAN, FAIRCLOTH, JEFFORDS, GORTON, REID of Nevada, D'AMATO, DASCHLE, ROCKEFELLER, KERREY of Nebraska, LUGAR, FEINGOLD, BUMPERS, ABRAHAM, CRAIG, COLLINS, WELLSTONE, COCHRAN, GRAMS, GRAHAM of Florida, DURBIN, BOXER, HUTCHISON, LEVIN, GLENN, MOSELEY-BRAUN, BIDEN, MOYNIHAN, FEINSTEIN, DODD, BINGAMAN, TORRICELLI, JOHNSON, BREAUX, WARNER, FRIST, INOUE, LANDRIEU, BURNS, KOHL, KERRY of Massachusetts, WYDEN, CONRAD, BUMPERS, MIKULSKI, MCCAIN, SNOWE, NIGHTHORSE CAMPBELL, and BENNETT. There are 59 Senators who are cosponsors of this simple resolution to prevent gun violence amongst our youths.

We all are convinced the best way to prevent gun violence is by reaching out to individual children and helping them make the right decisions. This resolution gives parents, teachers, government leaders, service clubs, police departments, and others a special day to focus on the problems caused by young people and gun violence. October is National Crime Prevention Month—the perfect time to center our attention on the special needs of our kids and gun violence.

A Minnesota homemaker, Mary Lewis Grow, developed this idea for a Day of Concern for Young People and Gun Violence. This will be the third year the Senate has passed a resolution urging kids to take the pledge against gun violence. In 1997, 47,000 students in Washington State signed the pledge card, as did more than 200,000 children in New York City, and tens of thousands more across the country.

Just think of the lives we could have saved if all students had signed—and lived up to—such a pledge last year. Consider that in the months between today and the day we demonstrated our concern about youth violence last year,

we have had an outbreak of school violence. Eleven students and two teachers have been killed and more than 40 students have been wounded in shootings by children. In addition, we have lost thousands of children in what has become the all-too-common violence of drive-by shootings, drug wars, and other crime and in self-inflicted and unintentional shootings.

Last year, Senator KEMPTHORNE and I led the cosponsorship drive of this resolution after his 17-year-old neighbor was murdered by a 19-year-old in a random act of violence in Washington State. Ann Harris' parents vowed to transform their grief into an opportunity to help teach our young people to care about each other and to stop the violence. This month, they are suffering through the trial of her accused killer. We should support them.

Mr. President, we must, absolutely must pass this resolution. I urge whomever has a hold on this resolution urging young people to say no to gun violence to drop his or her hold and let us send a message from the United States Senate to every young person in America: Stop gun violence now.

I yield the floor.

RECESS

The PRESIDING OFFICER. The Senate stands in recess, under the previous order, until 2:15.

Thereupon, at 12:44 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUTCHINSON).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Arkansas, suggests the absence of a quorum. 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.

AGRICULTURAL, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the order of business is the agriculture conference report.

The Senate continued with consideration of the conference report.

Mr. DASCHLE. Mr. President, I know that there is a vote at 3:15. I wanted the opportunity to address the conference report prior to that vote.

Let me begin first by complimenting the distinguished Chair for the manner in which he has conducted himself in this debate, as he does with all debate. We may have deep differences of opinion on this particular issue, but in true form he has been a statesman and, I