United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 101st CONGRESS, SECOND SESSION

SENATE—*July 19, 1990*

(Legislative day of Tuesday, July 10, 1990)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. As we reverence God, who created man in His own image out of the dust of the ground and breathed into his nostrils the breath of life, the Senate will be led in prayer by the Senate Chaplain, the Reverend Richard C. Halverson.

Dr. Halverson.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*Beloved, let us love one another * * *.*—1 John 4:7.

*Love suffereth long, and is kind; love envieth not; love vaunteth not itself, is not puffed up, doth not behave itself unseemly, seeketh not her own, is not easily provoked, thinketh no evil; rejoiceth not in iniquity, but rejoiceth in the truth; beareth all things, believeth all things, hopeth all things, endureth all things. Love never faileth * * *.*—1 Corinthians 13:4-8a.

Eternal father, infinite in love, help us understand that love is more than emotion—love is a command to be obeyed. "He that loveth another hath fulfilled the law." "* * * everyone that loveth is born of God. He that loveth not, knoweth not God; for God is love." 1 John 4:7-8. Forgive us, gracious God, when we reduce love to weak sentiment and irrelevance. Help us realize that love is the most powerful force in life—the power by which righteousness conquers in history. Patient Father, grant us grace to understand that our response to love is obedience, not just a warm feeling. In the name of Jesus who is love incarnate. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader or his designee is recognized for 10 minutes.

The Senator from California, the majority leader's designee.

JOURNAL

Mr. CRANSTON. Mr. President, I ask unanimous consent the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. CRANSTON. Mr. President, this morning following the time for the two leaders, there will be a period for morning business not to extend beyond 11 a.m., with Senators permitted to speak therein for up to 5 minutes each.

At 11 this morning, the Senate will begin consideration of S. 2830, the farm bill.

RESERVATION OF LEADER TIME

Mr. CRANSTON. Mr. President, I ask that the time for the majority leader be reserved for his use later in the day.

The PRESIDENT pro tempore. Without objection, the remaining time of the majority leader will be reserved.

Mr. CRANSTON. I also ask the minority leader's time be reserved.

The PRESIDENT pro tempore. Without objection, the time of the minority leader under the standing order will likewise be reserved.

PRIVILEGE OF THE FLOOR—S. 2830

Mr. CRANSTON. Mr. President, on behalf of the Senator from Maine [Mr. MITCHELL], I ask unanimous consent that Mr. Robert June, a congressional fellow who serves as a legislative assistant through the National Sea Grant Marine Policy Fellowship Program, be accorded the privilege of the floor during consideration of S. 2830, the Food, Agriculture, Conservation, and Trade Act of 1990.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDENT pro tempore. Under the order for today, there will now be a period for the transaction of morning business until the hour of 11 a.m., with Senators permitted to speak therein for not to exceed 5 minutes.

The Senator from South Dakota [Mr. PRESSLER] is recognized for not to exceed 5 minutes.

Mr. PRESSLER. I thank the Chair.

(The remarks of Mr. PRESSLER pertaining to the submission of Senate Resolution 310 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

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

The PRESIDENT pro tempore. The absence of a quorum has been noted. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Nebraska is recognized for not to exceed 5 minutes.

WE ARE STILL COURTING DISASTER IN CAMBODIA

Mr. KERREY. Mr. President, the administration's change of policy toward Cambodia yesterday was a welcome change. I spoke on it yesterday, and today I would like to suggest to the administration and to my colleagues that, though we have had a change in policy, and it is welcome, we are still courting disaster with the continuation of the balance of our policy.

I observe and urge my colleagues as well to stay with the phrase "courting disaster" a bit because the expression does not simply mean that a disaster

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

might occur. It means that we are actually courting it, sending flowers, singing serenades, and writing letters trying to win the commitment of someone or something which will prove to be our worst nightmare rather than the answer to our dreams.

I fear, Mr. President, that in Cambodia we are still courting that very disaster. My observation of the central elements of our policy is that they will lead to continued success of the Khmer Rouge and the denial of freedom to the people of Cambodia.

I believe that the administration genuinely desires to keep Pol Pot, who is probably still leading the Khmer Rouge forces, from returning to power. I do not doubt the sincere desire of the administration to see the people of Cambodia enjoy free and fair elections. However, I genuinely, sincerely, and sadly conclude that a continuation of the current policy will not get the job done.

First, let me say the change of policy announced by Secretary Baker after a meeting with Soviet Foreign Minister Eduard Shevardnadze contains good things. It shifts the United States away from its decade-long support of seating a coalition government that includes the Khmer Rouge in the United Nations. It eases licensing restrictions on humanitarian projects in Vietnam and Cambodia. That, for me, is a wonderful change. It should help save some lives. It also implements a program to aid Cambodian children who are victims of war.

Mr. President, all of these are good and need to occur. However, with respect to those who convinced the administration to make these changes, allow me to say again, we are still courting disaster in Cambodia. We are doing two things, Mr. President, which will bolster the Khmer Rouge militarily and which will bolster them politically as well.

First, our support of an insurgent war against the current Government of Cambodia is not strengthening the hand of the non-Communists.

It is strengthening the military hand of the Khmer Rouge. This situation should not be seen as comparable to the issue of aid to the Contras or other such insurgencies which have battled governments that the United States did not like in the past.

In this case, Mr. President, the Khmer Rouge are also battling against the government, and their military capacity vastly exceeds that of the KPNLF or the Sihounist forces. American policymakers who believe we should continue to support the non-Communist resistance should consider this question: Who do you expect to take power if the Hun Sen government is overthrown by force?

The answer I give, Mr. President, is the Khmer Rouge, precisely the opposite of what we are trying to accomplish. It is a difficult issue because the non-Communists do deserve our support. However, even if the People's Republic of China were to end all support to the Khmer Rouge, which is unlikely, the Khmer Rouge is likely to be the principal beneficiary of a successful guerrilla campaign.

Thus we are courting disaster, Mr. President, because the continued support of the principle of using insurgent warfare to destabilize the Government of Hun Sen legitimizes the Khmer Rouge effort. Potential for a tragic outcome is very great.

Second, our announced intention of opening discussions with the Vietnamese about Cambodia, ironically and tragically, strengthens the political message of the Khmer Rouge. They have been organizing around a fierce nationalist, anti-Vietnamese, anticorruption message. The Cambodian people have intense negative feelings, to say the least, about the Vietnamese, and so our sort of collaboration with the Vietnamese will become a battle cry for a committed Khmer Rouge.

Let me make it clear, Mr. President, that I welcome this dialog with the Vietnamese Government for other reasons. I believe it may help us with other problems that we have, I sincerely believe it will court disaster in Cambodia.

A large part of our problem is that we have placed most of the information about what is going on in Cambodia under that rug called national security. It is classified information and unless you have gained a special security clearance—or have been elected to Congress which is a frightening thought for those concerned about genuinely important secrets—American citizens do not have a right to know what is going on. As a result of being kept in the dark, Americans have a difficult time reaching good, independent conclusions of their own.

Another problem for Americans is that we still tend to believe we can solve other people's problems from thousands of miles away. If we'll just have a meeting with other world leaders, we ought to be able to work these things out. We put meetings and conferences and summits at the top of the list when we are trying to decide what should be done.

We forget to do the most important thing first: Declare those truths that we hold to be self evident that we believe people have a right to form their own government and to be free from the dictates of that government. Our values and our experience of forming democratic institutions along with the experience of world leaders like Vaclav Havel, who can teach us again what it means to be imprisoned for political beliefs, must be laid upon the table before any other offers are made.

I believe we must do two very important things, as I said yesterday, in addition to what has been done. It is not incompatible with the administration's objectives. First, we should lift the Trading With the Enemies Act economic restrictions that prevent American businesses from forming partnerships and investing in Cambodia. Nothing spreads our values more than this kind of activity. Understand that I am not advocating most-favored-nation status. We are not expressing our support for the Government of Cambodia with this action. We are merely saying we do not regard them as an enemy.

Second, I believe it is important for us to exchange some kind of interest sections with the Government of Cambodia. Again, this does not mean we are recognizing the Government of Cambodia. It does not legitimize the Government of Cambodia but it sends a nationalist message that I think is important for that particular government, and it provides us with the opportunity to pressure them for political reforms including free and fair elections.

These are not ends in themselves, Mr. President, these two moves that I suggest. I do not have some sense that as a consequence of these two things we are going to have peace immediately as a result. There is apt to be fighting for some considerable period of time.

But I do believe it is going to permit these two actions of the United States to influence Cambodia and the people of Cambodia in our most positive way, which is with our values, by saying to them that you can have political freedoms, that you can have economic freedoms, that you can have protection from your own government in the way we have in the United States of America and we can help you get that done if you in fact want that kind of help. It enables the United States to stand upon its principles which, for me, is our strongest point. It is the strongest moment that we have in saying these are the things that we believe human beings ought to struggle to achieve. I yield the floor.

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

The PRESIDENT pro tempore. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 1,951st day that

Terry Anderson has been held in captivity in Beirut.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

EXTENSION OF MORNING BUSINESS

Mr. BURNS. Mr. President, I ask unanimous consent that morning business be extended for no more than 5 minutes.

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

The Senator from Montana is recognized.

Mr. BURNS. I thank the Chair.

(The remarks of Mr. BURNS pertaining to the introduction of S. 2880 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from Connecticut is recognized.

Mr. LIEBERMAN. I ask unanimous consent to proceed as in morning business for no more than 5 minutes.

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

DIESEL POLLUTION

Mr. LIEBERMAN. Mr. President, we learned today what many of us have suspected for a long time and that is that the dirty smoke coming out of trucks and buses is bad for human health. In the short run, overexposure to bus and truck fumes can lead to headaches, nausea, wheezing, and tightness of the chest. Over the long term, bus and truck fumes may actually cause cancer.

The particles in diesel fuel are absorbed deep in the human lung and they carry volatile organic compounds which are the cancer-causing agents.

Those are the unfortunate conclusions of a major report issued by the Federal Environmental Protection Agency just yesterday. Studies that are documented in that report indicate that truck drivers and others routinely exposed to bus and truck fumes and other emissions from heavy transportation equipment may actually have a higher risk of contracting cancer of the lung, liver, or bladder.

Unfortunately, it is not just those who work with such vehicles who are at risk. Millions of Americans in cities across the Nation breathe the dirty air every day. It is important to note it took far too long for this information about this dangerous situation to come to light. For most of the 1980's, the administration opposed efforts to control diesel emissions. It was only after environmental groups successfully challenged the EPA in court that the agency undertook the task of drafting regulations that govern diesel fuel.

Mr. President, today's news should serve as a graphic reminder to those who are working as conferees on the Clean Air Act that the diesel fumes are not just dangerous—they actually can kill. I hope the conferees will accept the tough standard established in the Senate Clean Air Act for regulation of diesel trucks and off-road vehicles, including construction equipment, and to phase in safer fuels for use in buses at the earliest possible date.

In the meantime, I think the result of this EPA report should suggest to any driver who pulls up behind a bus or a truck and sees that dark cloud churning out of the tailpipe as it accelerates to hold your breath and get out of the way. That dirty air not only looks bad, it is dangerous.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT

The PRESIDING OFFICER. Under the previous order the Senate will proceed to consideration of S. 2830. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. I thank the Chair. For those who have been listening with half an ear back in their offices, who may be wondering just what is going on, this is indeed the farm bill (S. 2830) that is now before us. As my colleagues can see, it is a somewhat weighty tome. But for those who may have any difficulty in going through this, we do have a summary in green. If they do not want to read the whole bill, we have this handy, pocket size 1,300-page summary, pocket size for those who have large pockets.

Mr. President, we are now beginning floor debate on what has become a-once-every-5-year-ritual—consideration of the farm bill. In some ways, the name of the bill is a misnomer. It incorrectly implies that the legislation only concerns farmers.

It has a far broader impact.

True, it affects every farm family's budget and the farmer's decisions about what crops to plant, where to sell, and how much to borrow.

But each day, it also affects every man, woman, and child living in this country.

It affects each of us every time we sit down to eat or get dressed in the morning. It improves our balance of trade each time we export a ton of wheat, corn, or soybeans overseas.

It protects the water we drink and the wetlands our wildlife depends on. It protects the safety of our food supply from dangerous pesticides. It preserves the rural character of our States threatened by urban sprawl.

Yes, this bill affects farmers. But it also affects all of us, every day, by making sure our domestic agriculture produces reasonably priced food for the Nation's dinner tables.

It is for these reasons that the Agriculture, Nutrition, and Forestry Committee named the bill to reflect its broad scope: The Food, Agriculture, Conservation, and Trade Act of 1990.

The bill is the result of hard work and tough decisions. During the hearing phase of the farm bill, the committee traveled nearly 28,000 miles to 13 States to meet firsthand with those who are most affected by the laws Congress passes. In Washington, we set a rigorous schedule for ourselves—33 hearings in an 8-week period. All told, these 180 hours of hearings generated over 5,000 pages of testimony.

During the markup phase of the bill, we had countless meetings and 20 public markup sessions.

In the end, we passed a good bill, supported by the committee on a 15–4 vote. The bill had bipartisan broad support, ranging from the senior Senator from Indiana and the minority leader, the committee's most senior member, to its newest member, the Senator from Nebraska.

In preparing this legislation, the committee was guided by several important principles:

That our farmers need programs that give them a fair return on their crops and a secure future;

That the food Americans eat must be safe and nutritious;

That our farm programs must make sense and meet budgetary constraints;

That sound farm programs must protect the source of our abundant food;

That our farm programs must provide safe water and fertile soil; and

That farm programs must be consistent with our environmental objectives.

To achieve these goals, this legislation has 19 titles, encompassing a host of complex issues, ranging from target prices to planting flexibility, from food safety to consumer protection, from forest management to wetlands conservation, and from foreign food aid to trade.

These are some of the highlights of the commodity titles of the bill:

Stops the decline in target prices and loan rates;

Creates mandatory marketing loans on wheat and feed grains;

Increases planting flexibility;

Establishes a new targeted option program [TOP] that allows farmers to design their own farm program to meet their own specific farm needs;

Establishes a new oilseeds income protection program; and

Improves quality and cleanliness of U.S. grain.

These are some of the highlights of the other farm bill titles:

Breaks the "circle of poison" by prohibiting the overseas export of pesticides banned from U.S. farm use;

Continues protection for fragile wetlands swampbuster;

Creates major new incentive program to help farmers prevent contamination of ground and surface water on 10 to 20 million acres;

Helps farmers meet environmental laws;

Helps farmers use less pesticides and monitors hazardous chemical use;

Establishes first-ever national organically grown label;

Makes major revisions in Food for Peace Program—the most significant changes in 25 years; and

Makes most important revision of national forestry laws in 14 years.

There is one title missing from the farm bill—a nutrition title. Initially, we have planned to base this title on the Mickey Leland Memorial Domestic Hunger Relief Act which Republicans and Democrats from the Agriculture and Budget Committees introduced to combat hunger in this country.

Unfortunately, due to the lack of a final congressional budget resolution, we do not know at this time if the budget will contain adequate funds for the Mickey Leland bill. For this reason, the farm bill, as reported by the Agriculture Committee, does not contain a nutrition title.

Time and time again, I have reaffirmed my commitment to supporting a nutrition package that is within budget. However, time is running out. Because these programs will soon expire, Congress may have to act without a final budget resolution. If, on the other hand, the budget is resolved before the close of the farm conference, I intend to have the Mickey Leland bill attached to the farm bill.

The committee is dedicated to providing adequate nutrition to those in need. I am personally committed to seeing the Mickey Leland bill pass this year, either as part of the farm bill or as separate legislation. I urge the budget negotiators to keep a bipartisan consensus and fund the Mickey Leland bill.

Finally I want to say a word about the budget. I have told the members of the committee from the beginning that this farm bill must be consistent with our budget responsibilities. It is a very hard goal to meet for a committee with so many farm constituents with so many pressing needs. Our members joined me in that commitment. For that they deserve our thanks.

Budget scorekeeping, however, is arcane. When it is applied to agriculture programs it is a particularly byzantine. Thus when we reported the bill, we thought it would be acceptable to the Budget Committee, however a scorekeeping problem has arisen involving the transfers of funds between fiscal years.

Senator LUGAR and I will soon offer an amendment to fix that problem and produce a bill acceptable to the Budget Committee.

What further savings will the budget summit require? I don't know and we do not attempt to prejudge the summit agreement in this bill.

But this much is certain. The Senator from Indiana and I are committed to making the necessary budget savings. In the last two reconciliation bills we have saved $3.5 billion while the cost of the farm programs was falling by $16 billion.

This committee and American agriculture is prepared to do its share to address our budget crisis.

Writing a 5-year farm bill is not easy. Since becoming a member of the Agriculture Committee in 1975, we have had several farm bills. I have grown old on farm bills in the last 16 years. I know how difficult it is to write a farm bill. We must deal with regional differences, commodity differences, and philosophical differences.

In putting this bill together, I have had tremendous cooperation from Senators on both sides of the aisle, Democrats and Republicans. But it would have been impossible to have written this bill without the help of the distinguished senior Senator from Indiana [Mr. LUGAR]. He is not only one of the most knowledgeable Members in this Chamber on this and so many other subjects, but his willingness to work with us to fashion a bill that could get some broad support was absolutely essential.

As I have stated over and over again, I do not want a budget-busting bill, and we will not have one. I want a bill that has broad geographical, philosophical, and bipartisan support. I think we have done that, Mr. President, in the bill before us today.

Not everybody will agree with everything in this bill. Nobody expects that. Had I been able to write a farm bill solely by myself, I would have written a number of titles differently. I am also certain that if Senator LUGAR was left to write a farm bill solely by himself, his would be written several titles differently. My good friend and an expert on farm policy, Senator DASCHLE of South Dakota, is with us. If Senator DASCHLE wrote a farm bill solely by himself, his would be different. And the same would be true for every Agriculture Committee member.

But to pass a bill from the Senate, a majority of this Chamber must agree. Each of us has had to give up something.

Finally, when this bill goes to conference, I will commit to not finishing conference if there is a budget summit underway and close to reaching an agreement. I will abide by the agreement reached at the summit that is approved by Congress.

Mr. President, I ask unanimous consent that a summary of the major provisions of S. 2830 be printed in the RECORD.

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

COMMODITIES

Planting Flexibility: Allows 25% planting flexibility tied to a program crop base. Producer may plant up to 25% of program crop base to other crops and receive base protection. Loan eligibility is extended to program crops planted under this flexibility option, except program crops planted on oilseed acres.

Deficiency payments are not available on program crops planted on "flexed" acres. The Secretary may provide additional flexibility to producers having trouble meeting conservation compliance requirements and cross-compliance provisions are eliminated.

Acreage Reduction Programs: Maximum ARP programs established as follows: 20% maximum for wheat and feed grains; 25% maximum for cotton; and 35% maximum for rice.

Secretary may establish an ARP percentage of 0. For feed grains, Secretary is given discretion to make ARP determinations of excess stocks on an individual feed grain basis.

Target Prices for 1991 through 1995 crops: Wheat=$4.00 per bushel.

Feed Grains: Corn=$2.75; grain sorghum=$2.61; barley=$2.36; oats=$1.55 for 1991, with an increase each year of 10 cents up to a maximum of $1.85; cotton=$0.729

per pound; and rice=$10.71 per hundredweight.

Targeted Option Payment Program: Producer may choose to increase or decrease ARP percentages and receive a corresponding increase or decrease in the target price level. Allowed increase in ARP is different for each crop, but decrease in ARP requirement is limited to ½ of ARP announced by Secretary.

For every 1 percentage point increase or decrease in ARP, Secretary shall increase or decrease the producer's target price by between .5% and 1%. The Secretary shall determine the exact level in a manner designed to make this option production and participation neutral.

Price Support: Wheat and Feed Grains:

Secretary may select from two options:

Plan A: Marketing Loan with loan rate established at 1990 base loan rate.

Plan B: Marketing Loan with loan established at 1990 actual loan rate; however, for every 1 cent the Secretary reduces the loan rate below the base loan rate, the Secretary shall provide an Advance of 0.75 cents to the producer at sign-up. This Advance shall be repaid

The level for cotton and rice is the same as current law.

Cotton Marketing Loan consolidates plan A and plan B and current law and contains provisions authorizing adjustments in prevailing world market price in order to ensure competitiveness.

Dairy: Stops decrease in dairy prices. Price is frozen at $10.10 per hundredweight.

Requires Secretary to implement supply management if government purchases become excessive.

Establishes promotion program to make fluid milk product compete with other beverages.

Sugar Provisions: Extension of current program.

Oilseeds Provisions: Nonrecourse marketing loan for oilseeds is established at following rates:

Loan rate for soybeans set at $5.50.

Secretary has authority to reduce soybean loan rate if Secretary estimates excessive stocks as follows:

If stocks to use ratio exceeds 20%, loan rate may be reduced to no less than $5.25; and

If stocks to use ratio exceeds 25%, loan rate may be reduced to no less than $5.00.

Loan rate for sunflower seed, canola, flax and safflower set at 9.7 cents. Secretary shall adjust rate in accordance with adjustments made in the loan level for soybeans. Secretary authorized to establish programs for other oilseeds as Secretary deems necessary.

Bases and Yields Provisions: Producers eligible to receive deficiency payment for any program crop in any crop year may not use acreage planted or considered planted to any program crop or oilseed to increase crop acreage bases in subsequent years.

The calculation of farm program payment yields is unchanged. The Secretary shall allow producers to provide actual yield data to ASCS county committees.

Modification for irrigated yields—any producer expanding current irrigated acreage planted to program crops shall not be assigned an irrigated yield for any new irrigated land.

Grain Quality: Grain standards: For the first time, establishes a framework for future changes in grain standards including economic value of grain. Improves cleanliness of grain: provides authority to preclude blending clean grain with contaminated grain.

Other Provisions: Establishes a separate wool payment limitation at $50,000. Revises and updates provisions concerning CCC sales price restrictions. Provisions concerning adjustments to support prices for quality, location, etc., are revised and updated.

Pilot Bushel Based Program for Wheat and Feed Grains: Producers will be able to meet ARP requirements by limiting marketings instead of amount of acreage. Option to be offered to producers in 15 counties in each of 4 states.

Farmer Owned Reserve Program: Farmer Owned Reserve modified to provide for the more gradual accumulation and exit of wheat and feed grains into and from the reserve.

FOOD SAFETY AND CONSUMER ISSUES

Circle of Poison: Prohibits the overseas export of pesticides banned from U.S. farm use but found in many imported foods.

A loophole in current law allows U.S. chemical companies to manufacture here and ship overseas pesticides that the Environmental Protection Agency considers probable carcinogens and too dangerous for domestic farm use. Because the Food and Drug Administration waives through virtually all imported food without inspection, these chemicals often end up on America's dinner tables.

Organic Labeling: Sets first-ever national standard for a "organically grown" label to help eliminate consumer confusion, provides food alternatives, and gives farmers market incentives to use less chemicals.

ENVIRONMENTAL AND CONSERVATION ISSUES

Wetlands Protection ("Swampbuster"): Extends 1985 farm bill protections for 60 to 80 million acres of fragile wetlands.

Also, for first time, farmers may protect and restore their wetlands by enrolling them in a reserve program and selling the federal government a conservation easement.

Clean Water: Creates major new incentive program to help farmers prevent contamination of ground and surface water on 10 to 20 million acres of land. Also, for the first time, USDA must help farmers meet state and federal environmental standards.

Protection of Fragile Land: To reduce off-farm enviornmental threats and mitigate soil loss on adjacent lands, enrolls a total of 40 million acres by 1995 a reserve program.

Includes new "Farms for the Future Program," allowing states to permanently protect farms from conversion to other uses.

Conservation Compliance: Improves the implementation of 1985 farm bill requirement that farmers meet conservation objectives to remain eligible for federal farm program benefits. Farmers must now implement plans to prevent soil erosion.

Recordkeeping for Dangerous Pesticide Use: To help monitor chemical use, requires farmers to keep records of hazardous pesticide use.

FORESTRY

First Time a Forestry Title: The most significant revision of national forestry laws in 14 years, this sets up the first-ever public/private partnership to protect 25 million acres of private forestland. Through conservation easements and other incentives, protects forests for the future, the legislation targets 8 million private forest owners—who manage 482 million acres of forest covered by an estimated 200 billion trees.

RESEARCH

Reduce Pesticide Use: Authorizes a ten-fold funding increase ($250 million over five years) for Low-Input Sustainable Agriculture (LISA) to help farmers use less chemicals.

New Priorities for Agricultural Research Facilities: For the first time, requires USDA to consider environment, nutrition, water quality, and competitiveness when awarding research grants.

New Initiatives in Agricultural Research: Increases authorization ($1.5 billion over five years) in competitive grants.

University Research: Increases formula funding for land grant colleges and 1890s institutions.

Global Warming: Authorizes $67 million over five years to study the effects of global climate change.

TRADE

Food for Peace: Makes the most significant revision in our food aid and trade laws in 25 years.

"Food for Freedom" Program: Gives the United States powerful new tools to help the emerging democracies. Gives the president authority to donate food and spend up to $50 million for agricultural necessities such as fertilizers and transportation.

Commercial Trade: To increase competitiveness abroad, requires USDA to develop long-term trade strategy to expand overseas markets.

The PRESIDING OFFICER. The Chair recognizes the Senator from Indiana [Mr. LUGAR].

Mr. LUGAR. Mr. President, I thank the distinguished chairman of our committee for his thoughtful comments about my work and the work of the other members of the committee. He has offered extraordinary leadership in a very complex matter. He has characterized the bill faithfully and truthfully as complex, covering 19 titles. He has described very well the travel of the committee and the number of meetings. It has been an important discussion for all of us. The product of our labors is now before the Senate as Senate bill 2830. I commend the chairman for his leadership and commend the members of the committee for a very straightforward look at the problems of agriculture in this country and their very constructive response.

I rise today, Mr. President, in support of our bill, S. 2830. It was reported with strong bipartisan support by the Senate Agriculture Committee. Some aspects of this legislation should be improved before final action in the House-Senate conference and I have confidence they will be during this debate.

Nevertheless, I believe this legislation tracks closely with the provisions of the 1985 farm bill and is worthy of support at this time.

Despite strong criticism by some of our colleagues at the time, I believe Congress made the right choices in 1985. We chose market-clearing loan rates, aggressive export promotion, and a gradual but real reduction in

income guarantees. In 1985, we passed a good farm bill.

Since enactment of the 1985 farm bill, net farm income has increased from $32 billion in 1985 to $48 billion in 1989 and shows a 30-percent gain even when adjusted for inflation. Total farm debt fell by an average of nearly $10 billion a year between 1985 and 1989. Farm real estate values, which eroded by $57.2 billion a year during the 1981 farm bill, have turned around under the 1985 law and increased by an annual average of $46.9 billion since then. The farm sector's debt-to-asset ratio, which had reached a troubling 23.5 percent in 1985, has now declined to a more normal 16 percent.

Another benchmark of better times is the growth in U.S. farm exports. From 1981 to 1985, our exports declined 8 percent a year. But since 1986, export value has grown by over 10 percent a year, on average, and has now risen 44 percent from its low point.

Now, Mr. President, we have another farm bill before us. The Agriculture Committee passed a bill that, in many ways, continues the policies of the 1985 Food Security Act. To this extent, it is a good bill. In a few ways, the legislation before us even improves upon the 1985 law. To that extent, it is also a good bill. In other areas, however, the bill now before the Senate contains provisions that could frustrate good policy—that could risk a return to the failed policies of earlier decades. And to that extent, some improvement might still be made.

The task of the Senate, therefore, is to make a reasonably good bill better: Where it is sound, to leave it alone; where it is deficient, to improve it.

Many people have come to believe certain myths about farmers and farm programs. One myth is that all farmers are eagerly looking for more and more subsidies. This is untrue. A 21-State survey conducted by land grant universities asked farmers what their general preferences were for future agricultural policies. The survey found that 35 percent wanted a gradual phaseout of all farm programs. Another 33 percent wanted to keep the present program, while 8 percent wanted decoupling, a system of direct payments which would imply much less government manipulation of markets. In other words, 76 percent of farmers wanted either the status quo or significantly less government involvement in agriculture. Only 11 percent of farmers in the 21-State survey favored mandatory production controls, a system of strict government quotas and acreage controls.

A second myth is that nearly all farms are receiving government payments, and therefore nearly all have a vested interest in farm bills. The 1988 farm costs and returns survey, conducted by the U.S. Department of Agriculture, found that only about one-third of all farms received direct government payments. That means two-thirds did not. Now, some portion of that two-thirds receive subsidies in other ways—for example, tobacco and peanut growers are subsidized, but not through direct payments—but the fact remains that a very substantial segment of American agriculture prospers without the web of acreage controls, target prices, and price supports that have unfortunately come to characterize U.S. grain and cotton policy.

There is no price support program for potatoes, but we do not seem to hear the potato growers complaining very often. The Federal Government does not stand ready to guarantee the price of hogs, yet the pork producers are not clamoring for handouts. One is tempted to observe that the commodities Government tries to help seem to have worse problems, while the commodities Government leaves alone seem to prosper.

A third myth of farm policy is that our farm programs are designed to help small, family farmers. For good or ill, this is not true either. U.S. agriculture today is dominated by farms with over $100,000 in annual gross sales. About 323,000 farms are in this category, and while they account for only 15 percent of U.S. farms, they represent 77 percent of all sales volume, 85 percent of all net farm income, and 57 percent of Government payments. This is not an impoverished group of people; their net farm income averaged $70,825 in 1988.

The smaller farms, grossing between $40,000 and $100,000, are more numerous but less profitable. Their net farm income, on average, was only a little over $17,000 in 1988. Yet each farm in the $40,000 and $100,000 sales class received less than half as much money in direct Government payments, on average, as did farms that grossed more than $100,000. In short, our farm programs are not based on need and never have been. This may not even be a bad thing, but whether it is good or bad we should be open about it.

Mr. President, we shall hear a great deal in the next few days about how important it is to preserve the family farm. Some will make the case that if we do not fork over many more billions of dollars, thousands of farms will fail and we shall all probably have to pay a higher percentage of our disposable income just to keep food on the table. Some of my colleagues may paint a picture of agriculture today so grim, so foreboding, so fraught with gloom, doom and despair, that the more naive among us will ask why on earth anybody would want to farm in the first place.

I hope that the Senate will look beyond mythology, and beyond the emotional rhetoric that often accompanies farm bills, and look at facts instead. For example, before we are through with this farm bill, some of my colleagues are going to propose increasing target prices, the basic income guarantees for so-called program crops. These Senators will adapt a populist tone when they call for spending more money; they will argue that the family farmer just cannot make it without the extra money they propose to send him.

When that time comes, I will note for my colleagues that for every new dollar in target price payments they legislate, they are sending 90 cents of it to fewer than 20 percent of the farms in American. I will point out that, of that same new dollar in payments, 57 cents will go to farms with more than $100,000 in annual sales, while only a quarter will go to mid-sized farms with sales between $40,000 and $100,000. And I will then point out what a curious brand of populism it is that talks about the little guy, and then proceeds to siphon off most of the cash to the big guy.

One of the things I find interesting is that sometimes politicians want to give farmers more than farmers apparently want. For example, the Senate Agriculture Committee was tied up in knots for weeks because some people wanted to raise loan rates. Frankly, it surprised me that we were forced to go through long debates over loan rates, since the 1985 farm bill's loan rate policies have worked well.

What surprised me even more was the dogged determination of some people to raise loan rates even though there is no discernible demand in the countryside for higher loan rates. Let me cite, again, that 21-State survey of farmers: In that poll, only 18 percent of American farmers wanted to raise loan rates—82 percent did not. Indeed, 34 percent wanted to eliminate loan rates altogether. Yet some people think they must be higher.

Mr. President, S. 2830 is, as yet, an unfinished product. Among other things, it remains too expensive. The Congressional Budget Office advises us that this bill, without further adjustment, will increase Federal spending by $3.5 billion over the next 5 years. Obviously, the bill's cost must be brought within the boundaries of what we have available to spend.

The chairman has already indicated his agreement with this point, and I would say, Mr. President, that the estimates of the expensive character of the bill are to some degree, in the eye of the beholder, and vary accordingly to the differing guidelines that are offered.

I am committed with Chairman LEAHY to make certain that this bill remains within our Budget Committee's guidelines, to make certain that in no way could it be characterized as spending more money at a time when

the summit conference is meeting and, obviously, is heading for spending less money. I commend the summit. I commend those who will work with this bill.

But, Mr. President, we have had moving targets and moving goalposts throughout this situation. As Chairman LEAHY has pointed out, fairly shortly he and I will join to offer an amendment which we believe brings this bill into conformity with the budget so there is no new set cost over the 5-year period of time.

We believe this can be done relatively simply. If further reductions are required, they will be met. I make this point explicit because I would not want the debating point to lie that in some way the Senate Agriculture Committee has attempted to fashion a bill that spends more money on agriculture than the Budget Committee or the summit or anyone else wants to spend. We clearly are in conformity with that. I believe we have a good working majority within our committee, and I presume the rest of our colleagues will likewise join us with that.

Mr. President, let me mention a few highlights of the bill. The bill, as I pointed out earlier, generally freezes target prices for program crops, with the exception of oats where some increases are proposed to bring this crop structure into line with other feed grains.

I make this point because in the notice to us by the Office of Management and Budget, OMB, it appeared to me that there was a characterization of our bill as one in which some target prices were raised. Indeed, one of the large debates we had within our committee over several weeks was on this very point—freezing target prices. I would not want any other characterization by OMB or anyone else.

I would suggest that in a technical way. We have made the oats exception to achieve some equity, to bring oats into line with other feed grains. Clearly, the committee has spoken with regard to freezing target prices.

The bill adopts the acreage reduction programs suggested by the Bush administration in the Green Book earlier this year. For some crops like wheat, these provisions will likely mean significantly lower ARP's than in the recent past.

Loan rates for cotton and rice are, essentially, extended in their current form. For wheat and feed grains, the bill continues the current dual loan rate structure—a basic loan rate and an actual loan rate 20 percent lower—but sets a floor for these loan rates at 1990 levels, mandates a marketing loan of the type now in use for cotton and rice, and provides for advance payments if the Secretary chooses to utilize the fully reduced loan rate, as he has done in recent years. Once again, cost considerations may compel us to reexamine these provisions, since they are the single largest reason for the $3.5 billion increase in projected spending during 1991–95.

The chairman and I will shortly offer an amendment which, through payment of these dollars at a more normal time puts them in the proper budget year. We believe that alleviates most budget-related criticism.

A new marketing loan program for oilseeds, with soybeans supported at $5.25 to $5.50, is part of the committee's bill, as are numerous provisions intended to give farmers more flexibility. For example, farmers will be able to increase or decrease their idled acreage, with corresponding offsets in their deficiency payments; they will be able to plant soybeans or other oilseeds on formerly idle acres, again with payment offsets; they will be able to shift 25 percent of their program crop acreage into other commodities without losing their entitlement to future program benefits. These provisions, taken together, will give farmers more planting choices than they have today. That is good in my judgment. They do not represent nearly the degree of planting flexibility that an original bill. S. 2292 that I authored provided, or that the Bush administration proposed, and further discussion of this may occur during this debate.

Several programs like peanuts, sugar, honey, and wool are extended with relatively little change. Dairy price supports are also continued, but unlike the last farm bill there is now a floor beneath which price supports cannot fall, namely the current support rate of $10.10 per hundredweight.

Finally, the bill will make significant reforms in the Farmer Owned Reserve for wheat and feed grains. Our policy will be that these reserves will no longer be held off the market as they now are, but will be more readily available when farmers wish to take advantage of good prices and sell them on the market.

The bill also generally retains current limitations on direct payments to producers.

One of the most exciting aspects of this legislation is the conservation title. The conservation title of the Food Security Act of 1985 tied soil and water conservation to farm program participation. For the first time, Congress enunciated the basic principle that the United States will not subsidize irresponsible stewardship of our natural resources. A recent poll of farmers' attitudes showed significant support for the conservation provisions in the 1985 act. For example, 60 percent supported conservation compliance requirements.

S. 2830 puts agriculture in the forefront of wetlands restoration. This bill would allow former wetlands converted to crop production to be restored to wetland status. Producers would be offered permanent easements on the land. This Wetlands Reserve Program, similar to my bill S. 1063, would make agriculture a leader in the national effort to achieve President Bush's goal of no net loss of wetlands.

One of the major components of the 1985 bill was the Conservation Reserve Program. In S. 2830, the CRP is renamed the Environmental Conservation Acreage Reserve Program, since additional types of environmentally sensitive lands are made eligible. Incentives are provided to encourage hardwood tree planting, windbreaks, and shelterbelts on ECARP land. Because of the higher amount of land eligibility for entry, the Secretary is given the authority to accept contracts with the greatest public benefit.

One of the more controversial portions of the 1985 bill was the so-called swampbuster provision. That provision stated that any person who drained and planted a crop on a wetland would be ineligible for Federal farm benefits.

S. 2830 clarifies current law by providing that wetlands may be drained if such draining will have a minimal effect on the functional hydrological and biological value of the wetland.

Our bill allows valuable wetlands to be drained if they are mitigated by restoring a wetland of an equivalent value on a former wetland that has been drained in the past.

S. 2830 reforms the current swampbuster penalty so that a farmer who, in good faith, drains a wetland is subject to a reduction in his or her Federal farm benefits on the first violation, rather than a total loss of program benefits. The farmer must restore the drained wetland and can use this graduated penalty on each farm only once in any 10-year period.

Finally, the trigger for determining if a swampbuster violation has occurred is changed. Current law states that a violation has occurred if a person drains a wetland and plants that land to an agricultural commodity. S. 2830 provides that a violation is deemed to have occurred if a wetland is drained and the land is left in such a condition that crop production is possible.

CREDIT

S. 2830 makes substantial reforms in the operating rules of the Farmers Home Administration. The committee responded to abuses in FmHA lending practices by limiting the amounts and number of times any one person can write down debt. The bill also establishes for the first time a statutory requirement that FmHA borrowers graduate to commercial lenders within certain periods of time. The committee strongly believes that FmHA should return to its traditional role as a lender of last resort to borrowers who cannot obtain credit elsewhere, but also believes that federally subsidized

lending should at some point come to an end. To encourage borrowers to move to commercial credit, the bill increases the amount of FmHA resources dedicated to guaranteeing commercial loans. S. 2830 also contains new lending authority for Farm Credit System institutions and incorporates a request by the administration to permit the Federal Agricultural Mortgage Corporation to pool FmHA-guaranteed loans.

INTERNATIONAL PROGRAMS

The international title of S. 2830 has two main elements: a reform of food aid programs and a continuation of our export and market development efforts.

Food aid, commonly known as Public Law 480, now makes up less than 4 percent of all U.S. commodity exports, but its impact in the world is much greater than its size. For nearly 40 years the United States has been the largest provider of food aid to the poorest people of the world. Many of my colleagues have seen some of these programs firsthand: nutrition programs for mothers and infants in India, famine relief in eastern Africa, or food aid to create jobs in Indonesia and Jamaica.

But this program has operated much the same way for many years and, like any successful operation, it needs from time to time to change and adapt to remain successful. The traditional demands for food aid have changed as we face new situations in Eastern Europe and Central America. We need to respond quickly and rapidly to these changes and others yet to come.

The laws and regulations governing the food aid programs have become encrusted with bureaucratic requirements, many imposed by Congress, others by successive administrations. The Inspector General of the Agency for International Development called the current law "obsolete, complicated, and confusing" and called for "more realistic, achievable goals. * * *".

For more than a year, the committee has worked to create new food aid legislation that will allow the Nation to respond quickly and appropriately to the needs of millions of people. This provision was originally cosponsored by a majority of committee members and reported out unanimously in April. Moreover, it has the endorsement of a wide range of agricultural groups as well as the cooperatives and private voluntary organizations who administer these programs overseas.

The second part of the international title is devoted to maintaining the steady growth in agricultural exports of the past 5 years. Constructing this part of the legislation was a difficult task because we are in the final 5 months of trade negotiations in the Uruguay round. The committee wanted to make sure that our farmers and exporters have the tools to capture new markets and expand established ones. But we did so in a way which supports the free-market goals of our trade negotiators and does not allow protectionist forces in Europe and elsewhere an excuse to lock American products out of their markets.

Therefore, S. 2830 retains the main trade features of the 1985 farm bill: the Export Enhancement Program, Targeted Export Assistance, and export credit guarantees. If the Uruguay round ends with a genuine commitment to substantial and progressive reductions in trade-distorting subsidies, as I hope it will, this legislation will allow us to move quickly to take advantage of the expanded export market. If the trade round is not successful and our farmers must compete with unfair foreign subsidies and trade barriers, we will be prepared to meet those challenges as well.

RESEARCH

The most important component of S. 2830's research title is the National Research Initiative, which identifies a new direction for the agriculture research agenda. I applaud the inclusion of the special grants language in the title to encourage the development of regional research projects. The additional funding for the National Needs Fellowship Program, a grant program for undergraduate and graduate students, is also critical to agricultural science education.

Sustainable agriculture properly receives emphasis in this farm bill. However, sustainable agriculture should not be confused with low-input sustainable agriculture, which requires a reduction in the use of inputs. Sustainable agriculture is a strategy of implementation and management practices applied to the farm. While reducing the improper use of chemicals is a desirable goal, for some farmers a manageable level of inputs is necessary for a sustainable farming operation. Research on low-input sustainable agriculture should not exclude efforts at integrated pest and crop management programs and other effective sustainable agriculture practices.

Several areas within this title may be duplicative and should be streamlined before final passage of the bill. For example, this title creates over 125 State and national boards and committees with multiple report and technical guide requirements. I understand the desire for accountability, but wonder if we aren't creating more administrative paperwork than effective solutions.

CROP INSURANCE

The committee, in the course of its deliberations, made many difficult decisions. One decision we did not make was what to to about crop insurance. Most Senators would agree with Secretary Yeutter's point that it is wasteful to run a two-track risk protection program: subsidized crop insurance for farmers choosing to buy it, and ad hoc, after-the-fact disaster bills for everyone.

The administration proposed eliminating crop insurance and implementing a disaster indemnity program. This may be the most cost-effective course, although most members of the committee would prefer to retain a crop insurance program that farmers would choose to purchase.

The chairman and I continue to struggle with this issue and hope to have some recommendations prior to the completion of this legislation.

Mr. President, I began with a plea for rational discourse, not emotion-laden rhetoric. I made this plea because agriculture is something more than simply another business. It is indeed a valuable and worthwhile way of life. I have been managing my family's farm for the last 30 years, and it is natural that when we discuss farm policy, our deeply held feelings about life on the land come to the fore.

My point, however, is that though farming is more than a business, it is a business nonetheless. It is a business which must remain competitive in an ever-changing world if it is to survive on anything approaching a commercial basis.

We do not do farmers a favor by romanticizing them. We do not advance the cause of American agriculture by proposals that would hamstring U.S. competitiveness and take us back to the days when mountains of surplus grain rotted in the open air beside full-to-bursting bins.

Yes, this farm bill is partly social policy. No one can rationally deny that. But it is also a series of laws and regulations that will either help or hinder our farmers as they try to sell their produce in world markets. Our emotions, deeply held as they may be, must not blind us to that.

Ever-increasing subsidies that bid up production costs and hamper competitiveness are not, in the final analysis, good for American farmers. We should maintain some income supports, and we will. But the basic message of the 1985 farm bill must be repeated loud and clear: Gradually but irreversibly, American agriculture will come to depend more on the market, less on the Government. We shall take our agricultural policy forward into the 1990's, not backward into the 1930's.

I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. LEAHY. Mr. President, I commend the Senator from Indiana for his fine statement. I have two items.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that three legislative fellows, who

have worked with the committee on the preparation of the farm bill, be granted the privileges of the floor. The three legislative fellows are Lisa Witt, who is a budget examiner for the International Affairs Division of the Office of Management and Budget, and Jim Phippard a legislative fellow from the Agency for International Development, and Keith Bulatao, a legislative fellow from the Environmental Protection Agency.

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

Mr. LEAHY. Mr. President, as the distinguished Senator from Indiana and I both said, we do have an amendment to correct some of the budget considerations. I think that we did a good job in keeping the spending under control in this bill.

I want to remind Members that spending on agriculture has fallen dramatically since fiscal year 1986. In fiscal year 1986 we spent $25.8 billion on commodity programs. That is a level neither I nor Senator LUGAR would ever consider bringing to this floor. Since then, spending has fallen by almost 60 percent to just over $10 billion for fiscal year 1991, fallen from $25.8 billion in fiscal year 1986 to $10 billion fiscal year 1991.

I do not know of any other budget function that posts that kind of savings.

The costs are expected to average just under $12 billion for the life of this bill. There have been some very good ideas from both sides of the aisle that might have significantly increased our spending. A number of them, had they not been subject to budget considerations, I would have eagerly accepted. They were too expensive, so I have opposed them.

We have since received Congressional Budget Office estimates, and with the amendment I am about to send to the desk, it would bring the cost of the bill back to baseline, reduce spending across the board. It will cut spending from export promotions to conservation progrms, from cotton to wheat, from feed grains to rice, in an attempt to spread the cut on all programs involved.

AMENDMENT NO. 2303

(Purpose: To amend S. 2830, to reduce the cost of the bill)

Mr. LEAHY. Mr. President, I send the amendment to the desk and ask that it be treated as original text for the purpose of an amendment.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 2303.

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

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

The amendment is as follows:

(a) TIMING OF ADVANCE COMPENSATION.—On page 70 after line 24, insert the following new subclause (III):

"(III) TIMING OF ADVANCE COMPENSATION.—Advance compensation under this clause shall be made available between October 1 and October 31 of the year in which the crop is harvested.".

(b) CONFORMING AMENDMENT.—On page 71—

(1) on line 1, strike "(III)" and insert "(IV)"; and

(2) strike lines 6 and 7 and insert "not later than 270 days after the advance compensation was made available.".

(c) TIMING OF ADVANCE COMPENSATION.—On page 118 between lines 9 and 10, insert the following new subclause (III):

"(III) TIMING OF ADVANCE COMPENSATION.—Advance compensation under this clause shall be made available between October 1 and October 31 of the year in which the crop is harvested.".

(3) on line 10, strike "(III)" and insert "(IV)"; and

(4) strike lines 15 and 16 and insert "not later than 270 days after the advance compensation was made available.".

(d) COST-SHARE ASSISTANCE ON PERENNIAL COVER.—

(1) On page 96, line 20, strike "50" and insert "25";

(2) On page 146, line 8, strike "50" and insert "25";

(3) On page 201, line 8, strike "50" and insert "25"; and

(4) On page 244, line 14, strike "50" and insert "25";

(e) TARGETED OPTION PAYMENT.—

(1) On page 198, between lines 20 and 21, insert the following new clause:

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's upland cotton base under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted upland cotton acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to upland cotton for harvest during the previous two years.".

(2) On page 242, between lines 4 and 5, insert the following new clause:

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's rice acreage base under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted rice acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to rice for harvest during the previous two years.".

(f) STORAGE PAYMENTS.—

(1) On page 349, strike lines 15 through 25 and insert the following:

"In making storage payments to producers under section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) and to commercial warehouses under the authority contained in the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Commodity Credit Corporation and the Secretary of Agriculture shall, to the extent practicable, ensure that the rates of the storage payments made to producers are equivalent to average rates paid for commercial storage, taking into account the current demand for storage for commodities, efficiency, location, regulatory compliance costs, bonding requriements, impact of user fees, and other considerations determined appropriate by the Secretary, except that the rates paid to producers and commercial warehouse shall be established at rates that will result in no increase in current or projected combined outlays of the Commodity Credit Corporation for the storage payments made to producers and commercial warehouse as a result of the adjustment of storage rates under this section."

(g) STOCKS-TO-USE RATIO FOR OILSEEDS.—On page 305, line 15, strike "20 percent" and insert "19 percent".

(h) MINOR OILSEED PLANTINGS ON 50/92 ACREAGE.—

(1) on page 183, strike lines 22 through 24 and insert "(E) PLANTING INDUSTRIAL AND OTHER CROPS ON CONSERVATION USE ACREAGE.—";

(2) on page 184, line 19, strike "(I)" and insert "(i)";

(3) on page 184, line 23, strike "(II)" and insert "(ii)";

(4) on page 185, strike lines 9 through 24;

(5) on page 228, strike lines 12 through 14 and insert the following:

"(E) PLANTING INDUSTRIAL AND OTHER CROPS ON CONSERVATION USE ACREAGE.—";

(6) on page 229, line 9, strike "(I)" and insert "(i)";

(7) on page 229, line 13, strike "(II)" and insert "(ii)"; and

(8) beginning on page 229, strike lines 24 through line 14 on page 230.

(i) MARKETING ASSISTANCE PROGRAM—On page 462, line 17, strike "$225,000,000" and insert "$200,000,000";

(j) USER FEES.—At the appropriate at the end of title XIX, add the following new section:

"SEC. 19 . COLLECTION OF FEES FOR INSPECTION SERVICES.

"(a) QUARANTINE, INSPECTION AND TRANSPORTATION FEES.—

"(1) QUARANTINE AND INSPECTION.—The Secretary of Agriculture may prescribe and collect fees to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of a commercial vessel, commercial aircraft commercial truck railroad car, and each passenger aboard a commercial vessel or commercial aircraft.

"(2) TRANSPORTATION.—Each person that provides transportation to a passenger to enable such passenger to obtain transportation through a commercial aircraft or commercial vessel into the customs territory of the United States shall—

"(A) collect from such passenger the fee prescribed under this subsection at the time the document or ticket authorizing such transportation is issued; and

"(B) identify on the document or ticket referred to in subparagraph (A), or through electronic means as determined appropriate by the Secretary, the fee charged under this subsection as an agricultural inspection fee, or as part of a combined Federal inspection fee.

"(3) TREASURY.—Any person who collects a fee under this subsection shall remit such fee to the Treasury of the United States prior to the date that is 31 days after the close of the calendar quarter in which such fee is collected.

"(4) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

"(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the 'Agricultural Quarantine Inspection User Fee Account' (hereinafter referred to in this subtitle as the "Account'), for the use of the Secretary for quarantine or inspection services under this subtitle.

"(B) AMOUNTS IN ACCOUNT.—

"(i) DEPOSITS.—All of the fees collected under this subsection shall be deposited in the Account.

"(ii) REIMBURSEMENT.—The Secretary of Treasury shall use the Account to provide reimbursements to any appropriations accounts that incur the costs associated with the Secretary carrying out all activities of the Secretary at ports in the customs territory of the United States or at preclearance or preinspection locations in connection with the enforcement and administration of this subtitle.

"(iii) PROCEDURE.—The Secretary of the Treasury shall make reimbursement under clause (ii) on a quarterly basis. Amounts required to be reimbursed under clause (ii), shall be made on this basis of estimates made by the Secretary of the expenses described in clause (ii) that are incurred by the Secretary in the 3-month period immediately preceding such reimbursement.

"(iv) ADJUSTMENTS.—Adjustments of reimbursements made under clause (ii) shall be made to the extent necessary to correct prior estimates that were in excess of, or less than, the amount required to be reimbursed under clause (iii).

"(5) ADJUSTMENT IN FEE AMOUNTS.—The Secretary shall adjust the amount of the fees to be assessed under this subsection to reflect the cost to the Secretary in administering such subsection, in carrying out the activities at ports in customs territory of the United States and preclearance and preinspection sites outside the customs territory of the United States in connection with the provision of agricultural quarantine inspection services, and in maintaining a reasonable balance in the Account.

"(b) PLANT INSPECTION.—Section 102(f) of the Act of September 21, 1944 (7 U.S.C. 147a(f)) is amended to read as follows:

'(f)(1) Notwithstanding paragraph (2) of this subsection, there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Unless otherwise specifically authorized or provided for in appropriations, no part of such sums shall be used to pay the cost or value of property injured or destroyed.

'(2) The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of providing for the inspection of plants and plant products offered for export or transiting the United States and certifying to shippers and interested parties as to the freedom of such plants and plant products from plant pests according to the phytosanitary requirements of the foreign countries to which such plants and plant products may be exported, or to the freedom from exposure to plant pests while in transit through the United States. Any person for whom such an activity is performed shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary of Agriculture shall assess a late payment penalty, and such overdue fees shall accrue interest, as required by 31 U.S.C. 3717. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation. The Secretary of Agriculture shall have a lien for the fees, any late payment penalty, and any accrued interest assessed against the plant or plant product for which services have been provided. In the case of any person who fails to make payment when due, the Secretary of Agriculture shall also have a lien against any plant or plant product thereafter attempted to be exported by such person. The Secretary of Agriculture may, in case of nonpayment of the fees, later payment penalty, or accrued interest, after giving reasonable notice of default to the person liable for payment of such assessments, sell at public sale after reasonable public notice, or otherwise dispose of, any such plant or plant product upon which the Secretary of Agriculture has a lien pursuant to this section. If the sale proceeds exceed the fees due, any late payment penalty assessed, any accrued interest and the expenses of the sale, the excess shall be paid, in accordance with regulations of the Secretary of Agriculture, to the owner of the plant or plant product sold upon the owner making application therefore with proof of ownership within six months after such sale, and otherwise the excees shall be credited to accounts that incur the costs and shall remain available until expended. The Secretary of Agriculture shall, pursuant to regulations as prescribed by the Secretary, suspend performance of services to persons who have failed to pay such fees, later payment penalty and accrued interest.'.

"(c) VETERINARY DIAGNOSTICS.—Section 11 of the Act of May 29, 1884 (58 Stat. 734, as amended, 21 U.S.C. 114a) is amended by inserting immediately following the first sentence: 'The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of carrying out the provisions of this section which relate to veterinary diagnostics. Any person for whom an activity related to veterinary diagnostics is performed pursuant to the section shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary shall assess a later payment penalty, and such overdue fees shall accrue interest, as required by 31 U.S.C. 3717. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation.'.

(2) LIENS.—

(A) IN GENERAL.—The Secretary shall have a lien against the animal, article, means of conveyance, or facility for which services have been provided under this subtitle for the fees, any late payment penalty, and any accrued interest assessed under this subsection.

(B) OTHER ANIMALS, ETC.—In the case of any person who fails to make payment when due under this subsection, the Secretary shall have a lien against any animal, article, or means of conveyance thereafter imported, moved in interstate commerce, or attempted to be exported by the person after the date of such failure until the date on which such owner or operator make full payment to the Secretary under this subsection.

(C) SALE OF ANIMALS, ETC.—

(i) AUTHORITY.—The Secretary may, if a person does not pay fees, late payment penalties, or accrued interest on such, after providing reasonable notice of default to such person, sell at public sale after reasonable public notice, or otherwise dispose of, any such animal, article, means of conveyance or facility on which the Secretary has a lien under this paragraph.

(ii) EXCESS PROCEEDS.—If the sale proceeds under clause (i) exceed the fees due, any late payment penalty assessed, any accrued interest on such, and the expenses associated with the sale, such excess shall be paid to the owner of the animal, article, means of conveyance, or facility if such owner submits an application for such excess together with proof of ownership not later than 6 months after the date of such sale. If no such application is made, such excess shall be credited to accounts that incur the costs associated with the fees collected and shall remain available until expended, without fiscal year limitation. The Secretary shall suspend performance of services to persons who have failed to pay fees, late payment penalty, or accrued interest under this subtitle.

"(d) REGULATIONS.—The Secretary of Agriculture may prescribe such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) RECOVERY OF AMOUNTS OWED.—An action may be brought for the recovery of fees, late payment penalties, and accrued interest which have not been paid in accordance with this section against any person obligated for payment of such assessments under this Act in any United States district court or other United States court for any territory or possession in any jurisdiction in which such person is found or resides or transacts business, and such court shall have jurisdiction to hear and decide such action.

"(f) DEFINITIONS.—

"(1) PERSON.—For the purposes of this section, the term 'person' means an individual, corporation, partnership, trust, association, or any other public or private entity, or any officer, employee, or agent thereof.

"(2) VESSEL.—For the purposes of subsection (a), the term 'vessel' does not include any ferry.

"(3) CUSTOMS TERRITORY.—For the purposes of subsection (a), the term 'customs territory of the United States' means the 50 States, the District of Columbia, and Puerto Rico.

"(4) PLANT AND ANIMAL QUARANTINE LAWS.—For the purposes of subsection (a), the term 'plant and animal quarantine laws' means one or more of the following: the Plant Quarantine Act of 1912 (7 U.S.C. 151 et seq.); the Federal Plant Pest Act (7 U.S.C. 150aa et seq.); the Federal Noxious Weed Act of 1974 (7 U.S.C. 2801 et seq.); the Animal Quarantine Laws (21 U.S.C. 101-105, 111-131, and 134-134h); the Honeybee Act (7 U.S.C. 281 et seq.); section 306 of the Tariff Act of 1930 (19 U.S.C. 1306), and any other Act administered by the Secretary relating to plant or animal diseases or pests or noxious weeds.

"(5) UNITED STATES.—For the purposes of subsection (b), the term 'United States' means the several States of the United States, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and all other territories and possessions of the United States.".

(G) PENALTY.—On failure of a person to pay any fee assessed under this section, the Secretary shall assess a late payment penalty on such person, and the overdue fees and late payment penalty shall accrue interest,

as provided in section 3717 of title 31, United States Code. Any late payment penalty and any accrued interest shall be credited to the accounts that incur the costs associated with the fees collected and shall remain available until expended without fiscal year limitation.

Mr. LEAHY. Mr. President, I urge the adoption of the amendment, and I ask unanimous consent that a summary of the amendment, along with a table, be printed at this point in the RECORD.

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

SUMMARY OF BUDGET SAVINGS AMENDMENT

The budget reduction amendment accepted by the Senate to S. 2830 achieves the savings by a variety of program changes. These changes will reduce the cost of the bill as reported from the Committee to the Senate Budget Resolution baseline.

A table describing the savings levels is attached.

The provisions in the amendment include:

Changing the timing on the advance compensation provision.—The bill as reported from Committee provided advance compensation to producers, if the Secretary chooses to reduce loan rates below the basic loan level. Congressional Budget Office assumed that the initial compensation would be provided in fiscal year 1991 and repaid in fiscal year 1992, thus the fiscal year 1991 cost. This provision provides the compensation and repayment within the same fiscal year.

Returning Marketing Assistance Program spending to $200 million.—The Committee raised spending on the Marketing Assistance Program (formerly known as the Targeted Export Assistance Program) to $225 million per year. The amendment returns the program to the current $200 million spending level.

Perennial cost share.—The amendment will provide a 25% cost share to producers who plant perennial crops on reduced or conserving use acreage.

Targeted Option Program change.—The amendment makes clear that cotton and rice acreage a producer has underplanted in the previous two crop years will not be eligible for the Target Option Program.

Farmer-owned reserve storage payments.—The provision in the Committee reported bill regarding comparability of commercial and producer grain storage payments is modified to make the provision budget neutral.

Minor oilseed plantings on 50/92 acreage.—A provision allowing the planting of minor oilseeds on conserving use acreage under the 50/92 program is eliminated.

APHIS user fees.—Fees will be collected to fund a portion of the Animal and Plant Health Inspection Service operations at ports of entry into the U.S. and for other portions of APHIS.

[In millions of dollars]

Adjustments to package	Fiscal year—					Total
	1991	1992	1993	1994	1995	
Sec. 301 & 401—Shift adv. comp. to fiscal year	(2,730)	41	28	95	49	(2,517)
Require FOR storage payment provision to be budget neutral	(11)	(23)	(23)	(23)	(23)	(103)
Set MAP at $200 m. 91–95	(10)	(18)	(25)	(5)	(25)	(103)
Make cost share on perennial 25 percent vice 50 percent		(20)	(20)	(10)		(50)
Set stocks-to-use trigger at 19 percent				(103)		(103)
Preclude planting of minor oilseeds on cotton and rice		(2)	(1)			(4)
Modify reduced acreage TOP on cotton and rice to exclude historical underplantings	(16)	(54)	(55)	(55)	(55)	(236)
APHIS user fees	(79)	(79)	(79)	(79)	(79)	(395)
Total	(58)	25	(38)	25	37	(8)

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 2303) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. DASCHLE. Mr. President, this will likely be the most important debate affecting rural America that we will have during this entire Congress.

For many in Washington, agriculture policy is an academic exercise. They tinker with the numbers on one end to see how the numbers come out on the other end.

For the people of rural America, agriculture policy is much more than this. Agriculture is their way of life. The decisions we made in the next few days will determine whether many of the people in rural States will be able to continue their chosen occupation and live in their chosen community, and whether the future they hoped for their children will be a reality.

We will hear much in the next few days about the virtues of the 1985 farm bill. When Senators hear these speeches, I urge them to keep the following facts in mind:

The 1980's were the worst period for farm income since records have been kept. Overall income may be at high levels, but when you adjust for inflation, farm income is behind previous years. Crop farmers have experienced stagnant or declining returns. Some States, such as my own, have experienced declines of up to 60 percent in real net farm income since the 1970's.

The number of farms has dropped significantly, while the average size of farms has increased. Almost 300,000 families left farming in the 1980's. The rural population is decreasing by 150,000 people each year.

Prices have been driven to such lows that farmers no longer can depend on income from the market. In some States, Federal payments represent more than 50 percent of net cash income.

Earlier this year, members of the Agriculture Committee from North and South Dakota, Iowa, and Nebraska toured these States and heard what farmers say about the farm bill, not what the so-called experts in Washington say.

Let me quote a few of their remarks.

From a wheat farmer in North Dakota:

As grain farmers, we were vicitimized by the effects of the 1985 farm bill. The theory that declining loan rates and target prices would ultimately increase our profitability has devastated us, individually and collectively. With the exception of those with substantial outside income and resources, many of us will be going broke. We are currently on a suicide mission. We cannot exist on economic dialogue and trade theories.

From another farmer:

Regardless of the statistical reports that the Agriculture Department is using to try to show that farmers are better off this year than last, I know differently. I have yet to talk with one farmer in North Dakota who says he is better off this year than last year. We are very close to a depression in rural America. These are hard times for all farmers.

From a Nebraska farmer:

A good farm program is a fair farm program. The 1985 farm bill was not fair. It yielded record profits for the grain processing and exporting companies. For most of the farmers in Nebraska and folks that depend on farmers for their jobs, the 1980's were characterized by bankruptcy, farm sales, pain and despair.

Having described for you the economic conditions in rural America, let me tell you how I see the legislation the committee proposes to meet these needs.

But before I do that, let me express in the most sincere way I know my gratitude to our chairman, Senator LEAHY, for his leadership in guiding the committee through this difficult process. The farm bill is a heavy load for this or any other committee. It includes 19 titles, encompassing 1,081 pages. Chairman LEAHY kept the committee to the task. His patience and fairness enabled Members on both sides to have their views considered. As he said, this bill is a bipartisan product. To bring this bill before the Senate is an achievement for the chairman, as well as the ranking Member, the senior Senator from Indiana. They are to be commended for their accomplishment and certainly their fairness.

The bill offers many significant improvements in agriculture policy.

As the chairman of the Subcommittee on Research, I am satisfied with our efforts in developing a research title that for the first time sets priorities for research that reflect the needs of rural America and real-life farmers, not researchers and agribusiness. These priorities have been endorsed by the National Governors Association. The bill shifts more emphasis to research in new products, and in bringing new products to the market,

instead of increasing production. The bill also increases funds for sustainable agriculture, authorizes funds for research on the effects of global warming, and improves the coordination of Agriculture Department activities and educational efforts to deal with ground water contamination.

I am also pleased with the development of the grain quality title. I express my gratitude to the junior Senator from Missouri, Mr. BOND, who joined in this effort. Without his cooperation and support for this objective, this title would not be a reality. The measure represents his work and our work in the subcommittee for more than a year to understand the details of grain quality issues and develop a package to bring our grain quality laws up-to-date with the demands of the competitive global market. The bill establishes a framework for future improvements in grain standards, including consideration of the economic, or end-use, value of grain. The bill will improve the cleanliness of our grain and our competitiveness by precluding the blending of clean grain with contaminated grain. It also builds incentives for quality into farm programs at long last.

This legislation recognizes the restrictions of the 1985 farm bill that prevent farmers from adjusting their operations for conservation, environment and market considerations. It gives farmers new flexibility to plant crops that make sense for the environment and for the market. It will reduce the strong incentives built into the 1985 farm bill that encourages farmers to use excessive amounts of fertilizers to boost production.

The bill improves the operation of conservation programs. It makes swampbuster more enforceable by establishing a graduated penalty system. From the farmer's standpoint, it makes swampbuster and other wetlands programs more workable. It protects wetlands and environmentally sensitive lands without making it impossible for farmers to operate their farms.

S. 2830 updates our agricultural trade programs. It establishes clear authorities among Federal agencies involved in food aid. It establishes the Food for Freedom Program to help emerging democracies, with a priority for value-added products. It also requires the Agriculture Department to develop a long-term strategy to expand overseas markets.

The bill also reauthorizes the wool and honey programs, which are certainly very important to the people of my State.

That said, I must explain my opposition to the bill as it is, and lay out the ways I hope to improve it.

In determining whether the bill deserves support, it must ultimately be judged on these two critical points:

What does it mean for farm income?

How fairly are the benefits provided in this legislation distributed?

On both these tests, in my view, this proposal fails. The committee bill as it stands offers no improvement in farm income. In fact, the bill will allow for substantial reductions in farm income. The bill also perpetuates a policy that disproportionately distributes benefits to larger farms.

Some Senators will argue that the committee's farm bill is the best product that could be achieved under our budget constraints. I do not believe it. While I acknowledge that our considerations are tempered by budget constraints, the budget does not make the structure of this farm bill inevitable. It does not make lowering farm income inevitable.

Even given the budget limits, we can write a farm bill that does more to improve farm income, and does more to fairly distribute the benefits provided within this legislation.

Moreover, faced with a tighter budget, it becomes even more important that we change direction. With less to spend overall, we must adopt policies that improve farm income and distribute agricultural program benefits more fairly than we find in this bill.

With a shrinking pie, we must find ways to divide the pie more fairly.

This farm bill could be called the "S&L Farm Bill." It is another victim of the savings and loan crisis. The cost of the savings and loan bailout this year, $60 billion to $65 billion, is almost equal to the cost of farm programs for the last 5 years. Rural America is forced to accept less, at the same time its pays it share for cleaning up after the greed and arrogance of those people who abused our thrift system.

Despite all the complaints about spending on agriculture programs, agriculture represents less than 2 percent of the budget. What we have spent to develop the B-2 bomber would have funded commodity programs for the last 2 years in their entirety. The interest we paid on the national debt last year would have covered the cost of commodity programs for the entire decade of the 1980's.

Spending on agriculture has been decreasing dramatically, and people should understand that. From its highest point in 1986, agriculture spending has decreased by more than 56 percent. The decrease in defense spending, on the other hand, has been only 4.6 percent in the same period.

In terms of farm income, this bill sticks close to the baseline established by current law, especially after the amendment just adopted by the Senate.

According to the Congressional Budget Office, continuing this policy will mean a decline in net cash income of almost 30 percent. I really think it is important that we emphasize this again and again. This could mean, according to CBO, the exit of another 500,000 farmers from agriculture. Some in this body have grown tired of hearing that number. Some even doubt its validity. It seems unbelievable. Perhaps it is exaggerated, a statistical anomaly. But it is not my number; it is CBO's number; the same CBO that we depend upon for all of our budgetary and forecasting statistics as we make decisions in this body and in our committees. Even if you reduce it by half, to 250,000 farmers in the next 5 years, that is still a dramatic amount. That is almost the number that left farming in the last 10 years. Imagine the impact to rural communities of losing that number in half the time.

How can we so easily brush aside this information? Have we forgotten how many people in rural America live on the edge of economic disaster? A few cents here or there in prices is a budget issue in Washington, but, to the people in rural America, those same few cents can make the difference between whether or not a family can keep its farm.

What other industry would we allow to suffer this kind of loss? If we were looking at a bill that it was estimated would mean the closing of more than 500,000 small businesses and the displacement of an equal number of families from their homes and their way of life, would we not try to change it? Would we not fight it? Would we not say that a loss of that proportion is unacceptable regardless of what business or what work force we might be talking about? Would we not make some effort to keep those businesses alive, and to prevent those families' lives from being so brutally uprooted?

If the objective is to sweep away these people and make room for those farmers on the high end of the economic ladder, then perhaps one can be satisfied with this farm bill.

But if the objective is to keep a place in rural America for families to live and work on their own land, this bill is not satisfactory; it is not acceptable.

We can do better. We can make improvements within the budgetary constraints that we have been given.

It amazes me that even this modest attempt to improve current law has drawn a rebuke from the administration and Secretary Yeutter. He threatens to recommend that the President veto the bill if it passes in its current form. Yet, even in its current form, this legislation will provide even greater advantage to the vast multinational corporations who demand cheap grain to enhance their profits and position worldwide. We simply cannot sacrifice family farmers on an altar of imagined free trade, with little more than a

passing thought to whether the situation it creates is fair or gives competitors too much.

During consideration of this bill, I plan to offer amendments that I hope will forestall the catastrophe that the Congressional Budget Office said could result from maintaining the status quo. One amendment I plan to offer would establish higher target prices for the first levels of production of wheat or feed grains. This amendment will target additional benefits to family-size farmers, the ones who need them the most.

I plan to offer another amendment to improve the fairness of the bill through additional reform in the limitations on payments to individuals. This amendment will make it harder for individuals to circumvent payment limits. It also would require an annual report to Congress listing the individuals who receive payments in excess of the $50,000 limit, and create a training program for USDA personnel to improve their ability to prevent abuses.

I also plan to offer another amendment to bring storage payments to commercial elevators in line with storage payments to farmers, a measure that will save at least $100 million over the life of the bill.

I also hope that in the course of deliberations on this bill, we may have an opportunity to consider amendments to raise loan rates and to index target prices to inflation, proposals that were rejected in committee.

For those who object to raising loan rates, consider this: Loan rates are the farmer's minimum wage. When we debate whether or not to raise the minimum wage for workers, few Senators argue that workers do not deserve such a raise. The human needs of these workers outweight considerations over competitiveness and other matters. We are asking you to consider the human needs of farmers as well as their minimum wage.

Before one suggests that linking target prices to the costs of production is a radical, partisan idea, let me read from a letter by the chairman and vice chairman of the National Governors Association Committee on Agriculture and Rural Development. The chairman, I might add, is the Republican Governor of my State of South Dakota.

The letter says:

> While we appreciate your action to reduce the downward spiral of these targets, we believe target prices should reflect the cost if inputs. Economic forecasters agree that the inflation rate for 1991 will likely be slightly more than 4.0%. Farm income has increased in the last few years largely due to weather related price increases. Leveling farm prices coupled with four percent inflation will erode farm income. We ask that you index target prices to an appropriate inflation indicator to help offset this erosion.

Mr. President, the farm bill has been a matter of intense interest in my State this year. I have received hundreds of letters and phone calls from people crying for a change in agriculture policy. They struggle to keep their heads above a rising tide of debt and inflations. They watch in dismay as their neighbors leave the land. They see their small towns die, their schools and hospitals close.

For many of them, the worst part is that they see no future in farming for their children. In Langford, SD, the high school canceled its Future Farmers of America Program because there were not enough students interested. Less than a third of the students who live on farms in my State say they plan to become farmers.

Some Senators are fond of reciting the hard realities of economics. The people who write me may not know much about economics, but they know a lot about the hard realities of life. When these Senators propound their economic theories and recite their impressive statistics about trade and other matters, let us remember these people. Behind all the numbers and all the theories are real people, people whose lives depend upon the judgments we are about to make.

Mr. President, when we finish our work here, I hope we can say we stood for the family farmers of rural America. That is why I cannot in good conscience support the bill in its current form and why, in spite of my great admiration for the two managers of this bill, I hope the Senate will see fit to improve the legislation to allow for greater opportunities for improved farm income and a fairer distribution of the benefits this bill provides.

I yield the floor.

Mr. COCHRAN. Mr. President, I rise in support of S. 2830, the Food, Agriculture, Conservation, and Trade Act of 1990, perhaps the most comprehensive agricultural legislation ever considered by the Senate. The 19 major titles address the concerns of consumers, producers, agribusiness, and environmentalists. This bipartisan legislation is supported by a strong majority of the Agriculture Committee.

S. 2830 ensures sound agricultural policy by continuing to provide consumers with low-cost food, by stabilizing farm income, and by ensuring protection for our Nation's environment. It extends current conservation programs and increases protection of wetlands, ground and surface water, and highly erodible land.

This legislation contains many key provisions of the 1985 Food Security Act, the success of which is shown by the fact that the value of agricultural exports increased from a decade-low of $26 billion in 1986 to $40 billion in 1989, and that net farm income rose steadily to a record $48 billion in 1989. The 1985 farm bill increased farm income and restored the competitiveness of American farm products in international markets.

In 1985, a marketing loan program was developed for cotton and rice. This program allowed the U.S. rice and cotton sectors to recapture lost market shares in world trade. The program also increased domestic use and reduced burdensome surplus stocks. Costs of the program have declined, and 1990 savings from the cotton program are expected to return over $100 million to the U.S. Treasury.

The Food, Agriculture, Conservation, and Trade Act of 1990 not only continues the successful marketing loan programs for cotton and rice, but extends coverage to wheat, feed grains, and oilseeds. The program for soybeans and other oilseeds is a major step to reverse recent declines. Between 1979 and 1989, U.S. soybean production declined 15 percent to 1.9 billion bushels, while foreign production increased 68 percent to 2 billion bushels. Similarly, the U.S. share of the world soybean market dropped from 84 to 64 percent, with a comparable decline in export shares of oilseed products.

American soybean producers have succeeded in the past with little government involvement. Foreign governmental support of soybean production, however, has continued to expand since the 1985 farm bill took effect. U.S. soybean acreage and production have decreased while world demand has grown. As a result, the United States is losing its share of an important world market to foreign competitors. Today, the U.S. soybean industry is at a crossroads, and it is vital that our producers maintain a healthy oilseed sector and regain market share in world markets. I believe the marketing loan program will help them do this and will work as effectively for soybeans as it has for cotton and rice.

A major goal in this farm legislation is increased planting flexibility for our farmers. The flexibility provisions remove some rigidities in past legislation; this should promote increased efficiency in farming operations and help producers make management decisions that are both economically sound and environmentally sensitive.

The strong trade title in this bill will assure continued robust agricultural trade through 1995. Export assistance and market development initiatives will be strengthened. For example, a new Food for Freedom Program will provide maximum flexibility to respond to uncertain situations, such as those in Eastern Europe. The Targeted Export Assistance Program will be replaced by a Marketing Assistance Program, which will be broader and will focus on building long-term markets. A revised Export Enhancement Program will combat unfair trade practices abroad, pressuring other

countries to achieve trade policy reform.

Our farm programs benefit all Americans by maintaining a stable agricultural sector which benefits both producers and consumers. Our national objective is to assure our consumers a dependable, high quality supply of food and fiber at reasonable prices. To accomplish this objective, producers must have adequate incentives, as well as some measure of protection against such inherent risks as weather, insects, and disease which threaten to create volatility in prices and incomes from year to year.

Farm programs, therefore, are a means to an end. They provide producers with income and price-support protection through loans, payments, purchases, and storage programs to promote orderly marketing and to minimize wide swings in commodity prices. Further, many programs attempt to balance supply and demand by requiring producers to adjust their production in line with market needs.

I urge all Senators to support the Food, Agriculture, Conservation and Trade Act of 1990, which will ensure that all Americans have the safest and most reliable low-cost food and fiber supply in the world.

Mr. President, I just want to make a few additional comments, mainly to compliment the leadership of our committee, the distinguished Senator from Vermont [Mr. LEAHY] and the distinguished Senator from Indiana [Mr. LUGAR] who have really devoted a tremendous amount of energy, effort, and intelligence to developing this legislation.

Mr. President, the Senate Agriculture Committee has been working on this legislation for quite some time. We began last year with a series of hearings which took the committee all over the United States. We listened to farmers, to those involved in agribusiness activities, consumer groups, and others who were interested in the provisions of the 1990 farm bill to find out the suggestions they had which could be made to improve the 1985 Food Security Act.

The 1985 act has proven to be a great success in many respects. It has improved the situation for many of the commodities, particularly those where surplus stocks have accumulated. We developed two new programs, a marketing loan program and an export enhancement program which helped move what we produce here in America into the international marketplace for profit.

I think we have a record of achievement as a committee in terms of reaching out to get the best possible advice and counsel from experts. This includes those who are trying to live day by day on the farms of America, to see how we could better craft a farm program which would be sensitive and responsive to the needs and interests of American agriculture and all of America's citizens. I think we have achieved that goal, Mr. President. I compliment those who have worked hard to make this possible and I look forward to discussing the amendments which may be offered.

I just want to point out a couple of things that Senators can sort of be on the lookout for as we consider this bill. We have at work here, really, a competition of ideas between those who want to elevate price supports to such a level that we would produce basically for a domestic market, and those who would like to continue the U.S. agricultural sector as a competitive worldwide enterprise.

Therein lies one problem. If we escalate the price support levels so high we cannot sell what we produce in the international marketplace, we basically leave to foreign competitors, then, the other world markets which we have basically priced ourselves out of completely. That is one of the problems we have in trying to deal with amendments such as the one described by the Senator from South Dakota.

It would be great to have the Government guarantee to every grain farmer who wanted, a price which was higher than each individual farmer's cost of production. That is the goal that some are pursuing in this farm bill debate. But, if we do that we have to understand that there are other implications from adopting that strategy; whether we want to be competitive in the international marketplace, and how high the subsidy levels should go in terms of the drain and stress on the Federal budget. These are all considerations which the committee has had to undertake.

It has not been a very easy process to sort out all of these competing interests, but I think the committee has done very well in this regard and I commend, again, Chairman LEAHY, and the ranking Republican member, Senator LUGAR. I commit to them my effort to try to defend this bill on the floor and to guard it against amendments which would unravel the compromise that this bill reflects.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I rise also to speak about the farm bill that we have before us. I want to talk about the structure of American agriculture. I want to talk about the distribution of Government payments. I want to talk about imports and exports.

I compliment my friend from Mississippi, Senator COCHRAN, for the comments he has made. He has hit the nail right on the head. There are two competing philosophies shaping the farm bill. Should we raise the prices to such a level that we only will have an internal market? Or should the United States be a factor on the world scene in agriculture?

I am going to be using a series of charts and graphs so people can follow my train of thought. The first chart illustrates the number of farmers there are in the United States.

There are now 2.1 million farmers, in the United States. Of them, nearly half have a gross farm income on their farm of less than $10,000.

That, of course, gets into the definition of who is a farmer. A farmer is a person who produces 1,000 dollars' worth of goods for the market. If you had one sow, you could produce more than 1,000 dollars' worth of goods. If you had one steer, it would almost be worth $1,000. So most farms in the United States are very, very small. And most people who are on the farm do not spend their entire time there by any means, nor do they get most of their living there; 49.3 percent of the farmers have a volume of sales of less than $10,000. An additional 15.6 percent have a volume of less than $25,000. So 65 percent of all farmers have a gross volume of sales, of less than $25,000. Only one-half of 1 percent of all farmers have a gross volume of over $1 million and only 1 percent of the farmers have a gross volume between $500,000 and $1 million a year.

Farming is not a big business, by and large. There are in this group some rather large farmers to be sure but most of the farmers are pretty small businessmen and do a rather small volume of business.

My second chart shows what these farms produce; 49 percent that have a volume of less than $10,000 only produce 2.5 percent of the farm product of the United States. Put another way, nearly half of the farmers produce just a little more than 2 percent of all the goods.

On the other end of the scale, one-half of 1 percent of the farms that do more than 1 million dollars' worth of business produce almost 28 percent of the total output in agriculture in the United States; 75 percent of all the farmers do a real volume of less than $50,000 which represents approximately 11 percent of the total volume in agriculture. Most of the volume is produced by the larger farmers.

Some say these larger farmers are the ones that get all of the Government largess; that they are the ones who get all of the farm subsidies. But that is not the case.

Here is a chart that shows how the subsidies are paid and to whom they go. Only one-half of 1 percent of the farmers have volumes over $1 million. They produce 28 percent of the goods. They get 3 percent of the payments.

As we can see from this chart, Mr. President, most of the payments are received by the farmers in the middle,

the family farmers, the small farmers. Farmers who have a volume of $100,000 to $250,000 a year receive somewhat over a third of all the payments.

Farmers that have between $50,000 and $100,000 a year in volume receive 21 percent of Government payments. The great bulk of the payments are made to small family farmers. These payments are not made to the farmers at the upper end.

These two groups of farmers, these with sales over $500,000 annually, that produce 38 percent of all of agricultural output, receive 9 percent of the Government payments.

We are going to hear time and again during the course of this debate that it is the big farmers who are receiving all the subsidies. The facts of the matter are that farmers who do a volume of between $50,000 and $500,000 receive in excess of 70 percent of the subsidies and that is the way it should be. We are trying to support the farmers who are in the middle level.

Again, there are over 2 million farmers. Only 700,000 farmers receiving anything from the Government, and this is the distribution of those payments.

Let me speak for a moment about the infrastructure of agriculture. Those people who sell seed and fertilizer and chemical supplies to the farmers, those who operate the grain elevators and the processors, the transporters, the insurers, the lawyers in rural America, those who work on the barges, the railroads, the ships, and the trucks, are the infrastructure. It has to be the goal of farm policy not only to support the farmers but to support the infrastructure of agriculture as well.

Really, the infrastructure of agriculture has more people working in it than work on the farm. So if we want rural America to prosper, we have to help not only the farmer but we have to keep in mind the infrastructure of agriculture.

The infrastructure of agriculture has a somewhat different approach than do the farmers. The farmers want the most for each bushel that they produce. The infrastructure of agriculture relies more on the totality of the bushels. They rely much more on the volume of the goods than they do on the price of the goods. They get paid on the gross number of bushels, rather than on what each bushel brings.

So the infrastructure of agriculture also needs to be served by this farm bill, because, again, rural America has more people working in the infrastructure of agriculture than they do in agriculture itself. Therefore, as I listened to my friend from South Dakota who just spoke about raising loan rates, if we are going to fail to support the infrastructure, we are going to give away part of rural America. It is important we, indeed, support not only the farmer but rural America in general.

Let me put up an interesting chart about the investment in agriculture for an ordinary farm. This might not be the ordinary farm in South Dakota or in Nebraska, but it is in Minnesota. The subject of this chart is that farmers are, indeed, very, very highly leveraged.

A normal farm of 500 acres—and the average farm in the United States is 462 acres so this really is quite average—at $1,200 an acre, which is a reasonable value, means the farmer has $600,000 invested in land. We took a figure of about $150,000 of machinery for a total investment of $750,000, a very sizable investment.

I've multiplied out that he planted corn on 240 acres and beans on 250 acres. The house, a driveway, and so on make up the other 10 acres. Calculating a reasonable price that the farmer is likely to obtain for the soybeans and corn, gives a total income of $146,000. That is a gross income on an investment of $750,000. That, indeed, is a very highly leveraged business.

If the rains do not come and if he has a bad year, one can see that he has an enormous investment that is riding on a razor-thin volume. If you consider the fact that the average profit on his volume, in Minnesota at least, is about 20 percent, the return on invested capital is very small, 2 or 3 percent. Farming is a tricky business.

It is a different kind of business than the one I am accustomed to being in which is retail, where the volume is far, far larger than the investment. In farming the volume is about 20 percent of the investment. If the farm is highly financed, if $400,000 of that $750,000 is financed and the interest rate is 10, or 11, or 12 percent, which is probably average now, a very large portion of gross income goes just to pay the interest. This is one of the elements of farming, the extraordinary leverage, that brings the Congress and brings the Government into play with agriculture. It is such a fragile business, because it is subject to so many vagaries, including nature.

This is why we on the Agriculture Committee have a sense that, yes, the Government needs to be involved in agriculture because it is a fragile business, it is a business where the leverage is higher than any other I know, and it is a business that is subject to the vagaries of nature and depends on unpredictable elements in our society more than any other I know.

I would like to talk about the international aspects of agriculture as well. It is an important element. Some of my friends on the Agriculture Committee are, indeed, feeling that there should be a high support price per bushel. I do not say that the prices should be low, but the loan rates should be competitive; that loan rates should make our goods available for export. Look at what we export. In the case of corn, 30 percent of what we produce is exported. In the case of soybeans, it is almost 50-50, and it used to be a good deal larger. We have lost a large portion of the world market in soybeans, and that is too bad.

In the case of wheat, 64 percent of the wheat that we produce in the United States is exported. It, indeed, is important that we have loan rates that are competitive on the international market. If loan rates rise to such a degree that we are no longer competitive, what happens to rural America if we do not export our commodities?

These are raw commodities. Exports are a billion and a half bushels of wheat in this case, or a billion bushels of soybeans. Think of the trucks that must operate, the insurers that must work, the trains and the barges and the other transportation modes and the elevators that must handle goods in order to move 1 billion bushels of soybeans, or 1 billion bushels or more of wheat. The amount of corn shipped overseas would be almost 2.5 billion bushels.

It is absolutely essential that this farm bill that we discuss and that we pass adapt itself to the world market. Those who would look inward, those who, as the Senator from Mississippi has pointed out, would have a high internal price and thereby take us out of the export markets, would do great damage to rural America. Rural America depends on the entirety of these items being handled, and exported, moved about, insured and handled by elevators. It is important that we support not only the farmer but the infrastructure of agriculture, and that means volume.

Now I would like to take a look at the land values and how they relate to agricultural exports. This chart goes, Mr. President, from 1910 to 1990. The blue line is the line that represents the value of Minnesota farmland in southwestern Minnesota.

For the first 65 years of this chart, there was a very gradual increase in land values. Suddenly in the 1970's, as exports rose, land values just skyrocketed. If you were a farmer in the seventies or early eighties and bought your land on the top side of this graph, fixed capital for land just became so great a portion of the farmer's overhead that it could not be "penciled out," as they say. Farmers simply could not make it work. They could not get enough money from growing crops in order to pay for the land.

That led to a very severe recession and, indeed, a depression on the farms

earlier in this decade. As we can see, the land values went down as fast as they went up, though they did not go all the way down to zero. Now they have turned around again.

Notice the uncanny linkage to the level of exports. On this side of the graph, Mr. President, it is dollars per acre. This is in millions of dollars. So this would be $40 billion in trade. As trade increased, so did the value of agricultural assets. Since the principal asset of a farmer is the land, it is important from that standpoint as well that we support international trade. If we do not support international trade, the basic asset of agriculture, the land, will not appreciate as it has in the past.

Mr. President, let me speak for a moment about agricultural trade and what started the great growth in agricultural trade in the 1970's. This is a chart showing agricultural imports and exports. The top line is the exports; the bottom line is the imports. Since 1960 we have always run a trade surplus in agriculture. Right now that trade surplus is nearly $20 billion. When you look at the balance of trade figures for the United States, many people have pointed out that over many years, the balance of trade has been negative. This is not so in agriculture. In agriculture, we have had a very positive balance of trade. Farm trade did not really amount to much until the 1970's when the line bolted upward. I would like to discuss why it did that next.

One of the first things that happened in the 1970's was that the Soviets had a change of heart. The Soviets decided that in times of low grain production, they would not slaughter their animals but, instead, they would buy grain from abroad in order to feed their animals a normal rate rather than slaughtering them at too young an age. They decided to import grains. With the Russian trade deal, suddenly up jumped the United States trade figures, and world trade really began to take off.

Also, in the 1970's, there was a period of rapid economic growth. In addition, all the petro dollars were about, money was cheap, and people were encouraged to make loans at rather low interest rates relative to inflation. The real interest rates in the 1970's were very low and sometimes the rate of inflation, indeed, exceeded the interest rate. That created a great incentive to borrow. Many Third and Fourth World and other nations got deeply into debt. Some of that money came back as agricultural trade. That, too, was part of the 1970's.

In addition, there was bad weather in the world, but there was good weather in the United States. We were able to produce while some parts of the world were not able to produce.

Finally, in the 1970's, the value of our dollar was quite low making our exports very competitive.

Between the Soviets, who had a change of heart, the bad weather, the world economic growth, the cheap money, and the fact that the value of the dollar was low, exports absolutely boomed in the 1970's. They started off in 1970 at about $7 billion and ended up close to $40 billion in 1980, an extraordinary increase for a single decade.

But in the early 1980's, absolutely everything reversed so that we saw a decline, as indicated in the chart. The decline began in January 1980, just the beginning of the decade. The Soviet grain embargo led to us being thought of as unreliable food suppliers. It was the second embargo in less than a decade. That embargo was brought about by President Carter. But President Nixon had also imposed an embargo earlier on soybeans against the Japanese. That led the Japanese to invest a great deal in South America so that they would have an ensured source of vegetable oil when they needed it. Embargoes have worked very much against us.

The Nixon embargo was a very brief one, a matter of weeks, but nevertheless, it so upset the Japanese that they made very large investments in South America. The Soviet grain embargo continued on for quite some time and really shattered confidence in the United States as a reliable supplier of food.

World trade in the 1980's stagnated. There was a worldwide recession. On top of that, the weather changed and the entire world experienced some pretty good years weatherwise, and production went up. Interest rates, while they came down from the very high levels of the late 1970's, nevertheless, in real terms remained very high. The 1980's turned out to be some pretty difficult years. The value of the dollar went up so our exports were more expensive. Then came the emergence of the European Community as a new and very expansive player on the world market. I will speak about that in a moment as well.

All the things that benefited us in the 1970's turned around and worked against us in the first half of the 1980's. In the second half of the 1980's, once again, we have a favorable trend, to some degree because of the 1985 farm bill.

In the 1985 farm bill we made loan rates competitive once again. They were not competitive under the 1981 farm bill. The dollar moderated in value. There were some short crops around the world. Some of the elements of the 1970's recurred. But the 1985 farm bill was a moving factor in all of that because American goods were competitive once again. Indeed, as is shown here on the chart, trade has picked up. Where at one time the difference between exports and imports was about $5 billion, they once again have grown to approximately $19 or $20 billion.

Let me put up, Mr. President, another chart which shows where we buy and where we sell our agricultural exports. The startling point is our trade in the Far East, in Asia. We sell $16.3 billion and we import $3.3 billion in agricultural trade, so it is a 5-to-1 factor. We have a trade balance in the Far East of $13 billion.

Our biggest customer is Japan. To Japan we export well over $8 billion and we import almost nothing. Taiwan is the third largest customer with $1.6 billion in agricultural exports from the United States; and Korea, the second largest, with $2.5 billion.

These are relatively small countries, and you can see from them that when a country has economic success, one of the first things it does is improve the diet of its people and it expands world trade. That, of course, is one of the positives of 1990's. As we see world economies changing from a planned economy to a more competitive economy, as that begins to happen in Europe and in other places, we should reasonably expect to do more business with them exporting our agricultural goods.

As you can see, Mr. President, despite the fact that Western Europe has become a very large exporter, they are still pretty good customers of ours. We export $7 billion to them. We import $4.5 billion from them, probably the largest item being wine, which is considered an agricultural item as well.

In the case of Latin America, we import more than we export. In the case of Canada, it sometimes shifts from year to year. But in 1989, they exported to us somewhat more than we exported to them.

Oceania includes New Zealand and Australia where we have a large trade imbalance. But throughout the world, total exports in 1989 were about $40 billion, the total imports are somewhat in excess of $21 billion, so that the net trade balance is nearly $19 billion, which is very satisfying, indeed.

Let me talk if I may, for a moment, Mr. President, about the European Community. What has happened in the European Community has really changed the face of agriculture worldwide. In 1977, they were net importers of nearly 20 million tons of grains. They were the largest customer that we had in those days. They were the world's largest customer in agriculture. Look how they have changed. They have crossed the line and have become exporters and now in grains have become the second largest exporter all in the course of 10 or 11 years.

It changed the face of world agriculture because the Europeans decided that they wanted sufficiency for themselves, because they decided that they would really subsidize their farmers. They have changed in a period of 11 years from a net importer to the second largest world exporter, we being the largest world exporter.

They have a different attitude. They spend an extraordinary amount on agriculture. They spend about $55 billion a year on their agricultural programs. In 1990 we will spend, I believe, $8.4 billion, about one-seventh. They spend almost $7 for every dollar that we spend, and they prop up agricultural prices so high that they get an enormous production and then they have to subsidize the exports and they dump it onto world markets. This is a very cruel thing, indeed, because the Third and the Fourth World countries—the poor countries of the world—can only lift themselves up by their bootstraps by developing their agriculture.

Every country in debt that starts in the business of trade begins first in agriculture and they begin first with some products from the land. They simply do not have the wherewithal to begin a manufacturing society. That is a more mature society. But because the Europeans have these large surpluses and because they dump them onto the world market and drive down the prices, some farmer in the Third or Fourth World—in Africa or Asia—who is really eking out a living, suddenly finds his marketplace depressed because the Europeans have to get rid of their surplus.

So what the Europeans do in subsidizing exports, and indeed what we do in subsidizing exports hurts some very poor people around the world, farmers in third and fourth world countries are simply not able to defend themselves. Hopefully, through the GATT proceedings of international trade negotiations that will change and a more level playing field will result.

Mr. President, let me talk about some displacements that have occurred in the world. That is, if the Europeans dump onto the world market, who is not selling?

This is a chart that shows the cumulative amount of grain that they have shipped onto the world market, because of their subsidies. Somebody had to be displaced unless the market grew. In some years the market grew but not by that amount. This chart over here, which almost tracks the European growth exactly, shows the cumulative amount of U.S. grain production that is foregone by acreage reduction programs.

This country alone has acreage reduction programs. This country alone says to a farmer if you want to participate in a program, you cannot plant on all of your land. You can only plant on 90 acres out of 100 or 7 acres out of 10. The other land must lay fallow.

If we had planted on those set-aside acres, we would have had far more production. There would have been much more activity in rural America. Indeed, as we set aside acres, the Europeans picked up all of the slack.

If every country set aside, if every country said to their farmers you cannot plant on all your land, you can only plant on a certain percentage of it, that would be one thing. But only we do that. We penalize ourselves.

We penalize not only our farmers, but all of rural America, because we reduce the volume. So there are fewer truckers, there are fewer barge operators, there are fewer people working at the grain elevators, there are fewer people who are involved in the entire infrastructure of agriculture because we set aside.

We continue to set aside in this farm bill. And I continue to object to set-asides. I continue to say it simply is not in the American interest to set aside productive land and increase the cost production on the land that we actually do plant.

If a farmer can only plant on 8 acres out of 10, the land payments on those 2 acres on which he does not plant continue. The taxes on those 2 acres on which he does not plant also continue. So he has to earn from the 8 acres enough not only to pay the costs attendant to those 8 acres but pay the costs for the other 2 acres as well.

It increases the overhead of American agriculture and disadvantages American agriculture. We alone follow that practice on the basis that by laying aside land you allegedly have less production, and therefore you will have a higher price. When you have a higher price, the Government's payments become less.

So it is to the advantage of the Government, not to the advantage of the farmer. It is to the advantage of the Government, not to the infrastructure of agriculture that set-asides are used.

It would be my hope, and I will offer an amendment that I do not expect to see passed presently, to undo set-asides and allow the most productive land in this country not to lay fallow unnecessarily, but to produce agricultural commodities so that we can be competitive on the world market.

Let me also speak now about the world soybean trade, the U.S. share of world soybean trade as indicated by this chart and what our farm programs have done with respect to it.

This part of my opening remarks, Mr. President, has to do with flexibility that I hope will be expanded in this farm bill.

Back in 1970-71, we had a total of 80 percent of the world trade in soybeans. We had at this point 80 percent, total trade was about 20 million tons, and the total trade has gone up to about 60 million tons in this 16-17 year period.

Our share of the total trade has gone steadily down; where it used to be 80 percent, it is now, as you see, approximately 36-37 percent.

So our share in the trade of soybeans has gone down. Why speak about soybeans? It is one of the large crops. Wheat, feed grains, which includes corn, sorghum and oats, and soybeans are the three principal crops.

Soybeans is an approximately 2 billion bushel crop in the United States. It is the fastest increasing crop in the world agriculture. It has been called the "miracle crop" because it has added so much additional production to world agriculture, and has improved lifestyles through cooking oils and other use of oils. Soybeans are indeed an essential part of animal feed throughout the world. It has been the most expansive crop by far in agriculture.

We have lost market share. Because of the inflexibility of the farm program, our farmers cannot respond to market signals and plant soybeans. Our farmers have to plant the crop that is mandated by the farm bill if they want to participate in farm programs. It is that, too, that I have sought to change in this particular farm bill, to increase the flexibility that farmers have in being able to plant crops on their farms.

Now, if you have a corn base, you have to plant that base or you lose that base. You use it or lose it, as they say. You cannot plant soybeans on that corn base even if the world market is short on soybeans and you want to respond to the market. You simply cannot do it or you lose your base. The base, your agricultural base, really is an important element of the value of your farm.

So unfortunately as this chart shows, while world trade in this miracle crop called soybeans is expanding at a rapid rate, our share worldwide is going down. Who is taking it? In this case it has been the South Americans. From 1979-1988, the production of soybeans in this country has gone down by 13 million acres. The production of soybeans in South America has gone up by an exact like amount, 13 milion acres. So as we gave our production away, the South Americans, with glee, picked it up.

It is my hope that this farm bill will allow sufficient flexibility so that we in the United States will be able to regain some of our market share and be aggressive producers of this crop called soybeans.

Mr. President, I want to speak briefly about Europe, because they have become the principal opponent, the other principal exporter in world trade, and suggest a contrast, for a moment in their agriculture with ours.

They have a total population in the European Community of 323 million. We are at about 244 million, perhaps 250 million. Those are small countries, and the largest country is France, and it is as small as the State of Texas. The size of West Germany is just a little bit larger than the State of Minnesota. The size of Great Britain is somewhat larger than the State of Minnesota, but not by much Yet, they have 7 million farms; we have about 2,100,000 farms. While the average size of our farm is 462 acres, their average size is 41 acres.

If you look at dairy in Italy, for instance, their average herd size is three. In all of Europe, I believe the average herd size is 15, something that has not been the case in the United States now for 35 years. In the United States, the average herd size is closer to 60. And they have in Europe a series of small farmers, a huge number of small farmers, 3½ times as many farmers as we do.

They are just subsidized in a manner that slows down their economy; that is expensive to their consumers; that, as I said, is injurious to people who are very poor in the Third and Fourth World countries. And it is unfortunate that we have to deal with countries that subsidize to such a degree.

They subsidize, Mr. President, to such a degree that in wheat, where the average yield in the United States might be 40 bushels, they have 10-ton clubs, 10 tons of wheat per hectare, which is on average about 150, 155 bushels per acre.

In Europe you will see cracks in the wheat fields because they fertilize and use herbicides perhaps a dozen times during the course of a growing season, as opposed to perhaps three in the United States. That is the way they get their yields up, and that is the way they develop these huge surpluses that they dump on the world market. As I say, it destroys the lives of many poor people around the world.

Mr. President, finally, in talking about the competition, let me talk about the enormous potential that exists in South America. We farm in this country approximately 330 million acres, 330 million acres, as you see here, of arable land, crop land.

In Brazil, they farm about 120 million acres. In Brazil, they have available another 500 million acres that has not been planted. In Argentina, about 50 or 60 million acres is in production. Well over 300 million additional acres can be put into production.

What does that mean? That means that we should have a farm policy that does not guarantee such high prices worldwide that we encourage the South Americans to begin production, because indeed, if they start to produce on all the acres they have, we will find new competitors coming in that will make our farm economy far more difficult to cope with.

As I pointed out, in the case of soybeans they respond very quickly. We reduced our soybean acres by 13 million. They increased their plantings by 13 million acres, not substituting soybeans for another crop in most instances, but just planting new acres, fertile acres, that they had previously used for grazing.

So as we consider the situation of American agriculture, we also have to understand the enormous potential that our competition has.

Mr. President, I have not commented a great deal about the 1990 farm bill that has come out of the committee, other than to say that it continues to have set-asides, acreage reduction programs, ARPS, as they are sometimes known. I do not agree with ARPS, because as I pointed out on one of our charts, not only are we the only country to set aside acres, not only are we the only country that will say you cannot produce on good acres of land, but we give away markets through the use of ARPS to other countries. That has been documented time and time again.

I will offer an amendment to end that practice in the United States, to eliminate the use of set-asides, to eliminate the use of acreage reduction programs. I will also introduce an amendment to make loan rates more competitive. That is, I will introduce an amendment to continue the 1985 formula with respect to loan rates, that loan rates can reflect market prices. That was one of the great strengths of the 1985 farm bill, and it should be continued.

Finally, Mr. President, I will be introducing, or perhaps the Senator from Iowa will introduce, an amendment with respect to planting flexibility, that farmers, if they have a wheat base or a corn base, do not have to use it or lose it; that if they have such a base, they can look at the marketplace and they can say, OK, this year it makes more sense to plant soybeans, or it makes more sense to plant some other crop. And they can respond to markets, rather than respond to farm programs.

I believe that markets work. I have always, throughout my entire life, worked with markets, and I think that the proof of the last 5 years, where the agricultural markets have been given a chance to work, proves once again that they will work, that farmers will be more enriched, that rural America will be kept busier, and that really should be a goal of this farm bill.

I say in conclusion, Mr. President, that this farm bill that we reported from committee has many positive factors to it. I do not mean to suggest that it is a nonsatisfactory piece of legislation. I do mean to suggest that through increased flexibility, that by having loan rates that are more competitive and more oriented toward the market and, furthermore, the elimination of acreage reduction programs, we would indeed strengthen the farm bill and make it a farm bill that will lead to bigger and better things for American agriculture and for all the people of the world.

Mr. President, I yield the floor.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER (Mr. BURDICK). The Senator from Oklahoma is recognized.

Mr. BOREN. Mr. President, today we begin debate on one of the most important pieces of legislation the 101st Congress will address—the Food, Agriculture, Conservation, and Trade Act of 1990, more commonly known as the 1990 farm bill.

Farm legislation is vital to the entire Nation, not just to a few farmers. American farmers provide the consumer with the cheapest, safest, and most reliable food supply in the world. The U.S. agricultural sector is also a major food supplier to the rest of the world, especially the poorest, least developed countries which are not self-sufficient in their most basic need—food.

Agriculture is the single largest industry in the American economy. The American food industry employs over 20 million people and accounts for nearly one-fifth of our Nation's gross national product. Agriculture is also the largest industry in my home State of Oklahoma, accounting for nearly $3.7 billion of income in 1988.

The U.S. farm sector is one of the few bright spots in our balance of trade; we have maintained an agricultural trade surplus for four decades. Our agricultural exports reached an all-time high of $40.6 billion in 1989.

Mr. President, our food and fiber sector is the envy of the world. Most of the credit for this system must go to the American farmer for his hard work, endurance, and skillful management of our natural resources. American innovation and technology, too, have contributed greatly to the progress of the industry.

Farm legislation, however, has also played an important role. If properly crafted, farm programs can serve several vital functions.

First, income support programs can help provide a stable financial health to the agricultural sector. Every business must estimate different variables that effect its future. Interest rates, currency values, and labor costs are the most obvious examples. Each of these variables is extremely important to business, and each is difficult to estimate. Agricultural producers, however, must gamble with these factors plus one addition—the weather. No other business enterprise depends on

such an unpredictable force to such a great degree as the farmer does on the weather.

Debts must be paid in bad years as well as good. The target price mechanism in this legislation provides some needed income stability to farming operations and buffers our food and fiber sector from wild swings in cashflow.

Second, farm legislation establishes a series of rules and incentives designed to preserve our valuable farmland resources. Agricultural producers are pricetakers in their respective markets and therefore have an incentive to maximize production for the short term. They cannot control price. Production is the only thing they can control. Concern for the long-term condition of our farmland resources led Congress in 1985 to tie certain conservation provisions to commodity programs. This legislation continues that trend and reauthorizes several programs that help preserve our valuable soil and water resources.

Let me say, Mr. President, that there are those who would like to change the farm program to exclude some farmers, particularly larger farmers by volume, from the program. We must look at those actions with a great deal of concern because the more we push farmers outside the program, the more we encourage them simply to maximize their production, the more we undermine the preservation of the resource base of our land, of our environment, by pushing people out of the program and therefore discouraging them to take advantage of the conservation provisions.

Third, farm legislation authorizes agricultural research projects that will continue to allow the American food industry to take advantage of the latest and best applied technology. Land grant universities in every State in the Nation contribute to this effort to improve production, reduce costs, and address health concerns.

Mr. President, these are just a few general advantages of our farm programs that I hope my colleagues will consider.

As I say, oftentimes those from States where agriculture is not a large component of the economy simply believe that the farm bill is to benefit farm programs alone and farmers alone, that only those Members from farm States should be concerned about. Nothing could be further from the truth, Mr. President. We all must be concerned about farm legislation. We must all band together, for the sake of our national economy, for the sake of our national resource base, for the sake of our environment, to craft farm legislation that makes sense.

The Food Security Act of 1985 set the commodity programs for the 1986 through 1990 crops of wheat, feed grains, cotton, and rice. Winter wheat farmers in Oklahoma, Texas, Kansas, and other States have completed their harvest of the 1990 crop and are attempted to plan their farming operations for next season. I have joined with several other Senators in urging Secretary Yeutter to announce the most critical elements of the 1991 wheat program and I hope he will do so without delay. However, most elements of the program will not be finalized until the new farm bill becomes law. Unfortunately, this will not occur before winter wheat planting begins. Therefore, expedient passage of this bill is critical to the decisionmaking for winter wheat producers.

Finally, I believe it is especially important for Congress to pass a multiyear farm bill before the conclusion of the Uruguay round of the General Agreement on Tariffs and Trade [GATT]. A strong, multiyear farm bill is needed to show our European competitors that we will not unilaterally withdraw our export programs and to show our own U.S. negotiators in Geneva that Congress does not want a GATT agreement that is bad for American agriculture.

We must not unilaterally disarm our farm programs and leave the American farmer at the mercy of European governments with large export subsidies which are designed to steal our markets. The only way to get relief from the EC at the bargaining table is to deal from a position of strength through a farm bill that effectively promotes American farm exports.

It is urgent, therefore, for us to act and for us to send that signal to those who would continue their unfair export subsidies against us in an effort to take markets away from the American farmer.

As chairman of the Subcommittee on Domestic and Foreign Marketing, I am especially supportive of this bill's trade title. This bill takes the best ideas from several agriculture trade bills, including S. 2147, which I introduced along with Senator COCHRAN of Mississippi, as well as the trade bill introduced by the distinguished chairman, Senator LEAHY, and the distinguished ranking member, Senator LUGAR.

Our farmers can compete with any farmers in the world. However, they are also being forced to compete with foreign governments. The European community, for example, has a long standing policy, known as restitution payments to pay its exporters to sell wheat at a loss. For these reasons, we have adopted the Export Enhancement Program [EEP] which is designed to match the European subsidies by providing our exporters with certificates redeemable for government-owned commodities.

Although the EEP has been successful in regaining some of our lost markets, the community's subsidies continue. Our subcommittee heard testimony that the EC's restitution payments have reached as high as 10 times the EEP bonus for certain markets, 10 times the size of the export subsidy. Clearly, we must continue to keep the pressure on our competitors and aggressively use the EEP.

The best way to assure that the pledges recently made at the Houston economic summit to consider dismantling of the huge export increase in farm subsidies by the European community, the best way to make sure that those pledges are redeemed is to continue a strong export enhancement program now, to do it in this farm bill, and to send that message while our negotiators are at work on the GATT amendment.

This bill continues this strong export policy by authorizing EEP expenditures of at least $600 million annually. It also allows the EEP to be used against countries that hurt U.S. exports through the practice of monopolistic pricing. The bill renews the Cottonseed Oil Assistance Program [COAP] and makes needed improvements in the GSM credit programs.

Mr. President, I believe this farm bill must pass and it must pass soon. To achieve that goal, Senators from farm States must work together in a bipartisan fashion. The worst thing that could happen for our producers would be for the farm bill to become mired in partisan politics. Instead, we have an obligation to put any political differences aside in order to write the best possible agricultural policy for the Nation.

Mr. President, I simply close by saying we were finally able to do that in the Agriculture Committee, and, after some partisan haggling in the beginning, we realized we had a broader responsibility not only to the agricultural sector, but to the entire economic interests of this country to put aside partisan differences, to work together, to come forward with a consensus bill with a large majority of the Agriculture Committee behind us. That is exactly what we have done.

The grave danger we face is this: If we were to fail to reach an agreement now and push this bill on to passage and get it on to the conference committee so that early on in the fall we can have a farm bill finally signed into law, the longer we wait, the more we will be pressured to have only a 1-year farm bill. I say to my colleagues nothing could be more damaging to the economic interests of our United States. If we have simply a 1-year farm bill with uncertainty of what the programs will be in the following year, it will make it very, very difficult for producers to make long-range investment decisions.

More than that it will send exactly the wrong message to our negotiators at the GATT, and it will send a mes-

sage to our competitors who are continuing these huge subsidies, estimated to be as high as $10 billion, to steal our market, sometimes as high as $7, $8, $9 per bushel of wheat in order to take our markets away from us, that we are at their mercy, that they are going to be able to determine in the GATT negotiations what our long-term farm bill will look like.

So, Mr. President, I urge my colleagues to let us join together, put aside such minor differences as we might have, speed this bill to passage on the Senate floor, get it to the conferees so that we can get a bill on the President's desk to send a strong message and strengthen the hand of our negotiators in the GATT negotiations which are now going forward.

I thank the chairman, the distinguished Senator from Vermont, who is on the floor, for his leadership. I thank the ranking member as well. We have had a very good effort. It has been a very hard working group. Many hours have been spent in the Agriculture Committee to bring this bill on the floor. I think overall it is an exceptionly good product. It does not mean it could not be improved in the course of the legislative process. But as we make those improvements, let us not bog down, let us not slow the pace of getting this bill enacted into law.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from Oklahoma for his kind words and for his leadership on this committee. The Senator from Oklahoma has been a tireless worker on the very complex issues in this bill, notwithstanding his other duties as chairman of the Senate Intelligence Committee. And having had some experience in that field, I know the enormous number of hours that takes and the hours that none of the public sees because it has to be, by the very nature of that committee, behind closed doors. But the Senator from Oklahoma was there every time we needed him on these agriculture matters, adding his expertise and his good common sense.

I agree with him that we have put together legislation that can carry out the goals that he has talked about in the domestic agriculture field, and also in trade.

So I applaud him for what he has said and I just wanted to note my appreciation for his help in the committee.

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

The PRESIDNG OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from South Dakota is recognized.

Mr. LEAHY. Mr. President, will the Senator from South Dakota yield to me just for a couple of minutes for a housekeeping chore

Mr. PRESSLER. If it would be just for a couple of minutes and if I can get the floor back in 2 minutes.

Mr. LEAHY. Of course.

Mr. President, I ask unanimous consent that the Senator yield to me for 2 minutes without losing his right to the floor.

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

AMENDMENT NO. 2304

Mr. LEAHY. Mr. President, we have some committee en bloc amendments. They were reported by the committee subsequent to the reporting of the overall bill and the committee authorized me, as chairman, to offer the amendment on its behalf.

I send the amendment to the desk and I request that the amendment be treated as original text for purpose of further amendments and that no point of order be waived.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 2304, en bloc.

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

The PRESIDING OFFICER. Without objection it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

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

Mr. LUGAR. Mr. President, I join the distinguished chairman in endorsing this amendment which comprises numerous amendments adopted by the committee by unanimous, bipartisan consent.

It was agreed at the time we came to our basic conclusions on the farm bill that minor and technical amendments might be offered, and if they found unanimous consent in a bipartisan way in the committee, they would be made a part of the chairman's amendment. So it is my privilege to endorse the amendment and ask for its passsage.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 2304) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. LEAHY. I thank the distinguished Senator from South Dakota and the distinguished Senator from Indiana.

Mr. PRESSLER. Mr. President, I would like to speak on the farm bill that is before us, to give some of the views of South Dakota.

Two years ago, I held a series of listing meetings on the revision of the farm bill. Since that time, I have kept in close touch with the ranchers, farmers, small businessmen and others in my State regarding revision of the farm bill.

As you know, this body last acted on this bill 5 years ago. It was a long and contentious debate. We are now entering into a new farm bill debate here on the Senate floor and I think it is good to review some recent history. Also, it is my desire to report to the Senate some of the findings I have had in meetings with my farmers and ranchers.

In fact, about 2 years ago I spent the February recess visiting 14 towns, small towns, strictly on how the farm bill was doing and what we could do to improve it. Subsequently, I have held several other meetings on this topic in my State.

The issue before us is agriculture in the 1990's. As we saw in the Houston summit, agricultural trade negotiations are at the very center of the farm policy debate. For the first time in our country's history, we have found that the trade aspects of agriculture are going to be key concerns in the 1990's. I have said frequently that what happens in international trade may well be as important to farm prices in the United States as some of our farms programs. Therefore, we must watch international trade agreements very, very closely.

Mr. President, I think it is good to review some of the history of the agricultural trade debate and to recognize that European agricultural subsidies are, generally speaking, designed to increase agriculture production, while ours are designed to decrease agriculture production.

For example, if a farmer qualifies for target or loan prices in the United States, that farmer must set-aside part of his land and not produce on it. This leads to the charge that we are paying people not to produce. Also, we have the conservation reserve program, in which whole farms or tracts of land are taken out of production for several years and people are paid not to produce and to practice conservation practices.

In part, we are preserving topsoil, we are preserving wildlife, we are preserving water with these set-asides and the conservation reserve program. But the point is, our subsidy program is designed to reduce agricultural production. In Europe, the subsidy program

is designed to increase agricultural production—no land set-aside program is required to qualify for subsidy.

Also, the Europeans engage in heavy subsidizing of agricultural exports. That is, when the surplus crops of these countries are sold abroad, they are dumped. The European Community [EC] alone spends $12 billion each year on subsidies for farm exports. These crops are sold at world prices, whatever they will bring, and that is usually just below the United States loan rate. They undercut the sale of U.S. farm exports in third country markets.

Whatever the reason, we need an international agricultural treaty. We need to change the way we define our subsidies compared to those of Europe and other countries.

Some countries subsidize the transportation of agricultural commodities. Canada heavily subsidizes agricultural products for export. That is a subsidy just as much as a deficiency payment paid to a rancher or farmer. In the 1990's we are going to need a common set of definitions on just what constitutes a farm subsidy.

I plan to offer an amendment calling for an international agricultural conservation reserve agreement, under which countries could get credit for actually reducing production. When our farmers and ranchers do not produce on all their acres, that actually helps our international competitors. Europe, Argentina, Canada, and other countries that are surplus-producing countries are at full production. We are not. So our subsidies are actually a double subsidy to them. In the 1990's we are going to have to move toward solving that problem. In part, that is what President Bush was talking about in his Texas meeting.

On the issue of target prices, I support increased target and loan rates under the current circumstances, in which our farmers and ranchers have to compete against a system in Europe that can only be characterized as very unfair competition.

I recall that on this floor when I came here, over 11 years ago, I discussed this with Senator Milton Young, the late Milton Young, of North Dakota, who served in this body I think 30-some years. He gave me the history of how he had initiated the target price program for wheat because of the growing subsidies in the European countries. There were many others who also contributed to these policies. It was not a Republican policy or Democratic policy—it was a bipartisan farm policy.

Regardless of the history, today we are standing on the verge of a new farm bill. Granted, what we do here in the Senate on the farm bill will be very significant. Perhaps more significant will be the appropriations that will come later, and the possible imposition of a Gramm-Rudman-Hollings sequester, if a budget agreement is not reached. So, there are many bumpy points on the road as we move toward appropriate funding of a new farm bill.

I am sure there will be efforts to reduce the target prices. I have not joined in that effort because I think under the circumstances our farmers are entitled to at least a cost-of-living-increase, if not more. If target prices are frozen or reduced, that will be very counterproductive.

I also believe that we as a nation have an interest in keeping ranchers and farmers on the farm. For example, in Europe they have kept small-farm agriculture prosperous. This has meant that small towns also are prosperous, and the business communities in those small towns are prosperous.

We can go into almost any small town in France or Germany or Italy or England and find a Main Street that has prosperous small businesses. That is not true of many towns in the United States. Indeed, in the small towns of the United States, we often find that small businesses are boarded up. They are closed.

In practice we have almost had a policy of moving people from rural areas into very crowded city centers. Europe has had a long-time policy of keeping people on the land.

Our policies, in terms of the basic strength of our national economy, would be better if we had such a policy to keep family-size farmers and smaller ranchers in operation. That should be the purpose of this farm bill. It should not be huge subsidy payments to a few big conglomerates. There should be limitations on farm program payments.

During the last consideration of the farm bill I offered an amendment with a three-tiered pricing system, which I think has merit, to help the small farmer. It was based on the idea that, if Government programs help keep the family farm, small farmers and ranchers, and help enrich the small businessmen in our towns, all America will benefit. Indeed, there have been surveys in New York City that show that most people want to keep the concept of the family farmer in America.

There are many other details to this farm bill that are of great importance. There is the crop substitution issue, which is very important in my State. There are a number of other details I shall be working on with others as the amendments move forward.

Mr. President, I grew up on a family farm in eastern South Dakota, in Minnehaha County. I am very proud of that. My parents still occupy that farm. This is a point of pride to me. Having been active in 4-H, the agricultural youth group, I feel I know farming well. What we are doing here is very important, not only to the farmers of our country but to all citizens because it is an essential element in the fabric of our national life.

The fact that we have such a large supply of high quality food is a great blessing. There are not very many countries in the world where you can buy milk fresh every day. That is because there is no program to maintain a uniform supply of milk. Countries that do not have a dairy program, for example, have ins and outs, ups and downs in milk production, and can buy clean, fresh, tested milk only in the big cities. That is an unusual treat in the world. If we get away from Europe and the United States, it is fairly hard to do. And it is also true of other food products.

We spend a much lower percentage of our budgets on food than many other countries do because we have had a system of even production. We have had a farm program that has allowed small farmers and ranchers to stay in business. It has allowed diversity, and it is in the national interest to have that even supply of food at a reasonable cost.

I know there are many environmental issues, kindness to animals issue, and so forth that are being blended into this debate. We have many disagreements on those sorts of issues. But, as we begin this farm bill debate, let us remember that what we are doing here will affect our country for many years to come, not only farmers but also city folks.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 2305

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 2305.

At the end of the bill add the following new section:

SEC. . It is the sense of the Senate that Federal nutrition programs are important elements of our national food and agriculture policy. It is further the sense of the Senate that when legislation reauthorizing federal nutrition programs is considered in the Senate, such programs should be authorized at levels that will meet recognized national needs.

Mr. REID. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

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

The PRESIDING OFFICER (Mr. WIRTH). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. REID. I ask for the yeas and nays on the amendment.

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

The yeas and nays were ordered.

AMENDMENT NO. 2306 TO AMENDMENT NO. 2305

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

The PRESIDING OFFICER. The clerk will state it.

The bill clerk read as follows:

The Senator from Nevada [Mr. REID], for himself, Mr. RUDMAN, Mr. CHAFEE, Mr. BRYAN, Mr. BRADLEY, Mr. PELL, and Mr. KERRY, proposes an amendment numbered 2306 to amendment No. 2305.

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

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

The amendment is as follows:

At the end of the amendment, add the following new section:

SEC. . MEANS TEST FOR AGRICULTURAL PAYMENTS.

The Food Security Act of 1985 is amended by inserting after section 1001C (7 U.S.C. 1308-3) the following new section:

"SEC. 1001D. MEANS TEST FOR AGRICULTURAL PAYMENTS.

"Notwithstanding any other provision of law, a person (as defined in section 1001(5)(B)(i) shall be ineligible to receive payments under any of the annual programs established for a commodity under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (other than disaster payments or payments received under conservation reserve programs established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) and as amended by subsequent legislation) for a crop year if the average amount of gross sales of agricultural commodities by the person during the 5 previous crop years is in excess of $500,000 per year.".

Mr. REID. Mr. President, agriculture holds a special place in the history of the United States. In the 1700's through the early 1800's, most Americans were farmers and farm prosperity was equated with national prosperity. In terms of American history, most farm families barely produced enough to feed themselves.

In the latter half of the 1800's, this situation began to change rapidly, thanks to scientific and industrial changes. Every decade since the 1800's, farming has become phenomenally more productive. The development of new plant varieties, fertilizers, coupled with increased use of tractors and the modernization of farm machinery has doubled and tripled the production output of all of our major crops. For this we certainly need to thank, and I do thank, the American farmer.

Today, farming is no longer the chief way of life in industrailized nations. In 1850, each farmer produced enough food for four people. Today, a farmer produces enough food for more than 80 people. Less than 3 percent of all Americans live on farms. Yet, the United States produces most of the world's agricultural output.

As farms have become less a way of life for the majority of Americans, it has become more and more a business. The U.S. Government became solidly involved in agriculture by offering price supports to farmers during the Great Depression under the guidance then of President Herbert Hoover. Hoover had had considerable background in agricultural policy. Having been founder of the Commission of Relief during World War I, it was his responsibility to organize food relief for war-ravaged Europe, and he has been credited with saving, and rightfully so, countless lives.

As a result of the great success of Hoover's Commission for Relief, he was appointed by President Woodrow Wilson as Director of the U.S. Food Commission. In 1929, when Hoover was President, the Agricultural Marketing Act passed which established a Federal Farm Board to protect American farmers from the shocks of the Great Depression which had already begun.

Hoover promised to "establish for farmers income equal to those of other occupations." Ironically, though, farmers suffered during this time because of Federal policies. The Federal Reserve had reduced the money supply by one-third causing a huge drop in price levels at the same time that taxes were being raised.

In 1933, the Agricultural Adjustment Act was enacted. President Roosevelt intended for the act to expire when the farm crisis ended. The intent of the act was clear: "To relieve the existing national economic emergency by increasing agricultural purchasing power."

Raising farm income was, during this time, one component of a policy to revive national prosperity. According to a 1934 article in the New York Times, after 1 year of dealing with the Federal Farm Board, Kansas farmers voted strongly against Federal controls.

In the 1930's, roughly 40 percent of all American farmers were tenants and sharecroppers. The New Deal programs were designed solely for agricultural relief. The landowners, the tenant farmers, the sharecroppers saw barely a penny of benefits.

Historian David Eugene Conrad notes Agricultural Adjustment Administration bureaucrats who were sympathetic to the farmers were forced to resign their positions.

As the original intent of President Hoover's farm income support was forgotten, the New Deal encouraged farmers to produce far more than they could sell by promising them far more than the market values of their crops. The absurdity of this lies in the fact that farmers were encouraged to overproduce, yet their surpluses were cited as proof of the need for Government management of agriculture.

Mr. President, the Agricultural Adjustment Administration offered target prices for wheat and cotton crops as they do today for these and many other commodities. This policy established a safety net to protect the small, struggling farmer. It is much more than this, though. By including farmers at every income level, I believe it is time we reevaluated the purpose and intent of our grossly outdated farm programs. Is it good, responsible public policy to dole out Federal dollars to as many farmers as possible? I put that in the form of a question, Mr. President. Is it good, responsible public policy to dole out Federal dollars to as many farmers as possible?

If the original intent of the Agricultural Adjustment Act is to keep as many Americans as possible on the farm, our programs have failed and failed miserably. Since 1933, the U.S. farm population has fallen from 30 million to less than 5 million. I am really ashamed to say, Mr. President, that what was once intended to assist Americans in rising out of the depths of the Great Depression has departed from that vision and become a policy ridden with disincentives to efficient production, the nightmare of any free market nation.

According to the USDA, there were 2.2 million farms in the United States in 1988. Yet, the USDA classifies a farmer as anyone who sells over $1,000 a year in farm commodities. Think about that. The USDA classifies a farmer as anyone who sells over $1,000 a year in farm commodities. This means if my neighbor sells his horse for more than $1,000, USDA classifies him as a farmer. The examples are replete with absurd examples of who is classified as a farmer because of this classification, namely, $1,000.

Needless to say, USDA farm statistics are grossly skewed by the inclusion of $1,000-a-year farmers who are obviously not earning a living in this endeavor. In spite of the inclusion of these gentlemen farmers, the 1988 average net income of all U.S. farmers was a healthy $45,644 a year. Even by including the $1,000-a-year-gentleman-farmer category, the average American farmer earned over $45,000 a year. In 1986, 55 percent of the USDA's so-called farmer's income really came from off the farm. This could come from occupations such as teaching, consulting, or investment in real estate.

Farmers are relying less and less on actual farm income. Because of the USDA's generous definition of "farmer," it often appears that the American farmer is truly in a crisis position. Perhaps he is. And there are examples, I have heard from this floor, that certainly indicate that there are some farmers who are having trouble. But who can be sure when we talk about numbers, when we use the classification that the USDA has as to what a farmer is; that is, someone with an income of over $1,000 in farming?

By refusing to make a reasonable classification of just who is and who is not a farmer, the USDA guarantees the overspending of billions of tax dollars. Since the New Deal era, it has been proclaimed that farmers have a right to the cost of their production. This says that if a farmer grows a certain program crop, the taxpayers are obliged to pay for it and provide him a profit also.

If farmers have a right to the cost of their production, then why are we not subsidizing all vegetables, all fruits, all livestock, and other examples? If economic arguments for subsidizing the commodities, which we do, made sense, then no one would produce commodities not protected by Government programs.

In any other business an owner must either lower his cost of production or try another business if he cannot make ends meet. Our taxes are increased when farmers of certain commodities cannot stay afloat. How can it be logical to subsidize certain foods we eat and not others? Who has the right to decide for us what we will and will not eat and what price we will pay for them? Why have we not paid the price of a dozen eggs or a pound of hamburger, chicken?

I find it hard to accept that Americans will go hungry if farmers are allowed to stop idling their land and permitted to grow whatever they want and as much as they want.

Why price fluctuations, heavy debt and bad weather? Why are some farmers dependent on Government programs and not others? It does not make a lot of sense to me and it does not make a lot of sense to the American taxpayer.

Current agricultural policy seems to be based on the assumption that America will benefit from federally mandated inefficiency and waste rather than allowing farmers to produce at maximum productivity. Supporters of farm programs often justify them based on farmers' needs, but since the New Deal the programs have not targeted benefits according to need.

It is inappropriate, and some say morally inappropriate, to provide farm program benefits to all but the most needy. Why should any but the most destitute farmer be treated better by the Federal Government than any other American citizen? Prevailing agriculture policy assumes that the Federal Government treats all farmers equitably and ethically. This is not so. Providing agricultural subsidies to affluent farmers contradicts the realities, priorities, justice, and moral principles important to Americans.

Some argue that our Nation's food supply needs protecting. While no one would dispute the importance of food to our survival, controlling its supply was not the original intent for our programs initiated during the Depression, as I have outlined.

There are many other goods and services crucial to our well-being which, of course, are not directly subsidized. We can talk about all kinds of programs: Medicine; we can talk about clothing; we can talk about home building. We simply do not deem that they should be subsidized.

These kinds of programs, when we subsidize prosperous farmers, fly in light of anything that is reasonable. This is the sort of Government intervention which creates victims. We cannot economically reward one group without punishing another group. What is lavished on wealthy farmers must first be taken from other citizens.

In a free market society, what gives one citizen the right to someone else's paycheck? In order for Government to control agriculture in our country, we insist on subsidizing wealthy farmers. By doing this, the poor—not only the poor farmers but the poor generally—are sacrificed again and again and again.

The moral and economic debate for Government control of agriculture either includes all sectors of agriculture or no sectors of agriculture because it simply would not be comprehensible from an intellectual basis to do otherwise.

Our farm programs are in need of fixing for several reasons: Our food prices can and ought to be lowered. We need not spend billions of dollars a year on agriculture in these times of tightening budget constraints, and I mean billions of dollars of taxpayers' money. And since a moral and economic argument for farm subsidies holds little water, program benefits should be targeted to the neediest farmers, period.

Mr. President, I am not alone in my belief that the distribution of agricultural payments is grossly disproportionate. When the National Public Policy Education Committee surveyed 12,000 American farmers—farmers, I repeat—it was found that 53 percent of these people agree that agricultural programs should give more benefits to needy farmers. This tells me that farmers, like other Americans, recognize that our limited resources need to be carefully distributed.

My perceptive colleague in the other body, DAN GLICKMAN, stated on the floor of the House of Representatives this past February that not only are the largest farms in the United States recipients of a disproportionate share of agricultural payments but also that our precious tax dollars must be targeted to only those farms which are in need of Government payments to remain viable. Remember, Mr. President, DAN GLICKMAN represents an agricultural State, the State of Kansas.

Congressman GLICKMAN received a letter from the USDA this past March concerning the targeting of agricultural payments. This letter to Mr. GLICKMAN referred to some astonishing statistics from a USDA reference entitled "Economic Indicators of the Farm Sector, National Finance Summary" dated 1988.

In 1988, there were 30,000 farms in the United States with gross sales in excess of a half million, $500,000. These 30,000 farms comprise less than 1.5 percent of all farms in the United States. Out of these 30,000 farms, 14,000 were recipients of direct agriculture/Government payments. This means that 14,000 out of 30,000 farms with gross sales in excess of a half million produced commodities which were covered by agricultural programs and chose to participate in them. These 14,000 farms received $1.2 billion in direct Government payments from the U.S. Department of Agriculture. Less than one-half of 1 percent of all U.S. farms received 8.4 percent of all agriculture payments made in 1988, $1.2 billion.

Mr. President, I am referring to a percentage of farms that is affected. We have a pie chart representing 100 percent. My amendment that is before this body affects that little, tiny piece of pie out of this full pie chart—one-half of 1 percent. This amendment will save the United States taxpayers $1.2 billion and affects 14,000 farms—14,000 farmers, one-half of 1 percent.

In effect, what we would be doing, Mr. President, is writing the U.S. taxpayer a check for $1.2 billion. This would come from one-half of 1 percent of the farms in the United States, let me mention, 14,000 farms, the wealthiest farmers in the United States; $1.2 billion paid to 14,000 farmers.

Now, Mr. President, this astounds me, as I am sure it astounds the American taxpayer, but incredibly it affects States in the following manner. There is only one State in the United States in which it affects more than 2 percent of the farmers. It affects in six States more than 1 percent of the farms. In all the rest of the States, that is 43 other States, it affects less than 1 percent of the farms.

What is more—and listen to this—the average net cash income of these farms is over $700,000 a year, net; not gross, net. Within the $500,000 and above gross sales class, the average gross sales income is $1,897,000, of which the average net income in dollars is $762,000 a year. The average direct payment made to farms in this sales class is $62,500. In 1988, the average family income in the United States was $38,608. This is the average family income. This is the average taxpayer payment to these farmer fat cats: $62,587.

And, Mr. President, we are talking about one-half of 1 percent, 14,000 farmers that gobble up $1.2 billion.

In other words, we the taxpayers, using our agent, the U.S. Department of Agriculture, paid millionaires a subsidy nearly twice as big as most hard-working families make in a year. The millionaire subsidy could be used to fund numerous priorities ignored over the past decade.

Mr. President, you know the multitude of projects you are interested in for scientific purposes. There are others of us interested in medical research for disease such as breast and uterine cancer, interstitial disease, multiple sclerosis, diseases that affect the women, and we are going to hear more about that in the debate in the days to come.

This money, this $1.2 billion, could be used for all kinds of worthwhile programs rather than to give a $1.2 billion subsidy to 14,000 fat-cat farmers.

One thing we have not mentioned, of course, is we could use it to do something about our deficit. We are fighting and scratching to come up with money to do a better job of balancing the budget than what we have done. The American public is hearing all kinds of "Read my lips; we are going to tax you now."

There is a debate going on here in Congress as to how much of it is going to be from taxes, and how much is going to be from spending cuts. Let us look at some spending cuts right here; a spending cut for 14,000 farmers which would save $1.2 billion.

It could be used on many other programs, Mr. President: Our schools, our underfunded health-care system. Our health-care delivery system is staggering. What has happened to rural health? Rural health, hospitals are closing here; they are closing there. They are not closing by sectors. They are closing all over this country.

According to OMB's fiscal year 1991 budget, requiring that farmers and farm corporations with gross annual sales in excess of $500,000 are ineligible for agriculture payments will result in savings of at least $1 billion a year. So we know it is at least $1 billion, probably more.

In his opening remarks regarding the 1990 farm legislation, the able chairman of our Agriculture Committee, Senator LEAHY, emphasized the paramount importance of passing that which is not a budget buster. Those were his words: budget buster. I could not agree with him more.

Since I have come to this floor, I listened to a statement from the senior Senator from South Dakota, and he said one of the things that we have to do is make sure that the wealthy farmers do not get more than their share. Well, I agree with that. I think he should look closely at my amendment, as I hope the rest of the Senators and their staffs do, because I could not agree with Senator LEAHY more, nor could I agree with the senior Senator from South Dakota more, that we have to make sure that the wealthy farmers do not get more than their share.

In a July 16 letter from Secretary of Agriculture Yeutter to Vice President QUAYLE, the Secretary cites the cost of this act as excessive, and recommends that President Bush veto it should the cost of the act not be reduced. That is the act now before this body. I have taken this warning to heart, and I am sure my colleagues have, too. Let us begin with the first vote on the farm bill by lopping off $1.2 billion worth.

Barring agricultural payments for the wealthiest one-half of 1 percent of farms will not affect the supply of our food. As I have already pointed out, farm programs are not supply management programs. They are income support programs.

Should this group of approximately 14,000 farmers whose crop production is controlled by the Federal Government be barred from programs and begin to operate their farms differently, we could indeed have maybe an abundance of the goods covered by the farm program. This is what I am sure would be good news for Americans.

We hear so much, and I have heard it already here. I am happy to be one of those who says we have a very good supply of food in this country, but never forget one reason we have a great supply of food in this country is this country has been endowed with great natural resources—the greatest farmland in the world, great resource projects that help water those lands. We have so much here of natural resources that we should be the breadbasket of the world.

Well, I know many Nevadans, and I think every State that is represented in this Senate, would love to pay lower prices for the food they feed their families. Growers of commodities not covered by farm programs certainly do not flood the market with their goods. Why would they plant with no program? Despite the abuses by our agriculture programs, this year's farm bill contains many beneficial and admirable provisions.

I believe that if you look at the information put out by the Democratic Policy Committee, which summarizes the farm bill, some of the strides the Agriculture Committee has made in this farm bill are significant. It breaks the circle of poison by prohibiting the overseas use of pesticides banned from U.S. farm use.

The subcommittee which I chair held hearings during this Congress to deal with a number of those substances which are unhealthy: Alar in apples, cherries, and grapes. We have a tremendously difficult time making sure that that is no longer put on our apples, cherries, and grapes. It is not, but of course one of the loopholes is that farm products that are carried in this country, imported into this country, you cannot have Alar on them. I would really congratulate and applaud the Agriculture Committee from stopping this type of thing.

We held hearings on the use of fungicides and pesticides on our food production. Of course, we are doing a pretty good job here. We have great strides to make in eliminating the amount of these products that can be used on our domestic farm products.

But what controls do we have on those farm products that come in from overseas? We were going to have a series of hearings. The Agriculture Committee has beaten us to the punch, and I am very happy they have done that. It will save the Environment and Public Works Committee a lot of time because this bill makes provision to break the little circle of poison, and that is the right way to phrase it because it really is a circle of poison. Of course, it establishes the first ever "naturally, organically" grown label.

Again, our subcommittee, when we were going through some of the problems of fungicides, pesticides, Alar, we had a number of hearings about organically grown food. I can remember clearly the Commissioner of Agriculture from the State of Texas came in and explained a very successful program that has been initiated in Texas with organically grown food. I am glad to see the Agriculture Committee has also recognized the importance of organically grown foods, and the "organically grown" label.

I believe that protecting the safety of our food is one of the greatest responsibilities we have in the Senate. That is why I commend and applaud Chairman LEAHY and those members of the committee for working with these two very important areas.

We also have to recognize that there are very important provisions in this act designed to protect our precious wetlands, forests, and pastures. If it were not for land grant colleges and

agricultural research, we would not be producing what we do today.

So even though I am here, Mr. President, to talk about one-half of 1 percent of the farmers in this country, the wealthiest farmers in this country, 14,000 farmers to get $1.2 billion, I am also here to applaud and commend the Agriculture Committee, which did many farsighted things in this bill. I think they have done some outstanding things. I have listed six provisions of the legislation that I think are outstanding.

But it does not take away from the fact that the mission this body has here today is to save $1.2 billion for farms with gross sales in excess of $500,000 a year.

Remember, net cash income, as a percent of gross cash income to these farmers, is 40 percent. For the average American farmer the ratio is between 2 and 4 percent.

Why are we worrying about protecting these farmer fat cats? What we should be worried about is the true family farmer, not these huge corporations who are trying to control agriculture policy in this country.

The average American farmer ratio of income, net income as a percent of gross cash income, is 2 to 4 percent. Our agricultural program should be targeted to the struggling, disadvantaged farmer, and to ensure that this happens, I am offering and have offered today an amendment which has been cosponsored by several of my colleagues: Senators RUDMAN, CHAFEE, BRYAN, BRADLEY, PELL, and KERRY.

This amendment to the Food, Agriculture, and Conservation Trade Act of 1990 is a step in the direction of responsible farm policy, a step in the right direction to save this country money. My amendment will add a vitally needed means test to our country's agricultural ARP's. Farmers and farm corporations with gross annual sales of agricultural commodities in excess of one-half million dollars will not be eligible for direct farm program payments except for disaster and conservation reserve program payments.

In the letter from Secretary Yeutter and Vice President QUAYLE, which I cited, it was suggested that payment eligibility be focused on smaller farms, in order to reduce agriculture expenditures. I think that Secretary Yeutter is on the right track, as far as this goes.

Mr. President, this amendment should be supported, without question, because it will save the taxpayers dollars. It will lower our food prices by limiting price supports to the top, the wealthiest, fat cat farmers and stop subsidizing the millionaires. Remember, what we have is a free market economy. We have the countries of Eastern Europe wanting to adopt our free market system. Let us not show them the chapter about farm programs, because they are going to say, maybe we did not read the chapter, maybe we better take another look at it, because in a free market economy such as ours, there should be no multibillion-dollar- taxpayer-provided subsidies to the wealthy. We have produced more than enough food to feed the American people and a large share of people outside the American continent. It is estimated that, in 1988 alone, the overpayment of agricultural benefits caused food prices to increase by $10 billion. I urge my colleagues to join me in my efforts to restrict agriculture payments to farmers who are not really in need of it. I hope, Mr. President, that my colleagues here in the Senate will join me in this effort.

Mr. President, I have had people visit my office, well-intentioned people, who said, "Senator REID, you are not really going to offer this, are you?" I said, "Yes, I am." I said that I am because it simply is unfair to treat 14,000 people in this manner. It is unfair to treat them in that manner because it directly affects the consuming American public.

We have been reading a lot about Donald Trump's problems lately. One of the problems is he spent too much money on the Taj Mahal. There are people saying that Atlantic City is saturated. Maybe what we should do in Atlantic City is help Donald Trump in some way. If we are really interested in helping the wealthy, we should start with him.

Mr. President, I have seen good times and bad times in the economy of my State of Nevada. The good times come for a lot of reasons. There is a lot of warm sunshine, and we have a good tax base. But we have had bad times also, and we have not asked for Government subsidies to bail out the resort industry.

We cannot, Mr. President, treat farmers any differently than we treat other people. I have heard on this floor a lot of talk about rural America. Well, I was born and raised in rural America, and I can remember my father, who was a hard rock miner in good times and bad times. Sometimes there were no places for him to work. But there were no Government subsidies to bail out the gold mining business. There was not much gold.

So I think we have to recognize what we are doing here and not lose sight of the facts. We have to say, here is this policy and that policy and remember what you are doing. The act started back in 1935, and we have people hungry on the farms.

Mr. President, we are talking about one-half of 1 percent, 14,000 farmers, who take from the American taxpayer $1.2 billion. Why can we not support something like this? I am not asking to revolutionize the farm programs. I am not here knitpicking about a program that may not be hitting on all eight cylinders. I am here talking about one-half of 1 percent of the farm programs.

Mr. President, I have been supportive of farm programs in the past, but I am telling you I cannot support this, and I do not see how anyone else can—14,000 farmers, a small percentage of the farms in each State, having mass wealth. The average income is $700,000 for each one of these. How can we not support a program like this? How can we not agree to chop this off? How can we not agree to save the American taxpayer $1.2 billion? Because we, in effect, by passing this, will be writing a check to the American public for over $1 billion.

I yield the floor, Mr. President.

Mr. PRYOR. Mr. President, I would like to take this opportunity to commend the very distinguished Senator from Vermont, the chairman of the Agriculture Committee. Senator PAT LEAHY, working very closely with Senator LUGAR of Indiana, I think has shaped and fashioned a farm bill over the last several months, Mr. President, that I think is a very solid bill.

I have never voted for a farm bill that I was proud to go home and brag about. I think this will not be an exception. These are hard bills to put together.

Chairman LEAHY, in my opinion, who basically has very little to gain for his home State and the products that they produce in the State of Vermont, as a direct result from this bill, has probably put more time and attention into dealing with the concerns that each of the producing-State Senators making up that committee, making up the geographic terrain of this country, than any chairman that I have ever had the opportunity to work with.

It was a dedication. It was a commitment. There was never any question of ours that Chairman LEAHY resented. He was always available for us to bring our particular problems to him and to his staff alike.

Senator LUGAR also has worked in a very, very cooperative and expert manner in trying to fashion a bipartisan approach to a very, very complex issue.

The first thing that I would like to say, having commended our chairman and ranking member, is I think that we need to get something in perspective. The agricultural bill that we have before us this afternoon is a very, very complex piece of legislation. Many people love to critize the American farmer. They especially love to criticize the programs that help and aid not only the American farmer but more importantly the American consumer.

Mr. President, once every 5 years after the Agriculture Committee has assembled and worked its way through

many, many of these complex programs we then produce, each 5 years, a bill of this nature to guide the farm policies, to guide the farm economy, to make our statements to world trading partners as to what will be our Government's response in these very, very difficult times in the field of agriculture.

We do this, I think, with one person very, very high, at the top of our thinking process. We are trying to protect the American consumer. We are trying to give the consumer quality food, safe food, we are trying to keep down food lines, we are trying in every way that we can to have the best food program in the world, and we have achieved it. We have achieved it in spite of many of the difficulties and many of the onslaughts and many of the problems that some of these programs actually bring about.

Mr. President, this particular bill, the Agriculture Act of 1990, truly is a product, I think, of good people working in goodwill to fashion a meaningful and a workable program not only for the farmer but equally important for the American consumer.

I think it should be noted also, Mr. President, that this piece of legislation, though covering every State in the United States of America, is a program and is a commitment of our American taxpayer for less than 1 percent, seven-tenths of 1 percent of our Federal budget. Less than seven-tenths of 1 percent of our Federal budget is represented, Mr. President, in this very large and heavy package. Income support for the farmer, philosophically, traditionally, historically has never been a support program to make the farmer rich or even in some cases to make the farmer whole or to pay back his cost of production. What we are doing here is to attempt to stabilize food prices in America. That is the purpose of agriculture subsidies.

Let me be the first to say this: From time to time during the long history of the agriculture programs in our country, adopted by this Congress, there have been a few farmers who have abused these programs. I might add that some of those farmers have gone to jail, or are in jail, or perhaps might be in jail. So the system has a way of basically taking care of those abusers. But there have been abuses.

There have been abuses in the housing program in New York City, in San Francisco, and in Chicago. But because we find abuses, and because we find a few racketeers or a few people who are not as sensitive to obeying the law as others, we do not stop building homes, we do not stop subsidizing houses. We try in our own way to find a way to fashion legislation to help the American farmer, to also help the American consumer.

Mr. President, there is no Senator in this body that I admire more than my friend from Nevada, Senator HARRY REID. I will never forget his maiden speech on this floor when he was seated right here. I happened to be the Presiding Officer of the Senate. He talked about the need for a taxpayer's bill of rights. I sent a note down to his desk and I said, "Senator REID, I don't know if you know who I am or not, but I want to join you in that effort." Since that day we have been colleagues and comrades in arms, not only on that issue but I hope when this bill is over we will be comrades in arms on this issue.

I would, however, Mr. President, like to take a moment or two to point out the flaws in Senator REID's amendment. I think I can treat those flaws very quickly and I can talk to our colleagues very succinctly about those flaws and, hopefully, if there is due time, and I know the Senator from North Dakota, the very distinguished member of our committee, will be responding shortly after I finish in a few moments. I know he would like to make some points in addition to mine.

First, Mr. President, a means test, a means test as Senator REID's proposal would bring about: Let me, if I might, read to you the wording in the Reid amendment that has just been presented to the Senate. He talks about, on the second page sixth, seventh, and eighth lines, average amount of gross sales, not net sales, of agriculture commodities by the person during the 5 previous crop years if it is in excess of $500,000.

Senator REID's amendment sounds wonderful. It sounds just great for a very few percent of those farmers out there who are producing food and fiber for this country and also for the world's population. I think it really has a wonderful feeling to this amendment or wonderful ring to it, that we are going to take all this money away from those greedy money grubbers and we are going to give it to hospitals, or we are going to give it to health care, or we are going to do something like that.

Mr. President, let me just say if the Reid amendment would pass—I want our colleagues to think about this—if it would pass, 40 percent of all of the agricultural production in America would be immediately disqualified for farm assistance payments, 40 percent. I am not talking about 40 percent of the farmers. I am talking about 40 percent of the acres. If you take 40 percent of the acres of agriculture of all production in our country out of the farm programs, those farmers are going to be free to do anything they want to because they have to make up the difference.

What are they going to do? In 40 percent over all the acres in this country we are going to see the farmers double and triple their production. When this happens we are going to see ourselves once again spiraling not upward but back downhill, falling rapidly into the same crisis we are attempting to pull ourselves out of at this time. We are going to see massive overproduction. We are going to see massive decreases at the same time in farm prices. And we are going to see, for those remaining farmers in the program, the way the loan rates, the deficiency payments and everything else is structured, we are going to see payments that will exceed any and all expectations.

The means test is not going to work. It will bring a dramatic decline into farming.

The second point, gross farm income, that is what my friend's amendment says. Senator REID's amendment talks about gross farm income. Mr. President, I know farmers in my State—and by the way there are 900 farmers in my State who would lose all agricultural support payments if the Reid amendment would be adopted. All right.

In the State of Arkansas, Mr. President, I know of several farmers who make $1 million, $2 million, $2½ million in sales, in sales in gross sales. They lose money in their farming operation. That is hard to believe. Because what is not being accounted for is the cost of land and the cost of equipment that must be replaced. That is not factored into these considerations.

Mr. President, I respectfully submit to this body that the Reid amendment, even the concept of a means test, is a concept which I truly believe is faulty and I truly believe would bring a massive decrease in farm income and ultimate rural chaos. We are talking about the closing of hospitals that Senator REID has talked about it. He has engaged himself and committed himself to health care and a better system of health care. I have had the opportunity and the privilege of working with Senator REID on some of the issues that we jointly feel should become policy and should become the practice of our health care system.

Mr. President, most of those hospitals that have closed in the last decade in the United States have been rural hospitals. Most of the businesses that have closed in the last decade have been rural businesses. We have seen a rapid deterioration, a decay, a decline, of rural activity and we see a stagnation today of rural America which, if this particular proposal would pass, I think would rapidly accelerate that period of decline and stagnation. I suggest that this is only going to get worse.

Finally, Mr. President, one additional point, my good friend and colleague Senator REID has talked about taking all of this money and fighting disease

with it. I think that is wonderful. I would like to take a lot of dollars that we spend around here and fight disease with it. And I would like to say, Mr. President, with all due respect to my friend Senator REID, that the whole patchwork and the whole landscape of American agriculture is, once again, of looking at what would ultimately assist the consumer—a lower food price, a quality product that we not only can sell here at a reasonable price but overseas at a fair price.

These are not the only subsidies that we have going around. For example, Mr. President, in the Senator's own State of Nevada, in the Far West in this country, there are some other subsidies. All of those people in Washington DC, and in Arkansas, we do some subsidy in your State, I say to my distinguished friend. We subsidize the water. We subsidize western water. Are we griping about it? Are we trying to say that any farmer or any citizen who gets $500,000 a year in gross sales, that they are not going to get any more water, or that we are not going to subsidize any more water?

We subsidize grazing lands in the West. We subsidize grazing land in the Senator's own State of Nevada. Are we trying to say that we are not going to subsidize any more of this land? No, we are not making that response to this very, very difficult question because this is a question of basically a common approach dealing with cotton, corn, soybeans, peanuts, rice, sunflower seeds, wool, and you name it, Mr. President.

We have attempted in this legislation to take into consideration each and every concern, after hours of testimony, after days and evenings of debate, after really contentious sessions of how we have disagreed in some areas and finally have come to agreement in the overall concept of what should be the policy for the next 5 years, not only for the American farmer, but equally as important, as I have said before, for the American consumer.

Mr. President, I truly hope that this amendment offered, by Senator REID is not agreed to.

On July 19, my friend, Senator COCHRAN from Mississippi, and myself, along with 14 other Members of this body, sent to our colleagues a "Dear Colleague" letter outlining the flaws of the Reid amendment—although good intentioned, Mr. President, I might add once again—submitted to this body by a very dear friend of mine.

Mr. President, I ask unanimous consent that the "Dear Colleague" letter sent by Senator COCHRAN and myself on July 19 to our colleagues be printed in the RECORD.

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

U.S. SENATE,
Washington, DC, July 19, 1990.

DEAR COLLEAGUE: You have undoubtedly received one or more letters during the last several days requesting support for further limiting farm program benefits in the form of "targeting", or a "means test." The adoption of either would be very detrimental to American agriculture.

Farm program opponents misuse farm cost and return data to characterize certain farmers as being among the nation's "largest and wealthiest . . . needing no program payments." It is interesting that gross revenues are always the measure used to determine "wealth" on a farm and the operator's need for program benefits. This is clearly an inappropriate and misleading yardstick since it measures revenues against only part of production costs. This excludes for example, fixed costs such as land, equipment and other capital replacement!

How can these important and substantial costs be excluded from a new return equation without distorting the conclusion? The only meaningful computation of net returns must take into account the full economic cost of production. Data from USDA show that, while most major crops have returns somewhat in excess of CASH expenses, they do not have returns sufficient to cover the full economic cost of production. These figures are U.S. averages for all farm sizes, but the same situation prevails for large farms as well as small ones as can be noted from the following excerpt from a June 28, 1990, letter from Deputy Assistant Secretary of Agriculture Daniel A. Sumner to Reps. Richard Armey and Charles Schumer:

"The percentage of farms in a vulnerable financial position (high debt-to-asset ratio and negative net income) is larger for farms with gross revenues above $1 million than it is for smaller farms. This suggests that the greater average net returns on the larger farms is associated with greater financial risk."

Don't be mislead by the net cash return figures that are being cited. Farmers have to pay for land and equipment if they expect to farm for more than a very short time. Unlike may business ventures, farming is very capital intensive, and requires a significant long term investment. In addition, large scale producers do not always realize an economy of scale.

As this issue is debated in the Senate remember also that supply and price stabilization is one of the more important objectives of farm programs. It is an objective intended not only to benefit farmers, but every American consumer of food and fiber. The desired stability can be achieved only by attracting a high percentage of agricultural production into program participation. This means that the larger farmers must be eligible for program benefits. Otherwise they have no incentive to comply with acreage reduction programs (ARPs) which are necessary to manage inventories and stabilize prices. Without program benefits, there would be a strong incentive for producers to put all of their productive acreage into production. This would impose even higher ARPs on the remaining program participants.

Over the life of the 1985 farm bill acreage reduction programs (ARPs) were as high as 25% for some crops. If a 25% ARP is needed under current program eligibility rules, a 50% ARP could be needed if program eligibility were denied to farmers accounting for half of crop output. This is too great a burden to place on program participants. The elimination of program benefits for certain farms could ultimately pose a great burden on remaining program participants. The implementation of a strict "means test" type program would cause surplus stocks to increase, prices to fall, and deficiency payments to increase significantly. As a result, farm income (for participants and nonparticipants combined) would fall, land values would drop, loan defaults would occur, and lending institutions would be adversely affected.

Workable farm programs that achieve the objective of supply and price stabilization and ensure an abundant supply of safe, reasonably priced food and fiber depend on a high level of program participation. This participation cannot be achieved by denying eligibility through a "means tests" or by making participation impractical by imposing further limits on benefits.

The Senate Agriculture Committee has worked very hard to report a bill which is beneficial to the American farmer, consumer, and conservationist. It contains essentially the same principles as the Food Security Act of 1985 which enabled a significant recovery for American agriculture. I urge you to defeat amendments that would destroy the effectiveness of farm legislation which has already proven to work well.

Sincerely,

David Pryor, Thad Cochran, John Breaux, Bennett Johnston, Bob Kerrey, Dennis DeConcini, Richard Shelby, Trent Lott, Wendell H. Ford, Wyche Fowler, David Boren, Howell Heflin, Bob Graham, Dale Bumpers, Jesse Helms, Slade Gorton, Pete Wilson.

Mr. PRYOR. Mr. President, I also ask unanimous consent that a table on water subsidies, a State-by-State analysis of those States that receive these water subsidies from the rest of us taxpayers, be printed in the RECORD.

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

WATER SUBSIDIES, A STATE BY STATE ANALYSIS

[In thousands of dollars]

	Amount of subsidy	Percent of total
Arizona	$5,503	1.03
California	329,182	61.62
Colorado	10,632	1.99
Idaho	25,165	4.71
Kansas	5,823	1.09
Montana	8,121	1.52
North Dakota	1,923	.36
Nebraska	24,791	4.64
New Mexico	4,648	.87
Oklahoma	53	.01
Oregon	7,052	1.32
South Dakota	3,633	.68
Utah	10,525	1.97
Washington	87,037	16.29
Wyoming	8,174	1.53
Wyoming-Nebraska	1,602	.30
Totals	534,300	100.00

COMBINED TOTAL SAVINGS FOR GRAZING ANIMALS ON GOVERNMENT LAND VERSUS PRIVATE LAND

(Includes BLM and USFS)

State	BLM	Forest Service	Total
Alabama		$16,791	$16,971
Arizona	$2,451,450	6,786,896	9,238,346
Arkansas		187,768	187,768
California	1,364,100	3,545,413	4,909,513

COMBINED TOTAL SAVINGS FOR GRAZING ANIMALS ON GOVERNMENT LAND VERSUS PRIVATE LAND—Continued

(Includes BLM and USFS)

State	BLM	Forest Service	Total
Colorado	2,572,000	12,487,289	15,059,289
Florida		142,196	142,196
Georgia		29,220	29,220
Idaho	6,486,450	9,867,960	16,354,410
Illinois		128,403	128,403
Kansas		239,359	239,359
Kentucky		1,662	1,662
Louisiana		146,220	146,220
Maryland		8,771	8,771
Minnesota		3,471	3,471
Mississippi		32,874	32,874
Missouri		209,082	209,082
Montana	8,300,375	3,695,943	11,996,318
Nebraska		1,591,823	1,591,823
Nevada	12,031,500	1,873,350	13,904,850
New Mexico	9,285,700	9,320,000	18,605,700
New York		50,033	50,033
North Dakota		2,495,970	2,495,970
Ohio		5,685	5,685
Oklahoma		343,657	343,657
Oregon	5,428,275	6,262,117	11,690,392
South Dakota		5,756,358	5,756,358
Texas		856,346	856,346
Utah	6,282,550	4,413,856	10,696,406
Vermont		1,542	1,542
Virginia		8,432	8,432
Washington		696,972	696,972
West Virginia		57,228	57,228
Wisconsin		285	285
Wyoming	9,000,200	8,117,946	17,118,146
Totals	63,202,600	79,380,828	142,583,428

Mr. PRYOR. Mr. President, I thank the Chair and I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, let me compliment my distinguished friend and colleague from Arkansas for his statement. He very correctly points out the inequities which could result if this amendment were adopted by the Senate.

Let me suggest right away that it has an appealing sound to it. Let us limit the payment of farm benefits to only the smaller farmers with a small level of gross receipts. But my first impression of the amendment is that it would be unfair because gross receipts do not necessarily translate into high profits. If you had a farm with high gross receipts, $1 million, for example; that does not necessarily mean that a producer will have any net income.

In the Southeast, Mr. President, farming is capital intensive and very risky. It requires a tremendous investment of energy, effort, and money in order to have a successful and profitable farming operation, particularly with cotton, soybeans, and rice and with aquaculture, catfish, as well. These types of farms require a great deal of investment.

Many of them are heavily indebted and have high interest payments to banks, the farm credit system, and others who are extending credit. A tremendous expense is incurred every year. So, to just presume, as this amendment does, that high receipts mean high profits is an erroneous basis for targeting benefits.

Let me say then what the facts are. Farm programs now account for only 0.8 percent of Federal outlays. The Congressional Budget Office estimates that the costs of these programs will fall as low as 0.6 percent in fiscal year 1991. Currently, under the law, program benefits are targeted. As a matter of fact, there is a $50,000 per person cumulative limitation on target price deficiency payments and a $200,000 per person limitation on marketing loan payments and other payments.

For a variety of reasons, farm program benefits are based upon production levels, not the financial condition of individual farms. For this reason, large farms tend to receive a disproportionate share of program benefits. For instance, the Department of Agriculture has indicated that in 1988 there were 30,000 farms, which is 1.4 percent of all farms, with gross sales of over $100,000. They accounted for 37 percent of the cash receipts from the sale of farm commodities and 8.4 percent of all direct Government payments. So, as a percentage of gross farm income, Government payments accounted for only 3 percent of these operations.

Government payments represented a much higher portion of gross income for farms with sales between $40,000 and $500,000. These program payments represented about 13 percent of gross income. So payments are already targeted toward the mid-sized farms.

The limitations on payments right now serve to manage the payments to large farms.

In conclusion, Mr. President, gross sales, is an inappropriate means of limiting payments, since a farm could have a very large gross sales but coupled with a very high cost of production, could result in a modest return or even a loss.

According to a study completed by the Department of Agriculture, debt to asset ratios tend to be larger for farms with higher gross revenues. The percentage of farms, therefore, in a vulnerable financial position is larger for farms with gross revenues above $1 million than it is for smaller farms.

If the current rules for targeting benefits were changed, Mr. President, to exclude larger farming operations from participating in Federal programs, this could result in extreme instability in the agriculture sector. In order to qualify for program benefits, farmers have to abide by the Department of Agriculture's regulations.

If, for example, we have a situation of oversupply where we are accumulating stocks and market prices are being depressed, the Department could require an increase in the amount of the set-aside required for program participants. The Acreage Reduction Program would be instituted in order to control production and to bring the supply nearer in line with the demand which exists so that prices can stabilize.

If a farmer is excluded from the program because he has gross receipts in excess of an arbitrary amount, he is not going to participate in the program and, at the same time, will not be governed by those rules of set-aside or acreage reduction. He will be on his own, to plant as much as he wants, to take advantage of the depression that exists in agriculture in other parts of the country. This may result in putting smaller farmers out of business. That is a prospect that is a result unintended which could come from an amendment of this kind.

I am from a rural State. Agriculture is very important, and is our major industry in Mississippi. Approximately 16 percent of Mississippi's farms which have gross sales over $100,000 would be ineligible for benefits if this amendment were passed. This would not only have a devastating effect on my State's farmers, but it would also have a devastating effect on the entire economy of our Nation's agriculture sector, Mr. President.

I urge the Senate to reject this amendment.

Mr. BAUCUS. Mr. President, I would like first to address the farm bill generally and make a brief statement on the pending amendment.

Mr. President, the 1990 farm bill as reported out of the Agriculture Committee is a disappointment.

The bill does have some strong points.

During the committee markup of the farm bill, my colleagues and I were able to include a number of valuable provisions.

These provisions include: an increase in the oats target price from $1.55 in 1991 to $1.85 by 1995; a change in the way the USDA will calculate barley deficiency payments that will increase producer income; a new program to encourage increased production of minor oilseeds including canola, rapeseed, safflower, and flax; a provision which will allow farmers to choose to increase or decrease ARP percentages and receive a corresponding increase or decrease in the target price level; a provision precluding the Secretary of Agriculture from using a whole herd dairy buyout program to control the supply of milk; authorization for continued strong trade promotion programs such as TEA and EEP; and a mandate to implement a marketing loan or an across-the-board EEP if the current round of GATT negotiations fail.

Mr. President, these improvements are necessary and are appreciated. But, it is rare that I can cite seven major provisions that I either sponsored or cosponsored and still oppose a bill. Unfortunately it is the case this time. Though this bill does move in

the right direction, it simply does not go far enough.

Mr. President, we must recognize that we are on the brink of a crisis in rural America. There are a number of warning signs that we are approaching a serious recession in the Farm Belt.

A recent study by the Congressional Budget Office concluded that farm income will decline by 21 percent over the next 5 years.

It went on to conclude that if the farm bill does not increase farm income over the current baseline, 500,000 farmers will be forced into bankruptcy in the next 5 years. That means that about one in every four farmers will be driven off the farm. An exodus that would dwarf the problems of the early 1980's. The basic problem is very simple. Target prices—the prices farmers receive for their crops—have been coming down and the costs of production have been going up. Farmers are caught in the squeeze.

For example, the wheat target price has declined from $4.38 to $4 in the past 5 years while production costs have increased more than 20 percent. Obviously, no farmer can survive those two adverse trends for long. To reverse these trends I believe this farm bill should have made real increases in target prices. Such increases are imperative so that we can continue to feed ourselves and much of the rest of the world. At the very least, the bill should have provided farmers with protection against inflation. That is why I pushed so hard in committee to index target prices to the CPI-U. My amendment failed in committee, and I, therefore, had to vote against reporting out the bill. I intend, however, to offer the same amendment on the floor.

My amendment will simply ensure that high levels of inflation will not erode farm income. It will provide a safety net for farmers against high inflationary costs of doing business. I urge my colleagues to support it.

I am also dissatisfied with the formula the bill contains to calculate barley deficiency payments. It is a step in the right direction, but it does not go far enough. The current system is grossly unfair. In calculating government payments, USDA assumes that farmers received far more for their commodity on the market than they could ever hope to get.

Either we should use the malting value of barley when calculating the target price for all barley and keep them combined when determining the market price for deficiency payment purposes; or we should separate feed barley from malting barley when determining the target price and when figuring the market price. This is the only formula that makes sense. Any formula short of this will continue to cheat feed barley producers out of high deficiency payments.

I believe that this bill should have provided relief to barley producers who are being forced to repay advance deficiency payments for the 1988 and 1989 crop years.

In conclusion, Mr. President, I have never been a doomsayer and I do not mean to be one today. The farm program has served this nation well over the last 50 years. The United States has consistently been the world's leading agricultural producer and exporter.

U.S. consumers have long benefited from the lowest food prices in the industrialized world.

Farm policy has worked and it will continue to work if we are willing to produce a fair farm bill. But if we are not, if we are more interested in pinching pennies than ensuring a reliable supply of high quality food, we will have serious problems. Farmers are the backbone of rural America. If the farm economy turns sour, we will see ghost towns throughout the Farm Belt and the American food supply will be severely threatened for the first time since the Great Depression.

Mr. President, I urge my colleagues to consider the implications of a failed farm policy and work to produce a fair and balanced farm bill. I hope we can produce a bill that gives the farmers of Montana and the rest of the Nation a fair shake.

Mr. President, I would like to say a few words on the pending amendment. I am frankly surprised that we are even considering this amendment. I am surprised because I know the author of it and I respect him highly. I have worked alongside the author many times on issues within the jurisdiction of the Environment and Public Works Committee. I have found him to be fair, solid and one of the most insightful persons in the U.S. Senate.

That is why I am so surprised that he has offered this amendment today. One of the problems with the amendment is that it focuses on gross receipts. Anyone who has run a business knows that the level of gross receipts often has very little to do with the profitability of the business. Some businesses require high margins, some businesses lower margins. So often a business with very high gross receipts has low profitability. This amendment, therefore, is flawed in its premise.

In addition, Mr. President, I might add that we already have a $50,000 payment limitation on most farm programs. This limitation is in place to protect against abuses. It has worked well in the past and I am sure it will protect against abuses in the future, as well. This makes no sense.

Finally Mr. President, the farm program is not a welfare program. It is a program designed to ensure a stable supply of food, and at the same time protect farm income. The amendment before us today attempts to turn the farm program into a welfare program. Such action is inappropriate and I reject it.

For these reasons, Mr. President, I strongly urge defeat of this amendment.

Mr. President, I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I want to first respond to the amendment of our colleague from Nevada. I, too, hold our colleague from Nevada in high regard. He is, I think, one of the most effective legislators among us. But in this area, I must say I think he has made an error in logic. His argument is really fatally flawed because, on the one hand, while he repeatedly points out that it only relates to one-half of 1 percent of farmers, he does not point out that that one-half of 1 percent of our farm producers provide 38 percent of our agricultural production.

Mr. President, I simply direct the attention of my colleagues and the Chair to this chart that shows the distribution of farm sales. The last two bars related to the amendment of the Senator from Nevada. In these two categories, we have the farmers who produce over $500,000 of gross sales. As my colleagues can see, they produce 28 percent of our agricultural produciton.

What happens if the amendment of the Senator from Nevada is agreed to? Very simply what would happen, Mr. President, is that those small number of farmers who have a very large part of the overall production would dramatically increase their production in order to make up for the lost income. What would that do? It does not take anyone with a great mathematical background to understand if they increase their production, prices will go down and the result will be that subsidy payments to the other 99.5 percent of the farmers in America will go up.

This will not save the taxpayers money, Mr. President. In fact, the estimate that the Senator from Nevada has given is, I think, perhaps from an early USDA estimate which said that if you had this kind of limitation, you would save over a billion dollars. But you know what? USDA finally figured out what I have just pointed out; that if you, in fact, eliminate that one-half percent from the farm program who produce 38 percent of our agricultural production, they are just going to increase their production, collapse price, increase subsidies for everyone else.

As a result, USDA says the actual savings from this measure, if enacted in 1992, will be $150 million, not $1.2 billion.

No. 2, what would farmers do who are in this category who are targeted by the amendment of the Senator

from Nevada? Very simply, they would break up their operations so they would not lose their farm program benefits. They would break up their operations so that they would still qualify and, in fact, many of us believe you would find no savings at all.

So, Mr. President, while I believe this amendment is well intentioned, I do not believe for one moment that it would accomplish what the Senator from Nevada seeks to accomplish.

Mr. President, let me turn my attention to the overall farm bill.

I would first like to extend my congratulations and my thanks to the chairman of the Agriculture Committee, Mr. LEAHY, my fellow committee members and their dedicated staffs. The bill before us today represents literally months of hard work and difficult negotiation.

At the outset, I want to say that this legislation, as it stands today, does not achieve everything I wanted to accomplish in a 5-year farm bill. It is, however, an improvement over current law, and given the strong differences of opinion in the Agriculture Committee over the commodity provisions, the very heart of this legislation, this bill represents a remarkable compromise.

Again, I want to congratulate Chairman LEAHY and his staff for their excellent leadership.

As we begin our work on this bill, I would like to take a moment to briefly put the debate into a broader perspective. During recent months, we have heard a lot of heated rhetoric about farm policy. We have heard a lot of attacks. We have even heard some hostility directed toward the farm program, and we have also heard an enormous amount of misinformation.

One of the most frequent myths that we have heard is that the farm bill is anticonsumer, that it drives consumer prices up. I think we heard something of that from the Senator from Nevada. He said we ought to have lower prices. Mr. President, I think those who make that argument are simply misled, perhaps misinformed, because exactly the reverse is true. The food stockpiles that we build through our farm programs keep prices reasonable. In fact, Americans pay a lower percentage of their consumer dollar for food than any other people in the world.

I direct the attention of my colleagues to this chart that shows consumer spending on food in the developed countries of the world. This relates to those countries that have a gross national product something close to ours. My colleagues can see that at the very bottom is the United States. In fact, if we had a chart that showed every country in the world, we would find the United States enjoying the lowest food costs of any nation in the world.

In many African countries, people spend more than half of what they earn for food. Even with countries with a standard of living comparable to ours, such as West Germany, Japan, Sweden, Switzerland, people spend 16, 18, to 20 percent of their consumer dollar on food. In America, we spend just over 10 percent.

Even if we add the cost of the farm bill, Americans still spend a lower percentage of their consumer dollar on food, 10.7 percent, to be exact, than do the people of any other nation.

Mr. President, let me repeat that. Even when you add the cost of the Federal Farm Program, consumers in America pay the lowest consumer price for food of any nation in the world—in fact, of any nation in world history. In short, we enjoy the widest variety of wholesome food available anywhere at the lowest consumer cost in the world.

Why? Because for decades this country has pursued a deliberate and sensible policy of managing the country's food supply through a Federal Farm Program. We do not have to imagine what life would be like without a responsible Federal Farm Program. We need only look to the East. Look to the Soviet Union where people will wait in line for hours on the off chance that they might be able to buy a beat up piece of what might be beef. Look at East Germany. What did the first crowds pouring through the Berlin Wall want to buy? Oranges, fresh oranges. Look at Poland, where food riots broke out when the Government announced huge price increases.

(Mr. ROBB assumed the chair.)

Mr. CONRAD. Mr. President, look at Africa, where children die every day of famine brought on by terrible drought.

We had a terrible drought just 2 years ago. It wiped out nearly one-half of the entire harvest nationwide. Yet there was no famine in America, no riots, no panic buying, no food shortages, and no skyrocketing prices. We do not know what it is like to pay $1 for a loaf of bread on Monday and $2 for that same loaf on Tuesday. We do not have to wait in endless lines to buy most basic necessities of life, even in the middle of the worst drought in 50 years.

Mr. President, I can remember so well being in the Soviet Union and seeing people standing in lines around a block waiting to buy a piece of meat; waiting in lines around a block because there was a rumor that there might be some fruit available in a store.

I can remember so well being at a dinner engagement in which we were served a white, fishy-looking substance. I turned to my wife and said, "What do you think that is?" She said to me, "Why don't you try it?" So I took a bite, and it was pure lard—pure lard being served in the Soviet Union.

Mr. President, I think many times we do not know how good we have it, and yet we are now presented with an amendment, and other amendments, I am sure, to follow, that threaten what has been an American success story.

Mr. President, I told this story yesterday. I want to repeat it today. Just weeks ago we had a visitor in my home town of Bismarck, ND, from the Soviet Union. That person went to visit a grocery store in Bismarck. After he had walked up and down three aisles in that grocery store, he had to leave the store. He was so overcome by emotion at what he had seen that is available to the typical American consumer that he could not handle emotionally what he had seen.

Mr. President, it is unparalleled in the world what is available to the American consumer. It is unparalleled in the world the stability of our food supply. And we act at our peril when we talk about making radical changes.

Stable supplies of food at reasonable prices are absolutely essential to our political and economic security. That is why we have a farm bill. That is why Congress has approved new farm legislation every few years for more than half a century. Our farm programs work. One look at the shelves of any grocery store in our country proves it.

Yet somehow the national importance of the farm program gets lost in the rhetoric. Somehow the farm bill is portrayed as some sort of elaborate scheme to keep farmers in business. That is like saying we build powerplants so the guy who runs the generator can have a good job.

Of course, the farm program benefits farmers, but it also benefits consumers, wage earners, manufacturers, shippers, the American economy as a whole, and the people of a hungry world. The farm program means affordable prices for American consumers. It means food security and stable prices. It means processing and manufacturing jobs right here at home instead of in Japan. It means a healthy domestic industry, one of the few to create trade surpluses for the United States year after year. It means food stockpiles to help ease famine and malnutrition around the world. It means that 2 percent of our people who live and work on family farms can earn a decent living while they feed the Nation and the world.

I hope that as we debate the complex and often arcane details of this legislation, we will not lose sight of these larger issues.

There are a few other myths and misperceptions that have arisen in the farm bill that I think require a response. We have all seen newspaper articles that ask why should the Government support farmers but not plumbers or shoe store owners? That

is a fair question, a legitimate question. It is a good question.

The answer is simply this: Agriculture is not just another industry. No one has ever died because their faucet is leaking. No government has ever been overthrown because too many shoe stores went out of business. But many governments have toppled when the grocery shelves are bare, and people die every day because they have no bread. Famine is common in human history.

You cannot control drought, flood, hurricanes, hail, or any of the acts of God which can destroy a crop. But we have known since Joseph told Pharoah of his dreams that a wise government builds food surpluses. In fact, farm programs and food security have been the hallmark of advanced governments for centuries, from the ancient Egyptians and the Incas and the Romans, to the United States, Japan, Europe, and China today.

Few Americans realize that world agricultural production has been outpaced by consumption for the past 3 years.

Let me repeat that fact. Few people in this country understand and appreciate that for the last 3 years global consumption of food has exceeded production. We are consuming more than we are producing. Most Americans are not aware of this because the United States and other food-producing nations carry food reserves for just such occasions.

How many of us would be willing to depend on private corporations to store adequate food reserves? How many would trust the free market to pursue a food policy that deliberately keeps food prices reasonable so that even the poorest among us can afford food? That is the role of Government. When I hear people say, who have not been engaged in the considerations of this farm bill, that we are out here in a free market in world agriculture, humbug. There is not a free market in world agriculture. Our friends in Europe subsidize prices at three times world market rates for commodity after commodity after commodity. If the United States wants to retreat from the world agricultural trade war, we will lose that fight. What has been an American success story will be threatened.

Mr. President, it is very easy to come to this floor and score a few debating points.

But people need to think very carefully about what we are discussing. Food security in this country costs each American about 14 cents a day. That includes 2 cents a day for research on nutrition, food safety, new varieties of disease- and pest-resistant plants, environmentally neutral methods of production in biological control techniques for plant diseases and pests. Mr. President, 14 cents a day is not too much to ask to have a stable and secure source of food for our country and others in the world.

Another myth I would like to puncture is the idea that most farm program benefits go to wealthy farmers. We have heard that on the floor. We have seen it in the newspaper headlines. I would invite any of my colleagues to travel with me to North Dakota and meet these so-called wealthy farmers. I urge my colleagues to come with me on a tour of my State and talk about wealthy farmers.

Mr. President, my State, the most agricultural in this Nation, led the Nation in personal income decline last year. For the last 3 years we have led the Nation in outmigration. Where is all of this wealth flowing that we have heard so much talk about?

The most recent update from USDA's Economic Research Service indicates that farms with $50,000 or more in the net cash returns account for 20 percent of those receiving payments, 51 percent of sales, and about 60 percent of all direct payments received; $50,000 may sound like a lot of money. But net cash income does not translate into profit. Net cash returns do not account for personal labor, depreciation, and other fixed expenses. It also does not account for returns to management and investment.

Typically, net farm income is less than 50 percent of net cash returns, meaning that these so-called wealthiest farmers are those with net incomes of less than $25,000 a year. I can report to my colleagues in my State there are very few with net incomes of $25,000.

I wish I could take my colleagues today to farms that are grossing $500,000 a year that are on the brink of bankruptcy today, on the brink—$500,000 in gross sales and they have $525,000 of expenses, and we are talking about putting them out of business here today on the floor of the Senate.

Let me just say the $25,000 a year may be a decent living, but it certainly is not wealthy by the standards of almost any other industry. Farming is an extraordinarily risky occupation, one that requires enormous capital investment and experiences huge operating costs. How many small businessmen who clear $25,000 a year need to buy and maintain a $100,000 combine? How many can have their industry destroyed by a 15-minute hailstorm? Few jobs pay this little while calling for the management skills, the hard work, and the high financial risk of farming.

The need for a strong farm bill is clear. The outlook for farm income in the 1990's is sobering. A study by the nonpartisan Congressional Budget Office indicates that under a simple extension of the 1985 farm bill, if we just took the 1985 farm bill and extended it, net cash income would decline by 29 percent by 1995, and net farm income by 21 percent.

Mr. President, American agriculture is just recovering from the worst farm recession since the 1930's. Net farm income during the decade of the 1980's fell to the lowest level in real dollars since recordkeeping began in 1910, lower than during the Great Depression of the 1930's.

Mr. President, we have heard a lot of talk about record farm income. What they forgot about is inflation. Unfortunately, farmers cannot forget about inflation. Farmers are faced with inflation in everything they buy. Mr. President, just to make the point, I want to show this chart that shows declining net farm income, the U.S. average for the decade, expressed in 1982 dollars, so we are comparing apples to apples, oranges to oranges. This chart shows, Mr. President, that the decade of the 1980's was the lowest 10-year period for farm income since they started keeping records in the 1910's.

That is the backdrop upon which we write the 1990 farm bill. The farm depression pushed down the value of farm assets by $500 billion between 1981 and 1987; nearly 50 percent.

Mr. President, we have heard great consternation in the land about a loss to our economy of some $500 billion in the S&L crisis. And well that we should; $500 billion is a staggering sum. We not only lost $500 billion in the S&L disaster; we lost $500 billion of farm assets in the period 1981 to 1987. I have not heard much talk about it in the news media. I have not read much about it in the newspaper columns. But in 1981, we had farm assets of almost $1.1 trillion, and by 1987, the bottom had fallen out; we had lost over $500 billion in value down to $600 billion.

The farm depression also reduced net investment to agricultural plant and equipment into negative numbers throughout the 1980's as farmers were forced to live off of their balance sheets. Mr. President, this chart shows very clearly net farm capital investment, average per year, again expressed in 1982 dollars for consistency, 1970 through 1974, $3 billion net capital investment; 1975–79, nearly $4 billion net capital investment. But look at what happened in the period from 1980–84; a hemorrhage, a loss of $4.6 billion; 1985–90, another hemorrhage, $4.5 billion as these so-called wealthy farmers lived off their balance sheets.

Mr. President, I realize that budget constraints will limit our ability to address some of the needs of the farm program, but I believe the bill, as it stands before us, represents the absolute minimum budget commitment. Our traditional share of the Federal budget is 2.2 percent. In this submission we are at seven-tenths of 1 per-

cent, one-third of our traditional share of Federal spending.

Mr. President, we cannot discuss the farm bill merely in terms of domestic policy. The implications for international trade and global competitiveness are enormous. United States food processors and farmers face an aggressive trade war and rigid trade barriers from our competitors in Europe, Japan, and other nations. While the European Economic Community has been carefully protecting its producers in aggressively going after world markets, we have sharply reduced support for agriculture, down 25 percent in real terms since 1981.

Let me give my colleagues just a few examples. The Europeans subsidize the sunflower to the tune of 28 cents per pound. We do not currently support our sunflowers at all. They support soybeans at $15 per bushel, compared to $4.50 here. They support wheat at $5.60 a bushel, compared to $4 here; and corn at $5.20 a bushel, compared to $2.75 here.

Moreover, the European Economic Community spends about $10 billion a year to dump surplused subsidized grain on world markets.

Our farmers are efficient and productive, but they cannot hope to compete against those overwhelming subsidies. Do not think for a minute that the Europeans are subsidizing farmers for the farmers' sake. The EEC's supports are designed to capture markets, to provide millions of jobs in food processing, and they have succeeded.

In just 15 years, the European Community has gone from being one of the largest importers of foods to being one of the largest exporters. Meanwhile, our food industry is shrinking. Twenty million Americans worked in the food industry in 1975. Today there are 18 million. We have lost jobs because we have lost agricultural production. We are also losing export markets. Today our trade surplus in food products stands at $16 to $18 billion, down from $26 billion in 1980.

If we fail to provide adequate support levels for agriculture, we will be throwing down our weapons in this trade war and inviting the Europeans, Canadians, Australians, and all of our other competitors to walk in and take over these markets. Is that what we want?

Of course, I believe American agriculture would do very well in a truly free global market, but that market does not exist. If we continue to reduce argiculture supports, while our competitors continue their aggressive trade policies, we will lose.

Let me discuss for a moment some of the specific provisions of the bill before us. As I said earlier, this farm program does not do as much for farmers as I would like. We fought to raise target prices and loan rates to partially insulate agriculture from inflation, but the majority of the committee disagreed. I will not hesitate to propose raising target prices again.

This compromise bill does, however, stop the sharp decline in target prices. It offers our producers more opportunities and more flexibility to make intelligent business decisions than the rigid provisions of the 1985 farm bill did.

This bill provides much greater income protection for producers of oilseeds. For the first time, the farm program will provide an underlying level of income protection for producers of oilseeds. This provision is critical if the United States is to be successful in competing for market share in one of the fastest growing food markets in the world.

U.S. producers have also lost oats production and market share even as the demand for oats has risen in the United States. Under the 1985 bill, we have become major importers of oats. This legislation raises the support level for oats in 10 cent annual increments until $1.85 is reached in 1994. This is a plus for our farmers and our trade balance.

The legislation corrects an inequity in the calculation of the barley deficiency payments. It limits the impact of unusually high malting barley prices on the calculation determining feed barley deficiency payments. Under this legislation, the Secretary may not include malt barley prices in excess of $0.22 above the feed barley price for determining the national average price of barley.

This will cushion against a repeat of 1988 and 1989 inequities, when malt barley prices averaged $1 or more above feed barley prices because of the drought, raising the average barley rice and virtually eliminating the deficiency payment for feed barley. Feed barley producers who received low market prices were denied deficiency payments because of the high price of malt barley.

Farmers are not only given more flexibility in what they can plant, they are given the opportunity to design their own farm program by selecting levels of set-asides which fit their farms. Under the Targeted Option Payment Program [TOPP], farmers may increase their set-asides—up to 15 percent for wheat producers and 10 percent for feedgrains producers—and receive an increase in their deficiency payments of 0.5 to 1.0 percent for each percentage increase in set-asides. Farmers who wish to lower their set-asides can do so by accepting a lower support level. This flexibility helps all farmers and is supported by North Dakota farmers.

This bill also makes some progress in modifying the conservation provisions known as swampbuster to make them fairer to farmers. In spite of the improvements, I strongly feel that the changes did not go far enough and I voted against the conservation title of this farm bill. I continue to believe the swampbuster provisions are unreasonable and unfair, and that the penalties are far too severe.

However, there have been some improvements. Producers can now work with the Soil Conservation Service to determine whether draining nuisance spots will have a "minimal effect on wetland values" and whether or not mitigation will be required to offset the loss of minimal wetland values. In addition, first time violators of the swampbuster rules are subject to less draconian penalties than in current law. This is progress over the 1985 bill.

This bill also establishes a nonprofit corporation, the Alternative Agricultural Research and Commercialization Corporation [AARCC], to promote new uses for agricultural commodities like soybean oil ink, biodegradable plastics, and red dye from sunflower hulls. AARCC will provide research grants for the development of new industrial uses for agricultural commodities, and business financing and technical assistance for the commercialization of these products.

Senator HARKIN and I have worked on this legislation for 3 years. AARCC is designed to bring some of the amazing technological discoveries our agricultural researchers have made, and will continue to make, to the marketplace.

The renewable resources of American agriculture represent some of the brightest hopes we have for solving pressing environmental problems. We can replace products made with precious, nonrenewable fossil fuels with the renewable resources of American crops. We can diversify our rural economy with new jobs and new industry. We can open up new markets at home and overseas. That is what AARCC is aimed at, and that is what gave this bill such strong bipartisan support in the Committee on Agriculture. I want to thank Senator BOND, in particular, for his strong advocacy on this issue.

This farm bill contains many provisions from legislation I introduced, S. 2634, to extend and improve Farmers Home Administration's [FmHA] programs. My legislation was developed from testimony I received from seven hearings I held on the agency since early 1989.

It includes a program to return FmHA to its proper role of providing supervised credit to beginning farmers, and financially troubled farmers. The agency has strayed from that role. It is necessary for FmHA to again increase its supervision in order to meet its mission: Providing short-term credit and assistance to beginning and financially troubled borrowers, enabling them to build the skills and

equity they need to build a successful farming operation.

The administration had expressed its intent to reduce reliance on FmHA by implementing mandatory borrower graduation and a sharp reduction in direct lending. The compromise bill does not take this course.

This bill provides a systematic program of borrower training in financial and farm management, increased training of FmHA employees and county committees, and more frequent review of borrowers' financial status to discover and resolve problems early. FmHA is required to plan for a borrower's graduation from FmHA credit programs from the day the borrower receives his first loan.

These provisions should insure that FmHA makes good loans and properly oversees those loans. It also insures that borrowers receive the assistance they need to graduate to private credit.

Further, the bill gives beginning farmers preference in purchasing of FmHA inventory property. It also corrects problems which arose from the implementation of the Agricultural Credit Act of 1987, and clarifies congressional intent. I believe this bill contains reasonable solutions which will prevent abuses to the act, while still serving legitimate borrowers. While I am not entirely satisfied with these provisions, I appreciate the effort that members of the committee have made to reach this compromise.

I am deeply concerned about FmHA direct loan funding. This bill shifts funds from the Direct Loan Program to the Guaranteed Loan Program. Interest rate reduction assistance is required on the funds shifted to guarantees. FmHA is encouraged to subsidize interest rates on guarantee loans by up to 4 percent. This change, along with FmHA's commitment to increase lenders' and borrowers' use of the program, should increase the number of borrowers who qualify for private credit with FmHA guarantees.

The shift in funding from FmHA's direct to guaranteed lending mandated by the committee is a very large cut in the Direct Loan Program. It is my understanding that this shift is intended by the committee to be taken from appropriations levels based on the Congressional Budget Office's January 1990 baseline. The use of interest rate reduction assistance on such loans will enable some farmers to qualify for guaranteed loans.

However, interest assistance alone has not, in the past, helped all farmers make the transition to guaranteed loans, as the General Accounting Office and other organizations have testified. Such a sizable shift from direct to guaranteed loans, according to the experts, cannot be accomplished without denying credit to some farmers. Already, FmHA direct loan funding has been slashed by two-thirds—from $4.9 billion in fiscal year 1985 to $1.6 billion in fiscal year 1990. Further cuts, beyond those contemplated here, would undermine the basic mission of the program.

Farmers face extremely high real interest rates today. In many areas of the country, farmers have experienced several years of natural disasters, including droughts followed by floods. Tens of thousands of farmers depend on FmHA moderate interest rates to get them through difficult times. Young farmers depend on FmHA to help them start farming. There will continue to be a strong demand for FmHA direct loans. It is my hope that adequate funds will be made available to meet this demand.

Let me repeat that I do not think this bill is enough, but it is the most we can do in the current budget situation. It does not accomplish all that I believe is needed: It falls short of the bill that I introduced with Senators KERREY, EXON, HARKIN, and DASCHLE.

However, given the severe budget pressure, in my judgment it was more important to move quickly with the best possible package. In particular, the bill is a significant improvement over current law and the version of the 1990 farm bill passed by the House Committee on Agriculture.

I also believe that the AARRC Program to commercialize new industrial products from agricultural commodities will have positive long-term benefits for agriculture. Finally, passage of this bill should help us achieve more favorable trade terms for American agriculture and food processing businesses.

In closing, allow me to remind my colleagues that the farm bill is important to every citizen of this Nation. It is very easy for my urban colleagues to attack the farm program. It is easy for them to tell their constituents that agriculture spending is wasteful or wrong-headed. But they should know better. They should know that if they gut the farm program, they will have to tell their constituents why food prices are rising, why we are losing American export markets, and American jobs, to foreign countries.

I urge my colleagues to resist the easy rhetoric. I urge them to do what responsible governments have done for thousands of years: Enact a careful sensible farm program to protect our country's food security and international trade position for the next 5 years.

The PRESIDING OFFICER. The Senator from Missouri [Mr. BOND].

Mr. BOND. Mr. President, when any bill with some length and complexity comes to this body from a committee of original jurisdiction, it is clear that there are many questions that colleagues need to ask. And the members of the committee ought to be willing and able to explain why the various provisions are in the measure and what has brought about the need for the measure.

Frankly, with respect to the farm bill, it is something that affects all of us. We have to have the food every day; almost all of us have some form of agriculture; most of us have a diversity of agriculture in our States. Despite all of the uncertainties, we know from childhood that which farmers face—drought, flood, pestilence, interest rates—probably the greatest complexity that farmers face and the most difficult, is in understanding and working through the Federal Farm Program. I believe that in this instance, as in many others, there are basic misunderstandings about the nature of the Federal Farm Program and what we are trying to do here today.

Personally, I feel that the amendment before us is based on a misunderstanding of what it is the farm bill is doing and what it proposes to do. I believe that those problems and the shortcomings in the amendment have been addressed by my colleague, the Senator from North Dakota, and before him, the Senator from Montana, and the Senator from Mississippi. They have laid out some of the basic reasons for the farm bill which are inconsistent with the amendment that has been introduced.

Today we have before us what I think is basically a good bill. I want to commend our chairman, Senator LEAHY, and our ranking member, Senator LUGAR, for their great leadership in bringing this bill to this point. Together the two men have been able to bridge some very wide gulfs.

It has not been an easy task. It took many hours in committee and in backroom sessions, in prayer meetings, and extended discussions, where we came together to produce a bill that we could bring to the floor. It is a special day, and it is one which we have looked forward to. Some of us wondered whether we would reach this point.

As we bring this forward, we have to answer some questions that are popular in many circles. Why is a farm bill necessary? Well, agriculture is crucial to the U.S. economy. From farm to retail, it is America's largest industry. Food and fiber accounts for more than $800 billion in assets. Agriculture exports are one of the few bright spots in U.S. trade. Every dollar in these export earnings generates another $1.50 in downstream economic activity.

What is more, when our competitors rely on import restriction subsidies and unfair trade practices to protect their domestic markets, we have to take action in response to protect our farmers. Even as farm numbers decline, as they have in recent years, re-

ceipt productivity increased. One farmer now provides enough to feed 113 people. The Federal Government has come to be involved in agriculture since the 1930's. The goal remains the same, to balance the needs of farmers with the public's expectations of a safe, abundant food supply at reasonable prices.

The health of the general economy, of course, is vital to U.S. agriculture, and the health of our agricultural sector is vital to our economy. As we debate the farm bill, it is important that we have sound fiscal and monetary policies to assure rural America of affordable credit, employment opportunities, and continued strong demand for agriculture products.

High inflation and high interest rates remain a major concern for the agricultural economy. Failure to reduce the Federal budget deficit will stifle that fragile recovery now underway in agriculture. That is why, even though we present on the floor today spending under the guidelines, operating guidelines of the CBO, OMB baselines, we know full well, if there is—and we hope there will be—a summit agreement reached, which will bring down that deficit to lower interest rates and to keep our economy sound.

There will undoubtedly be some additional costs imposed and some additional reductions made to the farm programs. We understand that because agriculture will benefit from the lowered interest rates and the sound economy. We also realize that agriculture has a very important role in the world market and that is why the GATT agreements are so important.

I believe that we who are concerned about agriculture and all of us who follow agriculture or depend upon it should be thankful for the leadership role that President Bush played at the Houston summit in bringing foward the need for the developed countries to take the lead in getting rid of unfair trade subsidies and agricultural surpluses.

The European Community is currently spending about $97.5 billion on agriculture. That is the price of the subsidies, of the dumping subsidies, of the production subsidies. You get $16 to $18 for a bushel of soybeans in tne European Community. In our country people would be growing soybeans in window boxes if they got those prices. No wonder they have surpluses to dump in the world market. When they dump those surpluses they take sales away from American farmers. Yes, we do have a long-term goal to get back to that free market. We have a long way to go to get there and until we do we cannot leave the American farmer without protection.

That protection is the thing that drives the cost of the commodity programs. We have seen that CBO baseline estimates outlays for this year at about $7 billion. Much of that is needed to counter the subsidies of our competitors. But let us recognize that those figures are down 71 percent since the 1986 high of $25.8 billion, and at a 25 percent reduction even from the actual 1988 spending. Agriculture has been hit hard by sequesters in 1987 and 1989. A total of $4.1 billion in savings was generated.

Now we have heard, and probably will hear, some very moving statements and speeches about how we ought to increase target prices for agriculture, increase the levels of marketing loans. Unfortunately when we talk about those grand and glorious goals we overlook the fact that we have to operate within budget constraints even before the summit agreement. We should not be promising what we cannot produce.

We have worked long and hard with the administration, with the staffs of both the minority and majority to come out with the best deal possible we could put together for agriculture. We feel that freezing target prices is the best that can be achieved without busting the budget, which no one is going to accept in this time of tight constraints.

The good news is that target prices and Government payments are not the only solution, however, for putting revenue in farmers' pockets. We are moving toward a market economy where farmers can get their returns from the marketplace. We are on the right track.

The Food Security Act of 1985 has been a success. It has moved us in the direction of more market orientation. It has reduced the financial stress within the agricultural sector. It has restored our international competitiveness. It has reduced commodity surpluses. It has improved the food stamp program. It has added new conservation benefits and decreased soil erosion significantly.

Under the 1985 farm bill we see land values once again beginning to increase. Total gross cash income less cash expenses from farming has increased to $47 billion from $27 billion in 1985 to a projected $49 billion in 1989. Net farm income is rising from $32 billion in 1985 to a projected $49 billion in 1989. Deflated in 1982 dollars it is still a 30 percent increase. Debt to asset ratios have fallen. Export values increased commodity reserves have been reduced. We have implemented a conservation program. Conservation compliance plans on 140 billion acres will reduce erosion by more than 1.4 billion tons annually of soil.

I believe the committee bill builds on this sound foundation. The key elements of the compromise that we passed provides first for flexibility. As we have talked about the farm programs with farmers in my State, we find a greater need for flexibility. Farmers want to be able to plant for the market rather than for the farm program. Under this bill that has been reported out of the committee, producers can plant other program crops, oilseeds, and experimental and industrial use crops on up to 25 percent of their crop acreage base.

There is the targeted option program which would increase or decrease the acreage reduction set aside in exchange for an increase or reduction in target price. Producers can plant oilseed or experimental crops on up to one-half of required set aside. Zero certification allows producers to forgo planting any acres on which they have a base, protect their historic crop acreage base, and have freedom to plant another crop which would not be eligible for the Federal target prices or marketing loans.

A very important element in this bill is to provide a marketing loan for oilseeds. This is critical for oilseed programs.

The United States has been squeezed out of the world market for soybean oil and Sunflowers and other oilseeds. Since 1979 our share of the world's soybean market has fallen from 84 percent to 64 percent. U.S. production has fallen by more than 9 million acres since 1979 while foreign production has increased 68 percent over the same period. Brazil and Argentina have increased production by 116 percent. If that trend were to continue, by 1999 Brazil and Argentina will plant more acres to soybeans than the United States.

The committee's marketing loan program will ensure that the United States can compete against the subsidies of the European Community and improve the current gap between the program crops. That and the flexibility provided in this program are going to enable soybean and other oilseed producers to recapture the American share of that very important market. While CBO estimates have changed, the provision currently is estimated at either $49 to $125 million over 5 years, but I believe that this is acceptable for a crop which has the exports associated with it, over $500 million a year in exports from Missouri alone.

Another area that is very important in this bill is one in approving the grain quality standards. There was concern raised in the 1985 farm bill that at the time it was concluded there was not sufficient information to determine what was available on the existence, nature, and seriousness of a grain quality problem on the world market. I personally and many of my colleagues talk about anecdotal evidence, stories told us by purchasers of grain abroad who say that American grain does not measure up to the quality, to the standards, of that shipped from other countries.

The Office of Technology Assessment has completed a study on grain quality last year. They found out that the results showed that improvements must be made. Buyers today not only factor price and supply into their decisions but quality. If we do not do something about it we are going to lose markets, we are not going to be able to maintain the markets we have.

The bill passed out of the committee includes a modified version of legislation introduced by Senator DASCHLE and myself last year which adopts provisions that relate to grain standards and the operation of commodity price support programs. We believe this is an essential step to assure that American farmers maintain their rightful place in the world market.

In addition, this bill reauthorizes key export programs and I think makes some very important improvements in Public Law 480, our primary food donation program, Food for Peace. It encourages the long-term planning with a goal for identifying growth markets and reauthorizes credit guarantee programs, the Export Enhancement Program, and the Targeted Export Assistance Program, which has been renamed the Marketing Assistance Program.

We also continue our very important commitment to the environment. This has been a major concern in my State. Several provisions from the bill I introduced earlier this year, the Agricultural Conservation Research and Enhancement Act of 1990 have been included. It broadens the scope of the conservation reserve program. It reauthorizes the program through the 1995 request for a 140-million-acre floor.

It provides new incentives for planting trees, particularly hardwood trees.

It requires a study of options for land coming out of the conservation reserve, now renamed the Environmental Conservation Acreage Reserve or ECARP; certainly not a very pleasant name but at least one to make it stand out from the other acronyms that we use around this place.

There is a new wetlands reserve program; new flexibility in offsetting compliance; a new integrated management program; and important changes in the swampbuster provision—similar to a bill introduced by Senator BOSCHWITZ and myself.

It expands on the minimal effect determinations, where farmers can, if they have a nuisance spot, farm that land without being penalized.

It establishes a new category of minimal effect where mitigation will be permitted. Where a farmer has a pothole in the middle of the field and cannot farm that field efficiently and economically, under certain circumstances, with the approval of the county, ASCS can commit that land. It can be committed on a one-for-one basis by bringing back prior converted wetlands of similar value and same size in that area. This is an essential step for efficient farming.

It also provides a graduated penalty rather than imposing a total forfeiture of all program crop payments.

In my State, one farmer lost $37,000 because of an inadvertent planting, on a wetland of one acre, a nurse crop that was found to put him out of compliance. Now the penalties can be graduated to the severity of the infringement.

On the conservation side, it improves the situation because the determination is triggered at the drainage rather than the planting.

Paperwork reduction is included in the bill. Paperwork reduction, that is for farmers not for Members of the Senate.

The bill that we have reported out has 1,081 pages and a report of 1,282 pages. It weighs 6 pounds, 2 ounces. Perhaps we can adopt an amendment on paperwork reduction that would limit the farm bill to 100 pages.

In any event, I hope that we can pass a bill on the floor of this body with strong bipartisan support. It received that support in the committee.

Farmers want and deserve a bill. I think that we have made many good strides in this bill. There should be some changes. I will support changes.

I hope that we can continue to work and make sure that agriculture is well served by our 1990 farm bill. I do not want to see efforts weaken the bill. I do not want to see a 1-year extension. I believe that there is too much uncertainty in agriculture today and a 1-year extension just heightens that uncertainty. It puts us at the mercy of the negotiations in Geneva. It adds too great an uncertainty as to what we would ultimately adopt for farmers. I believe the farmers deserve a 5-year bill. I intend to see that they get one.

Again, Mr. President, I commend the chairman and the ranking member for their leadership and their perseverance in bringing the bill to the floor.

Mr. DECONCINI. Mr. President, I rise today in opposition to the amendment of my distinguished colleague and friend from Nevada, Senator REID, which limits payments to farmers who have gross annual sales over $500,000. An adjustment of this magnitude will seriously impair the effectiveness and the equity of farm programs.

The Agricultural Committee, as the distinguished Senator from Missouri has just pointed out, has worked for a long time to mold something that can be brought to this body as a bipartisan farm program, something that does not attack different sections of the country.

I have looked at this bill, Mr. President. Quite frankly, some of it has no bearing whatsoever on the economic condition of the West or the Southwest. Some of it deals with peanuts and sugar and things that we do not deal with. Yet you will not see this Senator out here offering amendments to undo what the Agriculture Committee has worked on for so long. The Committee has brought a farm bill to this body which recognizes the economic importance of agriculture, even in areas that are outside our own selfish interest and our own constituent interest. The Agriculture Committee should be commended for its hard work to report a bill that is responsible. The pending amendment will destroy the effectiveness of farm legislation which has worked and will work well.

Mr. President, the use of gross annual receipts is not the best measure for control of farm programs. It is not an accurate representation of annual profits, nor is it a measure of wealth or how well a farmer is really doing.

Mr. President, it is a well-known fact that the majority of American farmers, including many of them in Arizona, have income off of their farm. In Arizona, even some of the wealthy farmers, their wives teach because they want to and in some cases they teach because they have to, or they work in other places or they have other income.

If you look no further than what the distinguished Senator from Nevada has proposed, you may conclude that any farmer who makes more than $500,000 a year gross income, has got to be a very wealthy person. Such figures are certainly within the upper levels of American income. But a farmer has to pay a great deal of money in order to farm in Arizona and other Southwest States. It is high-priced land now. They have to buy equipment. They have to buy supplies. They have to spend a great deal of money for maintenance of that equipment and distributing those supplies.

Agriculture is a unique industry. American farmers have significant long-term expenses that one does not see every yaer but must be paid over a very long period of time.

Western farmers are big business, Mr. President. In an average year, over 75 percent of the cotton farmers in Arizona exceed the proposed limitations based on gross sales. Those farmers are highly efficient. They are productive operations. On an average 260-acre farm in Arizona, a cotton farmer spends over $233,000 just in growing that crop. The major share is the cost of water. So the farmer has to pay taxes, has to pay for machinery, and has long-term expenses for that total farm or that 260 acres, not just to grow that central crop.

Particularly in the West, and increasingly throughout the country, we are encouraging our farmers to diversi-

fy. In Arizona, it is not uncommon for a cotton farmer to raise cattle and to grow a mixture of program and nonprogram crops. Diversification makes good economic sense and it makes good environmental sense.

The bill reported to the floor by the Agriculture Committee encourages diversification. Diversified farms, Mr. President, have high gross receipts. They are high cash flow operations. It just does not make sense to have a farm bill encouraging diversification on the one hand, and penalizing the efficient farmer trying his very best to respond to that legislation on the other hand. That is what this amendment does.

This amendment contradicts what this farm will is trying to accomplish which is to put this Nation, into a prosperous, more effective, productive farm program.

Under this amendment, the most productive farmers will be punished. Mr. President, this is not equity.

There is more to this issue than who gets benefits from the Federal Government's Farm Program. If large producers are not participants in farm programs, there would be no incentive for them to comply with acreage reduction programs. These programs are necessary to stabilize prices and manage our agricultural inventories. If farmers do not participate, they will be forced to plant all their acreage and increase their efficiencies just to cover expenses. The result will be an increase in production of surplus crops, prices will spiral and make it even harder for the United States to participate competitively in world markets. A workable farm program requires a high level of farmer participation. This amendment will discourage participation from those that most need to be in the program.

Senator REID argues that his amendment will save Federal taxpayer money. I would argue that it will cost the taxpayer money. As my farmers in Arizona dramatically increase their production of cotton, the world price of cotton will plummet. The cost of the cotton program for those farmers continuing to participate will also dramatically increase.

Rather than finding more money to pay for needed health care programs, as the Senator from Nevada wants to do—and I support that very admirable position he has taken as to spending more in health care programs—we will really have less money.

I urge my colleagues to look at this farm bill and this farm program as a united effort, one that continues to apply throughout the land. We ought not be here hacking up one person's farm program and trying to penalize somebody because their farming is different than in some other part of the country.

PRIVILEGE OF THE FLOOR—S. 2830

Mr. DECONCINI. Mr. President, I ask unanimous consent that Robert Breazeale, a legislative fellow acting as a legislative assistant in my office, be accorded the privilege of the floor during consideration of S. 2830, the Food, Agriculture, Conservation, and Trade Act of 1990.

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

Mr. BOSCHWITZ. Mr. President, I rise in opposition to this amendment. I notice in the historical highlights of agriculture in Minnesota that in 1987, which is the last year that count was made, 860 farms that have annual volumes in excess of half a million dollars. In 1969 there were 47 such farms and the number has increased quite rapidly in recent years. There are now 860 such farms. It is not a large part of my constituency.

It is not unlike the national farm picture. We have about 100,000 farms in Minnesota; somewhat less than 1 percent have a volume in excess of half a million dollars.

It is not a matter of trying to protect a large constituency, but it is a matter of trying to apply some common sense to the amendment.

It is quite clear to me, in the event we pass such an amendment, fathers and sons and daughters who work together on many farms throughout Minnesota will simply break up the farm into parts in order that the amendment will not apply to them. That has happened in other regards in the farm bill. So the amendment will not have a meaningful impact.

As some of the other Senators have mentioned also, it is not clear to me why this number was chosen because it may not have any relationship to net income. It may have no relationship to need. And, certainly as the Senator from Arizona pointed out, in the event you exclude these people from the farm program, their only option will be to plant fence row to fence row, throw on some more fertilizer and chemicals so they increase production, and try to make it back by sheer volume. That will have, certainly, a negative impact on the farm program in other areas.

Other businesses certainly and other programs certainly do not have these kinds of limitations. I think it would be wrong to have this kind of a limitation in the farm bill. It really does not have any meaningful impact. Certainly the types of aid that the western farmers, where the Senator from Nevada is from, receive by way of water benefits; they, too, should be part of this? But they are exempted from it because those are not payments in the normal sense of the word.

This is not an amendment that has equity on its side. This is not an amendment that will achieve much by way of results.

I would say, if the Senator from Nevada looks at the chart that shows the distribution of Government payments—again 1987 is the most recent year we have figures for—it shows the payments by the Federal Government do indeed hit where we want them to hit and that is the family farm.

If we look at the production of farms, we will see that those farms with gross sales over half a million dollars do about 38 or 39 percent of the total volume and receive only 9 percent of the total farm payments. Most of the farm payments are in the middle section of 50,000 to 250,000 annual volume and that is where they should be. Those are the family farms. Those are not the large corporate enterprises, many of which are out in the Senator's part of the country.

So I respectfully oppose this amendment on the basis that it will not achieve the desired ends. It may, indeed, have an unsettling element to the entire farm bill and, therefore, I encourage my colleagues to vote no.

The PRESIDING OFFICER. The chair recognizes the Senator from Vermont [Mr. LEAHY].

Mr. LEAHY. Mr. President, I do not know how many other Senators may want to speak on this issue. I certainly do not want to cut anybody off, but there has been a very good debate on this amendment. We have heard the issue propounded. I hope we might get to a vote soon.

The proponent of the amendment is on the floor. I understand he does want to say something further. The distinguished Senator from Arkansas, who has spoken on this, wishes to, I understand, say something further. The distinguished Senator from Minnesota has just spoken.

I keep getting questions from Senators who are holding committee hearings and other meetings, when we might vote. Mr. President, I would like to ask the distinguished Senator from Nevada [Mr. REID] if he has some idea, for scheduling purposes, when this may come to a vote simply so we could let others know. I am not in any way trying to discourage debate.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Responding to the chairman of the Agriculture Committee, with his consent I would like to yield to the Senator from Arkansas who has a brief statement.

Mr. PRYOR. Mr. President, I appreciate the Senator from Nevada yielding. If I might respond, Mr. President, to the distinguished chairman's request, it is my understanding that after Senator REID closes for his amendment, only one remaining Senator has expressed an interest in

coming to the floor and that is Senator BOREN of Oklahoma.

If there are others, I hope we will be notified soon. We have been on this amendment now for approximately 2 hours. We think it is ready either for an up-or-down vote or a tabling motion. So let me say, any Senators who have any desire to speak for or against the Reid amendment, we all hope they will, posthaste, come to the floor of the Senate.

Mr. LEAHY. I thank my distinguished colleague. I think that perhaps we will have the vote relatively soon, in the next 15 or 20 minutes.

Mr. REID. Mr. President, if the Senator from the Agriculture Committee will yield, there are a couple other Senators who expressed a desire to me to speak. Senator RUDMAN has indicated he wishes to speak.

Mr. President, if the Senator has yielded to me——

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

Mr. REID. I see the distinguished Senator from Alabama; does he wish to speak on the amendment?

Mr. HEFLIN. Yes.

Mr. REID. I have some statements I would like to make, and I indicate to the Senator from Alabama, who I understand has been involved with the committee meeting with Senator RUDMAN and that is why they both have not been here, I have no problem with allowing the Senator to speak. I have to be here regardless of who speaks and who does not speak. I can always speak at some moment when there is a lull in the statements.

Perhaps I will add him to the list of people I need to respond to. I yield the floor.

Mr. HEFLIN. Mr. President, I want to thank the distinguished Senator from Nevada for allowing me to address the issue. I have many conflicting situations, and trying to be here and speak on this amendment has been difficult. But I am delighted and appreciate the courtesy of the Senator.

I would like to begin my remarks by a personal experience. One time in my small town of Tuscumbia, AL, I voted absentee, and I soon found out that everybody in the courthouse and most of the people in the community where I lived knew how I voted in the sheriff's race, in the probate judge's race, in the Governor's race and everything else.

I decided that if I was going to exercise my right of secret ballot, I would never vote absentee again, and I never have.

Now what does that have to do with the Reid amendment? It has a lot to do with it. Under the Reid amendment, as I understand it in its entirety, it is required that a farmer, big or small, has to go to the ACS office, the Agricultural Stabilization and Conservice Service, Commodities Stabilization office, in each county.

And if the Reid amendment is adopted, in 1991, a farmer has to go down with five of his income tax returns for the past 5 years. He goes into the ACS office and he presents them to show that his gross sales did not amount to more than $500,000. I know human nature and I know rural people. Everybody in the area will know about the tax returns of that farmer who goes to the office. The banker will hear about it, and the banker will say, "Well, you know, he didn't do as well, as I thought he did and he didn't show me his tax return. I'm not sure I'm going to loan him any money for his next year's crop."

That is to point out one of the faults in regard to this amendment. There are all sorts of ways to look at tax returns, and I am not sure they will ever altogether prove gross sales, and you would have to have a number of different types of financial statements to establish gross sales.

I see Senator PRYOR over there. Senator PRYOR was the author of one of the greatest pieces of legislation that has been adopted since I have been in the Senate. I was one of his cosponsors, and that bill was the taxpayers' bill of rights. This amendment will just about eliminate among farmers any degree of secrecy or privacy. I believe every American citizen has a constitutional right of privacy. We have never made public income tax returns, but that is what is going to happen in the event that this amendment becomes law.

The farmers have suffered a great deal over the years. I voted against the 1986 Tax Reform Act largely because it devastated American farmers. Over a period of years, tax policy had been developed relative to farming, and things that were essential to them were destroyed in that Tax Reform Act of 1986. They changed their depreciation schedules; they changed the capital gains as it would apply to timber; and certainly anybody who has ever been involved with tree growing realizes that it takes from 20 to 75 years, depending on the type of tree, for the tree to grow; that if there is any justification for capital gains differential in tax law for any one group, it is for the farmer who grows timber. And most every farmer has a small woodland.

That was a devastating bill, in my judgment, to the farmer. It also did away with a lot of things like income averaging, tax credits on certain things;

To me we have some things here in regard to the tax returns that would have to be used. It would mean that it may not present a true picture and would cause an administrative nightmare on the basis of gross sales. If we are going to do something, I think net is a much better approach. I am not advocating that. I am against it for many other reasons, some of which I will recite. Gross sales in farming is misleading as to the income that a farmer gets.

The cost of production varies as to the crop and as to the operation. There is in certain parts of the country rich land. It costs the farmer who grows corn in rich land where he can make 150 bushels to the acre the same amount it costs the farmer in the lands which do not produce more than 60 bushels to the acre.

We have a lot of differences involved. We have cost of production that enters into this equation. There are certain highly intensified capital farming operations. Cotton is one of them.

I recently was on a cotton farm. I was getting my picture taken, films being made in regard to my upcoming campaign for reelection. They were taking pictures of me leaning up against the cottonpicker to show that my interest in farming had not waned and that I was the farmers' friend. I said, "What does that cottonpicker cost?" He said, "$140,000." You go in the wheat fields and you see a combine. What do they cost?

The point I make is that there is a wide variance between farming operations. Some require very high capitalization, and, as a result, their net may be very low. But involved in high capitalization, if they are going to be able to make a profit, it means that the production on the acre of land of whatever it must be, gross sales, have to be much higher because of the high cost of the intense capitalization. That goes into the cost of production. Gross sales, in my judgment, is not the proper approach for any type of limitation. I think the payment limitations by net profit is a much more proper approach.

Now, this legislation, in my judgment, is also one of the most antienvironmental amendments that has been presented. We are all for a better environment, an environment that looks to the future. And there are environmental concerns on the farm. If you are in a farm program, you have to comply with environmental requirements.

But environmentally, from the viewpoint of the sodbuster program, the wetlands program, the swampbuster program, all of those programs which are designed to improve the environment that a person under the program has to comply with, if he is driven out of the program, he cannot comply. I do not know the total number of acres that are available in all farms or the total number of acres that qualify under the sodbuster program or the swampbuster program or the wetlands program, and all of those types of pro-

grams, but if we are to eliminate them for the program, you are going to find an antienvironmental policy is being adopted. I think it will be a mistake.

I also realize that in the production of farm commodities, whether it is grapes, cotton, rice, wheat, corn, or whether it is the production of cattle or anything else, one of the biggest costs is fuel. Some crops have additional fuel costs like drying and other aspects. But in the event you drive people out of the program, you are going to see you will have problems. And, in my judgment, this amendment, to some degree, places the farmer under the heel of OPEC. It has effects which mean that if OPEC raises the price of fuel, the cost of production goes up, and it will have a direct relationship to the price of farm commodities. The gross sales go up and you are going to have a situation where, when it is tied to gross sales, the biggest cost of production is fuel.

Another problem is that we are addressing are those farmers who will get out of the program, and when they get out of the program, you are going to find it much more difficult to deal with the Farm Credit System. The Farm Credit System is already shaky. We have had a rescue of the Farm Credit System, and I think we cannot afford to have an S&L in the Farm Credit System, which we have had before, and this is a danger that applies.

I have asked some people, does this include the loan program? There are payments made under the loan program, particularly when, in effect, they sell to the CCC, the Commodity Credit Corporation. It can have the effect of driving people out of the program where they can receive no loan, a payment which helps them over a period of time in which loans can be very effective for farmers in selecting the time they want to sell their product. Some will sell to the CCC. We have had over the years some of the largest payments made through the farm program are payments made through the Commodity Credit Corporation.

Do the farm program payments benefit consumers?

The farm program opponents tend to characterize payments to farmers as a cost to taxpayers without corresponding benefits. This is a gross injustice to farmers and taxpayers alike. One of the prinicpal objectives of farm programs is supply and price stabilization. Without farm programs, and substantial participation in it, no mechanism would exist for managing production and inventories. In the absence of some form of production or inventory management the tendency would be toward violent cycles of overproduction and underproduction and vicious swings in price, each feeding on the other and both exacerbated by the weather.

Because agricultural production is unpredictable under the best of circumstances, there are times when inventories are very low and must be rebuilt in order to maintain consistently adequate supplies at reasonable prices. This means that the production capacity in excess of what is needed for normal year-to-year food and fiber demand must be maintained.

The taxpayers cost for farm programs is in part an investment in this production capacity which allows inventories to be rebuilt when necessary. Consumers receive a dependable supply of the lowest cost agricultural products in the world. It avoids the combination of scarcity and excessive prices which otherwise would occur.

They claim that a disproportionate share of farm program payments go to large farmers. They cite 1987 data. Farm program opponents tend to cite 1987 data because that was the year when the world was awash in agricultural commodities, prices were depressed, and farm program costs were high.

I do not think 1987 is an appropriate year to cite. We have seen a substantial decrease in the payment by the Federal Government on farm programs in more recent years. They show that the top 3.6 percent of payment recipients got 42 percent of payments.

The true facts are that the distribution of payments are disproportionate only in the sense that limitations already in effect deny large farmers a vast share apportioned by the production. Because payments are coupled with production, payments should be proportionate with the level of production. This is not the case because limitations are already stringent enough to make it unfeasible for many large farmers to participate in the program, and therefore their production receives no payment. That is quite a large number.

Many large farmers who are program participants, but affected by limitations, receive payments only on part of their production. Presently a large farmer is limited to $200,000. In my judgment that is a better way rather than using some type of gross sales as a basis for trying to limit Government payments.

If the top 3.6 percent of payment recipients receive 42 percent of the payment, it can only be concluded that the same 3.6 percent produced considerably more than the 42 percent of the program commodity.

USDA has no data to show the relationship between farm output and payments. However, using sales as a surrogate for production, it can be easily shown that large farms get a disproportionately smaller share of payments. For example USDA data shows that in 1988 farms with sales of $500,000 and over accounted for 36.6 percent of total sales, but received only 8.4 percent of Government payment.

I could go on, on this topic, but in my judgment this is an ill-advised, ill-conceived program. If you are going to have a limitation program, I think that the payment limitation is the proper approach to be used.

Gross sales vary so much—gross sales for cotton farmers will be much higher and with less profit than there will be for some of the other commodities. The other commodities such as wheat or corn are not nearly as intensified as to the financial investment and the cost of production. You get into cotton, you have cottonpickers, which I told you the cost of, you have to have insecticide, and you have to use airplanes to go over the fields to spray the insecticide.

So in my judgment, as we look at this proposed amendment, it is ill-advised. It has many consequences I do not believe that the authors of the amendment ever thought of. I urge my colleagues in the Senate to vote this down. Thank you.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Ms. MIKULSKI). The Senator from Vermont.

Mr. LEAHY. Madam President, I again repeat what I said earlier. I really would like to see this come to a vote. I think there is going to be a vote up or down.

I would urge if there are other colleagues who wish to speak on this amendment that they do it quickly. We have a number of other amendments to follow this one. We are looking at a late night as it is. Madam President, I hope Senators might bring this to a vote in the next 10 minutes.

Mr. REID. Will the Senator from Vermont yield?

Mr. LEAHY. I yield to the Senator from Nevada.

Mr. REID. I know the manager of this bill has a large bill. I saw the pocket version which is 1,300 pages long. I sat here for 2½ to 3 hours. I have some remarks to make in answer to the many mistakes that people have made with regard to my amendment. I am writing to do that. I want to make sure that the debate moves along freely. That is why I have not tried to take the floor. I am ready whenever there is a lull in the proceedings.

Mr. LEAHY. Madam President, I should note the Senator from Nevada has been the model of patience through this debate. The Senator from Nevada made his arguments cogently, clearly, directly and, I might say, expeditiously.

I would not urge cutting off anybody, especially the proponent of the amendment. He has been unfailingly courteous to every Senator who wished to speak. Obviously he is entitled to have a chance to state his position.

I would just urge Senators, if they have statements, if they can give the abbreviated version and put the longer one in the RECORD, it would be very helpful because we have a number of amendments that will have to be voted on and will require rollcall votes this evening.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, I want to a associate myself with the remarks of the Senator from Alabama who just spoke.

I have some remarks that I will make later on. I will put them in the RECORD so we do not have to take too much of the time of Senators on the floor, since we want to get on with the bill and get it passed.

First of all, I want to pay a special thanks to the distinguished chairman of the committee, Senator LEAHY, for all of his hard work in keeping the committee together through these long weeks and months of pulling this bill together.

The farm bill always seem to take a long time in committee, but I must say that this year under the leadership of Senator LEAHY, we worked out all of the agreements and disagreements in committee. The bill had very strong bipartisan support when it came out on both sides, Republicans and Democrats.

Obviously, the bill is not the model of what it would be if I could write it myself. I doubt that it is the model or that it would be the same if the distinguished Senator from Indiana could write it himself, but it represents a reasonable compromise between the various conflicting interests in agriculture in the country. It is a true testimony to the qualities of leadership and patience that the distinguished chairman from Vermont has shown in getting this farm bill out.

I want to talk basically a few minutes about the amendment offered by my friend from Nevada. I must admit that, on the surface, it makes sense and looks good. We do not like the idea of these multimillionaire farmers getting Government payments when they are making $15 million, $20 million a year and getting all these big Government payments.

Quite frankly, to the extent that we can limit the amount of Government payments that go out and tighten down on the $50,000 payment limitation that is now part of the law, that I agree with. When you approach it from the income standpoint, as the Senator from Nevada has done, It it really does do more harm than good. I know that $500,000 gross income sounds like a lot of money. The Senator from Alabama pointed out what a cottonpicker costs. He should check what a combine costs or maybe some of the new John Deere tractors. You will find those prices are well in excess of $150,000 themselves, in my part of the country.

This $500,000 gross income sounds like a lot of money, but I was checking here. You can take a farmer in Iowa that has a diversified operation, maybe has corn, some soybeans, maybe smokes, some hay, pasture ground, and let us say they are marketing livestock, fat cattle. At the price of cattle right now, fat cattle, it would be about 500 head. That is not an enormously large feed lot in my State of Iowa. But maybe the farmer has a couple of sons coming into the farming business with him, and they feed out 500 head of cattle. Right there, boom, you have your $500,000, and they are not eligible for the program.

But that is just gross income. Out of the $500,000 that they would sell that fat cattle for, they may be only netting, depending upon the market and what the feed prices are and things like that, $50,000 to $90,000. Yet, under the amendment of the Senator from Nevada, they would be out of the program.

What would that mean? That would mean, for example, that on all their corn ground and their soybean ground and oats, and maybe they have some wheat—not that much in Iowa, but maybe in Missouri—that kind of combination, that means they would be out of the program. That means that they could plant as much as they wanted to.

That is where this amendment, I think, does more harm than good, because then these farmers would have no constrictions. They would plant whatever they wanted to. It would drive the commodity prices down, which means the Government costs would go up. That means next year we would have to have bigger set-asides on the land that is left.

The other problem with this amendment is that once these farmers are out of the program, they do not have to comply with any of the conservation measures that we have in law or that would be in this bill. Some of these farms, to be sure, could be larger farms, and it is very important that they comply with the conservation measures that are in the bill.

Well, the under the amendment of the Senator from Nevada, they would not have to comply. They could sodbust. They would not be constricted. They could be swampbusters. They could tile all the swampland and drain it all out. They would not have to comply with any conservation measures whatsoever.

Again, I know $500,000 sounds like a lot, but when you think of it in terms of livestock production, you get there very quickly. About 30 percent of the production in this country would be outside of the program, if this amendment were to pass. Take 30 percent of the production outside of the program, and you are going to really wreak havoc on market prices.

Take that livestock farmer in Iowa marketing maybe 550 head, 600 head of cattle, then he would be out that 1 year if you market the 500, 600; he would be out of the program. Say next year, for market reasons and decisions that that farmer made, he is not going to feed that many cattle, and say he is only going to feed 300. So the next year he would be in the program. Well, then the next year he decides he is going to put some more cattle on feed. He would be back in the program. Then you have this in and out, in and out of these farmers. That would wreak havoc on the marketplace.

So while I have empathy with the Senator from Nevada in what he is trying to get at, I think there may be some better ways to do it. I would have a lot of problems with approaching it from the standpoint of gross income.

I know that the Senator has talked about the averages. The average net income, I am told by the Senator, is like $700,000-some. Well, averages are a funny thing. It is like that river whose average depth is 2 inches deep. It is a mile wide, but the average depth is 2 inches. It is a half-inch, except in the center where it is 20 feet deep. The average net income may be $700,000. that is because a very, very few are making millions. That is pulling the average up.

So that while I understand the motive, and while I think the motives in terms of cutting down Government payments to these larger farmers is admirable, I think there are better ways to do it than to focus on the gross income side. Quite frankly, I think in doing that, as I said in my remarks, we would do more harm than good.

I yield the floor.

Mr. BOREN. Madam President, many of the other speakers have already made the points I wanted to make in my remarks. So I will not take the time of the Senate to go over them again and again.

I certainly understand why my good friend and colleague from Nevada has offered this amendment. We are indeed facing very difficult budgetary times. There are many of us who serve on the Agriculture Committee that have wanted to make sure that a primary focus of the farm program would

be to keep in being those family-size farm units, make it possible for them to continue to exist. And when savings had to be made in the programs, we have been very sensitive to the need to try to direct as much of the benefits to smaller units as possible.

But I think while the amendment is well-intentioned, when you talk about giving benefits to those who have gross receipts of $500,000 or more in 1 year's time, it is as if you are only talking about very, very large operators or very profitable operators, and that is simply not always the case. The fact is that you could easily gross $500,000 annually, while netting less on a farm than an average factory worker.

There have been many large farm operations that have very large gross receipts that have not even been able to break even. We are also dealing with a situation here—and the Senator from Alabama discussed this at length—during which time, if we had to provide for tax returns to be given to local USDA county officials and county committees in order to collect information then I think we have a real problem in terms of the violation of confidentiality. It would be very, very hard on small closely knit, rural, communities for people to simply keep confidential that kind of personal financial information.

So that is an additional problem that we are dealing with. I think when we think about the size of farms that are involved and the size of economic units involved, we really have in mind, I am sure when you hear the figure, especially of those not from farming regions of the country, $500,000 a year in gross receipts, you tend to think that you are dealing with a huge operation, something like the size of the King Ranch, section after section of land, 10, 15 miles across.

In fact, smaller operations, those that certainly could be operated by a family, or parents and children with the same family, would be caught up in this kind of net.

I just did some fast calculations. If we look at the average yield on wheat in my State, you can easily on 950 acres have gross receipts of $100,000. On cotton, with average yields on 350 acres, you could easily have another $80,000 of receipts. And if you run 375 head of cattle, which is not a gigantic herd, you could easily have gross receipts if you look at 85 cents per pounds, of over $318,000 a year.

So, in other words, a farming operation or farming ranching operation—and often in a State like mine, it is a combination operation with 950 acres of wheat, 350 acres of cotton, and 375 head of cattle which would not by any means qualify you to appear on a production like Dallas or Dynasty, but simply a family farming operation, you could have gross receipts that would trigger this kind of provision and exclude you from participation in the farm program.

Farming in these days even in terms of a family farming operation is not something that is operated on a small scale, at least as far as gross receipts are concerned. It has been very modest in terms of net income. You think of the cost of inputs for an agricultural operation of family size, a new tractor with four-wheel drive costing $130,000; a new combine and wheat thrasher. Many of my farmers have a $135,000 new cotton stripper that will cost somewhere between $120,000 and $200,000. You are talking about inputs in a family-sized operation that are exceedingly expensive.

Let me raise another point—and I would share this with my colleagues because I know without regard to whether our colleagues come from agricultural regions or from urban areas—we are all concerned about conservation, and are all concerned about saving our natural resource, and we are all concerned about impacts on the environment. While it is true that a very small percentage of the number of farmers in this country would fall under this gross receipts test, let me say it is ironic, I would say to my colleagues, that it is very possible that extremely wealthy people who might have net incomes of $10 or $20 million a year who happen to have farming operations would still be eligible to continue to get farm benefits on their farms.

Let us say have an example of a surgeon, a very successful surgeon who might have a net income of $5 or $6 million a year. That person has a farming operation, maybe a farming operation that has $400,000 of gross receipts in a year's time. That person is still going to be eligible for Government subsidy payments even though he has net income of maybe $5 million a year.

But a family farmer under this amendment who might have gross receipts on $150,000 or $130,000 might have a net income of $25,000 this year because that is all that farm family netted from that farming operation. They would not be eligible for benefits, although the other person who had a net income of $5 million a year because it did not come from agriculture even though he had a farming operation would be eligible.

So we have those kinds of problems. Let me go back to the point that I was making just a moment ago and that is the potential impact on our conservation programs and on the environmental programs which we have so carefully crafted over a period of years. Income stability has been a very important role of the farm program but another very important role of the farm program has been conservation of the natural resource and protection of our environment.

That is why in the 1985 act and earlier acts we have been careful to craft certain provisions that would leave farmers to idle out of production a certain number of acres each year. The Government has been partners in terms of building ponds and providing terracing. We have had specific provisions, swampbuster provisions, sodbuster provisions, to try to take very fragile land out of production, land where the soil is thin, where there is very little rainfall and severe slopes and where erosion is likely to occur. We have had a tragic loss of topsoil of the land resource in this country.

There is also growing concern about the use of chemicals in agricultural production. This is something we hear from many of our colleagues from the nonagricultural areas as well as concerns from farmers themselves because the farmers are the very best stewarts of the land. They know they must preserve their land if it is to remain productive.

What will happen if this amendment is adopted? What is the practical impact? I urge my colleagues who are from nonagricultural areas to hear me on this point because many of the very people who argued so effectively for conservation programs and for programs to protect our environment I think might mistakenly vote for this amendment without understanding the full impact of it.

While we might have only one, two, or three of the farms in the country fall in this category, in terms of gross receipts they make up a much larger share of the agricultural production of the country. In some States you might have three farms making up to 1 percent of the number of farmers but 20 percent of the amount of production.

What is going to happen to a farming operation that is excluded from participation in the farm program under this amendment because of the $500,000 gross receipts limitation? That farmer is now freed of all constraint; he is no longer in the farm program. He can no longer take advantage of conservation programs. That farmer can no longer receive an economic benefit from idling part of his or her land and putting it into a conservation reserve. What is that farmer left to do? If that farmer is going to maximize his or her income, that farmer will plant every available acre. They will increase production as much as possible. They will pour on the chemical inputs and everything else they can use to increase production on that land. They will take whatever fragile acre they can possibly get their hands on and farm it if they can produce something on that acre because economics will move them in that direction.

So it will be ironic that in the name of trying to do something here, which

really is still not related to net income or ability to earn its gross receipt, we will have caused a very severe problem from a conservation point of view and an environmental point of view. We are going to encourage more use of chemicals and artificial inputs and encourage production on more fragile acres of land in this country by driving out of the farm program some of those larger farming operations that most need to be in conservation programs.

And, lastly, I would say also that we can end up by costing the taxpayers more for those farmers who are remaining in the program because you are likely to cause an over increase in production, as those farmers have the constraints removed, as they no longer have the acres in the conservation programs, as they no longer take advantage of other Government programs that lead them to reduce production. All incentive is more and more production that is likely to collapse the price even further, that is likely to end up costing the taxpayers money instead of saving them money in terms of what is left with the rest of the farm program.

I simply say to my colleagues I hope that they will carefully consider not just the goals of this amendment—I understand the goals, I sympathize with them, I understand the budgetary constraints under which we are operating. My own first allegiance above all is to the family-sized farm unit. They are not only an important agricultural and economic part of our society, they are also a very important unit from the point of view of the sociology of this country and community of this country and value that those farm families represent.

It is worthwhile to preserve their existence and wherever possible we should try to get them the kind of help necessary to provide a safety net under them so that family agriculture can continue. But we will end up hurting family agriculture, we will end up hurting conservation programs, we will end up damaging our own environmental goals, and we are likely to end up costing the taxpayers of this country more if we adopt what I know is a well-intentioned amendment on the part of the Senator from Nevada.

So I urge my colleagues to think before they vote on this particular amendment, and I urge my colleagues to defeat this amendment when it comes to a vote.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from the State of Washington.

Mr. GORTON. Madam President, I thank my distinguished colleague from Oklahoma for that brilliant analysis of his on this present amendment. I heard it with great interest.

I now, however, Madam President, wish to speak to the bill as a whole and to its philosophy for a while while we are still at the beginning of the debate on a very important piece of legislation.

Madam President, the objectives of the 1990 farm bill are the same now as they have been in every farm bill dating back to 1933 when the Agricultural Adjustment Act was passed. Federal farm programs are intended to provide stability to an industry that is both fundamentally important to our Nation's health and security and at the same time, extremely risky. Farm programs benefit both the farmer and consumer by evening out large swings in prices. The means for accomplishing our goal have changed, but the end objective has not.

The 1990 farm bill, which is before us, contains many excellent provisions. The trade title, for example will assist in maintaining and expanding U.S. market share. Through programs like the Marketing Assistance Program and the Export Enhancement Program, our producers will be given a chance to compete against unfair trade practices overseas. The research title will serve both the producer and consumer. Both groups will benefit through improved technology leading to enhanced production and food safety. The grain quality title will ensure that U.S. grain remains the best in the world. For the first time, a title addressing environmental concerns is included in the bill. The conservation title will take important steps in protecting the environment and preserving the livelihood of the farmer. The commodity titles for wheat, feed grains, and dairy provide producers an adequate level of income security that is consistent with the bill's objectives.

These are commendable programs which I believe will benefit the farmer, the consumer, and the environment for many years to come. I am extremely proud to be a member of the Agriculture Committee which drafted this bill. Most sections of the farm bill I wholeheartedly support. I have, however, concerns about the budget relationship to the 1990 farm bill and its potential impact on America's farmers.

It is wrong to promise the American farmer more than we know we can deliver. The current 1990 farm bill does just that. Congress has imposed upon itself budget restrictions in the form of the Gramm-Rudman-Hollings Act. It is an almost immutable certainty that the dollars promised to American farmers in the bill as drafted cannot be delivered after budget cuts, mandated by Congress in that Act, are enacted. To promise support for agriculture through this bill, while knowing that this support level will be reduced by the Gramm-Rudman-Hollings law, is truly giving with one hand and taking with another.

Madam President, the Federal budget deficit is now predicted to exceed $160 billion. Everyone knows that every program—defense, transportation, commerce, agriculture, and a legion of others—will have to tighten its belt to come near our deficit reduction goal. I do not advocate further cuts in agriculture. But, not only does this farm bill fail to eliminate unnecessary programs to save money, it creates a new program the cost of which could be several billion dollars in the future.

Even after this morning's changes the bill is estimated by the administration to be several billion dollars over what will be our final budget. In fact, unless significant changes are made to the bill, the President may veto it.

If savings are not found during this debate, in the end all farmers, despite what this bill promises, will suffer as their programs face the inevitable budget reductions required by law. For this reason, I believe this draft of the 1990 farm bill makes hollow promises to America's farmers.

Let me make a few observations on individual programs.

My principal, specific objection to the bill is its proposal to create at new oilseed marketing loan. This program is intended to encourage soybean production. In reality, the oilseed program simply introduces a new income transfer program in favor of producers of oilseed crops. The administration estimates that likely, modest changes in market prices from currently projected levels will result in future outlays not now reflected in the bill's budget.

Madam President, the soybean marketing loan appears to be without cost, but a minor change in soybean prices will result in substantial marketing loan payments. These funds will have to come right out of the hides of other existing commodity programs. Thus, the soybean marketing loan will compete directly with major commodity programs. It will compete and will take money away from wheat and dairy, from barley and corn. A new oilseed program will take money away from commodities for which Federal programs were initially created and intended. I cannot justify jeopardizing our commitment to existing programs, including the Northwest commodities of wheat, barley and dairy, to encourage the production of soybeans and to start a major new program.

This bill is also deficient because it does not reform various secondary programs. These unjustified secondary progams should either be eliminated altogether or have their support prices established more in line with those of other commodities. As the distinguished Senator from Indiana [Mr.

LUGAR] pointed out in his statement this morning, numerous commodities such as potatoes and apples, do not rely on Government support prices to remain competitive in the market place. In fact, as the distinguished ranking minority member of the committee disclosed, it is the minor commodities we purport to assist through secondary programs that have the most difficulty competing.

The sugar program is an example. It is bad agricultural policy, bad foreign policy, and bad trade policy. The sugar program, supposedly run at no cost to the Government, transfers $1 billion of costs each year to the consumers of the United States. It prevents many of the developing countries which the United States assists, from exporting their sugar to the United States. Sugar producers have almost the highest profit margin of any commodity. This program should be eliminated.

The peanut program is another archaic program which Congress should eliminate. It is anticompetitive. It prohibits entry into peanut production by new farmers despite existing demands for peanuts. In addition, the peanut program receives an increased subsidy year after year. So while the major commodity programs have consistently taken cuts, the support for peanuts grows. We should not let this condition continue.

This bill provides the Secretary with an option in setting loan rates. I see no reason to change the loan rate provisions for wheat and feed grains. A change would be a departure from the market-oriented agriculture established in the 1985 farm bill. Eighty-five percent of all the wheat in the Pacific Northwest is exported. Under current loan rate provisions the United States has achieved a substantial increase in exports, regained market share, and farm income is at new highs. Changing the loan rate formula is likely to cause agriculture exports to plummet, reducing market share and farmer income.

The purposes of the 1990 farm bill are laudable. But I believe the bill in its present state holds out false hopes to America's farmers. I hope that we can work to craft a bill that meets the needs of the American farmer in a fiscally responsible manner. We have the ability to write such a bill. We should do so.

Mr. REID. Madam President, I have patiently waited this afternoon while people have reflected on the amendment which I have offered. Respectfully, I submit to the Senate that a close reading of the amendment would have cut down the verbiage significantly.

First of all, Madam President, this does not affect, as Senator HEFLIN's staff told him, environmental matters, because in fact we protect that in this amemdment. Farmers would still get those payments. This is not an antienvironmental bill.

But Madam President, if you sat here, as I have this afternoon now for 3½ hours, and if you listened closely you would find yourself in some of the territory that was covered in the book "Alice in Wonderland" because you have arguments going all over the spectrum.

On the one hand, it is argued that production will skyrocket. On the other hand, you hear that grocery shelves will become empty. You hear that prices are going to go up. Then one of the other Senators says prices will go down if this amendment passes.

This we are told in conjunction with the fact that if we pass this amendment, which is directed to the top one-half of 1 percent of the fat cat farmers in this country, if this amendment passes and saves this country $1.2 billion, we are going to ruin the family farm. What kind of reasoning is a that?

We have heard argument after argument here this afternoon as to how we can arrive at the $500,000 figure the $½ million figure. My taxpayers bill of rights, we are being told, is going to go out the door and will not be of any effect any more. That is ridiculous.

If you go to get a loan on a car, do you not have to show people how you are going to repay that loan? If you are going to buy a home, you have to come up with some indication of how you are going to pay that home. If you want to get a credit card, do you not have to do something to give some indication of how you are going to pay that back?

Let us really get back to what this amendment is about, not what it is not about.

What this amendment is about is affecting 14,000 farmers out of the millions we have in this country; 14,000 of them—one-half of 1 percent. That is what this amendment is about.

It is not about "Come and look at my farm, and I will show you some hardship." This is about saving the American taxpayer $1.2 billion. This is what we are here to do, to try to save the taxpayer some money. Here is an opportunity to do it without going through this intellectual exercise that does not direct its point to this amendment.

Madam President: "Percentage of farms affected by proposed means test." See this great big 100 percent—one-half of 1 percent is what we are talking about. We are not talking about destroying the family farm. We are talking about making a little bit of sense out of the farm programs in this country.

What do you think the American taxpayer feels about this? Madam President, before I forget, I have received a note to add Senator HUMPHREY as a cosponsor to this amendment. I ask unanimous consent that be allowed.

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

Mr. REID. Madam President, there were a number of points that were raised in the statement of my good friend, the junior Senator from Arkansas. I would like to respond to just a few of those.

First of all, the statement was made that we will spend only 0.7 percent of our $1 trillion budget on farm programs. With all due respect, that is a ton of money. I am talking, Madam President, not about all farm programs. I am not here to trash the farm programs of this country. I am here to talk about one-half of 1 percent of the farmers, and I have to respectfully submit that $1.2 billion is big money no matter where you come from in this country.

I also submit that of course this amendment will affect some farmers. It will affect 14,000 farmers in the State of Alabama. It will affect 142 farmers, or 0.33 percent of the farms in the State of Alabama. In Arkansas, there are 48,242 farms. This would affect 328 farms in the State of Arkansas.

I could go on with other examples. I would like to address my attention to some comments made by the Senator from Arkansas that I think it important to respond to.

There was a statement made about "How much money do these farmers make?" As I indicated earlier in my statement, for farms with gross sales in excess of $500,000 a year—listen to this—not the gross cash income, but the net cash income, as a percent of gross cash income, is 40 percent; profits, 40 percent. For the rest of the farms, it is from 2 to 4 percent.

The senior Senator from Mississippi kept talking about gross profits, about profits, saying that this figure of $500,000 talks about gross figures. Then he started talking about how these people make no profits.

I will cover again, as I did in my opening statement, that the average net cash income of these farms, these farms I am talking about right here, is $700,000 per year. Within the $500,000 and above gross sales cash, the average gross cash income is $1,897,000. We are not talking about the family farmer. The average net cash income is specifically $762,000 a year, these 14,000 people average; 14,000 farmers average $762,000 a year net cash income. That is pretty good.

Instability, the senior Senator from Mississippi talks about. The only thing that is not stable is the arguments made against this amendment. What they are saying is if you do not treat these people right, if you do not treat this one-half of 1 percent of people right, they are going to do all kinds of

things. They are going to plant more crops; they are going to put more fertilizer on their land. To stop that, what we are going to do is bribe them. We are going to bribe these people; we are going to give them $1.2 billion a year so they will be good, good citizens.

That is a fine way to run a farm program, bribe the top half of 1 percent—14,000 fat-cat farmers. That is what we want to do?

The senior Senator from Mississippi talked about a $100,000 gross sales. That is something that is going on in the House. In this body, it is $500,000.

My good friend, the junior Senator from North Dakota, who I came to this body with, who is a close personal friend—I think the world of him. I recognize he comes from a farm State. I recognize he has fought a valiant battle for the people in North Dakota, and I recognize the economy in North Dakota is not the best.

But I have to say, Madam President, that the arguments made by my friend from North Dakota regarding my amendment—not the opening statement he made about the farm bill, but about my amendment—simply are not valid.

Remember, my amendment talks about these farmers here, the top half of 1 percent, that produce not 40 percent of all the farm crops in this country, as has been stated here time and time again by the opponents of this amendment—but 40 percent of the agriculture commodity crops in this country. Here they are, and here is what the program costs were for last year. That its where the 40 percent comes from. Not all crops.

Also, in reference to my friend from North Dakota, there was a lot of talk about how food in the United States, in comparison with how much income we make, is a low figure. Of course it is because we have such a high personal income. These figures that I am talking about, the $1.2 billion that is going to be saved, let us make sure there is no mistake about from where those figures come. They come from the U.S. Department of Agriculture, and I ask unanimous consent that the National Financial Summary of 1988 for the U.S. Department of Agriculture, listing the $1.2 billion of these 14,000 farmers, one-half of 1 percent, be printed in the RECORD.

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

(See exhibit 1.)

Mr. REID. The argument that the Nation's richest farmers would skirt the law if my amendment were to be enacted misses the point, though, entirely. We are voting on farm policy. It is up to the administration to enforce the law.

As you know, Mr. President, we in the past passed a law that limited the amounts of payments that farmers could get.

And, of course, they went to great pains to avoid that, as indicated in many different places. One easy reading is the Congressional Quarterly. The latest issue talks about the Christmas tree method of avoiding the $50,000 limit. In fact, it is so outrageous, and listen to how they do it. They have the children, the cousins, the preacher, literally, and that is true that some people are listed getting these $50,000 payments. Last month, one of these people received a letter from the Agriculture Department in Washington informing him that the organization had schemed to evade Federal payment limits. As a result, the letter said, he was being denied Federal farm subsidies this year and retroactive to 1989.

There are ways to get at people who want to cheat. There are ways of getting at people who want to avoid the intent of Congress and other laws. Loopholes should be closed by the U.S. Department of Agriculture. So the argument that the Nation's richest fat-cat farmers are going to skirt the law if this amendment is enacted is a pretty shallow argument.

I am also told the amendment is not good because it would affect trade. This is not a trade amendment, but an income support amendment. If national trade policy, Mr. President, depends on income support payments to millionaires, then we need a new trade policy. I do not think we would get a lot of argument on that. We do need a new trade policy. But my amendment that affects one-half of 1 percent of the wealthiest farmers in the United States certainly is not going to affect our trade policy, and, if it is, we better change our trade policy.

Let us also understand, Mr. President, farmers over $500,000 in sales are not all going broke. The average net income is $762,000 a year. The percentage of profit is 40 percent. How would you like to have a business that you could net 40 percent profit? Not bad. The average gross sales is nearly $2 million, $1.8 million.

Mr. President, I spent the large part of my opening statement talking about what a good job the Agriculture Committee does and has done in this legislation. I approve of many of the conservation issues they have in this bill that they have never had in another agriculture bill. That is good. I approve much of what they have done. But maybe it is important sometimes that someone who is not from a farm State just take a look at this farm bill. Maybe the Agriculture Committee needs someone to look at it who is not in a farm State because, I will say to my colleagues, it takes some pretty stretched reasoning to back up what has happened here.

No one this afternoon has hit this argument on its head. Why should we, the American taxpayers, pay one-half of 1 percent of farmers in the United States, that is 14,000 farmers, $1.2 billion when I have given my colleagues the amounts of money they make? Average net income, $762,000 a year. Percentage profit, 40 percent. Average gross sales, almost $2 million.

My friend from North Dakota invited me to go to North Dakota, and I would love to go to North Dakota. I would like to look at some of his farms. But I want my friend to know that in North Dakota, we have in this category right here that I am talking about, 206 farms out of a total of almost 36,000 farmers. I am sure that there are some farms in North Dakota which are having significant problems, but they are not the farms that are averaging a net income of $726,000 a year, percentage profits of 40 percent, average gross sales of almost $2 million. No, the farms that are having problems are the farms that are struggling, the farms that are trying to help. That is what the agriculture program was originally set up to do, to help the farmers who need help.

I would love to go to North Dakota. I would love to go and see the family farms. I cannot stress enough how much respect and how hard the Senators from North Dakota has worked to protect the family farms. But I do submit that these are not the people he has been trying to protect, that our farm programs are meant to protect. The top one-half of 1 percent, $1.2 billion a year in taxpayers money they take, and in the State of North Dakota, 206, or a percentage in North Dakota of .58 percent.

Mr. President, let us talk about what this amendment does. Let us not talk about speculation because all the horror stories my colleagues have heard today are people looking through a crystal ball, and they have been about that accurate. Let us talk about what this amendment does and what it affects.

What it affects is, out of the 50 States, one State has over 2 percent of the farms that are affected by this; 6 States have over 1 percent of their farms affected; and in 43 States, less than 1 percent of the farms are affected by this. Nationwide, as I have indicated, it is a very small speck.

I am going to repeat for the fourth time here today, this amendment is not gutting the farm bill. This amendment strengthens the farm bill for lots of reasons. I will bet my colleagues, Mr. President, that there are people who are going to vote against this amendment, and you know why? Because they are part of this farm coalition that says you support my package of goodies and I will support your package of goodies. I have had Sena-

tors come to me and tell me they are going to vote against my amendment even though they know my amendment is in the right direction.

I am calling upon this Senate to do what is right. Let us step in the right direction and bring this bill down $1.2 billion. It would make the administration happy; it would make the American taxpayer happy; and it would give us a stronger farm bill.

There is no one who has been better to me since I have been here in the U.S. Senate than the senior Senator from Arizona, but this amendment, contrary to his statement, does not affect nonfarm income. It only affects farm income.

I will also repeat for the third time—I think repetition is important in this—as the Senator from Alabama remarked and recognized that the initial statement he made regarding conservation payments are not excluded, he recognized that he was wrong, and I want to state again, this is not an antienvironmental amendment. In fact, it is proenvironmental.

I also must suggest that we look very closely at the statement of the junior Senator from Iowa, who said this amendment at face value had a lot of merit. If he looked at it more closely, it would have even more merit than the face value. He talked about using 1 year as the way of establishing how much commodity support that you would have.

This is a 5-year rolling average that we are talking about, not 1 year. It is a 5-year rolling average. I recognize, everyone recognizes, there are good years and bad years. That is why we established this 5-year rolling average.

So again I submit that we are not violating any confidences of anyone, that we are not gutting the farm bill. In fact, what we are doing is suggesting to the American public that it is about time we gave them something.

Let us talk about basic fairness. That is what this amendment is all about, fairness; one-half of 1 percent of the farmers in the country or 14,000 farmers are getting $1.2 billion of our taxpayers' money. These people are averaging income of $762,000 a year. They have a 40-percent profit margin. It is time it was put to a stop.

I do not think we have to bribe these people to make sure they are good citizens. That is what we have been told; if we do not give them this money, they are going to plant more crops, drop more fertilizers on the land. So to keep them quiet, make sure they are good citizens, let us give them $1.2 billion of the taxpayers' money. I say no.

I yield the floor, Mr. President.

EXHIBIT 1

TABLE 32.—DIRECT GOVERNMENT PAYMENTS, BY VALUE OF SALES CLASS, 1970–88 [1]

Year	Farms with sales of—									
	$100,000 to $499,999				$40,000 to $99,999	Less than $40,000				All farms
	$500,000 and over	$250,000 to $499,999 [2]	$100,000 to $249,999 [3]	Total		$20,000 to $39,999	$10,000 to $19,999	$5,000 to $9,999	Less than $5,000	Total	
Million dollars:											
1970	124	140	266	406	708	826	671	400	582	2,479	3,717
1971	116	130	244	374	622	685	550	327	471	2,033	3,146
1972	180	206	373	579	862	814	630	373	523	2,340	3,961
1973	172	193	334	527	677	468	327	190	246	1,231	2,607
1974	46	40	63	103	136	100	67	42	37	246	531
1975	57	64	105	169	231	140	82	54	76	352	809
1976	48	69	112	181	231	117	60	43	53	273	733
1977	103	184	305	489	618	279	126	96	108	609	1,819
1978	171	378	601	979	1,059	397	159	136	128	820	3,029
1979	88	191	288	479	461	168	68	58	54	348	1,375
1980	91	195	282	477	414	146	59	51	47	304	1,286
1981	148	316	441	757	599	206	84	73	66	429	1,932
1982	293	387	1,005	1,392	1,065	355	146	127	114	742	3,492
1983	1,098	1,784	3,184	4,969	2,061	664	291	85	128	1,168	9,295
1984	1,044	1,589	2,979	4,568	1,874	543	233	107	61	945	8,430
1985	798	1,499	2,413	3,911	1,901	695	228	105	66	1,094	7,704
1986	953	1,848	3,692	5,540	3,132	1,283	532	216	158	2,189	11,813
1987	1,283	2,616	5,145	7,761	4,504	1,613	861	452	271	3,198	16,747
1988	1,221	2,445	4,566	7,012	3,609	1,437	639	282	281	2,638	14,480
Percentage distribution:											
1970	3.3	3.8	7.2	11.0	19.1	22.2	18.0	10.8	15.6	66.6	100.00
1971	3.7	4.1	7.8	11.9	19.8	21.8	17.5	10.4	14.9	64.6	100.00
1972	4.5	5.2	9.4	14.6	21.8	20.6	15.9	9.4	13.2	59.1	100.00
1973	6.6	7.4	12.8	20.2	26.0	18.0	12.5	7.3	9.4	47.2	100.00
1974	8.8	7.5	11.8	19.3	25.6	18.8	12.6	7.9	7.0	46.3	100.00
1975	7.0	7.9	13.0	20.9	28.6	17.3	10.1	6.7	9.4	43.5	100.00
1976	6.6	9.3	15.3	24.6	31.5	16.0	8.2	5.8	7.3	37.3	100.00
1977	5.7	10.1	16.8	26.9	34.0	15.3	6.9	5.3	5.9	33.4	100.00
1978	5.6	12.5	19.8	32.3	35.0	13.1	5.2	4.5	4.2	27.1	100.00
1979	6.4	13.9	20.9	34.8	33.5	12.2	4.9	4.2	3.9	25.3	100.00
1980	7.1	15.2	21.9	37.1	32.2	11.4	4.6	4.0	3.7	23.7	100.00
1981	7.7	16.3	22.8	39.2	31.0	10.6	4.4	3.8	3.4	22.2	100.00
1982	8.4	11.1	28.8	39.9	30.5	10.2	4.2	3.6	3.3	21.2	100.00
1983	11.8	19.2	34.3	53.5	22.2	7.1	3.1	0.9	1.4	12.6	100.00
1984	12.4	18.8	35.3	54.2	22.2	6.4	2.8	1.3	0.7	11.2	100.00
1985	10.4	19.5	31.3	50.8	24.7	9.0	3.0	1.4	0.9	14.2	100.00
1986	8.1	15.6	31.2	46.9	26.5	10.9	4.5	1.8	1.3	18.5	100.00
1987	7.7	15.6	30.7	46.3	26.9	9.6	5.1	2.7	1.6	19.1	100.00
1988	8.4	16.9	31.5	48.4	24.9	9.9	4.4	1.0	1.9	18.2	100.00

[1] See estimation note following table 41.
[2] For the years 1970–81, data are for sales class $200,000 to $499,999.
[3] For the years 1969–81, data are for sales class $100,000 to $199,999.

The PRESIDING OFFICER. Who seeks recognition?

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I commend the Senator from Nevada for the amendment he has presented. I am pleased to be a cosponsor of this amendment.

It seems to me it is a very simple amendment. It would disqualify farmers and farm corporations with gross sales over one million from receiving farm program payments except for disaster and conservation reserve payments.

I know the arguments against this. The arguments are that it is too hard to police; that the farmer and his son have a big farm, it is very prosperous so they just split it up in some fashion and so they continue to qualify.

It seems to me that with the sophisticated methods we now have both in our Internal Revenue Service and certainly the U.S. Department of Agriculture which is putting out not millions but billions in payments to farmers all over the Nation, there ought to be a way of policing this so the outrageous

evasion of the purpose of this bill does not occur.

I want to make one thing clear. In no way do the proponents of this amendment intend it is going to wipe out the American farmer or wipe out this farm bill. Not at all. This is just a small fragment of a total farm bill in the over $20 billion range. What we are talking about is certainly not anything of miniscule proportions, but we are dealing with $1 billion that can be saved from that program.

The purpose of this amendment from the distinguished two Senators from Nevada, Senator RUDMAN and others, is to ensure that the Federal Government sends its payment not to the millionaire farmers but to those who need the benefits. It seems to me unfair to our taxpayers, unfair to all citizens of the Nation when we are struggling with these tremendous deficits, to send these substantial payments to a relatively few farmers in the United States and, indeed, some who are millionaires.

You might say, well, that is not quite true. These payments go to the farmers who need it.

Let us look at the record, as Al Smith used to say. Let us look at some statistics. These come from the U.S. Department of Agriculture itself. What did they say in their survey conducted in 1988, which is only the year before last, where we have the latest statistics?

This is what they say. In the Nation there are over 2,200,000 farms. Of those, the top 60,000—60,000 out of 2,200,000—received about 43 percent of the Federal direct payments.

How is that for a distribution system? The top 60,000 out of 2,200,000 get 43 percent of the payments. What is the average payment? Is it just some miniscule amount, something to tide them over, a couple thousand, 20,000? Not at all. The average payment is $75,000. That is a nice check to get through the mail.

The average net farm income from these farms, that is, what is left over when everything is paid for, is it $20,000, $30,000? Are they just scratching by? Not at all. The average net farm income is $96,000.

Is this just some minuscule operation, they are just barely making it, everything in debt to the local banks? Not at all. The average net worth—meaning you take what they have, less what they owe, and this is what is left. It is pretty good, is over $800,000.

This is what OMB has to say about this subject. "In 1987, 30 percent of $22.4 billion in subsidies that went out"—30 percent of that tremendous chunk of money—"went to 4 percent of the farm operators."

What is going on around here? The 4 percent gets 30 percent of the money, and these farm operators had an average, this group had an average net income of $100,000 a year, which is pretty good, and net worth of nearly $850,000.

What is an average net income of over $100,000 a year? That is three times, three times the average income for an American family. So you have this total inequality in the distribution of these funds. The system is upside down. The sum of 30 percent of all the payments go to 4 percent of the farmers, and those 4 percent are doing very well. Their income is three times that of the average American family.

If we pass this amendment, this Senate right now could start off by saving up to $1 billion a year. That is pretty darned good, and it is a very big start toward facing up to the biggest single national problem we face in America, the deficit. I do not think anybody will argue with that.

Now, is this just something that we from the East conjure up? After all, people say, you are from Rhode Island. How many farms do you have?

We do not have many farms, and none of them are under any kind of system like this. So you say, well, you have an ax to grind.

Sure, I am anxious to save some money. But I also would point out, you ask the farmers themselves. This is a report that came from the farmers.

Asked whether farm programs should give more benefits to farmers with annual sales under $250,000, 16 percent thought it was a bad idea; 53 percent agreed. In other words, if you are going to have payments, have them go to people who need them.

Here is a letter of support from an organization that is clearly part of the farm community, the National Grange. This is what they said in June of this year. They stated that Senator REID's amendments will provide opportunities for small and medium-sized family farmers to prosper and survive.

One of the great cries around this Chamber is the small family farm, and this legislation will help the small family farm. Certainly it will put the tilt in that direction to a greater extent.

In conclusion, I would just like to say there is not any one of us who does not go out on the stump the Fourth of July, August recess, in September. All seasons of the year we are ready to talk at the drop of the hat about the evils of the Federal deficit. It is a good theme, it is a good topic, and it plays well. But the question is, are we willing to do anything about it?

Here is a chance to do something about it—$1 billion, which could go to reduce the deficit. But if we do not want to do that, we could put it into nutrition, Head Start, health programs, assisting the elderly, or education. There is a host of ways we could spend that money if we do not want to use it to cut the deficit.

Mr. President, in closing, I think the amendment makes common sense. It certainly adheres to the basic values we have espoused in this Congress many, many times—make sure that the small family farms survive. But we do not have to worry about the top 4 percent of the farms in the Nation.

Mr. President, I commend the authors of the amendment, and hope it will be adopted.

I also ask unanimous consent that an editorial from the New York Times dated June 19, 1990, in connection with this subject be printed in the RECORD.

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

[From the New York Times, June 19, 1990]

GET FAT FARMERS OFF WELFARE

Imagine that Congress had decided to create a new welfare program that took $10 billion from taxpayers and gave it all to the owners of a single industry. Then imagine that two-thirds of this money went to the richest 15 percent of the owners. That sounds unimaginably perverse. It is. It is also a fair summary of how farm subsidies work.

To begin with, the $10 billion in subsidies doesn't include billions more in inflated food prices. To make matters worse, the smallest farms, 70 percent of the total, get less than 10 percent of the Federal payments. The upshot is a system that makes poor urban mothers pay 20 percent more for milk while wealthy dairy farmers get ever wealthier.

Now two Congressmen, Dick Armey of Texas and Charles Schumer of New York, have devised a radical remedy for this perversion: Stop paying welfare to the wealthy. Specifically, their bill would eliminate subsidies for farmers earning more than $100,000 or any farm with sales over $500,000. It's sad that Congress even needs to debate such a bill; it's even sadder that it probably won't pass.

Of course farmers resent the notion that farm subsidies are called welfare. They prefer to think of them as payments to stabilize output, conserve soil or save the small family farm. But the nation's farm program encourages soil erosion, destabilizes production and favors large farms. The complex provisions include target prices, marketing orders, marketing loans, quotas and support prices.

All these devices jack up consumer prices. And because the subsidies are distributed according to farm output, not need, large farms wind up collecting 100 times more than small farms.

The farm program is a hodgepodge of contradictory regulations. Price supports are set high, producing huge surpluses. So Congress then provides expensive export subsidies to get rid of the excess. When dairy price supports generated big surpluses, Congress paid farmers to slaughter their herds. At times, Congress has put itself in the ludicrous position of paying more in crop subsidies than the entire crop was worth.

The details of the Armey-Schumer bill may need revision. Setting limits on a farmer's personal income will be administratively costly. But setting limits on gross sales doesn't take proper account of costs. And past Congressional efforts to limit subsidies

have been half-hearted and easily evaded. So far, Representatives Armey and Schumer do not have a complete solution.

Yet the underlying principle is surely correct: Kick wealthy farmers off welfare. If enforced, the Armey-Schumer bill would save taxpayers about $1 billion a year. Even more could be saved if Congress went one step further and limited Federal subsidies to the truly needy. That could save $6 billion.

A Southern Congressman laments that the Armey-Schumer bill would be the "beginning of the end of farm programs as we know them."

Wonderful.

Mr. CHAFEE. I yield the floor.

Mr. LEAHY. Mr. President, I assume we are ready to vote. Have the yeas and nays been ordered on the amendment?

The PRESIDING OFFICER. The yeas and nays have been requested on the first-degree amendment.

Mr. REID. I ask for the yeas and nays on the second-degree amendment.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

Mr. LUGAR. Mr. President, I am advised the distinguished Senator from New Hampshire, Senator RUDMAN, wishes to speak. We are attempting to get him to the floor.

Let me make just a short argument awaiting his presence. I commend the distinguished Senator from Nevada for the general thrust of the amendment. I believe the entire issue of payments limitation may be one that should be visited during this farm bill. But I would suggest that the current amendment is probably not the best way to attempt that.

I suggest that for at least two reasons. The committee has examined any number of ways in which payment limitations might come to the floor or payments might be targeted for farmers who are needy. The predicament always is that whatever the solution the means of evasion are substantial.

In this particular case, farms having $500,000 in income have sometimes sought under stress much this kind of situation to divide it to a point in which their income was clearly less than $500,000. Since the amendment has a one-threshold situation, either above or below, it is not hard to conceive how farmers would subdivide their property or their businesses to evade this particular amendment if they were so inclined.

I suppose beyond that the accounting problem, the problem of looking to the 1040 income tax return, leads not only to an argument on the invasion of privacy, but it leads to an auditing problem that is very substantial if what was once a farm of $500,000 income now becomes 10 farms with $50,000 or so, and 10 returns of various relatives are involved.

The problem that the Senator from Nevada is attempting to reach in this is a profoundly important problem in terms of fairness and in terms of equity in American agriculture. It may be, in the overall course of this debate, that the limitation or the targeting situation should be approached another way.

On balance, Mr. President, I am convinced that this amendment does not propose the right way. For these reasons, I will vote in the negative in the event we have an up-and-down vote.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, while we are waiting for Senator RUDMAN, I will respond very briefly to my friend from Indiana. As far as someone being scholarly, no one in this body exceeds the senior Senator from Indiana. We recognize his scholastic background.

Having said that, Mr. President, I suggest that the reasoning of my friend from Indiana is not valid. Of course there are means of evading any law. The jails are full of people that tried to evade the law.

I already recounted how certain people have tried to evade the $50,000 limit that was set by the Congress and the President some time ago. The U.S. Department of Agriculture has an obligation, in fact the obligation here amounts to offer $1 billion—in fact $1.2 billion. That is the figure the U.S. Department of Agriculture. The Office of Management and Budget sets it at a little over $1 billion.

So it seems to me that the USDA would take care of these people that attempt to avoid the law. That is not a reason I respectfully suggest for not voting for this method to bring just a small part of the spending under control.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Ms. MIKULSKI. Mr. President, I rise to clarify my vote in favor of the amendment offered by the Senator from Nevada.

I do not feel that this amendment is perfectly crafted. I think my distinguished colleague from Nevada is too optimistic in his belief that $1 billion will be saved. I would also point out that excluding the largest producers from crop programs means that the ability of the programs to regulate production—which is their intended goal—would be greatly compromised. I am, however, strongly in support of the concept of targeting the wealthiest farmers—or rather agricorporations—from farm program subsidies. For this reason, I feel it necessary to vote for this amendment. It's a step in the right direction.

I would like to make my dedication to small and family farmers clear. My own State of Wisconsin is known for its productive and successful small- and medium-sized farms. They are truly the backbone of American agriculture—and they are the one's who need Government farm subsidies.

Mr. JOHNSTON. Mr. President, on its face, the amendment offered by the senior Senator from Nevada is appealing, but it begs the basic point: Why are payments needed anyway? Whether the farm is small or large, the reason is that the full economic cost of production exceeds the average price received by farmers.

The reason that prices received do not equal the full cost of production is that pervasive subsidies throughout the world have depressed the world price for agricultural products. It is not lack of efficiency on the part of our farmers, but unfair subsidies from abroad, and the steadfast refusal by foreign countries to discontinue these subsidies, that put our farmers at a disadvantage.

How should we respond to this situation? Should we unilaterally stop all subsidies, and forfeit agricultural production to foreign countries? Of course not, and no one seriously suggests that. Should we only provide support to small farmers, with income—measured in gross receipts which of course does not adequately take into account capital costs required particularly in the Southeast as the distinguished senior Senator from Mississippi pointed out—below a certain level, allowing large farms to sink or swim? That would be counterproductive as well. We must have commercial size farming operations to compete under prevailing world market conditions; eliminating large farms from payment programs would only lead these farms to double, or triple, production to increase economies of scale. This would only lead to overproduction—and this would as the distinguished senior Senator from Arkansas pointed out lead to a large reduction in gross farm income.

The only option which makes economic sense for us is to provide price supports for all sizes of farm units—subject to current limitations—enabling commercial scale farms to survive and participate in production limits, thereby enabling these farms to operate profitably when and if a global agreement is reached to eliminate subsidies altogether.

In 1989, agricultural exports were $39.7 billion, and accounted for about 12 percent of total U.S. merchandise

exports. Our agricultural trade surplus—over $18 billion in 1989—helps keep the U.S. trade deficit lower than it would be otherwise. It makes no sense to me to adopt an amendment which would have the effect of crippling larger units which by definition contribute more to this surplus side of our balance of trade.

This amendment is not good for Louisiana, where many farmers have had high capital costs in equipment and land because of the nature of the commodities we produce and where many of these same farmers are heavily burdened by debt. The limit proposed by the Senator from Nevada ignores these factors. It is also not good policy for our country and I urge that it be rejected.

Mr. BREAUX. Mr. President, I oppose the amendment offered, which proposes to impose a means test on farmers based on their gross revenues. It is unfair to farmers in Louisiana and the Nation because it is misleading with regard to their cost of production and income.

If the amendment were to be enacted, it would remove a number of farmers from participation in Government programs, the benefits they provide to participants, and would disrupt domestic stocks and price stability. Without the incentive of the program benefits, farmers outside the program would be able to put all of their productive acreage into use, which would increase supplies and force downward pressure on prices. In this situation, farmers and the farm sector will suffer from more financial problems.

Stable supplies and prices benefit the Nation's farmers and consumers. Driving farmers from participation in Government programs because they do not meet an income test is not an equitable policy nor a sound one. It would be harmful to farmers and consumers would not benefit. I oppose the amendment for those reasons.

Mr. LAUTENBERG. Mr. President, I rise as a cosponsor of the Reid amendment to urge my colleagues to support this important proposal, which would eliminate farm subsidies to producers with earnings in excess of half a million dollars.

Mr. President, when you hear farm program advocates defend current policies, they talk with great emotion about the small, struggling farmer. It is a sympathetic plea, and I share the concern that many Americans have about such family farmers.

But the fact is, Mr. President, that current farm programs disproportionately benefit not the small, struggling family farmer, but huge, highly profitable agribusinesses. Many of these producers are millionaires. They do not need taxpayer subsidies, and they don't deserve them.

It is also important to note that these subsidies do not go to all types of agribusinesses. At the same time that wealthy wheat farmers are raking in huge Government handouts, many types of farm production are excluded altogether. In my State of New Jersey, for example, we have many farmers who produce fruits and vegetables that are not eligible for price support payments. Why grant subsidies to large producers of cotton and rice, while those who produce blueberries, cranberries, peaches, or tomatoes get no such support? That is unfair.

Mr. President, existing farm programs are also unfair to consumers. In fact, agricultural subsidies cause food prices in the United States to increase by an additional $10 billion per year.

Opponents of the Reid amendment say that large producers that would be excluded from farm programs under this amendment would increase production if the amendment were adopted. If that happened, they say, prices would come down, perhaps to a significant degree.

The strange thing, Mr. President, is that they say this as an argument against the Reid amendment. Well, Mr. President, tell that to the American consumer. Tell that to the working American who has to feed his or her family.

Mr. President, if this amendment can reduce the prices of produce for consumers, I say: Great. That is a good reason to support the Reid amendment.

Let me make one more point, Mr. President.

It was only a couple of days ago that we learned that our budget deficit in fiscal year 1991 is expected to be $168.8 billion—and that is not including billions more in costs from the thrift bailout. Our budget deficit demands action. We have to eliminate waste wherever we see it.

Well, the Federal policy of providing handouts to wealthy agribusiness is extremely wasteful. It is 1.2 billion dollars' worth of waste. And it is time to put a stop to it.

Mr. President, this amendment would not solve all the problems and inequities in the current farm program. Not by any means. But it is a step in the right direction. It would make sure that at least the largest producers do not get the benefits of taxpayer handouts. It would save taxpayers an estimated $1.2 billion. And it would inject at least a minimal degree of rationality to a fundamentally flawed farm policy.

I urge my colleagues to support it.

Mr. LEVIN. Mr. President, I have been supportive in the past of efforts to limit farm program payments to individuals to $50,000. A limit such as that makes good fiscal and farm policy sense to prevent farm programs intended to promote the family farm from giving away money to huge agribusinesses. However, that is not what the Senator from Nevada's amendment would do.

By limiting eligibility for payments to those producers with average gross sales under $500,000 over the last 5 years, the amendment disrupts supply management efforts and may hurt farmers of modest income. The amendment would lead to overproduction and, therefore, because of the decline in average market prices below the program crop target prices, accrue little or none of the savings that have been attributed to it.

Also, the amendment is an inaccurate mechanism, in that it would have arbitrarily deprived producers above a certain gross income level, regardless of their costs of production. from receiving payments.

Mr. LEAHY. Mr. President, we are very close to a vote. I yield to the Senator from Arkansas.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. It is my understanding that there are no more speakers, Mr. President, relative to the Reid amendment which is the pending business. Mr. President, is there an underlying amendment? Is there a second-degree amendment? I move to table the underlying amendment.

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

The PRESIDING OFFICER. Has the Senator from Arkansas moved to table the first-degree amendment? Is that correct? Is that correct? There is a first- and second-degree amendment.

Mr. LEAHY. Parliamentary inquiry, Mr. President. If the underlying amendment is tabled, then does it all fall?

The PRESIDING OFFICER. The Senator is correct. If the first-degree amendment is tabled, it carries with it the second-degree amendment.

Mr. REID. Will the Senator from Vermont yield?

Mr. LEAHY. Yes.

Mr. REID. Senator RUDMAN has just made an appearance. He has been tied up in a committee meeting most of the afternoon.

Mr. LEAHY. Mr. President, certainly, if the Senator wishes to, nobody is going to cut off his time, but just because we had told everybody we are going to vote about 5 o'clock earlier, could the Senator from New Hampshire give us some indication of how much time he wants so we can alert our people?

Mr. RUDMAN. I thank my friend from Vermont.

Mr. President, let me say to my friend from Vermont, the chairman of the committee, that I truly would have been here much earlier. I want to tell the Senator that I do not believe in inconveniencing the Senate but I was involved in a 5½-hour deposition

taken by the Ethics Committee today. I have just arrived from that deposition.

I would like about 2 minutes to get some papers together and I would like to speak for approximately another 3. Senator REID, according to my information, has made a very persuasive presentation which, if logic would follow, would persuade the Senate to adopt his amendment. However, I would like just a few minutes to address a few of the issues raised here today. I suggest the absence of a quorum. I withhold that.

Mr. LEAHY. Mr. President, could I ask unanimous consent that, at a quarter of, the Senator from Arkansas [Mr. PRYOR] be recognized for the purpose of a motion to table.

The PRESIDING OFFICER. Is there objection?

Mr. PRYOR. Mr. President, may I inquire? I want to have a vote as soon as the Chair, but I want to inquire of the Senator from New Hampshire, does this give the Senator an adequate amount of time to present his case?

Mr. RUDMAN. It does.

The PRESIDING OFFICER. Is there objection?

Without objection, at 5:45, the Senator from Arkansas will be recognized for purposes of a motion.

Mr. RUDMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. RUDMAN. Mr. President, I want to briefly highlight some of the most significant facts in this amendment.

Let us start by calling this amendment what it is. It is an amendment that provides for an agriculture entitlement means test. We are talking in the budget summit about means testing Social Security and means testing Medicare. We are talking about means testing a whole range of programs.

What the Senator from Nevada and I have attempted to do is to means test agricultural subsidies. I have heard the arguments that opponents of this amendment have made today. However, there are a few figures which the Senator from Nevada mentioned, that I am going to repeat. Because whether we carry the day here or not, I expect that in the near future, the Senate will address this issue again.

In 1988, farmers grossing over $500,000 in sales received $1.2 billion indirect Government payments. OMB estimates that this amendment would save $1 billion a year. Looking at the recent escalation of agricultural subsidies, I believe that figure is probably low.

In 1981, USDA said the farm bill would cost $12 billion over 5 years and it cost $60 billion. In 1985, USDA said that the farm bill would cost $52 million over 5 years, and it cost $80 billion. This year USDA estimates that the farm bill will cost $59 billion in mandatory spending and $3 billion in discretionary authority for new programs.

I believe that the 1990 farm bill will cost the American taxpayers in the vicinity of $90 billion over the next 5 years.

It is important to note that over the past 8 years, almost all Federal programs have experienced some reductions, while agriculture has been increased.

I would like to talk about the equity of a means test.

First, it will provide equity in the agricultural programs where currently almost three-quarters of the participating farmers receive only one-fifth of the Government payments. When I saw that figure, I was appalled. It will repeat it. Three-quarters of the participating farmers—the small family farmer that we think of, receives one-fifth of the Government's commodity payments.

Here is another persuasive statistic: The top 14.7 percent of the program recipients receive 57 percent of the payments. Think about it.

We all talk about the small, poor family farmer. But, the top 14.7 percent of the program recipients are not the family farmer the American people think we are trying to help.

This amendment would affect less than 1 percent of the United States participating farms. Of the 30,000 farms grossing over $500,000 annually, only approximately 14,000 are participating in the Government programs.

I would like to make some comparisons of Federal payments and income levels for a few selected Federal programs for 1987. The average income of a farmer receiving CCC subsidy payments was $48,000. In addition, they received an average Federal payment of $18,017. Compare that to low-income people. The average income of Social Security recipients was $4,700 and they received an average Federal payment of $3,000. The average income of a family an AFDC was $4,800 and they received an average payment of $4,300. In this same year, the average U.S. household income was $36,600. Yet, Mr. President, we have seen farms grossing over $500,000 receive an average payment of $62,587 from the various commodity programs. This is not what I consider equity.

Finally, I would like to point out three of the more recent agriculture payment horror stories that the American public has had to pay for.

No. 1, the dairy program. In Jerome County, ID, a group of investors from the Matco Corp., received $9.9 million in Federal subsidies.

No 2, the wheat program. A farmer in California used three corporations to turn eight entitlements worth $400,000 into 79 entitlements worth $3,950,000.

No. 3, the sugar program. Because of our sugar price support, the American consumers makes an involuntarily annual contribution to one corporation in Florida of as much as $52 million a year.

Mr. President, this is a very modest amendment. It would mean testing the agriculture entitlement programs so that the most needy farm income recipients are the ones to receive the commodity payments. I hope that this amendment will have the support of the Senate.

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas is recognized.

Mr. CHAFEE. Mr. President, I wanted to ask the Senator a question for 2 minutes.

Mr. PRYOR. I yield 2 minutes to the Senator from Rhode Island.

I ask unanimous consent, Mr. President, that I may be recognized for 2 minutes to make a motion.

The PRESIDING OFFICER. The Senator from Arkansas has yielded 2 minutes to the Senator from Rhode Island.

Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I ask the Senator from New Hampshire a question. I agree with everything he said. One of the arguments he used is, well, you cannot police this, that the farm that has the father and two sons making $500,000 a year will just split it up. It seems to me that with the sophisticated equipment we have in this country we ought to be able to police this in some fashion. Does he have any thoughts on that particular challenge to the proposal he made?

Mr. RUDMAN. With the amount of money we spent on computers in the IRS and with the identification numbers and geographical numbers required, one would think it would not be difficult to police at all. If we can find welfare recipients who have cheated and received $100 or $200, we ought to be able to find a farmer who gets hundreds of thousands of the dollars only because of subdividing his farm.

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas is recognized to make a motion.

Mr PRYOR. Mr. President, at this time I move to table the underlying amendment No. 2305, and on that, I ask for the yeas and nays.

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

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New York [Mr. MOYNIHAN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Montana [Mr. BURNS] and the Senator from Idaho [Mr. SYMMS] are necessarily absent.

I further announce that the Senator from Colorado [Mr. ARMSTRONG] is absent due to a death in the family.

I further announce that, if present and voting, the Senator from Idaho [Mr. SYMMS] would vote "yea."

The PRESIDING OFFICER (Mr. HARKIN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 30, as follows:

[Rollcall Vote No. 162 Leg.]

YEAS—66

Adams	Durenberger	Lott
Akaka	Exon	Lugar
Baucus	Ford	Mack
Bentsen	Fowler	McCain
Biden	Glenn	McConnell
Bingaman	Gore	Nickles
Bond	Gorton	Nunn
Boren	Graham	Packwood
Boschwitz	Gramm	Pressler
Breaux	Grassley	Pryor
Bumpers	Harkin	Riegle
Burdick	Hatfield	Robb
Coats	Heflin	Roth
Cochran	Helms	Sanford
Conrad	Hollings	Sasser
Cranston	Inouye	Shelby
Danforth	Jeffords	Simon
Daschle	Johnston	Thurmond
DeConcini	Kassebaum	Wallop
Dixon	Kerrey	Warner
Dole	Kohl	Wilson
Domenici	Levin	Wirth

NAYS—30

Bradley	Humphrey	Mitchell
Bryan	Kasten	Murkowski
Byrd	Kennedy	Pell
Chafee	Kerry	Reid
Cohen	Lautenberg	Rockefeller
D'Amato	Leahy	Rudman
Dodd	Lieberman	Sarbanes
Garn	McClure	Simpson
Hatch	Metzenbaum	Specter
Heinz	Mikulski	Stevens

NOT VOTING—4

Armstrong	Moynihan
Burns	Symms

So the motion to lay on the table amendment No. 2305 was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I wonder, while most of our colleagues are on the floor, if we might get some idea where we stand. The distinguished Senator from Indiana [Mr. LUGAR] and I are prepared to stay here and move on. I strongly encourage that. I keep hearing in the wind the sound of amendments fluttering hither and yon, eager staff, Members, lobbyists, and otherwise, but they do not quite materialize. I wonder if we might have some that could not only materialize, but do so under a relatively short time agreement so we can let our colleagues know where we stand.

We have passed the package of committee amendments, which was a substantial number, 40 or more amendments. We passed the very substantial $3.5 billion savings amendment. We have accomplished a fair amount today. But if we are to finish this bill, we are going to have to have cooperation from Senators. Otherwise we are going to be in late every single night for several nights to run.

Having said that, Mr. President, I yield to anybody who would like to step forward with an amendment.

The PRESIDING OFFICER. Is any Senator seeking recognition to offer amendments?

Mr. LEAHY. Then, regular order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order.

Mr. LEAHY. I was thinking regular order was third reading. That was what I was thinking of.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BOSCHWITZ. If the Senator from Vermont will yield, I have a couple of amendments, actually three, that I am prepared to go forward with. I understand some amendments may be laid down tomorrow. I would prefer to do them at that time, very frankly, if I could.

I have an appointment here in about 15 minutes. While I do not believe my amendments will be very lengthy—one of them I think will be accepted, it is just technical in nature—nevertheless they may require rollcall votes.

Mr. LEAHY. Mr. President, the Senator's appointment is not for 15 minutes. Maybe we could take care of all of them by then. Then, of course, we could get the rollcall started before he had to leave for his appointment.

Mr. PRESSLER. Mr. President, I have an amendment which I do not believe requires a rollcall vote. I am prepared to offer it now. I think it was agreed to on both sides.

Mr. LEAHY. I am not aware of the amendment the distinguished Senator is talking about.

Mr. PRESSSLER. I think the Senator's staff is aware of it.

The PRESIDING OFFICER. Has the Senator from Vermont yielded the floor?

Mr. LEAHY. I yield the floor.

AMENDMENT NO. 2307

(Purpose: to require a report concerning an interntional agricultural conservation reserve)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER] proposes an amendment numbered 2307.

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

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

The amendment is as follows:

At the end of title XII the following new section;

SEC. . REPORT CONCERNING AN INTERNATIONAL AGRICULTURAL CONSERVATION RESERVE.

(a) FINDINGS.—The Congress makes the following findings:

(1) Approximately one-fifth of the world's cropland is experiencing an intolerable rate of soil erosion;

(2) The cost of farm program subsidies is at record levels in many nations;

(3) The United States has taken the initiative of enrolling nearly 34 million acres of agricultural land in a ten-year Conservation Reserve Program;

(4) World food production historically has increased at an annual rate of 2.5 percent, but world food production during the 1980's has increased at an average rate of over 3 percent annually;

(5) All nations would benefit from the decreased agricultural subsidies and stabilized food production an international agricultural conservation reserve could provide.

(b) REPORT TO CONGRESS.—

(1) Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall, in consultation with other federal agencies, prepare and submit a report to the Congress on the feasibility of negotiating an international agreement or treaty to establish an international agricultural conservation reserve to protect fragile agricultural soils.

(2) The report shall examine the potential for the establishment of an international agricultural conservation reserve under which:

(a) All signatory nations would agree not to subsidize farmers who bring highly erodible virgin land into crop production.

(b) All signatory nations would agree to return a certain percentage of highly erodible cropland to its natural state and keep it out of production for a minimum of 10 years and implement sound conservation practices on such land to control soil erosion.

(c) Provisions would be established to allow a portion of the land placed by signatory nations into the reserve to be returned to production if stocks fell below those levels needed to maintain adequate commodity and food supplies.

Mr. PRESSLER. Mr. President, today I am offering an amendment to S. 2830, the 1990 farm bill, which will require a report concerning an international agricultural conservation reserve treaty that would reduce soil erosion and equalize agricultural subsidy programs.

The high cost of farm programs, export subsidies, and worldwide soil erosion problems provide a unique opportunity needed to reach such an agreement.

My amendment requires a report to Congress not more than 1 year after the date of its enactment by the Secretary of Agriculture on the feasibility of negotiating an international agreement or treaty to establish an international agricultural conservation reserve to protect fragile lands. Such an agreement would require all grain exporting nations to agree not to bring any virgin land into production and to return an equal percentage of their cropland to grass or other natural per-

manent vegetative cover. The land would have to be held out of production for a minimum of 10 years. Emergency provisions would be included to allow land to be brought back into production if a shortage of grain occurred or a nation's production fell below domestic consumption. Such an agreement would benefit all nations.

The United States has taken the initiative in idling nearly 34 million acres through its Conservation Reserve Program [CRP]. In addition, more than 20 million more acres are idled because of U.S. farmers' cropland enrollment in other Federal farm programs. U.S. farmers must idle a percentage of their cropland in order to be eligible for crop subsidy payments. This has given an unfair advantage to foreign competitors who receive crop subsidies that do not hinge on the idling of cropland.

Mr. President, as we work together in crafting the 1990 farm bill, we need to keep our agricultural community prospering. However, one objective expressed to me by the farmers and ranchers I have visisted with, and from whom I have received letters and phone calls, is fair treatment in the world trade arena. Our farmers and ranchers have proven that they are the most efficient and productive in the world. They desperately need to be able to compete fairly with other major agricultural exporting nations.

The 1990 farm bill will not eliminate set-aside programs. This is why we must look to an international land conservation program. It is vital not only for fair trade, but also for the global protection of fragile lands.

Mr. President, I yield the floor.

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

Mr. LEAHY. Mr. President, I have no objection to this amendment.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 2307) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, again, after that flurry of unprecedented action, we are back to where we were.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 2309

(Purpose: To authorize the Secretary of Agriculture to arrange for additional inspection services in connection with certain ports of entry)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] proposes an amendment numbered 2309.

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

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

The amendment is as follows:

Insert at the appropriate place in title XIX in the section entitled Collection of Fees for Inspections Services:

SEC. . ADDITIONAL INSPECTION SERVICES.

(a) AGREEMENTS.—The Secretary of Agriculture, in carrying out regulations prohibiting or restricting the entry of materials that may harbor pests, or diseases, is authorized to enter into agreements with operators or owners of vessels for the purpose of providing inspection services at ocean ports of entry in the United States in addition to the regular or on-call basis currently available in connection with such ships. Any such agreement shall provide for the payment by the operator or owner of an amount determined by the Secretary to be necessary to defray the costs of providing additional service pursuant to such agreement.

Mr. MURKOWSKI. Mr. President, I rise today to offer a simple, straightforward amendment to the Department of Agriculture to be reimbursed for certain necessary inspection services.

As you know, the Department is responsible for inspecting vehicles entering the United States to ensure that no agricultural pests are present. This is a very necessary task, and one which the Department has performed in an exemplary manner. However, there are occasions when the system breaks down.

For a number of years, there has been a problem involving the inspection of cruise ships entering southeast Alaska from Canada. Simply put, the Department's inspectors are located in Anchorage, and the cruise vessels enter at Ketchikan—over 800 miles away. The Department's inspection budget simply does not allow inspectors to meet the cruise ships upon arrival in Alaskan waters, and until these ships have been inspected, nothing can be offloaded.

Because passengers do not disembark until later ports, the lack of inspection does not affect them. However, it does affect the vessels' ability to promptly and properly dispose of their garbage. Storage space on any vessel is limited, and keeping garbage on board poses a serious health hazard for the passengers and crew on board.

The only alternative, at this point, is to steam outside U.S. jurisdiction and dump the garbage overboard. Frankly, Mr. President, I do not know anyone on either side of the aisle that would find that an acceptable option.

My amendment is revenue neutral. It simply provides for reimbursement agreements between cruise ship operators and the Department. In short, if the industry wants extra inspections it will be able to pay for them.

Not only will this amendment help ensure pollution control, and reduce health risks to our citizens, it reflects industry and government cooperation for the advancement of a cleaner environment. I urge my colleagues' support. It is my understanding it has been cleared on both sides.

I defer to the Republican floor leader.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, we commend to the Senate the amendment of the distinguished Senator from Alaska. The amendment clarifies the program that was included in the budget amendment offered by the distinguished chairman of our committee this morning. We recommend an "aye" vote for this amendment.

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

The amendment (No. 2309) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I would like to, for a minute, discuss this amendment with the managers before I offer it. I have an amendment to conform the checkoff approval provisions relating to wool, to the other checkoff program approval provisions that we have in law. As my colleagues know, most of them are majority. This one, for some reason, is two-thirds.

Sixty-three to sixty-eight percent of the producers support the checkoff, the self-promotion, self-help part of enabling legislation for them, which others are using.

I want to just ask the managers: Have they looked at that situation? I

think it is only fair, and I would intend a very simple amendment that would just make the checkoff approval provision for wool comparable to those for other livestock promotion programs.

Mr. LUGAR. If I may respond to the distinguished Senator, I have not seen the amendment. I will be happy to study it. I suspect testimony might come from Members who have an interest in wool in their States, and we would want to hear from them. But I certainly look forward to examining the amendment.

Mr. LEAHY. Mr. President, I wonder if I could ask the Senator from New Mexico a question. Is this similar to a provision that is in the House farm bill?

Mr. DOMENICI. I believe it is. My State does happen to be a very big wool-producing State. I am not on the Senator's committee. But I have met with the people in our State regularly, and it seems to me they very much would like to have a majority vote for the checkoff which costs the taxpayers nothing, as my colleagues know.

Mr. LEAHY. I wonder, Mr. President, if the distinguished Senator would mind withholding just for a minute or two and just allow me a chance to take a look at that. If the amendment is what I believe it is, I do not think there will be any objection to it. We may just save all of us some time.

If the distinguished Senator will withhold, it will be my intention to put in a quorum call, unless someone is seeking recognition on another matter, so that he would not lose his ability to bring it up.

Mr. DOMENICI. Mr. President, I am most appreciative of the chairman's statement, and I certainly will not send the amendment to the desk. I have now provided it to both the chairman and ranking member, and I look forward to their perusal of the amendment. Certainly, I do not want to take this issue and expedite it, if there are other Members in the Senate who clearly have an interest in wool or think to the contrary.

Having said that, I believe I will make a few remarks about the farm bill while the distinguished managers take a look and see what they think about the amendment.

Mr. President, I rise to comment on a very important piece of legislation before us, the 1990 farm bill, formally known as the Food, Agriculture, Conservation and Trade Act of 1990. I know that my colleagues on the Senate Agriculture Committee have worked many long and difficult hours in developing this bill. I commend them for their efforts.

Today, we are facing a much different agricultural economy than 5 years ago. I think the 1985 farm bill did a good job of moving agricultural policy closer to free market forces. We have seen a 6-year trend of debt retirement, and farmers now have a more conservative approach to financing. Land values have ceased their precipitous decline and are now moving upward. Commodity prices, during the last couple of years, have risen moderately, reflecting tighter crop supplies and expanding world trade. Recent USDA forecasts of net cash income of farmers in 1990 range from $55 to $59 billion, compared with the record income of $57 billion in 1988.

Our citizens enjoy a safe, relatively inexpensive variety of food. Here in the United States, about 14 percent of our total personal consumption spending is on food, while citizens of Japan spend about 21 percent; the U.S.S.R., while it is hard to be precise, we think they spend about 40 percent. A kilogram of coffee costs $7.61 in Washington, DC, and $12.25 in Singapore; while a kilogram of boneless sirloin steak costs $9.74 here and, believe it or not, $45.66 in Tokyo.

I think it is time, and everyone does, to refine the Food Security Act of 1985. I support the goals of providing increased program flexibility to farmers and developing a farm bill that is more responsive to changing international markets.

Certainly, agriculture is a tough, competitive, and mature industry. Agricultural production will always be at the mercy of climatic conditions. Over the years, we have seen the agricultural sector moving toward a smaller number of farms. However, these farms are generally larger, quite efficient, and enjoying enconomies of scale. Today's successful farmer is a competent manager, a skillful negotiator, and an innovator. Our farmers and ranchers can efficiently produce plentiful amounts of the highest quality commodities. Given a level international playing field, American agribusiness can compete with anyone, anywhere, anytime.

Mr. President, as ranking member of the Budget Committee, I noted with disappointment and dismay the cost estimate for the Senate-reported bill. As estimated by the Congressional Budget Office, direct spending for the commodity programs authorized in the bill were $2.9 billion in 1991 and $4.3 billion, 1991 to 1995, over basically a straight extension of the 1985 law.

I compliment the chairman and ranking member of the Agriculture Committee for recognizing the excessive cost of the provisions contained with the Senate-reported bill and offering an amendment to bring spending back to the baseline level. At least, the bill now before us is back to the level assumed in the Senate-reported budget resolution.

I think it is important, however, to note that the House-passed budget resolution assumed reduced spending on farm programs of $800 million in 1991 and $8.1 billion over 5 years.

However, I do not know if there is slippage between the House-passed resolution and the House farm bill. Perhaps the distinguished ranking member knows whether the farm bill that is before the House saves $8.1 billion over 5 years as recommended in the budget resolution.

I would caution my colleagues that we should not send the wrong signal to our agricultural producers. The need for reduction in spending for farm programs is clear.

Agriculture will have to do its part to contribute to the deficit reduction package. The summiteers from both the House and Senate are calling for cuts in agriculture. The administration included in its 1991 budget a reduction in CCC spending of $1.5 billion next year and $19.4 billion over the next 5 years. The administration also supports reductions in agriculture spending within the context of the budget summit. To date, the summiteers have not reached an agreement, but I believe we will. And when we do, obviously agriculture will have to take some portion of the savings.

The "other summit" held in Houston earlier this month sent a clear signal to the world that trade-distorting agricultural subsidies worldwide would have to be reduced and eventually eliminated. It is my hope that we will now begin to see movement in the GATT negotiations that reflect those views expressed in the summit communique.

In the absence of a budget which does not meet the Gramm-Rudman-Hollings targets, this country will face massive across-the-board cuts this fall. The midsession review of the budget prepared by the Office of Management and Budget estimates a Gramm-Rudman-Hollings baseline deficit of $168 billion, and subsequently, a sequester of approximately $100 billion will occur if our budget summit efforts are not successful, we will have that planned train wreck on October 15, in which case OMB projects CCC outlays to be cut by $3.9 billion.

But, agricultural spending cuts don't have to be that severe and, in fact, should not. I would remind my colleagues that we are in the midst of a budget summit called by the President, so that both the administration and the Congress can develop a multiyear, enforceable package to reduce the deficit.

Let me suggest to you that some of the problems that plague the agriculture sector have distinct similarities to our overall Federal budget, and in the larger picture they are all related.

Large Federal deficits drive up interest rates, increase debt carrying costs of all debtors—including farmers, increase the value of the dollar overseas,

and reduce all exports—including agriculture, this reduces export commodities prices and, thereby, reduces farm income and creates cash-flow problems to service debt.

I am convinced that the one thing we can do that will benefit agriculture in the long run more than anything else is to lower those projected deficits. Clearly, that is what I have been trying to do as a participant in the budget summit, because if we do that there is a high probability that interest rates will be reduced across the board. That means if we are going to succeed in a budget summit, everyone is going to have to share in this sacrifice.

To do that, agricultural expenditures must be reduced below a simple extension of current law. That is what the budget summit is driving toward and what the House passed-budget resolution called for, although as I indicated I am not at all sure that the budget resolution in the House is being implemented by a farm bill. That is what the Houston economic summit has requested, and I believe in the end this is what the American people are asking us to do. Ultimately I believe it is precisely what the farm sector, those farmers and ranchers in the United States, will benefit most from, and ultimately it will ensure their long-term economic prosperity.

The bill before us obviously has missed that point, but I am hopeful that the economic summit will not. I am hopeful that we will have a fair sharing of the deficit reduction burden, and agriculture will bear its fair share.

Mr. President, I wonder if the distinguished chairman and ranking member have had an opportunity to review my proposed amendment. I am not trying to rush. If not, I can wait until tomorrow.

Mr. LEAHY. Mr. President, we are reviewing it.

VISIT TO THE SENATE BY MEMBERS OF THE JAPANESE PARLIAMENT

Mr. WIRTH. Mr. President, we have in the Chamber today a distinguished group of Japanese parliamentarians from across the political spectrum in Japan. They are in Washington for a week to be meeting with Secretary Cheney, meeting with people here on the Hill on United States-Japan relationships, also developing a whole new process for setting up a broader set of relationships between the United States and Japan. There have been some rocky times in the past, and we have just had a very fascinating set of discussions on the Kurile Islands, United States budget process, naval arms control, and the Korean peninsula, easy isues to all of us.

RECESS FOR 5 MINUTES

Mr. LEAHY. Because we do have a group of distinguished parliamentarians from Japan on the floor, I would ask unanimous consent that we stand in recess for 5 minutes so that Members might meet our friends from Japan; that when we return Senator DOMENICI be recognized.

There being no objection, the Senate, at 6:38 p.m., recessed until 6:43 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer [Mr. HARKIN].

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 2310

(Purpose: To conform the checkoff approval provisions relating to wool to other livestock checkoff program approval provisions)

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

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] proposed an amendment numbered 2310.

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

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

The amendment is as follows:

On page 929, between lines 18 and 19, insert the following new section:

SEC. 1730. CHECKOFF PROGRAM FOR WOOL.

Section 708 of the National Wool Act of 1954 (7 U.S.C. 1787) is amended by striking out "two thirds" each place that such appears and inserting in lieu thereof "a majority".

Mr. DOMENICI. Mr. President, I understand that the managers are willing to accept this amendment.

Simply stated, this will make the provisions relating to the wool checkoff program similar to other livestock checkoff programs, changing the required voting for approval to a simple majority instead of a super majority.

I strongly support the concept of producer-funded and producer-directed promotion programs to increase market demand. The National Wool Act, as amended, authorizes the wool and mohair industries to engage in market development, research and promotion activities.

Following the renewal of the Wool Act, the Secretary of Agriculture conducts a referendum of all sheep and Angora products to determine if a two-third majority of producers voting or of sheep and goat inventory represented by the voters favor continuation of the promotion programs. If approved, a deduction rate is established for producers to fund the program.

My amendment would merely change that acceptance level to a simple majority.

This amendment would bring the sheep industry's promotion program in line with other livestock sectors' programs. Only a simple majority approval level was required for the beef, dairy and pork promotion programs.

Since 1955, at least 63 percent of sheep producers and at least 69 percent of sheep production in the United States have voted to continue the wool promotion program. My amendment is supported by producers.

According to the Congressional Budget Office, this amendment would not increase the cost of the 1990 farm bill. This is merely a technical measure designed to bring uniformity to the livestock industries' promotion programs.

I understand this provision was included in the chairman's mark reported by the House Subcommittee on Livestock, Dairy and Poultry and was accepted with no debate or controversy.

Mr. President, I would urge my colleagues to supprot this amendment.

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

Mr. LUGAR. Mr. President, we supprot the amendment of the distinguished Senator from New Mexico, and the logic that he has offered is persuasive. The program that he has described is one of the older programs, and perhaps had the extraordinary majority because of that, but clearly is inconsistent with the other checkoff programs. In other areas, the 50-percent majority has been the standard. We believe that is a fair standard, and we support the amendment.

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

The amendment (No. 2310) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NO. 2311

(Purpose: To prohibit the organically produced certification from being granted to a handling operation that uses storage containers or bins that contain fungicides, preservatives, or fumigants)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 2311.

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

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

The amendment is as follows:

Strike out paragraph (5) of section 1617(a) and insert in lieu thereof the following new paragraph:

"(5) use any packaging materials, storage containers or bins that contain fungicides, preservatives, or fumigants;".

Mr. GRASSLEY. Mr. President, I have submitted a copy of my amendment to both sides of the aisle. I believe that it likewise will be approved.

I want to say in support of my amendment that overall I compliment the Committee on Agriculture for their efforts to promote consumer confidence in organic foods. If consumers determine that they prefer organically produced foods, it must be clear to them and to the farmers who attempt to grow organic foods what constitutes organically grown food.

However, certification of only the production segment establishes a public perception that the agricultural product is definitely chemical hormone free. This can be a false illusion if products become tainted after it leaves the farm. Instances are reported within the food industry of organic products transported within the same shipment as toxic materials; organic products showing traces of chemical residue after joint tenancy in storage facilities with nonorganic pruducts; and contaminated shipping containers used for organic products.

The public health safety and welfare is not served by certification of merely the first link in the marketing chain to the consumers. Unless an entire organic certification trail is attained the consumption of food items labeled "organic" will equate that of the spin of a roulette wheel for our consumers.

The current push toward raising environmental consciousness and striving to redirect agricultural production toward environmentally sound practices will be moot if the ultimate sale of the product falls through due to the loss of product integrity on its way to the market.

I believe that my amendment closes these loopholes. We will have that integrity.

I yield the floor.

Mr. LUGAR. Mr. President, the distinguished Senator from Iowa has identified an important point with regard to the integrity of the organic certification process. He does close the loop. For that reason, we strongly support his amendment.

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

The amendment (No. 2311) was agreed to.

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRASSLEY. Mr. President, I rise just for a few minutes to address in a very general way the entire farm bill, and to do this in the way of opening remarks, but also to do it in a way of complimenting my colleagues on the Senate Agriculture Committee who have done so well.

I do not serve on that committee, but I had an opportunity to attend a few meetings and sit in on the markup of this bill by the Senate Agriculture Committee. There were a number of difficult issues and a lot of late nights spent by these committee members in resolving those issues, and I thank my colleagues for their dedication to this entire effort.

Because the farm bill occurs only once every 5 years it may seem like there is not very much to do because it does not happen every year. But it sure is a massive undertaking as evidenced by anyone who has had an opportunity to see the legislation, 1,000 pages, and the committee report of about 800 or 900 pages.

Every 4 or 5 years, Congress reauthorizes farm legislation, and the committee saddled with the responsibility does it for many reasons.

The main reasons are an adequate food supply for America's consumers, continued vitality and viability of rural America, and, lately, in the last two farm bills, much and justified concern about the environment, and, of course, farm income as well. It used to be that farm income was the only concern. It is one of many concerns now.

So I say that the members of this committee did their work very well. Of course, in this process of doing this work very well, there was much compromise, and, to some extent, to get a bill voted out of committee, there has to be something for everyone. That tends to make legislation that may be otherwise relatively simple, very complex.

There are a number of points that I feel must be further addressed to achieve the goals of fairness, simplicity, and flexibility necessary for any farm program to work. The most important issue I see is meaningful planting flexibility. I have spoken before to this body on the need for farmers to be able to make planting decisions based on the market forces, based on those market situations, and not just on determinations made by politicians and bureaucrats in Washington, DC. The Agriculture Committee has made strides toward increasing planting flexibility. But I feel that we must revisit this issue.

The committee missed the mark on flexibility, in my estimation, when it defeated the amendment of Senator BOSCHWITZ, which would have provided neutral planting signals for program crop acres. His program would have been good for farmers, good for the environment, and it would have saved money to boot. On this latter point, that I hope my colleagues will have a chance to consider efforts to save money in this bill and to save it without hurting agriculture. They will find that there can be a considerable amount of money saved by granting more flexibility to farmers to make a determination on what they plant. Flexibility is extremely important to Midwestern farmers.

Now, there are other areas that I feel are critical to Iowa farmers in this bill. Agriculture trade and the conservation titles are important interests in my State, and there is a growing interest in my State about the whole issue of sustainable agriculture.

A final question regarding our 1990 farm bill is whether or not it will fit within the budget agreements that we must reach to bring our deficit under control. I am well aware of the efforts of the managers of this bill to bring the bill, at least in their estimation, into conformity with the guesstimates of the Congressional Budget Office. Starting out this way in a more fiscally sound way was a positive thing for them to have done.

There is still a lot of argument about cost. There will be honest differences of opinion, I am sure, but I hope that when we consider any opportunity to save money in this bill in the future, we give particular consideration to those that do not affect farmers' income.

The 1985 Food Security Act has cut payments to producers for the last 4 years. I am pleased to see that this bill proposes a freeze on target prices and halts the decline in our target prices. This means, however, that we must find alternative ways to cut Government spending without hurting farm income, and flexibility, I am sure, is jut one of the many ideas that might be thrown out for our consideration.

Reform of our program payment limits could be another opportunity. We just had a vote on that. I am sure that Senator REID would say that we missed a wonderful opportunity to save a lot of money. But some of us that voted against that felt that just gross payment limitations or gross income was not a fair determination of how you ought to determine eligibility for the farm program.

There are a number of other options which have been presented in committee and, I am sure, will be presented here again on the floor. I intend to review each option carefully with the goal of achieving a balance between a sound farm policy and a sound budget policy. In the end, we need a farm program that is fiscally responsible, environmentally sound, rationally consistent, fair to farmers, and fair to consumers. In regard to being fiscally responsible, I think we all need to remember that when we consider the impact of Federal budget deficits upon interest rates in the United States, if we can protect just 1 percentage point of what farmers will pay in interest as the cost of operations, we will increase farm income by $2 billion a year and in some respects do much more for agriculture that way than what we do directly through price support payments.

So I hope my colleagues share these goals and will work toward these ends.

I yield the floor.

Mr. COATS. Mr. President, I am convinced, like most Hoosiers, that a great deal of what is best about Indiana is found in its farmers.

Indiana values those in agriculture for their economic contribution. Farming is, after all, the No. 1 family-owned business in the State. Farms cover two-thirds of Indiana. The value of Indiana's agricultural exports is now over $2 billion a year. And we must always remember that between American dependence and American independence there is only a thin layer of fertile soil.

But Indiana also looks to farm communities for something other than prosperity. It views them as the defenders—the incubators—of traditional family values. Family farms help provide both our wealth and our conscience. They remind us what is best about stable, healthy families and the virtues they breed. Their importance is more than economic.

For many years now, the needs of agriculture in Indiana, as well as the health of agriculture in the Nation, have found a champion in my colleague DICK LUGAR. His work on the Agriculture Committee is unsurpassed. His stature in the Senate on this issue is unequaled. Over the years, he has provided a strong, distinctly Hoosier voice in the formation of America's farm policy. And with this new farm bill that history of concern and commitment is confirmed.

This is an Indiana tradition I hope to share and strengthen. For a decade in the Congress, I have been guided by a few firm principles—convictions I think can be consulted with confidence.

I believe America requires a farm policy that reflects a deep concern for our farm families. We must remember that a farm crisis is not just numbers and deficits, but pride and tears.

We need to move at a gradual but sustained pace toward free farm markets in which supply and demand determine production and price. The history of intrusive government intervention in farming has been a history of failure.

We need to realize that expanded markets for agricultural products abroad are vital to America's long-term economic health. Indiana is second only to the State of Washington in per capita income derived from exports. We send abroad nearly 50 percent of the crops we produce. Indiana ranks fifth in corn exports, fourth in soybean exports. And we also need to ensure that free international trade is fair international trade.

We need to expand markets at home by finding new uses for old crops. Agricultural innovation and technology is essential.

And we need to guarantee that environmental restrictions, particularly on the use of agricultural chemicals, are both needed and reasonable before they go into effect. Farmers have an important role in protecting the environment. But their burden must be fair.

I was pleased with most of the features of the 1985 farm bill. In general, it worked as we intended. That legislation reduced the huge surpluses of grains and fiber that accumulated under previous Government programs. It has helped make the prices of U.S. agricultural products competitive in world markets. It has helped stabilize farm income.

And now we make our regular return to this issue. I have examined the bill before us closely. It is complex. The amendment process will be occasionally controversial. But given the convictions I have outlined, I have concluded this bill is generally good for agriculture, good for Indiana and good for the Nation.

I believe that farms should prosper through sales, not subsidies. Provisions that stimulate agricultural research are welcome. I support provisions of the Lugar-Leahy bill on acreage flexibility.

We should be concerned about certain environmental provisions of this bill. The issue of target prices and loan rates will again be debated. But, taken as a whole, the Lugar-Leahy legislation is well written, well intended, and needed.

Agriculture is our Nation's largest industry, counting for 16.6 percent of GNP in 1986. There are 2.16 million farms in the United States. This debate we are entering is essential to our economic health. It is vital to Indiana's future. And the bill before us is a step in the right direction.

Mr. KASTEN. Mr. President, I rise today to voice my thoughts on the 1990 farm bill.

The 1990 farm bill is the single most important farm legislation the Senate has addressed in the last 5 years. The Agriculture Committee has worked many long hours writing this bill and bringing it to the floor for consideration. I am hopeful that all sides can work together on this critical legislation so that we can keep American agriculture going—and going strong—for the next 5 years.

There are a few key areas of the bill that I think could stand some improvement. These include dairy, conservation and trade—and I intend to offer amendments to make the necessary changes.

DAIRY

The dairy title of the bill passed by the Senate Agriculture Committee has already made some significant strides toward reform—reforms which I have strongly supported for years. I would like to express my appreciation to the Agriculture Committee for the efforts they have made in this area which is so crucial to my home State of Wisconsin.

The 1990 farm bill will repeal the California Make Allowance which will permit cheese, butter, and nonfat dry milk from other regions of the country to compete in the lucrative California market—in which artificially low prices have protected California dairy products for the last 35 years. This important provision will also stem the disproportionate growth of California's processors. It's time to establish a level playing field for all dairy to play on.

Another significant reform which I have strongly advocated for years is a change in the determination of milk surpluses to a total solids milk equivalent.

This new formula will increase the stability of the support price, which has fluctuated over recent years due

to the butterfat formula used by the Commodity Credit Corporation.

The bill also instructs the Secretary of Agriculture to reform the Minnesota-Wisconsin [M-W] price series and Federal milk marketing orders, both of which are outdated and have come to discriminate against Upper Midwestern dairy in recent years.

This is a significant improvement over current law, but the committee left these provisions dangerously open-ended. I will make an amendment to set a solid deadline of January 1, 1992, for reform of both the Minnesota-Wisconsin price series and Federal milk marketing orders.

Our Nation's dairymen, especially those in Wisconsin and the entire Midwest, have waited long enough for relief from these outdated and discriminatory pricing systems.

Secretary Yeutter recently informed me that hearings on milk marketing order reform will be held in Eau Claire, WI, as well as in Minneapolis and four other locations. I am heartened by this news—I'll be testifying at the Eau Claire hearing and I'm hopeful that by the end of 1991 all American dairymen will be competing on a level playing field.

OPENING NEW MARKETS

Opening new markets for American agriculture should be one of the greatest priorities of this farm bill. The future success of our Nation's farmers lies in foreign markets. I will be working with the distinguished senior Senator from Iowa [Mr. GRASSLEY] to set aside 25 percent of the Export Enhancement Program funding for a Value Added or First Stage Processed Export Enhancement Program. This new market research program will aggressively seek out new foreign markets for American agriculture.

I will offer an amendment to define within the trade section of the bill what a first-stage processed agricultural product is. It is of particular concern to me as a Senator from America's dairy State that products like cheese, butter and nonfat dry milk are included in this program. Canned vegetables, chilled meats—like pork and beef, flour and oils will also greatly benefit from the expansion into these new foreign markets.

There are untapped markets all over the world just waiting for our products—and it is up to us to exploit that opportunity.

CROP FLEXIBILITY

Another important change we need to make is a move toward crop flexibility. I support a crop flexibility plan that will permit farmers to flex out of part of their program base in order to grow a crop that is in high demand in the marketplace. If a farmer tried to do this now, he would lose some of his Federal program benefits.

We have to change that policy. Just look at what happened to oats at the end of the 1980's. Due to the oat bran craze, consumer demand for oats soared. Because farmers were locked into their program crops and faced losing their program base acreage if they were to grow anything else, America wound up doubling its imports of oats—at higher prices—between 1987 and 1989.

That is just one example of how we need to make Federal agriculture policy more responsive to real national needs. The 1990 farm bill gives us a golden opportunity to make some real improvements

CARGO PREFERENCE

Mr. President, I will also be working closely with other Senators from the Great Lakes to resolve the cargo preference inequity. The 1985 farm bill increased the cargo preference requirement for the Food for Peace Program—the amount of goods which must be sent on U.S.-flagged vessels—from 50 to 75 percent of all goods shipped. It also guaranteed through a set-aside, a short-term continuation of Food for Peace shipments to the Great Lakes.

This change was called for to help the U.S. shipbuilding industry. Our domestic shipbuilders have long been under siege by foreign competition. It was argued that increasing the percentage of U.S. ships carrying Food for Peace cargoes would spark a demand for more U.S. ships—thus helping the domestic shipbuilding industry.

What has taken place, however, is a steep decline in Food for Peace trade activity in the Great Lakes region. The Port of Milwaukee handled 220,000 tons of Food for Peace cargo in 1987, in 1989 it handled a mere 70,000 tons.

So far in 1990, there have been no shipments whatsoever. The Port of Kenosha in my own State of Wisconsin has been forced to close down as a result of the 75 percent cargo preference. Mr. President, this is an outrage—ironically, in an effort to help American shipping we force American ports out of business and put American labor out of work. A Great Lakes set-aside is necessary to the maintenance of Wisconsin's maritime and agricultural export trade.

Quite simply, the higher the cargo preference requirement mandated by Federal law, the worse Great Lakes ports do. Even though grain products can be purchased at far less cost in Milwaukee than elsewhere, they must be shipped 1,500 miles south to be put on a U.S. vessel—instead of being loaded on a ship in Milwaukee. This does not make sense. It imposes inefficiencies on the system, and it hurts Wisconsin's farmers. The agricultural community in Wisconsin and other Great Lakes States is being damaged by a flawed Federal policy which forces them to compete unfairly with other regions of the country.

Mr. President, it is my greatest hope that the 1990 farm bill will resolve this terrible inequity.

CONSERVATION

One of the Senate's best targets of opportunity in this farm bill is the issue of conservation. With my support and the leadership of Senator LEAHY of Vermont and Senator LUGAR of Indiana, the Agriculture Committee has put together a bill that goes a long way toward uniting America's agricultural policy with a wise and forward-looking environmental policy.

For too many years, we have neglected the fact that we are all sustained by the quality of our soil. The livelihood of our farmers depends entirely on the production of soil and water—so protecting these resources ought to be priority No. 1 for any intelligent agriculture policy.

The conservation title of the 1985 Food Security Act was landmark legislation—the premier conservation legislation since World War II. Linking public support for agriculture to good conservation makes just plain good sense, because we all know that good farming means good conservation.

Poor conservation practices are like a business that steadily consumes its own capital, little by little squandering its inheritance from nature. You can get away with this for a while, but in the end, the resources run out—and you are left with nothing.

That's why I'm delighted to report that the Agriculture Committee has approved a bill that greatly strengthens several of the conservation provisions of the 1985 bill. This action makes it clear that Congress wants to include environmental protection as a full partner in agriculture policy.

This bill includes many of the provisions of the Farm Stewardship Act of 1990 that I introduced in April. Among these are adjustments to swampbuster to improve conservation of wetlands and to increase the ability of farmers to comply.

Most important of all, the bill changes the penalty trigger from producing an agricultural commodity on a converted wetland to the actual wetland conversion itself. It establishes a reduced penalty for cases in which a farmer who converted a wetland, acting in good faith and with a record of no violations over the previous 10 years, could come back into compliance by restoring or mitigating that wetland loss.

Mitigation would become an option where it is both reasonable and technically feasible to offset the loss of a wetland. The active participation of the U.S. Fish and Wildlife Service and the Soil Conservation Service in planning wetland restoration and evaluat-

ing exemption requests will ensure a program that is effective and fair.

This provision should take much of the confusion out of swampbuster—confusion which has hampered effective implementation of this program over the past 5 years.

Together, the change in the trigger, a reduced penalty, and the ability to restore wetlands has shifted the emphasis of swampbuster from penalizing farmers to protecting wetlands.

The 1990 farm bill will make swampbuster more practical. In some cases, farmers have been fined as much as $200,000—that is wrong. These laws were not intended to put farmers out of business for an inadvertent violation that could be corrected. They were designed to protect wetlands and conserve our soil—that is what the 1990 reforms are all about.

Another important component of my bill that has been incorporated in the 1990 farm bill would amend the credit title to continue and expand the forgiveness of farm debt in exchange for conservation. This is intended to be a domestic version of the debt-for-nature swaps that are making progress in saving tropical rainforests.

This part of the credit title has been used only sparingly since 1985; the changes proposed in this farm bill will make this option available to farmers much earlier in the loan-servicing process, even to reduce the principal on new Farmers Home Administration loans. This should help reduce future loan losses to the Government, while at the same time giving a boost to our conservation efforts.

The creation of the Wetlands Reserve Program is another step in the right direction. Combined with swampbuster, the reserve program can help bring to an end our 200-year history of wetlands destruction—a history in which agricultural conversions alone are responsible for the eradication of around 100 million acres of destroyed wetlands. This bill will help us build equity in conservation by permanently protecting wetlands, so that future generations of Americans will be able to enjoy the biological and hydrological benefits healthy wetlands can provide.

Finally, I intend to propose changes in the highly erodible land sections of the title to improve the implementation of conservation compliance. Farmers with erodible land are required to have a conservation plan—an erosion-reduction plan—and to have fully implemented it by 1995.

But a bad plan is as bad as no plan at all, and many plans submitted to date just don't do the job. I will propose that conservation compliance plans mandate active application of primary conservation practices—not just conservation tillage, but such other well-known conservation practices as contour planning and strip-cropping as well.

We need to work toward the day when the application of basic, cost-effective conservation practices is a matter of routine throughout American agriculture. Our ultimate goal must be non-degradation of our soil resources. My amendment will be a step in the right direction.

At a time when environmental protection is becoming a genuinely global concern, it is gratifying that we in America can point to the conservation provisions of the fundamental agricultural law of this land—and know that we are tending to conservation at home as well as abroad.

It is vitally important to all of us that the conservation measures contained in this bill succeed—succeed in gaining widespread support in the agricultural community, and succeed in conserving our fragile natural resources that are starting to show signs of wear and tear.

Mr. President, what we are addressing is nothing short of the future of U.S. agriculture, and the future of the American community as a whole. I look forward to working with my colleagues in crafting this important legislation.

Mr. McCONNELL. Mr. President, since coming to the U.S. Senate, agriculture has been one of my top priorities. Farming is an extremely important industry in Kentucky. In 1989, Kentucky's 90,000 family farmers sold more than 2.5 billion dollars' worth of farm products. While most people believe tobacco and horses dominate Kentucky agriculture, the fact is over 17 different commodities contribute more than $1 million to farmer's income.

This diversity in Kentucky's agricultural economy makes my State a strong competitor in domestic as well as world markets. Over one-fourth of our States' production goes to foreign consumers and we are working hard to increase our presence in the global marketplace.

Today, American agriculture is a world leader and the envy of every free nation. This country's farmers are the most productive, most efficient, and the most concerned about our natural resources than any of our competitors.

Despite the fact that less than 2 percent of the U.S. population lives on a farm, agriculture represents 17 percent of our gross national product and provides jobs for an estimated 20 million Americans.

Just how productive are America's farmers? One American farmer or rancher provides food and fiber for 92 of his neighbors and 22 people overseas. This productivity spreads beyond farmers to benefit consumers.

American consumers pay the lowest percent of their personal income on food than any other country. Our food is not only the most affordable, but consumers have the widest variety of food and the assurance of quality and safety.

This legislation which we are considering the Food, Agriculture, Conservation, and Trade Act of 1990, is designed to maintain the wide array of Federal programs which provides each of us with a safe and affordable supply of food and fiber.

The farm bill is not only commodity support programs. S. 2830 includes provisions to encourage research into new technologies, practices to protect environmentally sensitive habitats, food aid to developing nations, and countless other beneficial programs.

The average person would never see a direct benefit from this farm bill other than the food in which they eat. However, it is the countless number of indirect benefits that makes this bill good policy.

Many of my colleagues will oppose the farm bill. They have been told the farm bill only provides subsidies to already wealthy farmers and farmers are no more deserving of support than plumbers or janitors. But I argue that plumbers and janitors do receive support and indirect benefits from a sound federal farm policy.

I do not contend that our current Federal farm policy is without flaw. Many of the problems have been exploited recently in an effort to undermine the need for a farm bill. I suggest that we proceed cautiously with an eye on the future. Our resources must be conserved and maintained if we are to be prepared for the 21st century when there will be an additional 1 billion people on this planet to feed.

The 1985 farm bill allowed agriculture to prepare to meet the challenges of the future. In the many farmer meetings which I have held across Kentucky, the vast majority of farmers support the basics of the 1985 bill. They have obviously suggested some changes and many have already been incorporated into the new package, but time and time again they say, "conditions are improving, don't mess that up."

The next few days will be filled with debate on amendments that could mess things up. Many believe that farmers should not be treated differently from other segments of our society, but they are different. Farmers produce something that none of us can live without—food. I would hope that each of my colleagues will realize that all Americans benefit from a sound fair agriculture policy. Not just the 2 million farm families, but each and every U.S. citizen.

Mr. LEAHY. Mr. President, just for the sake of our colleagues, we are trying to set the schedule for the continuation of the farm bill. As I said

earlier, we had a very good debate on one of perhaps three or four most important amendments that would come up, the payment limitations debate, which was actively entered into by both the proponents and opponents of the amendment. And we voted on that.

There have been some very significant amendments, especially the first one offered by the distinguished Senator from Indiana and myself, that required in this bill to bring the cost down about $3.5 billion. That also was passed. There were numerous other amendments presented to the committee after the farm bill was voted out, I believe some 40 such amendments, that also were passed en bloc. A number of Senators have given their opening statements. I commend all that.

But I urge Senators to contact me or Senator LUGAR or our staffs tonight so that we can schedule things for a vote tomorrow and Monday, and get these amendments in some orderly fashion.

For those who have amendments they think can be accepted, the staff and appropriate Senators are going to be working throughout the weekend to try to clear amendments. So those who feel they have something that they can win by our accepting it ought to take this opportunity to bring it forth so we can do that this weekend, because if we get into the hurly-burly of the debate next week we may not have the opportunity to look closely enough at a Senator's amendment and we may not realize how brilliantly constructed and important it is and thus might not be willing to accept it and may force him to go to a rollcall vote which he may not win.

So I would encourage those who have amendments to bring them forth now.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

SCHEDULE FOR THE REMAINDER OF THE SESSION

Mr. MITCHELL. Mr. President, for the information of Senators, I would like to describe the schedule for the remainder of the legislative session, between now and the August recess, so that Senators can have a full understanding that those events which occur or do not occur now will have an effect on when the Senate goes into recess in August.

We have begun, today, action on the farm bill, a very important measure with respect to which a large number of Senators indicated an intention to offer amendments. Notwithstanding that, only one amendment was offered today despite the fact that Thursday has been designated now for several years as the day on which the Senate is expected to remain in session; as what one might call the maximum work session day.

Upon disposition of the farm bill, I have indicated publicly on many occasions, and in my discussions with the distinguished Republican leader, it is my intention to proceed to the campaign finance reform bill.

Upon disposition of that measure, it is my intention to proceed to the debt limit extension bill, if we have received that measure from the House by that time and I hope very much that we will.

Then, following disposition of that measure, it is my intention to proceed to complete action on the Department of Defense authorization bill.

It is my hope that we will also, within that period, be able to work in other matters such as appropriations bills, the first one of which I believe was reported a short time ago. But the measures I have described are those which represent the minimum that will be necessary to act on.

To the extent that action on those measures is delayed now, why then, of course, to an equal extent such action will be required at the other end of this legislative period, thereby increasing the probability of delaying the onset of the August recess.

I hope very much that we will be able to complete action in time to recess as previously scheduled at the close of business on August 3. But, if we are not to have any significant legislative activity on Thursdays or Friday or Monday in the period between now and then, then it is almost certain, dictated by the action of the Senate itself, that the Senate recess will be delayed beyond the August 3 deadline.

I make these remarks merely to inform Senators fully of the proposed schedule and what is to occur. I do not intend by my remarks to suggest that the legislation I mentioned is an all-inclusive list. There will undoubtedly be other matters prior to recess.

The Ethics Committee report of this week will require disposition by the Senate. It is my intention to bring that before the Senate at the earliest possible time, consistent with the opportunity for all Senators to fully consider that measure. And there may well be other matters.

I merely make this statement to point out that the timing of this legislative period, and more specifically the onset of the August recess, is up to the Senate itself; that will be determined by individual Senators. So, those Senators who are unwilling to come forward and offer an amendment, which results in a delay of this bill, assure their continued presence in August. It is a function that is entirely within the discretion and authority of Senators themselves.

We have attempted, with great difficulty and consuming a fairly substantial amount of time, to prepare a schedule for tomorrow which, as these agreements indicate, merely involves debate on one amendment, which will then be put over for further debate and voting on Tuesday, and debate and voting on one other amendment. We are in the process, and I commend the managers of the bill and their staffs for their efforts, of attempting to do the same with respect to Monday. But each Senator should be aware that each day within which limited or no activity occurs in July means a day on which activity will be required in August.

I encourage all Senators, for their own convenience if for no other reason—I now appeal to the ultimate motivation—the self-interest of Senators; that if Senators wish to commence the recess at the close of business on August 3, it is incumbent upon them individually and collectively to come forward and proceed to offer amendments and dispose of legislation when a measure is before the Senate.

I thank my colleagues for their cooperation today. I thank the distinguished manager, the chairman of the committee, and the distinguished ranking member and minority manager. I hope very much that we will be able to get some cooperation in arranging a full schedule of activity on this measure on Tuesday.

Mr. LUGAR. Will the leader yield?

Mr. MITCHELL. Yes.

Mr. LUGAR. I thank the distinguished Senator for yielding for a moment of comment. I think the leader has pointed out very clearly the road that lies ahead of us. I will say on our part, I look forward to working with the distinguished chairman of the committee. We are eager to accelerate passage of this legislation.

I think we have worked out a program at least for activity and progress for Friday and Monday. It appears Tuesday is a crucial day for really coming to grips with whether we can not only get amendments to the floor, but resolve them so that perhaps Members would not wish to offer every single one they have indicated they might offer.

I think we made good progress today. Inevitably, the opening statements take time. We have had an amendment, a test of strength of sorts. It appears at least to me that it is possible Tuesday might be a very productive day and maybe conclusive. I would be optimistic enough to predict that. Surely by Wednesday, we should come to a resolution of the farm bill.

Mr. LEAHY. If the Senator will yield, to begin with, I absolutely agree with the sentiments of the distinguished Senator from Indiana. I wonder if I might ask the distinguished majority leader, if we have amendments on Tuesday, and I fully expect we will—I will strongly urge that we do—would it be the distinguished leader's intention to go well into the evening Tuesday if we are making that kind of progress? I would recommend that.

Mr. MITCHELL. Yes, it is my intention, indeed. I think Senators ought to be prepared for the virtual certainty of lengthy sessions each day between now and the August recess. It will be difficult to meet the original schedule in that regard in any other way. I think that will be necessary. So I hope that Senators will be able to adjust their schedules accordingly and be prepared for what I think is not only a likelihood but almost a certainty.

Mr. President, having said all that, there will obviously be no further rollcall votes this evening. I want to conclude again by thanking my colleagues for their cooperation and efforts in this regard.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. CRANSTON. Mr. President, I ask unanimous consent that there be a period for morning business, with Senators permitted to speak therein.

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:09 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5002. An act to amend title 38, United States Code, with respect to veterans' housing and memorial affairs programs, to improve the Department of Veterans Affairs compensated work therapy program, to authorize the Secretary of Veterans Affairs to provide a demonstration program of transitional housing for veterans in that program, to provide mortgage payment assistance to avoid foreclosure of home loans guaranteed by the Secretary of Veterans Affairs, and for other purposes.

At 1:14 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5258. An act to require that the President transmit to Congress, that the congressional Budget Committees report, and that the Congress consider, a balanced budget.

ENROLLED JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 276. Joint resolution designating the week beginning July 22, 1990, as "Lyme Disease Awareness Week"; and

S.J. Res. 281. Joint resolution to designate September 13, 1990, as "National D.A.R.E. Day."

The enrolled joint resolutions were signed by the President pro tempore [Mr. BYRD].

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 5002. An act to amend title 38, United States Code, with respect to veterans' housing and memorial affairs programs, to improve the Department of Veterans Affairs compensated work therapy program, to authorize the Secretary of Veterans Affairs to provide a demonstration program of transitional housing for veterans in that program, to provide mortgage payment assistance to avoid foreclosure of home loans guaranteed by the Secretary of Veterans Affairs, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5258. An act to require that the President transmit to Congress, that the Congressional Budget Committees report, and that the Congress consider, a balanced budget for each fiscal year; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

MEASURES PLACED ON THE CALENDAR

The following joint resolution, previously received from the House of Representatives for concurrence, was read the first and second times by unanimous consent, and placed on the calendar:

H.J. Res. 548. Joint resolution designating the week of August 19 through 25, 1990, as "National Agricultural Research Week."

EXECUTIVE AND OTHER COMMUNICATIONS

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

EC-3295. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a supplemental summary of the budget known as the Mid-Session Review; pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, referred jointly to the Committee on Appropriations and the Committee on the Budget.

EC-3296. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the status of certain budget authority proposed for rescission by the President in his fifth special impoundment message; pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Commerce, Science, and Transportation.

EC-3297. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for the protection of distinguished persons by personnel of the Department of Defense; to the Committee on Armed Services.

EC-3298. A communication from the Secretary of Energy, transmitting, pursuant to law, notice of procedures for submission of a report under the Stewart B. McKinney Homeless Assistance Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-3299. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, a report on methods to increase the use of underutilized minority banks, women's banks, and limited-income credit unions as depositories or financial agents of Federal agencies; to the Committee on Banking, Housing, and Urban Affairs.

EC-3300. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a study on the feasibility of making Secretary-owned property available to low-income persons whose homes were destroyed in the areas declared for disaster in connection with Hurricane Hugo and the Loma Prieta earthquake; to the Committee on Banking, Housing, and Urban Affairs.

EC-3301. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1989; to the Committee on Commerce, Science, and Transportation.

EC-3302. A communication from the Chief of the Forest Service, Department of Agriculture, transmitting, pursuant to law, the boundary decision of the White Salmon National Scenic River within the Gofford

Pinchot National Forest, WA; to the Committee on Energy and Natural Resources.

EC-3303. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the quarterly report on U.S. coal imports for the first quarter of 1990; to the Committee on Energy and Natural Resources.

EC-3304. A communication from the Deputy Under Secretary of the Department of Energy, transmitting, pursuant to law, notification that the study evaluating Federal energy technology R&D programs in the light of possible global climate change will be provided by September 1, 1990; to the Committee on Energy and Natural Resources.

EC-3305. A communication from the Acting Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, notification of the phaseout of the Atomic Safety and Licensing Appeal Panel; to the Committee on Environmental and Public Works.

EC-3306. A communication from the Chairman of the Board of Foreign Scholarships, transmitting, pursuant to law, the annual report of the Fulbright Program; to the Committee on Foreign Relations.

EC-3307. A communication from the Assistant Secretary of the U.S. Department of State, transmitting, pursuant to law, notification of the payment of a reward; to the Committee on Foreign Relations.

EC-3308. A communication from the Assistant Secretary of the U.S. Department of State, transmitting, pursuant to law, notification of the payment of a reward; to the Committee on Foreign Relations.

EC-3309. A communication from the Chairman and CEO of the Farm Credit Administration, transmitting, pursuant to law, the semiannual report for the period from October 1, 1989, through March 31, 1990; to the Committee on Governmental Affairs.

EC-3310. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on diabetes prevention, treatment, and control among American Indians and Alaskan Natives; to the Committee on Indian Affairs.

EC-3311. A communication from the Secretary to the Board of the Railroad Retirement Board, transmitting, pursuant to law, the 1990 annual report on the financial status of the railroad unemployment insurance system; to the Committee on Labor and Human Resources.

EC-3312. A communication from the Executive Director of the Committee for the Purchase from the Blind and Other Severely Handicapped, transmitting, pursuant to law, the fiscal year 1989 annual report; to the Committee on Labor and Human Resources.

EC-3313. A communication from the Secretary of Education, transmitting, pursuant to law, the final regulations on the Foreign Language Materials Acquisition Program, Library Literacy Program, Library Services and Construction Act Basic Grants to Indian Tribes and Hawaiian Natives Program; to the Committee on Labor and Human Resources.

EC-3314. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the views on the actions of the Senate Committee on Agriculture, Nutrition, and Forestry to develop a 1990 farm bill; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3315. A communication from the Comptroller General of the United States, transmitting, pursuant to law, an opinion on the Federal Savings and Loan Insurance Corporation's final financial statement; to the Committee on Banking, Housing, and Urban Affairs.

EC-3316. A communication from the Chairman of the Federal Reserve Board, transmitting, pursuant to law, the monetary policy report to the Congress; to the Committee on Banking, Housing, and Urban Affairs.

EC-3317. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notification that the Commission in Docket No. 39886, *Huron Valley Steel Company* v. *Seaboard System Railroad, Inc., et al.,* has extended the time period for issuing a final decision to September 20, 1990; to the Committee on Commerce, Science, and Transportation.

EC-3318. A communication from the Secretary of Energy, transmitting, pursuant to law, studies on global climate trends and greenhouse gas data; to the Committee on Energy and Natural Resources.

EC-3319. A communication from the Administrator of the Department of Health and Human Services, transmitting, pursuant to law, a report on the "Rural Health Care Transition Grant Program"; to the Committee on Finance.

EC-3320. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-228, "District of Columbia Emergency Overnight Shelter Amendment Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3321. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-229, "Victims of Violent Crime Compensation Act of 1981 Conforming Amendments Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3322. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-230, "District of Columbia Statutory Savings Provision Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3323. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-231, District of Columbia Income and Franchise Tax Conformity Amendment Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3324. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-232, "National Council for Negro Women Equitable Real Property Tax Relief Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3325. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-233, "Vital Records Act of 1981 Amendment Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3326. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-234, "District of Columbia Government Employee Affirmative Obligation Amendment Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3327. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-235, "Motor Vehicle Fees Amendment Act of 1990" and report, adopted 6-26-90; to the Committee on Governmental Affairs.

EC-3328. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-236, "Conveyance of the Jewish Community Center Act of 1989 Amendment Act of 1990" and report, adopted 7-10-90; to the Committee on Governmental Affairs.

EC-3329. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, D.C. Act 8-237, "Real Property Tax Rates for Tax Year 1991 Amendment Act of 1990" and report, adopted 7-10-90; to the Committee on Governmental Affairs.

EC-3330. A communication from the Vice President of the Farm Credit Bank of Texas, transmitting, pursuant to law, the annual report for the pension plan for the year ended December 31, 1989; to the Committee on Governmental Affairs.

EC-3331. A communication from the Director of the Federal Bureau of Investigation, transmitting, pursuant to law, the first of five annual reports on the FBI's New York Demonstration Project [NYDP]; to the Committee on the Judiciary.

EC-3332. A communication from the Congressional Affairs Officer of the Federal Election Commission, transmitting, pursuant to law, a report of the Federal Election Commission on the Presidential Election Campaign Fund; to the Committee on Rules and Administration.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-543. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Appropriations.

"SENATE CONCURRENT RESOLUTION No. 26

"Whereas, the Land and Water Conservation Fund grant program has had a significant impact on outdoor recreation and has greatly contributed to the quality of life in Louisiana; and

"Whereas, Louisiana state and local governments have benefited greatly from the Land and Water Conservation Fund grant program by using these funds to acquire and develop more than 567 recreation facilities; and

"Whereas, Louisiana state and local governments have contributed more than $57.3 million to match federal support for this program; and

"Whereas, Louisiana and state and local governments are engaged in an intensive effort to protect and enhance our conservation estate, wetlands, and recreational resources; and

"Whereas, there is an important relationship between recreational opportunities and tourism, industrial inducements, protection of our cultural and natural resources and the health and economic well being of the citizens of Louisiana; Therefore, be it

"Resolved, That the Legislature of Louisiana memorializes the Congress of the United States to fully fund the Land and Water Conservation Fund grant program, and be it further

Resolved, That a copy of this resolution shall be transmitted to the Secretary of the

United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-544. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Banking, Housing, and Urban Affairs:

"HOUSE RESOLUTION No. 617

"Whereas, there are numerous savings and loan associations ("Thrifts") operating in the State of Illinois which were created by, or are the surviving institutions of, supervisory mergers approved by the Federal Home Loan Bank Board ("FHLBB") and the Federal Savings and Loan Insurance Corporation ("FSLIC"); and

"Whereas, these mergers were used by the FHLBB and FSLIC as a vehicle to assist specified thrifts in the acquisition of designated financially-troubled thrifts in Illinois; and

"Whereas, many of these troubled thrifts had substantially negative net worths; and

"Whereas, in lieu of any FSLIC monetary contributions, the mergers were consummated through the placement of goodwill on the books of the surviving institution, a practice which was fully sanctioned under generally accepted accounting principles at that time of merger; and

"Whereas, these surviving thrifts have, in the vast majority of cases, operated successfully and profitably since the time of merger and, in many cases, have raised their net worth to current regulatory requirements; and

"Whereas, this financial progress was accomplished at no cost to the FSLIC, thus saving the insurance fund hundreds of million of dollars in otherwise required contributions; and

"Whereas, the majority of these merged institutions have operated profitably and have significantly depreciated the goodwill on their books; and

"Whereas, these merged institutions have carried out the financial burden of the FSLIC in protecting depositors' investments and restoring otherwise insolvent thrifts to viability; and

"Whereas, the proposed savings and loan reform legislation now pending in the United States Congress would penalize these merged institutions by disregarding the goodwill placed on their books by the FHLBB and FSLIC for the purposes of regulatory capital requirements; and

"Whereas, the proposed legislation as it is currently drafted would impose severe burdens upon the industry and force most of these otherwise profitable Illinois institutions into mergers with out-of-state or foreign banking interests; Therefore, be it

"*Resolved, by the House of Representatives of the Eighty-Sixth General Assembly of the State of Illinois,* That this body expresses its enthusiastic support for the savings and loan industry in the State of Illinois; and be it further

"*Resolved,* That this body expreses its appreciation to those savings and loan institutions who have kept the industry financially viable in the State of Illinois in the absence of the monetary assistance contemplated by the Federal regulatory scheme; and be it further

"*Resolved,* That this body calls upon the United States Congress to enact legislation which will provide for complete and total reimbursement to these merged institutions for the regulatory goodwill placed on their books at the time of merger in lieu of monetary contributions from the FSLIC, and be it further

"*Resolved,* That suitable copies of this preamble and resolution be presented to each member of the Illinois Congressional Delegation, the President of the U.S. Senate, and the Speaker of the U.S. House of Representatives."

POM-545. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Commerce, Science, and Transportation:

"HOUSE RESOLUTION No. 1650

"Whereas, the General Assembly of Illinois adopted SB 1254 in June of 1989 and created provisions for the new Uniform Drive's License Act; and

"Whereas, this legislation prevents Illinois from losing federal highway and roads funds by complying with federal standards for commercial truck drivers; and

"Whereas, commercial licensed truck drivers will now be disqualified from driving for twelve months if they refuse to submit to a blood-alcohol content test (BAC) or have a BAC as low as .04%; and

"Whereas, the commercial truck drivers in Illinois are among the safest truck drivers in the country and have had their image tarnished by a small minority of careless operators; and

"Whereas, the new commercial drivers licensing regulations make demands on all commercial intra-state haulers to pay a 30% increase to become licensed and provide limited provisions for exemption: Therefore be it

"*Resolved, by the House of Representatives and the Eighty-Sixth General Assembly of the State of Illinois,* urges Congress to consider exempting Intra-state haulers, who are not required to receive Illinois Commerce Commission authority to operate, from Commercial Drivers licensing rules.

"*Resolved,* That suitable copies of this resolution be sent to United States Secretary of Transportation Skinner and to all members of the United States Congress."

POM-546. A resolution adopted by the City Council of Sweetwater, Florida, favoring legislation to provide Hialeah Race Track with exclusive non-competitive racing dates during the winter season; to the Committee on Commerce, Science, and Transportation.

POM-547. A concurrent resolution adopted by the Legislature of the State of Mississippi; to the Committee on Environment and Public Works.

"SENATE CONCURRENT RESOLUTION No. 502

"Whereas, the U.S. Army Corps of Engineers and the United States Environmental Protection Agency have promulgated guidelines regulating the classification and use of wetlands; and

"Whereas, under administrative guidelines applying a broad definition of wetlands, hundreds of thousands of acres already in cultivation or development have been classified as wetlands; and

"Whereas, administrative mitigation guidelines for broadly defined wetlands have placed excessive prohibition on development possibilities; and

"Whereas, these administrative guidelines have deprived landowners of the use of their property without compensation; and

"Whereas, although wetlands constitute only a small percentage of the land area in the United States, wetlands constitute a very large percentage of the land area in areas such as the Mississippi Delta and the Mississippi Gulf Coast; and

"Whereas, these administrative guidelines classifying wetlands and implementing no net loss standards are impacting lands never before considered wetlands in these areas; and

"Whereas, these administrative guidelines ignore the special needs of unique geographical areas such as the Mississippi Delta and Gulf Coast; and

"Whereas, the ill defined no net loss policy and the lack of specific criteria for evaluation of mitigation efforts and use permits have created a high level of uncertainty; and

"Whereas, the overly broad classification of land as wetlands in counties in the Delta and Gulf Coast regions applies to 40% to 85% of the land area in these counties; and

"Whereas, this will result in tax asssessment reductions causing a devastating loss of the tax base and revenues for municipalities and counties in these areas; and

"Whereas, a common sense approach to developing reasonable classification, use and mitigation guidelines and standards will identify special geographical considerations that need recognition and will preserve and protect actual wetlands: Now, therefore, be it

"*Resolved, by the Mississippi State Senate, the House of Representatives concurring therein,* That we urge the President and Congress to take speedy and appropriate action to ensure that regulatory agencies use a common sense approach in promulgating guidelines regulating the classification and use of wetlands and mitigation of loss of wetlands: Be it further

"*Resolved,* That copies of this resolution be transmitted to the President of the United States, the President and Secretary of the United States, the Speaker and Clerk of the United States House of Representatives and to the Mississippi congressional delegation."

POM-548. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Environment and Public Works:

"HOUSE RESOLUTION No. 1796

"Whereas, the United States Congress, the United States Nuclear Regulatory Commission, and the United States Environmental Protection Agency have each approved the concept of deregulating certain radioactive waste that they have characterized as "below regulatory concern"; and

"Whereas, if it is deregulated, this radioactive waste will be disposed of in landfills, sewers, incinerators, and many other types of facilities that were never designed or intended to take radioactive waste; and

"Whereas, this deregulated radioactive waste could be recycled into contaminated raw materials and consumer products; and

"Whereas, it has been estimated that more than 30% of the current volume of "low-level" radioactive waste could be subject to this deregulation; and

"Whereas, evidence is growing that exposure to low levels of ionizing radiation have greater negative health effects than have been previously assumed by national and international agencies; and

"Whereas, simultaneous exposure to radiation and toxic chemicals often acts synergistically to produce unexpectedly severe effects on human health and the environment, and the deregulation of nuclear waste

may result in a great increase in such multiple exposures: Therefore be it

"Resolved, by the House of Representatives of the Eighty-Sixth General Assembly of the State of Illinois, That this House is strongly opposed to the deregulation of any radioactive waste, and to the acceptance of any radioactive waste, deregulated or otherwise, at any waste disposal or treatment facility that is not specifically licensed to handle such waste; and be it further

"Resolved, That this House respectfully urges the U.S. Congress to repeal Section 10 of the 1985 Low-Level Radioactive Waste Policy Amendments Act (P.L. 99-240), which requires the Nuclear Regulatory Commission to set standards for the deregulation of radioactive materials that have been characterized as "below regulatory concern"; and be it further

"Resolved, That this House strongly urges the U.S. Nuclear Regulatory Commission and the U.S. Environmental Protection Agency to refrain from any activity that will further the deregulation of radioactive wastes or materials; and be it further

"Resolved, That a suitable copy of this Preamble and Resolution be transmitted to the members of the Illinois Congressional Delegation, to the Administrator of the U.S. Environmental Protection Agency, and to the U.S. Nuclear Regulatory Commission."

POM-549. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"SENATE CONCURRENT RESOLUTION No. 24

"Whereas, the Secretary of Transportation of the United States shall not approve any federal highway funding in any state which has a maximum speed limit on any public highway within its jurisdiction in excess of fifty-five miles per hour other than a highway on the Interstate System located outside of an urbanized area of 50,000 population or more; and

"Whereas, there are many sections of four laned, United States numbered highways in Louisiana on which a speed limit of sixty-five miles per hour would be safe and more practical; and

"Whereas, the state government is in a better position to determine the speed limit necessitated by the conditions of a specific local road to ensure safety to travelers; Therefore, be it

"Resolved, That the Legislature of Louisiana memorializes the Congress of the United States to authorize an increase of the maximum speed limit on public roads to sixty-five miles per hour without penalty, Be it further:

"Resolved, That a copy of this Resolution shall be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-550. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"SENATE CONCURRENT RESOLUTION No. 35

"Whereas, the state of Louisiana has a vested interest in maintaining its wetlands which are essentfal to the economy and beauty of the state; and

"Whereas, equally important is the agricultural community which is responsible in large part for the economic health of the state; and

"Whereas, environmentalists, persons who derive their living from the rich wetlands resources, and the agricultural community have traditionally worked in harmony to support the reasonable and productive use of the state's farmlands and wetlands; and

"Whereas, the 1890 Harbors Act gave the United States Army Corps of Engineers jurisdiction over maintenance of the navigable waters of the United States; and

"Whereas, section 404 of the 1972 Clean Water Act gave the United States Environmental Protection Agency legislative authority to regulate the permitting of dredge and fill activities in or adjacent to the navigable waters of the United States and thereafter, the United States Environmental Protection Agency entered into an agreement with the United States Army Corps of Engineers giving them the authority to administer the dredge and fill program; and

"Whereas, a change in the way that the United States Environmental Protection Agency, the United States Department of Agriculture, the United States Soil Conservation Service, the United States Fish and Wildlife Service, and the United States Army Corps of Engineers define "wetlands" may require many landowners in Louisiana to obtain section 404 permits for specific activities planned for their property; and

"Whereas, should this change remain in effect, approximately 4.2 million acres of Louisiana cropland will be affected; and

"Whereas, the restrictions placed on landowners are not limited to those in Louisiana, but impact many landowners throughout this country; and

"Whereas, private lands bought, developed, or farmed for many years are now suddenly classified as wetlands, which places severe restrictions on the continued use of the land as a viable source of livelihood; and

"Whereas, this expanded jurisdiction occurred only as a result of writing a new wetlands procedural manual, and not because of a change of law: Therefore, be it

"Resolved, That the Legislature of Louisiana hereby memorializes the Congress of the United States to take whatever action is necessary to cause the United States Environmental Protection Agency, the United States Department of Agriculture, the United States Soil Conservation Service, the United States Fish and Wildlife Service, and the United States Army Corps of Engineers to redefine "wetlands" such that prior-converted croplands excluded from the provisions of the Food Security Act of 1985 would also be excluded from regulation under section 404 of the Clean Water Act of 1972: Be it further

"Resolved, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives, and to each member of the Louisiana congressional delegation."

POM-551. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"SENATE CONCURRENT RESOLUTION No. 48

"Whereas, farming and farmlands make vital contributions to the economic well-being of the state of Louisiana; and

"Whereas, prior-converted croplands currently under cultivation in the wetlands region of Louisiana are threatened by recent action on the part of the United States Army Corps of Engineers and the Environmental Protection Agency to revise the federal definition of regulable wetlands; and

"Whereas, under the revised definition, approximately four million two hundred thousand acres of cropland currently under cultivation in the state would be subject to the permitting process of the United States Army Corps of Engineers; and

"Whereas, farmers and farming as an industry, have been made to endure various and numerous hardships in Louisiana and across the United States in recent years; and

"Whereas, loss of farmlands in the productive and fertile wetlands region of Louisiana would be a detriment to the individual farmers who cultivate the area in particular and to the farming industry in Louisiana in general: Therefore, be it

"Resolved, That the Legislature of Louisiana memoralizes the Congress of the United States to exempt prior-converted croplands from the definition of regulable wetlands under the control of the United States Army Corps of Engineers: Be it further

"Resolved, That a copy of this Resolution shall be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-552. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works:

"SENATE CONCURRENT RESOLUTION No. 162

"Whereas, recently the Mega Borg, a Swedish oil tanker, exploded when attempting to transfer crude oil to a smaller tanker, which explosion resulted in a spill of nearly four million gallons of oil into the Gulf of Mexico; and

"Whereas, as a result of the oil spill, disasterous damage is occurring along much of Louisiana's coastline; and

"Whereas, much of the damage is irreversible in that it threatens the wildlife, waterfowl, fish, and oysters that claim the marshes, coasts, and estuaries as their homes; and

"Whereas, sixty-eight percent of the imported oil entering the United States enters the Gulf and three hundred and twenty-four million barrels of oil are produced on the federal Outer Continental Shelf each year; and

"Whereas, a state that is as heavily involved with the transport of oil and as seriously threatened by damage if it is spilled should be prepared for emergencies; and

"Whereas, the United States government has a responsibility to participate in and assure the effectiveness of an emergency response to any oil spill: Therefore, be it

"Resolved, That the Legislature of Louisiana memorializes the Congress of the United States to require the United States Coastguard to immediately address the problem created by the oil spilled in the Gulf of Mexico from the tanker the Mega Borg by undertaking to spur those responsible for the tanker to clean up the spill and by coordinating efforts made in that regard and to require the creation of and provide for the implementation of the plans necessary to prevent future such occurrences and to respond quickly and effectively to those which do occur: Be it further *"Resolved,* That all efforts to plan for the prevention of or response to oil spills be developed in coordination and cooperation with all appropriate Louisiana officials: Be it further

"*Resolved,* That a copy of this Resolution be transmitted to the Secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-553. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION No. 5

"Whereas, it has come to the attention of the Legislature of Louisiana that federal legislation has been proposed that would have the effect of mandating that there be lower assessment levels and/or lower rates of taxation for certain businesses and/or certain types of property, in particular, property owned by water carriers, pipelines, and telephone companies; and

"Whereas, a draft bill is being circulated by the Honorable J. James Exon, United States Senator from the state of Nebraska which would require such lower assessment levels; and

"Whereas, it has been estimated that passage of such proposed legislation would result in a direct loss of more than fifty million dollars of revenue annually to Louisiana's parishes, school boards, sheriffs, municipalities, levee and drainage boards, and other local taxing bodies; and

"Whereas, the loss of revenues of this magnitude would have a devastating effect on this states' local governing bodies, particularly in view of the poor economy in Louisiana over the last several years: Therefore , be it

"Resolved, That the Legislature of Louisiana memorializes the Congress of the United States, and the representatives of Louisiana in Congress, both Senators and House members alike, to strenuously oppose all proposed legislation which would have the effect of mandating a reduction in property assessments and/or lower rates of taxation for certain businesses or for certain property located in Louisiana, and particularly, that they oppose the draft legislative bill being circulated by U.S. Senator J. James Exon of Nebraska dealing with this matter: Be it further

Resolved, That a copy of this Resolution be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-554. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION No. 136

"Whereas, there exists several proposals to increase federal excise taxes on such products as gasoline, beer, wine, and tobacco; and

"Whereas, higher federal excise taxes would increase the cost of such products to consumers, reduce consumers' disposable income, and threaten jobs in these industries; and

"Whereas, the United States tax laws have always been progressive with people paying based on their ability to pay; and

"Whereas, increases in federal excise taxes are regressive and would damage those least able to afford such tax increases with the increases falling most heavily on the middle class and working poor; and

"Whereas, if federal excise taxes are increased, the state's economic activity would be adversely affected and the state will lose revenue: Therefore, be it

Resolved, by the Legislature of Louisiana that the Congress of the United States is hereby memoralized to oppose any legislation which would increase the federal excise taxes on gasoline, beer, wine, and tobacco: Be it further

Resolved, That a copy of this Resolution be transmitted to the Secretary of the United States Senate, the Clerk of the United States House of Representatives, and to each member of the Louisiana congressional delegation."

POM-555. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION No. 148

"Whereas, the members of the Legislature of Louisiana wish to memorialize the Congress of the United States of review the provisions of the Social Security Act commonly known as the social security offset and windfall, which substantially reduce the anticipated retirement benefits of Louisiana public employees, for the purpose of repealing or amending those provisions to provide relief for such public employees and parity with benefits enjoyed by non-public employees who are able to receive private pensions without comparable reduction in social security benefits; and

"Whereas, most public employees in the state of Louisiana participate in state or local public retirement systems and not in the social security system as to such public employment; and

"Whereas, numerous Louisiana public employees and/or their spouses also are or have been employed in non-public sector jobs for which they and their employer have contributed to the social security system; and

"Whereas, upon retirement after many years of dedicated public service, Louisiana public employees have been promised and are entitled to receive a public pension based upon their service and contributions to the public retirement systems; and

"Whereas, Louisiana public employees who have also been employed in non-public sector jobs or have spouses who have been so employed and have contributed to the social security system upon retirement expect to receive social security benefits commensurate with their social security-covered service and comparable to those received by all others who contributed to the social security system; and

"Whereas, as a result of the social security windfall provision, Section 215(a)(7) of the Social Security Act and the offset provision, Subsections (b)(4), (c)(2), (e)(7), (f)(2), and (g)(4) of Section 202 of the Social Security Act, the social security benefits for which contributions were made by the employee or the employee's spouse, respectfully, are substantially reduced or eliminated, severely impacting the financial condition of the public retiree; and

"Whereas, the Legislature of Louisiana firmly believes that Louisiana public employees should not be penalized for their years of dedicated public service and should receive social security benefits which are commensurate with their or their spouses' years of social security-covered service and contributions and are comparable to those received by all other employees. Therefore, be it

Resolved, That the Legislature of Louisiana hereby memorializes the Congress of the United States to review the windfall and offset provisions of the Social Security Act for the purpose of repealing or amending such provisions to provide relief to public system retirees and to provide social security benefits to such public system retirees which are commensurate with their or their spouses' years of social security-covered service and contributions and are comparable to those received by other retirees." Be it further

Resolved, That a copy of this Resolution be transmitted to each member of congress, to the secretary of state and presiding officers of both houses of the legislature of each of the other states in the union, to the clerk of the United States House of Representatives, to the secretary of the United States Senate, to the president of the United States, and to members of the public media."

POM-556. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Foreign Relations:

"SENATE CONCURRENT RESOLUTION No. 95

"Whereas, Nicaraguans have endured years of strife in a war torn and embattled country; and

"Whereas, for the first time in memory the country is being led by a democratically elected government; and

"Whereas, democracy in its infancy, particularly in a country racked with the fallout of long term war, needs support; and

"Whereas, historically support from stable, economically strong democracies has assisted and strengthened fledgling democracies; and

"Whereas, the unalterable commitment of the United States of America to democracy flourishing in every corner of the globe is the crtical underpinning of our guiding principles of individual human rights, freedom, and dignity; and

"Whereas, the people of Nicaragua have struggled so long and deserve to enjoy life under such guiding principles: Therefore, be it

"Resolved, That the legislature of Louisiana memorializes the Congress of the United States to be sensitive to the needs of the Nicaraguan people by supporting the movement toward democracy demonstrated by the recent election in that country: Be it further

"Resolved, That a copy of this Resolution be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-557. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Governmental Affairs:

"HOUSE RESOLUTION No. 1660

"Whereas, there are an estimated 30,500 individuals listed as prisoners or missing in action from World War II, the Korean Conflict and the Vietnam Conflict; and

"Whereas, certain departments and agencies of the United States government maintain records and information concerning military personnel listed as either prisoner of war or missing in action; and

"Whereas, disclosure information that any department or agency may have regarding military personnel listed as prisoners or missing in action would benefit the families and the country: Therefore, be it

"Resolved, by the House of Representatives of the Eighty-Sixth General Assembly of the State of Illinois, That we urge Presi-

dent Bush to authorize the release of any information that any department or agency may have concerning military personnel listed as prisoner of war or missing in action from World War II, the Korean conflict and the Vietnam Conflict; and be it further

"*Resolved*, That copies of this resolution be presented to President George Bush, the President of the United States Senate, the Speaker of the United States House of Representatives and each member of the Illinois Congressional delegation."

POM-558. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Labor and Human Resources:

"SENATE CONCURRENT RESOLUTION No. 13

"Whereas, Chronic Fatigue Syndrome, also known as Epstein-Barr Viral Syndrome and Chronic Fatigue Immune Dysfunction Syndrome, is a serious illness characterized by overwhelming fatigue, weakness, and many other disabling symptoms; and

"Whereas, there is no known cause, treatment, or cure for Chronic Fatigue Syndrome which is often incorrectly diagnosed and those inflicted are treated inappropriately; and

"Whereas, Chronic Fatigue Syndrome symptoms may last for many months or years and are often debilitating; and

"Whereas, it is important that we build a greater knowledge and awareness of Chronic Fatigue Syndrome and increase coordination of research and programs to combat this syndrome: Therefore, be it

"*Resolved*, That the Legislature of Louisiana hereby memorializes the Congress of the United States to increase the coordination of chronic fatigue syndrome research and programs within the public health community for the exchange of information about this disease: Be it further

"*Resolved*, That a copy of this Resolution shall be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-559. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Governmental Affairs:

"HOUSE CONCURRENT RESOLUTION No. 130

"Whereas, federal law currently provides, when a federal agency determines that it no longer requires the use of property which it owns, that the property becomes excess property and it is then screened for possible use by other federal agencies, and when no other federal agency requires the property for its activities, it becomes surplus property; and

"Whereas, federal surplus property may be donated to state agencies for distribution to local governments, nonprofit educational or public health institutions, medical institutions, hospitals, clinics, health centers, schools, colleges, universities, schools for the mentally retarded, schools for the physicially handicapped, child care centers, and other such institutions; and

"Whereas, such use of federal property by states, local governemtns, and other authorized domestic users has the effect of extending the use of property paid for by the U.S. taxpayer to promote conservation, economic development, education, the development of parks and recreation, public health, and public safety in the United States; and * * *"

POM-560. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Governmental Affairs:

"SENATE CONCURRENT RESOLUTION No. 50

"Whereas, certain departments and agencies of the United States government now maintain and receive information correlated to United States personnel listed as prisoners of war, or missing in action, from World War II, the Korean Conflict, and the Vietnam Conflict; and

"Whereas, it is the desire of the people of Louisiana that such information be disclosed by those federal departments and agencies maintaining such records and information; and

"Whereas, disclosure would allow a nation, proud of its democratic heritage, to no longer keep secret from itself those facts necessary to achieve long overdue introspection; and

"Whereas, disclosure would allow generations recalling World War II, the Korean Conflict, and the Vietnam Conflict to pay tribute to and thank their contemporaries, those brave Americans who suffered and may continue to suffer the fate of prisoners of war, and those brave Americans who are still listed as missing in action; and

"Whereas, H.R. 3603 accomplishes disclosure, while at the same time protects the national security, and also provides for the privacy of those families affected; Therefore, be it

"*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to pass H.R. 3603: Be it further

"*Resolved*, That a copy of this Resolution be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-561. A resolution adopted by the County Council of King County, WA, favoring the development of a prejudicial conflict resolution process to address intergovernmental conflicts between State or local governments and Indian tribes; to the Select Committee on Indian Affairs.

POM-562. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Select Committee on Indian Affairs:

"SENATE CONCURRENT RESOLUTION No. 124

"Whereas, communities of the Houma Indian Nation have existed in the vicinity of Grand Caillou, DuLac Golden Meadow, Isle de Jean Charles, Lower Pointe aux Chenes, Lower Montegut, and Bayou DuLarge since the eighteenth century extending throughout southeastern Louisiana; and

"Whereas, ancestors of the United Houma Nation, Incorporated of Southeastern Louisiana were residing in the area consisting of Louisiana at the time of first contact with LaSalle in 1686 and have continued to reside in the area of Louisiana since that time; and

"Whereas, research by noted anthropologists has determined that the Houma Indians are, indeed, native to Louisiana; and

"Whereas, in 1979, the Houma Alliance, which was incorporated in 1974 and the Houma Tribe, which was incorporated in 1972, merged to become the United Houma Nation, Incorporated of Southeastern Louisiana; and

"Whereas, the policy of the state of Louisiana provides for recognition of Indian tribes within its borders, to support their tribal aspirations, to preserve their cultural heritage and improve their economic condition, and to assist them in the achievement of their just rights; and

"Whereas, wetland and coastal erosion poses an imminent threat to the culture, livelihood, and homeland of the Houma Indians; and

"Whereas, pending before the Congress of the United States are Senate Bill 2423 and HR 4886 which extends federal recognition of the United Houma Nation; and

"Whereas, the state of Louisiana desires to reaffirm the continuity of the state's recognition of the United Houma Nation as exhibited in House Concurrent Resolution No. 97 of the 1977 Regular Session of the Legislature: Therefore, be it

"*Resolved by the Legislature of Louisiana*, That the state of Louisiana formally recognize the United Houma Nation, Incorporated of Southeastern Louisiana as an Indian community of the state: Be it further

"*Resolved*, That the Legislature of Louisiana memoralizes the President of the United States, the Congress of the United States, the assistant secretary of the Bureau of Indian Affairs within the United States Department of the Interior, the members of the Senate Select Committee on Indian Affairs, the members of the House Interior and Insular Affairs Committee, and each member of the Louisiana Congressional Delegation to support the adoption of Senate Bill 2423 and HR 4886 to extend federal recognition to the United Houma Nation: Be it further

"*Resolved*, That the appropriate federal officials are hereby urged and requested to do that which is necessary to effectuate the formal recognition of the United Houma Nation, Incorporated of Southeastern Louisiana acknowledging that the rights of the Houma Indians are not less, if not greater, than the rights of other Indian tribes in the United States: Be it further

"*Resolved*, That a copy of this Resolution shall be transmitted to the Governor of the state of Louisiana, the President of the United States, the Congress of the United States, the assistant secretary of the Bureau of Indian Affairs within the United States Department of the Interior, the members of the Senate Select Committee on Indian Affairs, the members of the House Interior and Insular Affairs Committee, and each member of the Louisiana Congressional Delegation."

POM-563. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on Labor and Human Resources:

"SENATE CONCURRENT RESOLUTION No. 141

"Whereas, the in-home services program in an integral part of the Council on Aging providing such services as meals, housekeeping and handyman repairs to some 27,827 elderly persons whose financial means or health would otherwise prohibit them from receiving such assistance; and

"Whereas, there are presently some 138,600 elderly persons in the state who have expressed a need for such services as are provided by the in-home services program; and

"Whereas, the recent federal budget cuts to the in-home services program can only add to the more than 110,000 elderly persons presently being denied these basic services and whose names remain on waiting lists across the state; and

"Whereas, there is no other program in the state that provides the same or similar services to the elderly population, thus rendering those persons helpless as relates to adequate nutrition and decent housing: Therefore, be it

"Resolved, That the Legislature of Louisiana hereby memoralizes the Congress of the United States to provide full funding for the in-home services program provided by the Council on Aging in all parishes of the state of Louisiana in sufficient amount so as to provide meals and services to all applicants: Be it further

"Resolved, That a copy of this Resolution be transmitted to the Secretary of the United States Senate and the Clerk of the United States House of Representatives and to each member of the Louisiana Delegation."

POM-564. A concurrent resolution adopted by the Legislature of the State of Florida; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION No. 451

"Whereas, among the first 12 amendments to the United States Constitution proposed in 1789 was an amendment stating: "No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened," and

"Whereas, although this amendment has not yet been ratified by the requisite number of state legislatures, there was no time limit given for such ratification: Now, therefore, be it

"Resolved by the House of Representatives of the State of Florida, the Senate Concurring, That the proposed amendment to the Constitution of the United States set forth below be, and the same is hereby, ratified by the Legislature of the State of Florida:

" 'No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened': Be it further

"Resolved, That certified copies of the foregoing preamble and resolution be immediately forwarded by the Secretary of State of the State of Florida, under the great seal, to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and the Archivist of the United States."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of substitute:

S. 1976. A bill to provide for continued United States leadership in high-performance computing (Rept. No. 101-377).

By Mr. JOHNSTON, from the Committee on Appropriations, with amendments:

H.R. 5019. A bill making appropriations for energy and water development for the fiscal year ending September 30, 1991, and for other purposes (Rept. No. 101-378).

By Mr. CRANSTON, from the Committee on Veterrans Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 2100. A bill to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; to amend title 38, United States Code, to improve veterans' compensation, health-care, insurance, and housing programs, and to provide for transitional group residences for veterans recovering for substance-abuse disabilities; and for other purposes (Rept. No. 101-379).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 2283. A bill to amend the Public Health Service Act to establish a program of grants for the prevention and control of breast and cervical cancer, and for other purposes (Rept. No. 101-380).

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1880. A bill to amend title VI of the Communcations Act of 1934 to ensure carriage on cable television of local news and other programming and to restore the right of local regulatory authorities to regulate cable television rates, and for other puroses (Rept. No. 101-381).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PELL, from the Committee on Foreign Relations:

George F. Murphy, Jr., of Maryland, to be inspector general, U.S. Information Agency.

Philip S. Kaplan, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during his tenure of service as Deputy United States Representative to the Negotiations on Conventional Armed Forces in Europe (CFE).

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Philip S. Kaplan.

Post: Ambassador, Negotiations on Conventional Forces in Europe.

Contributions, amount, date, and donee:

1. Self: Philip S. Kaplan, none.
2. Spouse: Barbara Ellen Kaplan, none.
3. Children and spouses names: Douglas S. Kaplan, none.
4. Parents names: Morris Kaplan; Rose Kaplan, none to my knowledge.
5. Grandparents names: Sam & Pauline Falk; Fannie Kaplan, deceased.
6. Brothers and spouses names: Jerome & Carol Kaplan, none to my knowledge.
7. Sisters and spouses names: No Sister.

Thomas W. Simons, Jr., of the District of Columbia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Poland.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Thomas W. Simons, Jr.

Post: Poland.

Contributions, amount, date, and donee:

1. Self: Thomas W., Jr., none.
2. Spouse: Margaret Q., none.
3. Children and spouses names: Suzanne Deirdre; Benjamin Thomas (both unmarried), none.
4. Parents names: Thomas W. and Mary Jo Simons, $60, 1986; $50, 1987; $50, 1988; $25, 1989—DNC.
5. Grandparents names: All 4 decease.
6. Brothers and spouses names: No brother.
7. Sisters and spouses names: Sara R., and Richard Cohen, $25, 1988, Peter Gruenstein (candidate for Congress in Alaska).

Hugh Kenneth Hill, of California, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Bulgaria.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: H. Kenneth Hill.

Post: Bulgaria.

Contributions, amount date, and donee:

Self: None except tax allotment.

2. Spouse: None except tax allotment.
3. Children and spouses names: Derek, Jennifer and Brian, none except tax allotment.
4. Parents names: Helen M. Hill, none except tax allotment.
5. Grandparents names: Deceased.
6. Brothers and spouses names: Ottis G. Hill, Roberta Hill, $400—$100 each year, Century Club, Montana Democratic Party; $240 during past year, Champac (Champion Pac (Co.) Pol. Action Comm.
7. Sisters and spouses names: Glen and LaVerne Bushong; M.C. and Loreta M. Burns, none except tax allotment.

Aurelia Erskine Brazeal, of Georgia, a Career Member of the Senior Foreign Service Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federated States of Micronesia.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Aurelia E. Brazeal.

Post: Ambassador to Federated States of Micronesia.

Contributions, amount, date, and donee:

1. Self: None.
2. Spouse: None.
3. Children and spouses names: None.
4. Parents names: None.
5. Grandparents names: None.
6. Brothers and spouses names: None.
7. Sisters and spouses names: None.

Roy M. Huffington, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Austria.

(Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.)

Nominee: Roy M. Huffington.

Post: Ambassador to Austria.

Contributions, amount, date, and donee: 1. Self:

ROY M. HUFFINGTON FEDERAL CAMPAIGN CONTRIBUTION REPORT, 1986–89

Payee	By	Amount	Year	Month
ROY M. HUFFINGTON				
Abdnor, Senator James	RMH	$500	1986	August.
Abdnor, Senator James	RMH	500	1986	July.
Archer for Congress Committee	RMH	500	1986	May.

ROY M. HUFFINGTON FEDERAL CAMPAIGN CONTRIBUTION REPORT, 1986–89—Continued

Payee	By	Amount	Year	Month
Ashe, Victor, for U.S. Senate	RMH	50	1986	December.
Associated Republicans of Texas	RMH	100	1986	March.
Associated Republicans of Texas	RMH	100	1986	May.
Bond, Kit, Missourians for	RMH	1,000	1986	July.
Broyhill, Roy	RMH	1,000	1986	July.
DeLay, Tom, Congressional Committee.	RMH	100	1986	July.
Delay, Tom, Congressional Committee.	RMH	100	1986	January.
Denton for Senate	RMH	100	1986	December.
Denton for Senate	RMH	500	1986	August.
Denton for Senate	RMH	500	1986	July.
DuPerier for Congress 1986	RMH	1,000	1986	May.
Duperier for Congress 1986	RMH	100	1986	March.
Gorton, Slade, 86 Committee	RMH	1,000	1986	July.
Gramm Senate Club	RMH	25	1986	May.
Gramm, Friends of Phil	RMH	25	1986	May.
Hargett, Ed, East Texans for	RMH	100	1986	June.
Hargett, Ed, East Texans for	RMH	500	1986	July.
Hawkins, Paula, Re-elect Senator	RMH	1,000	1986	July.
Hutchinson for Senate Committee	RMH	200	1986	December.
Hutchinson for Senate Committee	RMH	1,000	1986	July.
Koehler, Judy, Friends of	RMH	100	1986	November.
Koehler, Judy, Friends of	RMH	1,000	1986	July.
Kramer, Ken, '86	RMH	1,000	1986	July.
Livingston, Bill, for Senate	RMH	100	1986	October.
Livingston, Bill, for Senate	RMH	100	1986	May.
Mattingly, Mack, Friends of	RMH	100	1986	December.
Mattingly, Mack, Friends of	RMH	500	1986	August.
Mattingly, Mack, Friends of	RMH	500	1986	July.
McNiel, Friends of Don	RMH	100	1986	November.
McNiel, Friends of Don	RMH	200	1986	August.
Moore, Henson, Election Committee.	RMH	1,000	1986	August.
Moore, Henson, Election Committee.	RMH	500	1986	July.
Republican National Committee	RMH	100	1986	June.
Republican National Committee	RMH	100	1986	May.
Republican National Committee	RMH	75	1986	March.
Republican National Committee	RMH	75	1986	January.
Republican Party of Harris County.	RMH	25	1986	March.
Republican Party of Harris County.	RMH	100	1986	October.
Republican Party of Louisiana	RMH	100	1986	November
Republican Party of Missouri	RMH	100	1986	December.
Republican Party of Texas	RMH	100	1986	July.
Richardson, Committee to Elect Bill.	RMH	100	1986	April.
Richardson, Committee to Elect Bill.	RMH	100	1986	August.
Santini, Jim for Senator Committee.	RMH	1,000	1986	July.
Smith, Lamar, East Texans for	RMH	250	1986	December.
Smith, Lamar, for Congress	RMH	200	1986	August.
Smith, Lamar, Friends of	RMH	100	1986	November.
Snelling, Richard, 86 Committee	RMH	500	1986	August.
Specter, Arlen, for U.S. Senate	RMH	100	1986	July.
Symms, Senator Steve	RMH	1,000	1986	November.
Symms, Senator Steve	RMH	500	1986	August.
Zschau, Ed, for Senate Committee.	RMH	1,000	1986	July.
Zschau, Ed, for Senate Committee.	RMH	1,000	1986	July.
Andrews, Jack, for Senate Committee.	RMH	100	1987	August.
Aspin, Les, Reelection Committee	RMH	200	1987	April.
Bentsen, Senator Lloyd, Election Committee.	RMH	1,000	1987	July.
Bush, George, for President Committee.	RMH	1,000	1987	April.
Committee for a 6-Year Pres. Term.	RMH	250	1987	April.
DioGuardi, People for	RMH	250	1987	February.
Gramm Senate Club	RMH	25	1987	June.
Hatch, Senator Orin, Election Committee.	RMH	500	1987	January.
Hecht, Chic, Reelection Committee.	RMH	100	1987	April.
HUFFPAC	RMH	5,000	1987	August.
Kramer, Ken, 86	RMH	100	1987	January.
Lugar, Richard, Friends of	RMH	100	1987	February.
Moore, Henson, Election Committee.	RMH	100	1987	June.
National Republican Senatorial Trust.	RMH	10,000	1987	June.
Republican National Committee	RMH	100	1987	December.
Republican National Committee	RMH	100	1987	July.
Republican Party of Harris County.	RMH	100	1987	April.
Republican Party of Texas	RMH	1,000	1987	August.
Trible, Senator Paul, Friends of	RMH	500	1987	April.
Boulter, Beau, for Senate	RMH	1,000	1988	June.
Boulter, Beau, Texans for	RMH	500	1988	December.
Boulter, Beau, Texans for	RMH	100	1988	April.
Caperton, Senator Kent A., Campaign.	RMH	100	1988	May.
Danforth, John, for Senate Committee.	RMH	500	1988	June.
Dawkins, Pete, for U.S. Senate	RMH	250	1988	December.
Dawkins, Pete, for U.S. Senate	RMH	1,000	1988	June.
Durenberger, Dave, for U.S. Senate.	RMH	1,000	1988	June.
GOPAC	RMH	5,000	1988	June.

ROY M. HUFFINGTON FEDERAL CAMPAIGN CONTRIBUTION REPORT, 1986–89—Continued

Payee	By	Amount	Year	Month
Gorton, Friends for Slade 1988	RMH	1,000	1988	June.
Hatch, Senator Orin B., Campaign.	RMH	1,000	1988	June.
Hecht, Chic, Re-Election Campaign.	RMH	1,000	1988	June.
Karnes, Friends of Senator David	RMH	1,000	1988	June.
King, Steve, for Senate Committee.	RMH	500	1988	June.
Lott, Trent, for Mississippi	RMH	1,000	1988	June.
Mack, Friends of Connie	RMH	1,000	1988	June.
McQueen for Congress	RMH	100	1988	June.
Meyer, Fred, for State Chairman	RMH	500	1988	April.
Republican National Committee	RMH	100	1988	December.
Republican Party of Texas	RMH	20,000	1988	August.
Republican Party of Texas	RMH	1,000	1988	August.
Republican Party of Texas	RMH	100	1988	June.
Smith, Ashley, Campaign	RMH	100	1988	June.
Smith, Carl, Campaign	RMH	100	1988	August.
Smith, Dalton, Campaign	RMH	100	1988	May.
Sweeney, Texans For Mac	RMH	500	1988	January.
Voinovich, Friends of George	RMH	1,000	1988	June.
Volunteer Texas PAC	RMH	500	1988	April.
Bryan for U.S. Congress	RMH	100	1989	October.
Coalition for America	RMH	2,500	1989	November.
Committee on Limiting Terms Policy.	RMH	25	1989	August.
GOPAC	RMH	5,000	1989	June.
Hartland for Representative	RMH	250	1989	July.
Hartland for Representative	RMH	500	1989	May.
Hartland, Charlie, Reelection Campaign.	RMH	100	1989	December.
Hutchison, Kathy Bailey	RMH	100	1989	March.
Karnes, Friends of Senator Dave	RMH	50	1989	January.
Lanier, Bob, for Congress Committee.	RMH	1,000	1989	August.
Lanier, Bob for Congress Committee.	RMH	250	1989	July.
President's Dinner	RMH	15,000	1989	May.
Republican National Comm. (Team 100).	RMH	100,000	1989	May.
Republican National Committee	RMH	100	1989	December.
Republican National Committee	RMH	100	1989	December.
Republican National Committee	RMH	100	1989	June.
Republican Party of Harris County.	RMH	5,000	1989	October.
Republican Party of Texas	RMH	1,000	1989	September.
Republican Party of Texas	RMH	1,000	1989	May.
Vandervoort, Ken, Campaign	RMH	500	1989	October.
Wilson, Californians for Senator Pete.	RMH	100	1989	January.
PHYLLIS GOUGH HUFFINGTON				
Abdnor, Senator James	PGH	1,000	1986	August.
Broyhill, Roy	PGH	1,000	1986	August.
Hawkins, Paula, Re-elect Senator	PGH	1,000	1986	August.
Hutchison For Senate Committee	PGH	1,000	1986	August.
Kasten For Senate	PGH	1,000	1986	August.
Kramer, Ken, 1986	PGH	1,000	1986	August.
Republican Eagles	PGH	10,000	1986	April.
Santini, Jim, For Senate Committee.	PGH	1,000	1986	August.
Zschau, Ed, for Senate Committee.	PGH	1,000	1986	August.
Bentsen, Senator Lloyd, Election Committee.	PGH	1,000	1987	April.
Bush, George, for President Committee.	PGH	1,000	1987	April.
Republican National Committee	PGH	10,000	1987	April.
Fund for America's Future	PGH	5,000	1988	February.
Republican National Committee	PGH	10,000	1988	June.
Gramm, Friends of Phil	PGH	950	1989	February.
MICHAEL HUFFINGTON				
Chavez, Linda, for Senate	MH	400	1986	September.
Republican Party of Texas	MH	100	1986	July.
Vice President's Exploratory Account.	MH	750	1986	August.
Vice President's Exploratory Account.	MH	250	1987	January.
Dornan, Bob, For Congress	MH	100	1988	September.
Republican National Committee	MH	100	1988	August.
Texas Presidential Gala	MH	1,000	1989	October.
TERRY HUFFINGTON DITTMAN				
None				
GERALDINE HUFFINGTON MILLWEE				
Republican National Committee	GHM	25	1987	July.
Republican National Committee	GHM	25	1987	September.
Republican National Committee	GHM	25	1988	March.
Republican National Committee	GHM	25	1989	January.
ROY M. HUFFINGTON, INC.				
Republican Eagles	RMHI/MH	10,000	1986	
Texas Inaugural Committee	RMHI/RMH	5,000	1987	January.
President's Dinner	RMHI/RMH	15,000	1988	March.
Republican National Committee	RMHI/MH	10,000	1988	January.
Republican National Committee	RMHI/MH	1,100	1988	June.
Target 88	RMHI/MH	5,000	1988	August.
Voter 88	RMHI/RMH	1,000	1988	January.
Republican National Committee (Team 100).	RMHI/MH	90,000	1989	April.

ROY M. HUFFINGTON FEDERAL CAMPAIGN CONTRIBUTION REPORT, 1986–89—Continued

Payee	By	Amount	Year	Month
HUFFPAC (RMHI POLITICAL ACTION COMMITTEE)				
Andrews, People for Mark, Committee.	HUFFPAC	1,000	1986	October.
Barton, Congressman Joe, Committee.	HUFFPAC	500	1986	October.
Barton, Congressman Joe, Committee.	HUFFPAC	1,000	1986	October.
Bond, Kit, Missourians for	HUFFPAC	1,000	1986	October.
Chavez, Linda, for Senate	HUFFPAC	1,000	1986	October.
DeLay, Tom, Congressional Committee.	HUFFPAC	500	1986	October.
Gorton, Slade, 1986 Committee	HUFFPAC	1,000	1986	October.
Hawkins, Committee to Re-Elect Paula.	HUFFPAC	1,000	1986	October.
Hutchison for Senate Committee	HUFFPAC	1,000	1986	October.
Moore, Henson, Election Committee.	HUFFPAC	1,000	1986	October.
Sweeney, Texans for Mac	HUFFPAC	1,000	1986	October.
Vice President's Exploratory Account.	HUFFPAC	750	1986	October.
Zschau, Ed, for Senate Committee.	HUFFPAC	1,000	1986	October.
Bush, George, for President Committee.	HUFFPAC	4,000	1987	May.
Gramm, Friends of Phil	HUFFPAC	2,000	1987	January.
Dawkins, Pete, for U.S. Senate	HUFFPAC	500	1988	May.
Engeleiter, Susan, for U.S. Senate.	HUFFPAC	500	1988	May.
Gramm, Friends of Phil	HUFFPAC	2,000	1988	April.
Lugar, Friends of Dick, Committee.	HUFFPAC	200	1988	May.
Republican Senatorial Inner Circle	HUFFPAC	1,000	1988	January.
Voinovich, Friends of George	HUFFPAC	500	1988	May.
Wilson, Californians for Pete	HUFFPAC	500	1988	June.

Source: RMH—Roy M. Huffington; PGH—Phyllis Gough Huffington; MH—Michael Huffington; THD—Terry Huffington Dittman; GHM—Geraldine Huffington Millwee; RMHI—Roy M. Huffington, Inc.; HUFFPAC—Roy M. Huffington, Inc. Political Action Committee.

2. Spouse: Phyllis Gough Huffington.

3. Children and spouses, names: Michael Huffington; Arianna Stassinopoulos Huffington; Terry Huffington Dittman/Ralph Ernest Dittman.

4. Parents names: Roy Mackey Huffington, deceased; Bertha Michel Huffington, deceased.

5. Grandparents names: Joseph M. Huffington, deceased; Alice Mackey Huffington, deceased; Jacob Michel, deceased; Martha Weirich Michel, deceased.

6. Brothers and spouses names: I have no brother.

7. Sisters and spouses names: Geraldine Huffington Millwee; Robert Hughes Millwee, Jr.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to testify before any duly constituted committee of the Senate.)

Mr. PELL, for the Committee on Foreign Relations, reported favorably the convention against torture and other cruel, inhuman or degrading treatment or punishment (Treaty Doc. 100-20), and a resolution of advice and consent to ratification thereto with three reservations, four understandings, and two declarations.

TEXT OF RESOLUTION OF RATIFICATION

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, adopted by unanimous agreement of the United Nations General Assembly on December 10, 1984, and signed by the United States on April 18, 1988, *Provided that:*

I. The Senate's advice and consent is subject to the following reservations:

(1) That the United States shall implement the Convention to the extent that the Federal Government exercises legislative and judicial jurisdiction over the matters covered therein; to the extent that constituent units exercise jurisdictions over such matters, the Federal Government shall take appropriate measures, to the end that the competent authorities of the constituent units may take appropriate measures for the fulfillment of this Convention.

(2) That the United States considers itself bound by the obligation under Article 16 to prevent "cruel, inhuman or degarding treatment or punishment," only insofar as the term "cruel, inhuman or degrading treatment or punishment" means the cruel, unusual and inhumane treatment or punishment prohibited by the Fifth, Eighth, and/or Fourteenth Amendments to the Constitution of the United States.

(3) That pursuant to Article 30(2) the United States declares that it does not consider itself bound by Article 30(1), but reserves the right specifically to agree to follow this or any other procedure for arbitration in a particular case.

II. The Senate's advice and consent is subject to the following understandings, which shall apply to the obligations of the United States under this Convention:

(1)(a) That with reference to Article 1, the United States understands that, in order to constitute torture, an act must be specifically intended to inflict severe physical or mental pain or suffering and that mental pain or suffering refers to prolonged mental harm caused by or resulting from: (1) the intentional infliction or threatened infliction of severe physical pain or suffering; (2) the administration or application, or threatened administration or application, of mind altering substances or other procedures calculated to disrupt profoundly the senses or the personality; (3) the threat of imminent death; or (4) the threat that another person will imminently be subjected to death, severe physical pain or suffering, or the administration or application of mind altering substances or other procedures calculated to disrupt profoundly the senses of personality.

(b) That the United States understands that the definition of torture in Article 1 is intended to apply only to acts directed against persons in the offender's custody or physical control.

(c) That with reference to Article 1 of the Convention, the United States understands that "sanctions' includes judicially-imposed sanctions and other enforcement actions authorized by United States law or by judicial interpretation of such law provided that such sanctions or actions are not clearly prohibited under international law.

(d) That with reference to Article 1 of the Convention, the United States understands that the term "acquiescence" requires that the public official, prior to the activity constituting torture, have awareness of such activity and thereafter breach his legal responsibility to intervene to prevent such activity.

(e) That with reference to Article 1 of the Convention, the United States understands that noncompliance with applicable legal procedural standards does not *per se* constitute torture.

(2) That the United States understands the phrase, "where there are substantial grounds for believing that he would be in danger of being subjected to torture," as used in Article 3 of the Convention, to mean "if it is more likely than not that he would be tortured."

(3) That it is the understanding of the United States that Article 14 requires a State Party to provide a private right of action for damages only for acts of torture committed in territory under the jurisdiction of that State Party.

(4) That the United States understands that international law does not prohibit the death penalty, and does not consider this Convention to restrict or prohibit the United States from applying the death penalty consistent with the Fifth, Eighth and/or Fourteenth Amendments to the Constitution of the United States, including any constitutional period of confinement prior to the imposition of the death penalty.

III. The Senate's advice and consent is subject to the following declarations:

(1) That the United States declares that the provisions of Articles 1 through 16 of the Convention are not self-executing.

(2) That the United States declares, pursuant to Article 21, paragraph 1, of the Convention, that it recognizes the competence of the Committee against Torture to receive and consider communications to the effect that a State Party claims that another State Party is not fulfilling its obligations under the Convention. It is the understanding of the United States that, pursuant to the above mentioned article, such communications shall be accepted and processed only if they come from a State Party which has made a similar declaration.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. MACK:

S. 2875. A bill to provide for the preservation of H.B. Plant Hall on the campus of the University of Tampa; to the Committee on Energy and Natural Resources.

By Mr. METZENBAUM (for himself, Ms. MIKULSKI, and Mr. SIMON):

S. 2876. A bill to amend the Public Service Act to provide for adequate representation with respect to the availability of bone marrow pursuant to the bone marrow registry established under such Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BAUCUS:

S. 2877. A bill to temporarily suspend the implementation of program exclusivity regulations of the Federal Communications Commission in broadcasting areas adjacent to time zone borders and to require the Federal Communications Commission to review the regulations and propose revisions that protect the syndicated exclusivity rights of broadcasters while providing viewers with adequate program opportunities; to the Committee on Commerce, Science, and Transportation.

S. 2878. A bill to amend the discretionary allocation provisions of Public Law 81-874 (Impact Aid), and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN:

S. 2879. A bill to amend the John F. Kennedy Center Act to authorize appropriations for maintenance, repair, alteration and other services necessary for the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BURNS (for himself, Mr. BOND, Mr. BAUCUS, Mr. SYMMS, Mr. MCCLURE, Mr. MURKOWSKI, and Mr. STEVENS):

S. 2880. A bill to allow the Secretary of the U.S. Department of Agriculture or other appropriate official to protect persons engaged in a lawful hunt within a National Forest or on other lands affected with a Federal interest; establishing an administrative civil remedy against individuals or groups intentionally obstructing, impeding, or interfering with the conduct of a lawful hunt; and for other purposes; to the Committee on Environment and Public Works.

By Mr. FOWLER (for himself, Mr. DASCHLE, Mr. HEFLIN, Mr. SANFORD, Mr. SHELBY, Mr. HARKIN, Mr. METZENBAUM, and Mr. INOUYE):

S. 2881. A bill to promote equal opportunity for minority farmers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. SIMON (for himself, Mr. DODD, Mr. JEFFORDS, and Mr. DIXON):

S.J. Res. 352. A joint resolution designating the month of September, 1991, as "National Growth Month"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PRESSLER:

S. Res. 310. A resolution stating that the Senate urges the President to instruct the Attorney General to appoint an independent counsel to investigate the involvement of Government officials in the savings and loan scandal; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MACK:

S. 2875. A bill to provide for the preservation of H.B. Plant Hall on the campus of the University of Tampa; to the Committee on Energy and Natural Resources.

PRESERVATION OF H.B. PLANT HALL

● Mr. MACK. Mr. President, today, I am introducing a bill which would provide financial assistance for the restoration of H.B. Plant Hall on the campus of the University of Tampa, a national historic landmark and symbol of the historical development of the State of Florida.

H.B. Plant Hall was orginally the Tampa Bay Hotel, which was opened in 1891 by Henry B. Plant. The hotel was a luxurious 511-room Moorish-revival-style structure adorned with six minarets, four cupolas, and three homes. The hotel drew celebrities from around the world, including Teddy Roosevelt and Babe Ruth and it held balls, tea parties, and organized hunts during the winter social season.

Following Henry B. Plant's death in 1899, the hotel operated sporadically

under a series of different managers and failed to prosper for a number of years. In the 1930's, the University of Tampa outgrew its facilities, so the university entered into a long-term lease with the city for the use of the hotel's buildings and grounds for offices and classrooms. Since 1933 this national historic landmark has been used by the University of Tampa as its main facility.

The former Tampa Bay Hotel is nearing its 100th birthday and an extensive $12 milion restoration is underway; $4.5 million has already been spent on the project from funds made available by various sources in Florida.

A remaining total of $7.5 million is needed over a 3-year period—$2.5 million per year—to complete the project to preserve this national historic landmark. This bill would authorize these funds to ensure that such a valued national historic landmark be preserved.●

By Mr. METZENBAUM (for himself, Ms. MIKULSKI, and Mr. SIMON):

S. 2876. A bill to amend the Public Service Act to provide for adequate representation with respect to the availability of bone marrow pursuant to the bone marrow registry established under such act and for other purposes; to the Committee on Labor and Human Resources.

BONE MARROW REGISTRY ACT

● Mr. METZENBAUM. Mr. President, I rise to introduce the Bone Marrow Registry Act of 1990. At the outset I would like to salute the efforts of Representative VIC FAZIO, who introduced this bill last month in the House of Representatives. Representative FAZIO's personal and professional commitment to the Bone Marrow Program is well known.

More than 7,000 children and adults die in this country every year of blood diseases that could be cured by bone marrow transplants. They die because the chances of finding a matched unrelated bone marrow donor is about 1 in 20,000. The Federal Government established a national registry to facilitate the finding of that 1 in 20,000 matched donor. The registry contains the names of more than 87,000 volunteers who had their marrow typed at a cost of $75 to aid computer searches for matched donors. But the registry is of insufficient size and diversity to offer much hope for the terminally ill to receive this living gift of life. Thus these patients and their families, already suffering from the trauma of a life threatening disease, often take on the additional costly and heroic effort of finding suitable donors through emergency appeals to the public at large.

Recent estimates indicate that if 250,000 persons were registered as potential donors, 80 percent of those in need of donors could find a match. Moreover, once a suitable match is found, 80 percent of all unrelated donor transplants are completely successful. The price of expanding the registry to 250,000 volunteers is $15 million.

Mr. President, I and many of colleagues in the both the House and Senate are willing to pay this price to prevent the needless death of so many people. The Bone Marrow Registry Act of 1990 is a one-time $15 million authorization for the purpose of testing potential donors with an emphasis on racial and ethnic populations inadequately represented in the registry. This funding level will not only enable the registry to reach a goal of 250,000 volunteers and thereby give thousands a better than even chance of full recovery from a life threatening disease, but also ease some of the burdens on patients and their families who, despite their own personal difficulties, have significantly increased the number of potential donors through their own time, efforts, and expense.

I urge all my colleagues to support this important legislation. I ask unanimous consent that the bill be included in the RECORD.

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

S. 2876

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bone Marrow Registry Act of 1990".

SEC. 2. ADEQUATE REPRESENTATION REGARDING BIOLOGICAL TYPES IN BONE MARROW REGISTRY UNDER PUBLIC HEALTH SERVICE ACT.

(a) IN GENERAL.—Section 373(b) of the Public Health Service Act (42 U.S.C. 274a(b)) is amended by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) the following new paragraph:

"(2) With respect to biological compatibility in the transplantation of bone marrow, the Secretary shall ensure that the various types are represented in the registry under paragraph (1) to the extent necessary to provide adequate representation, for purposes of the registry, of the population of the United States. In providing for such adequate representation, the Secretary shall provide for a sufficient increase in the registry regarding any type of bone marrow that is underrepresented on the date of the enactment of the Bone Marrow Registry Act of 1990.".

(b) AUTHORIZATION OF APPROPRIATIONS FOR REGISTRY.—Section 373(b)(3) of such Act (42 U.S.C. 274a(b)) (as redesignated by subsection (a)) is amended to read as follows:

"(3)(A) For the purpose of carrying out paragraph (1), there are authorized to be appropriated $15,000,000.

"(B) Amounts made available under subparagraph (A) shall remain available until expended.".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect October 1, 1990, or upon the date of the enactment of this Act, whichever occurs later.●

By Mr. BURNS (for himself, Mr. BOND, Mr. BAUCUS, Mr. SYMMS, Mr. MCCLURE, Mr. MURKOWSKI, and Mr. STEVENS):

S. 2880. A bill to allow the Secretary of the U.S. Department of Agriculture or other appropriate official to protect persons engaged in a lawful hunt within a national forest or on other lands affected with a Federal interest; establishing an administrative civil remedy against individuals or groups intentionally obstructing, impeding, or interfering with the conduct of a lawful hunt, and for other purposes; to the Committee on Environment and Public Works.

NATIONAL FOREST HUNTER SAFETY AND PROTECTION ACT

Mr. BURNS. Mr. President, I rise today on behalf of myself and Senators BOND, BAUCUS, SYMMS, and MCCLURE to introduce the National Forest Hunter Safety and Protection Act of 1990.

America's cherished system of hunting, long admired by people throughout the world, is being seriously threatened by the tactics of a small, but well-organized group of anti-hunting activists.

These activists have decided not to try and change the laws or beliefs of Americans but instead have chartered a confrontational path of harrassment, intimidation and obstruction aimed at legitimate and law abiding sport hunters.

This bill simply says that any person who knowingly acts with intent to obstruct, impede, or otherwise interfere with the conduct of a lawful hunt on land affected with a federal interest may be assessed a civil penalty of not less than $1,000 but not to exceed the sum of $10,000 for each violation.

I would like to give you a few reasons for the need to protect hunters.

Harassment of legitimate and lawful hunting is on the rise. We noticed it in Montana last year.

Harrassment is an unreasonable interference with hunting.

Harassment is being done by groups whose true goals are to end all use of animals, and that has far reaching implications.

The groups who pursue these goals are not content with the normal mechanisms offered for debate in our free society. They have decided that the ends justify the means, and therefore they will interfere with lawful activities.

Hunting is a traditional and beneficial recreation, both for the hunter and for the management of wildlife populations.

The money paid by hunters in the form of license fees and excise taxes pay the bulk of the bill for the conservation of wildlife.

Under the combination of revenue from hunting and management of populations through hunting, wildlife is more varied and abundant today than at any time since the pioneering era.

Nearly one-half of the hunting that takes place in this country today is done on Federal public lands.

Although 37 States have enacted hunter protection laws, it is not clear that those laws would always apply on Federal lands.

Even if the State laws applied on Federal lands, this legislation would add some unique approaches and avenues that would aid significantly in the control of harassment.

The harassment is being done by groups whose true goals are to end all use of animals, including the use of animals in medical research and testing; the raising and eating of meat; the wearing of fur, leather, wool, and silk; the circus and rodeo; the keeping of pets; and the many varied uses of animal products in industrial processes.

When a person buys a State hunting license, he or she deserves the opportunity for a quality outdoor experience and should not be subjected to harassment by others.

Over the last 50 years hunters have contributed over $2.5 billion toward wildlife conservation through excise taxes, duck stamps and license fees.

This bill will continue this tradition by contributing all moneys collected as fines to the North American Waterfowl Management Plan and the Pittman-Robertson Act. Both of these programs acquire lands to protect wildlife habitat.

Mr. President, hunting is a legitimate, lawful sport and compatible with good management and conservation practices when done properly. Therefore, it is the role of the Federal Government to do what it can to protect the rights of law-abiding citizens engaged in a government-sanctioned sport and to protect the activities as well.

For example, back in March, a legal bison hunt was being carried out just outside of Yellowstone National Park. A member of the fund for animals tried to disrupt the hunt by placing his body between a hunter and a buffalo during the hunt.

Now Mr. President, you don't have to think too hard to figure out that is an extremely tense and dangerous situation for all parties involved. Therefore, it is the goal of myself and the cosponsors to avoid a potential life threatening confrontation between the two groups and help protect both groups.

By Mr. SIMON (for himself, Mr. DODD, Mr. JEFFORDS, and Mr. DIXON):

S.J. Res. 352. Joint resolution designating the month of September 1991 as "National Growth Month"; to the Committee on the Judiciary.

NATIONAL GROWTH MONTH

● Mr. SIMON. Mr. President, I rise today to introduce a joint resolution to designate September 1991 as National Growth Month. This joint resolution would provide an opportunity to educate the public about normal and abnormal growth patterns. It would also give children in America a chance to be screened for the disorders, and treated accordingly.

These disorders affect an estimated 2 million children in the United States. There are many conditions which may affect a child's growth. These include growth hormone deficiency, achondroplasia, Turner's Syndrome, intrauterine growth retardation, precocious puberty, osteogenesis imperfecta, and Noonan's syndrome.

Most children with a growth disorder grow to an average height of 4 feet, 6 inches. Short stature is usually accompanied with a host of other physical problems including infertility, delayed puberty, lack of pituitary hormone, curvature of the lower spine, kidney and heart ailments, and loss of hearing.

Unfortunately, there is a lack of public awareness about this problem which has resulted in many children not receiving diagnosis or treatment for the disorders. Many of these disorders can be detected at birth or during infancy. Due to extensive scientific research, a majority of these disorders can be treated.

I urge every Senator to cosponsor and vote for this very worthy joint resolution to designate September 1991 as National Growth Month.●

By Mr. FOWLER (for himself, Mr. DASCHLE, Mr. HEFLIN, Mr. SANFORD, Mr. SHELBY, Mr HARKIN, Mr. METZENBAUM, and Mr. INOUYE):

S. 2881. A bill to promote equal opportunity for minority farmers, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

MINORITY FARMERS RIGHTS ACT

● Mr. FOWLER. Mr. President, as Congress considers the 1990 farm bill, it is imperative that we address the needs of minority farmers and their communities. While many farmers have struggled across the country in recent years, these minority farm communities are often among the Nation's poorest, and their need for assistance is the most critical.

This year's farm bill provides an excellent opportunity to stem the decline of minorities in agriculture. The minority farm bill I am introducing would enhance minority participation in USDA programs. It would immediately halt the loss of minority land and minority operated farms. It would also eliminate racial discrimination and indifference to the needs of limited resource farmers from all programs administered by the Secretary of Agriculture. I am pleased that Senators DASCHLE, HEFLIN, SANFORD, SHELBY, HARKIN, METZENBAUM, and INOUYE have joined me as original co-sponsors.

This is necessary to reverse the trends set forth in the 1982 Civil Rights Commission report entitled "The Decline of Black Farming in America." The Commission found that since 1920 almost 94 percent of black-owned farms have been lost. Black farmers are currently losing land more than three times faster than other farmers. And similar studies have found that other minority farmers are losing their land at a rate similar to that of the black farmers.

Since that report was written the situation has only grown worse, as the trends that hurt all farmers in the 1980's hit minority farmers the hardest. Nearly one-fourth of all minority farms disappeared over the last decade. In the south, where 60 percent of all minority farms are located, five minority farmers left farming for every white farmer who quit.

We need to stem these losses—before there are no black-owned farms left—and begin the work of rebuilding these communities. The Minority Farmers Rights Act of 1990 will help current minority farmers stay in business, allow former farmers to return to the land and provide opportunities for minority youth to enter farming. I am pleased to join Representative MIKE ESPY who has offered similar legislation in the House to make sure that, with all our efforts to support a viable farm economy, we do not neglect our most disadvantaged farmers.●

ADDITIONAL COSPONSORS

S. 2114

At the request of Mr. KENNEDY, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 2114, a bill to promote excellence in American mathematics, science, and engineering education; enhance the scientific and technical literacy of the American public; stimulate the professional development of scientists and engineers; provide for education, training, and retraining of the Nation's technologists; increase the participation of women and minorities in careers in mathematics, science, and engineering; and for other purposes.

S. 2159

At the request of Mr. BOSCHWITZ, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 2159, a bill to amend title II of the Social Security Act to eliminate the earnings test for individuals who have attained retirement age.

S. 2186

At the request of Mr. MCCONNELL, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 2186, a bill to repeal the provisions of the Revenue Reconciliation Act of 1989 which require the withholding of income tax from wages paid for agricultural labor.

S. 2319

At the request of Mr. GARN, the name of the Senator from Wyoming [Mr. WALLOP], the Senator from Tennessee [Mr. SASSER], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 2319, a bill to amend the Federal Deposit Insurance Act and the Federal Credit Union Act to protect the deposit insurance funds, to limit the depository institutions, credit unions, and other mortgage lenders acquiring real property through foreclosure or similar means, or in a fiduciary capacity, and for other purposes.

S. 2602

At the request of Mr. METZENBAUM, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 2602, a bill to amend the Public Health Service Act to provide assistance for biomedical and health services research, treatment programs and for other purposes relating to Alzheimer's disease and related disorders.

S. 2711

At the request of Mr. LOTT, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 2711, a bill to amend the Internal Revenue Code of 1986 that provide that certain deductions of members of the National Guard or reserve units of the Armed Forces will be allowable in computing adjusted gross income.

S. 2793

At the request of Mr. AKAKA, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 2793, a bill to amend the United States Institute of Peace Act to honor the memory of the late Spark W. Matsunaga, United States Senator from the State of Hawaii, and for other purposes.

S. 2852

At the request of Mr. LEVIN, the names of the Senator from Vermont [Mr. LEAHY], the Senator from Massachusetts [Mr. KERRY], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 2852, a bill to reinstate as Federal service the services performed in temporary positions within the Bureau of the Census.

SENATE JOINT RESOLUTION 277

At the request of Mr. LUGAR, the names of the Senator from Montana [Mr. BURNS], the Senator from Louisiana [Mr. BREAUX], the Senator from Kansas [Mr. DOLE], the Senator from Hawaii [Mr. AKAKA], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Idaho [Mr. MCCLURE], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 277, a joint resolution designating October 6, 1990, as "German-American Day."

SENATE JOINT RESOLUTION 284

At the request of Mr. BYRD, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 284, a joint resolution to designate the week beginning September 16, 1990 as "National Give the Kids a Fighting Chance Week."

SENATE JOINT RESOLUTION 297

At the request of Mr. SIMON, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of Senate Joint Resolution 297, a joint resolution designating September 1990 as "National Craft Month."

SENATE JOINT RESOLUTION 306

At the request of Mr. SIMON, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Joint Resolution 306, a joint resolution to designate the period commencing October 21, 1990, and ending October 27, 1990, as "National Humanities Week."

SENATE JOINT RESOLUTION 313

At the request of Mr. HEFLIN, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 313, a joint resolution designating October 3, 1990, as "National Teacher Appreciation Day."

SENATE JOINT RESOLUTION 340

At the request of Mr. WILSON, the names of the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Montana [Mr. BURNS], the Senator from Kansas [Mr. DOLE], the Senator from New Mexico [Mr. DOMENICI], the Senator from Indiana [Mr. LUGAR], the Senator from Florida [Mr. MACK], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Oregon [Mr. PACKWOOD], the Senator from Alaska [Mr. STEVENS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Indiana [Mr. COATS], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Mississippi [Mr. COCHRAN], the Senator from Maine [Mr. COHEN], the Senator from South Dakota [Mr. PRESSLER], the Senator from Utah [Mr. GARN], the Senator from New York [Mr. D'AMATO], the Senator from North Dakota [Mr. BURDICK], the Senator from Arizona [Mr. DECONCINI], the Senator from Nebraska [Mr. EXON], the Senator from Ohio [Mr. GLENN], the Senator from Hawaii [Mr. INOUYE], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Hawaii [Mr. AKAKA], the Senator from New York [Mr. MOYNIHAN], the Senator from Rhode Island [Mr. PELL], the Senator from Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], the Senator from Michigan [Mr. RIEGLE], the Senator from Washington [Mr. GORTON], the Senator from New Jersey [Mr. BRADLEY], the Senator from Alabama [Mr. SHELBY], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Joint Resolution 340, a joint resolution designating the week beginning November 11, 1990, as "National Disabled Veterans Week."

SENATE JOINT RESOLUTION 345

At the request of Mr. D'AMATO, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of Senate Joint Resolution 345, a joint resolution designating August 20 through 26, 1990, as "National Headache and Jaw Disorders Week."

SENATE CONCURRENT RESOLUTION 91

At the request of Mr. HATFIELD, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of Senate Concurrent Resolution 91, a concurrent resolution expressing the sense of the Congress with respect to achieving common security in the world by reducing reliance on the military and redirecting resources toward overcoming hunger and poverty and meeting basic human needs.

SENATE CONCURRENT RESOLUTION 125

At the request of Mr. COHEN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Concurrent Resolution 125, a concurrent resolution expressing the sense of Congress regarding adequate funding for long-term health care services provided through the Medicare and Medicaid programs.

SENATE CONCURRENT RESOLUTION 134

At the request of Mr. HEINZ, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Concurrent Resolution 134, a concurrent resolution expressing the sense of Congress concerning a 1991 White House Conference on Aging.

SENATE RESOLUTION 310—APPOINTMENT OF INDEPENDENT COUNSEL TO INVESTIGATE THE INVOLVEMENT OF GOVERNMENT OFFICIALS IN THE SAVINGS AND LOAN SCANDAL

Mr. PRESSLER submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 310

Whereas the savings and loan bailout will cost taxpayers at least $89,000,000,000 and possibly more than $300,000,000,000 to insure deposits threatened by bad investments;

Whereas savings and loans associations began failing by the score as early as 1985 and continued failing at an alarming rate for several years;

Whereas by some estimates as many as one-third of the Nation's three thousands thrifts are at risk;

Whereas the elected leaders and top appointed officials are entrusted by Americans

to protect and manage the Federal Government competently;

Whereas some of these leaders may have allowed factors other than good management of government to influence oversight of the savings and loan industry; and

Whereas Americans have a right to know if there may have been any wrong doing among these officials in connection with the Savings and Loan disaster: Now, therefore, be it

Resolved, That the Senate urges the President to instruct the Attorney General to appoint an independent counsel to investigate the involvement of Government officials in the savings and loan scandal.

Mr. PRESSLER. Mr. President, Americans everywhere are outraged by the savings and loan industry disaster. This scandal will cost U.S. taxpayers hundreds of billions of dollars. They have a right to demand accountability for this enormous financial catastrophe.

I am not satisfied that enough is being done to track down, punish, and seek recoveries from officials and others who committed crimes in connection with the savings and loan debacle. They robbed investors in their institutions, and their illegal actions will rob U.S. taxpayers for decades to come. The victims of these crimes demand retribution, and they should have it.

According to the Comptroller General of the United States, the cost of "resolving the thrift crisis" may exceed $500 billion, depending upon the state of the economy and interest expense. Most of the loss will be borne by the U.S. taxpayers. There is plenty of blame for this to be shared by Government and the savings and loan industry. Americans are cynical enough about their Government and certain sectors of business with good reason. That is why we need a special approach in dealing with his unprecedented fiasco.

That is why, Mr. President, I today am introducing a Senate resolution, a companion resolution to House Resolution 407, urging the President to appoint an independent counsel to investigate the involvement of Government officials in the savings and loan scandal. The comprehensive savings and loan fraud package that was added to the omnibus crime bill (S. 1970) will double Department of Justice resources to investigate and prosecute for savings and loan fraud in the private sector and greatly increases penalties for such crimes. I am proud to have cosponsored and voted for that measure.

But we need more action to deal credibly with this problem. The appointment of an independent counsel to investigate the involvement of Government officials in the savings and loan scandal is necessary in order for the American people to feel confident that culprits both in and out of Government will be brought to justice.

Mr. President, I also support the idea of establishing an independent commission of inquiry to assess the facts of the savings and loan fiasco. In addition, we should consider creating a joint congressional select committee to achieve the same purpose.

I hope that my colleagues will join me in cosponsoring this measure and will vote to pass it in this Congress.

AMENDMENTS SUBMITTED

FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT

LEAHY AMENDMENT NO. 2303

Mr. LEAHY proposed an amendment to the bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, as follows:

(a) TIMING OF ADVANCE COMPENSATION.—On page 70 after line 24, insert the following new subclause (III):

"(III) TIMING OF ADVANCE COMPENSATION.—Advance compensation under this clause shall be made available between October 1 and October 31 of the year in which the crop is harvested.".

(b) CONFORMING AMENDMENT.—On page 71—

(1) on line 1, strike "(III)" and insert "(IV)"; and

(2) strike lines 6 and 7 and insert "not later than 270 days after the advance compensation was made available.".

(c) TIMING OF ADVANCE COMPENSATION.—On page 118 between lines 9 and 10, insert the following new subclause (III):

"(III) TIMING OF ADVANCE COMPENSATION.—Advance compensation under this clause shall be made available between October 1 and October 31 of the year in which the crop is harvested.".

(3) on line 10, strike "(III)" and insert "(IV)"; and

(4) strike lines 15 and 16 and insert "not later than 270 days after the advance compensation was made available.".

(d) COST-SHARE ASSISTANCE ON PERENNIAL COVER.—

(1) On page 96, line 20, strike "50" and insert "25";

(2) On page 146, line 8, strike "50" and insert "25";

(3) On page 201, line 8, strike "50" and insert "25"; and

(4) On page 244, line 14, strike "50" and insert "25";

(e) TARGETED OPTION PAYMENT.—

(1) On page 198, between lines 20 and 21, insert the following new clause:

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's upland cotton base under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted upland cotton acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to upland cotton for harvest during the previous two years.".

(2) On page 242, between lines 4 and 5, insert the following new clause:

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's rice acreage base under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted rice acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to rice for harvest during the previous two years.".

(f) STORAGE PAYMENTS.—

(1) On page 349, strike lines 15 through 25 and insert the following:

"In making storage payments to producers under section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) and to commercial warehouses under the authority contained in the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Commodity Credit Corporation and the Secretary of Agriculture shall, to the extent practicable, ensure that the rates of the storage payments made to producers are equivalent to average rates paid for commercial storage, taking into account the current demand for storage for commodities, efficiency, location, regulatory compliance costs, bonding requriements, impact of user fees, and other considerations determined appropriate by the Secretary, except that the rates paid to producers and commercial warehouse shall be established at rates that will result in no increase in current or projected combined outlays of the Commodity Credit Corporation for the storage payments made to producers and commercial warehouse as a result of the adjustment of storage rates under this section."

(g) STOCKS-TO-USE RATIO FOR OILSEEDS.—On page 305, line 15, strike "20 percent" and insert "19 percent".

(h) MINOR OILSEED PLANTINGS ON 50/92 ACREAGE.—

(1) on page 183, strike lines 22 through 24 and insert "(E) PLANTING INDUSTRIAL AND OTHER CROPS ON CONSERVATION USE ACREAGE.—";

(2) on page 184, line 19, strike "(I)" and insert "(i)";

(3) on page 184, line 23, strike "(II)" and insert "(ii)";

(4) on page 185, strike lines 9 through 24;

(5) on page 228, strike lines 12 through 14 and insert the following:

"(E) PLANTING INDUSTRIAL AND OTHER CROPS ON CONSERVATION USE ACREAGE.—";

(6) on page 229, line 9, strike "(I)" and insert "(i)";

(7) on page 229, line 13, strike "(II)" and insert "(ii)"; and

(8) beginning on page 229, strike lines 24 through line 14 on page 230.

(i) MARKETING ASSISTANCE PROGRAM—On page 462, line 17, strike "$225,000,000" and insert "$200,000,000";

(j) USER FEES.—At the appropriate at the end of title XIX, add the following new section:

"SEC. 19 . COLLECTION OF FEES FOR INSPECTION SERVICES.

"(a) QUARANTINE, INSPECTION AND TRANSPORTATION FEES.—

"(1) QUARANTINE AND INSPECTION.—The Secretary of Agriculture may prescribe and collect fees to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port

in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of a commercial vessel, commercial aircraft commercial truck railroad car, and each passenger aboard a commercial vessel or commercial aircraft.

"(2) TRANSPORTATION.—Each person that provides transportation to a passenger to enable such passenger to obtain transportation through a commercial aircraft or commercial vessel into the customs territory of the United States shall—

"(A) collect from such passenger the fee prescribed under this subsection at the time the document or ticket authorizing such transportation is issued; and

"(B) identify on the document or ticket referred to in subparagraph (A), or through electronic means as determined appropriate by the Secretary, the fee charged under this subsection as an agricultural inspection fee, or as part of a combined Federal inspection fee.

"(3) TREASURY.—Any person who collects a fee under this subsection shall remit such fee to the Treasury of the United States prior to the date that is 31 days after the close of the calendar quarter in which such fee is collected.

"(4) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

"(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the 'Agricultural Quarantine Inspection User Fee Account' (hereinafter referred to in this subtitle as the "Account'), for the use of the Secretary for quarantine or inspection services under this subtitle.

"(B) AMOUNTS IN ACCOUNT.—

"(i) DEPOSITS.—All of the fees collected under this subsection shall be deposited in the Account.

"(ii) REIMBURSEMENT.—The Secretary of Treasury shall use the Account to provide reimbursements to any appropriations accounts that incur the costs associated with the Secretary carrying out all activities of the Secretary at ports in the customs territory of the United States or at preclearance or preinspection locations in connection with the enforcement and administration of this subtitle.

"(iii) PROCEDURE.—The Secretary of the Treasury shall make reimbursement under clause (ii) on a quarterly basis. Amounts required to be reimbursed under clause (ii), shall be made on this basis of estimates made by the Secretary of the expenses described in clause (ii) that are incurred by the Secretary in the 3-month period immediately preceding such reimbursement.

"(iv) ADJUSTMENTS.—Adjustments of reimbursements made under clause (ii) shall be made to the extent necessary to correct prior estimates that were in excess of, or less than, the amount required to be reimbursed under clause (iii).

"(5) ADJUSTMENT IN FEE AMOUNTS.—The Secretary shall adjust the amount of the fees to be assessed under this subsection to reflect the cost to the Secretary in administering such subsection, in carrying out the activities at ports in customs territory of the United States and preclearance and preinspection sites outside the customs territory of the United States in connection with the provision of agricultural quarantine inspection services, and in maintaining a reasonable balance in the Account.

"(b) PLANT INSPECTION.—Section 102(f) of the Act of September 21, 1944 (7 U.S.C. 147a(f)) is amended to read as follows:

"(f)(1) Notwithstanding paragraph (2) of this subsection, there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Unless otherwise specifically authorized or provided for in appropriations, no part of such sums shall be used to pay the cost or value of property injured or destroyed.

'(2) The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of providing for the inspection of plants and plant products offered for export or transiting the United States and certifying to shippers and interested parties as to the freedom of such plants and plant products from plant pests according to the phytosanitary requirements of the foreign countries to which such plants and plant products may be exported, or to the freedom from exposure to plant pests while in transit through the United States. Any person for whom such an activity is performed shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary of Agriculture shall assess a late payment penalty, and such overdue fees shall accrue interest, as required by 31 U.S.C. 3717. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation. The Secretary of Agriculture shall have a lien for the fees, any late payment penalty, and any accrued interest assessed against the plant or plant product for which services have been provided. In the case of any person who fails to make payment when due, the Secretary of Agriculture shall also have a lien against any plant or plant product thereafter attempted to be exported by such person. The Secretary of Agriculture may, in case of nonpayment of the fees, later payment penalty, or accrued interest, after giving reasonable notice of default to the person liable for payment of such assessments, sell at public sale after reasonable public notice, or otherwise dispose of, any such plant or plant product upon which the Secretary of Agriculture has a lien pursuant to this section. If the sale proceeds exceed the fees due, any late payment penalty assessed, any accrued interest and the expenses of the sale, the excess shall be paid, in accordance with regulations of the Secretary of Agriculture, to the owner of the plant or plant product sold upon the owner making application therefore with proof of ownership within six months after such sale, and otherwise the excees shall be credited to accounts that incur the costs and shall remain available until expended. The Secretary of Agriculture shall, pursuant to regulations as prescribed by the Secretary, suspend performance of services to persons who have failed to pay such fees, later payment penalty and accrued interest.'.

"(c) VETERINARY DIAGNOSTICS.—(1) Section 11 of the Act of May 29, 1884 (58 Stat. 734, as amended, 21 U.S.C. 114a) is amended by inserting immediately following the first sentence: 'The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of carrying out the provisions of this section which relate to veterinary diagnostics. Any person for whom an activity related to veterinary diagnostics is performed pursuant to the section shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary shall assess a later payment penalty, and such overdue fees shall accrue interest, as required by 31 U.S.C. 3717. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation.'.

(2) LIENS.—

(A) IN GENERAL.—The Secretary shall have a lien against the animal, article, means of conveyance, or facility for which services have been provided under this subtitle for the fees, any late payment penalty, and any accrued interest assessed under this subsection.

(B) OTHER ANIMALS, ETC.—In the case of any person who fails to make payment when due under this subsection, the Secretary shall have a lien against any animal, article, or means of conveyance thereafter imported, moved in interstate commerce, or attempted to be exported by the person after the date of such failure until the date on which such owner or operator make full payment to the Secretary under this subsection.

(C) SALE OF ANIMALS, ETC.—

(i) AUTHORITY.—The Secretary may, if a person does not pay fees, late payment penalties, or accrued interest on such, after providing reasonable notice of default to such person, sell at public sale after reasonable public notice, or otherwise dispose of, any such animal, article, means of conveyance or facility on which the Secretary has a lien under this paragraph.

(ii) EXCESS PROCEEDS.—If the sale proceeds under clause (i) exceed the fees due, any late payment penalty assessed, any accrued interest on such, and the expenses associated with the sale, such excess shall be paid to the owner of the animal, article, means of conveyance, or facility if such owner submits an application for such excess together with proof of ownership not later than 6 months after the date of such sale. If no such application is made, such excess shall be credited to accounts that incur the costs associated with the fees collected and shall remain available until expended, without fiscal year limitation. The Secretary shall suspend performance of services to persons who have failed to pay fees, late payment penalty, or accrued interest under this subtitle.

"(d) REGULATIONS.—The Secretary of Agriculture may prescribe such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) RECOVERY OF AMOUNTS OWED.—An action may be brought for the recovery of fees, late payment penalties, and accrued interest which have not been paid in accordance with this section against any person obligated for payment of such assessments under this Act in any United States district court or other United States court for any territory or possession in any jurisdiction in which such person is found or resides or transacts business, and such court shall have jurisdiction to hear and decide such action.

"(f) DEFINITIONS.—

"(1) PERSON.—For the purposes of this section, the term 'person' means an individual, corporation, partnership, trust, association, or any other public or private entity, or any officer, employee, or agent thereof.

"(2) VESSEL.—For the purposes of subsection (a), the term 'vessel' does not include any ferry.

"(3) CUSTOMS TERRITORY.—For the purposes of subsection (a), the term 'customs territory of the United States' means the 50

States, the District of Columbia, and Puerto Rico.

"(4) PLANT AND ANIMAL QUARANTINE LAWS.—For the purposes of subsection (a), the term 'plant and animal quarantine laws' means one or more of the following: the Plant Quarantine Act of 1912 (7 U.S.C. 151 et seq.); the Federal Plant Pest Act (7 U.S.C. 150aa et seq.); the Federal Noxious Weed Act of 1974 (7 U.S.C. 2801 et seq.); the Animal Quarantine Laws (21 U.S.C. 101-105, 111-131, and 134-134h); the Honeybee Act (7 U.S.C. 281 et seq.); section 306 of the Tariff Act of 1930 (19 U.S.C. 1306), and any other Act administered by the Secretary relating to plant or animal diseases or pests or noxious weeds.

"(5) UNITED STATES.—For the purposes of subsection (b), the term 'United States' means the several States of the United States, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and all other territories and possessions of the United States.".

(G) PENALTY.—On failure of a person to pay any fee assessed under this section, the Secretary shall assess a late payment penalty on such person, and the overdue fees and late payment penalty shall accrue interest, as provided in section 3717 of title 31, United States Code. Any late payment penalty and any accrued interest shall be credited to the accounts that incur the costs associated with the fees collected and shall remain available until expended without fiscal year limitation.

LEAHY (AND LUGAR) AMENDMENT NO. 2304

Mr. LEAHY (for himself and Mr. LUGAR) proposed an amendment to the bill S. 2830, supra, as follows:

Beginning on page 45, strike line 25 and all that follows through page 46, line 3, and insert "shall provide that the Board may not contract with processor organizations for any other services.".

On page 98, lines 17 through 20, strike "The State committee shall announce the establishment of the 5-month period no later than January 1 of each year.".

On page 120, between lines 22 and 23, insert the following new paragraph:

"(6) BARLEY FEED VALUE DETERMINATION.—Prior to the announcement of the program for the 1991 crop of barley, the Secretary shall conduct a study to determine a fair and reasonable relationship between the feed values of barley and corn. The study shall take into account the relative qualities of the two feed grains when fed as is to the various livestock classes, on a dry-matter basis.".

On page 148, lines 5 through 8, strike "The State committee shall announce the establishment of the 5-month period no later than January 1 of each year.".

On page 203, lines 5 through 8, strike "The State committee shall announce the establishment of the 5-month period no later than January 1 of each year.".

On page 246, lines 10 through 13, strike "The State committee shall announce the establishment of the 5-month period no later than January 1 of each year.".

On page 276, line 25, after "occurs", add the following: ", except that the penalty shall not apply to the marketing of breeder or Foundation seed peanuts, grown under the auspices of a publicly owned agricultural experiment station (including a State-operated seed organization), under such regulations as the Secretary may prescribe".

On page 328, between lines 12 and 13, insert the following new subsection:

(d) GROWERS OF HYBRID SEED.—Section 1001A(b) of such Act (7 U.S.C. 1308-1(b)) is amended by adding at the end the following new paragraph:

"(6) GROWERS OF HYBRID SEED.—To determine whether a person growing hybrid seed under contract shall be considered to be actively engaged in farming, the Secretary shall not take into consideration the existence of a hybrid seed contract.".

On page 332, between lines 8 and 9, insert the following new paragraph:

"(5) UPLAND COTTON.—The Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same price the Corporation sells upland cotton for export, but in no event at less than the amount provided for in paragraph (1).".

On page 332, line 24, after "export", insert "(excluding sales of upland cotton for export)".

On page 335, between lines 2 and 3, insert the following new paragraph:

"(3) COMPETITIVE BID BASIS.—Subject to the sales price restrictions contained in this section, the Corporation may sell any basic agricultural commodity or storable nonbasic commodity on a competitive bid basis, if the sale is determined to be appropriate by the Secretary.".

On page 340, line 10, before "Subsection", insert "(a) IN GENERAL.—".

On page 340, after line 24, insert the following new subsection:

(b) PRODUCER.—Section 408 of such Act is amended by striking subsections (l) and (m) and inserting the following new subsection:

"(l) 'Producer' shall include a person growing hybrid seed under contract. In determining the interest of a grower of hybrid seed in a crop, the Secretary shall not take into consideration the existence of a hybrid seed contract.".

On page 341, between lines 13 and 14, insert the following new subsection:

(a) MEMBERSHIP.—The first sentence of section 1006(a)(1) of the Agriculture and Food Act of 1981 (7 U.S.C. 4102(a)(1)) is amended by striking "seven members who are engaged in the commercial production of one or more of the various major agricultural commodities produced in the United States" and inserting "seven members who, individually or as a group, are engaged in the commercial production of each of the program crops and in one or more of the other various major agricultural commodities produced in the United States".

On page 341, line 14, before "Section", insert "(b) EXTENSION.—".

On page 352, between lines 6 and 7, insert the following new subtitle:

Subtitle D—Options Pilot Program

SEC. 1051. SHORT TITLE.

This subtitle may be cited as the "Options Pilot Program Act of 1990".

SEC. 1052. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) there would be significant budgetary savings if practical alternatives could be found to the price support and production adjustment programs carried out by the Secretary of Agriculture and the Commodity Credit Corporation;

(2) in the free market economy of the United States, a reasonable measure of protection from fluctuations in the price of crops such as wheat, feed grains, and soybeans may be found through hedging activity on regulated commodities futures markets;

(3) while utilization of the markets by grain traders and large consumers of commodities for which market futures prices are available is widespread, agricultural producers are not generally familiar with the procedures for hedging the value of their production;

(4) such price protection may be economically obtained by trading in futures options rather than by the purchase or sale of futures contracts for large quantities of grain; and

(5) more information and data are needed to evaluate the viability of futures options trading as an alternative to the price support and production adjustment programs carried out by the Secretary of Agriculture and the Commodity Credit Corporation.

(b) PURPOSES.—It is the purpose of this subtitle to require the Secretary of Agriculture (hereinafter in this subtitle referred to as the "Secretary") to conduct research necessary—

(1) to ascertain whether futures options trading would provide reasonable protection to producers from fluctuations in the value of the commodities they produce;

(2) to ascertain whether producers will accept and fully utilize this method of price protection if information is provided to the producers concerning its proper use; and

(3) to determine the effect widespread adoption of such futures options trading program would have on commodity prices.

SEC. 1053. OPTIONS PILOT PROGRAM.

(a) IN GENERAL.—To determine whether regulated agricultural commodity options trading can be used by producers to obtain protection from fluctuations in the market prices of the commodities they produce and the impact of such trading on the prices of the commodities, the Secretary shall conduct a pilot program for each of the 1991 through 1995 crops of corn and for each of the 1993 through 1995 crops of wheat and soybeans.

(b) COUNTIES.—The Secretary shall conduct the pilot program in various counties that produce significant quantities of the 1991 through 1995 crops of corn, and significant quantities of the 1993 through 1995 crops of wheat and soybeans. For the 1991 crop year, the Secretary shall select not less than three counties in each of three major corn-producing States to conduct the pilot program for corn for the crop year. The Secretary may add additional States and counties to the program in succeeding crop years.

(c) BROKERS.—Trades under the pilot program conducted under this subtitle shall be carried out through registered commodity brokers who choose to participate in the program.

(d) ELIGIBLE PRODUCER PARTICIPANTS.—The Secretary shall contract with eligible producers who wish to participate in the program and who are located in the counties selected for the pilot program. The contracts shall set forth the terms and conditions for participation in the pilot program, including a provision that the contract may be terminated by any participating producer at any time prior to receiving payments for options contracted for under the pilot program.

SEC. 1054. TERMS AND CONDITIONS.

(a) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—To be eligible to participate in the pilot program conducted under this subtitle, a producer shall meet all of the eligibility requirements specified in this

subtitle, and the regulations issued pursuant to this subtitle.

(2) PARTICIPATION IN PRICE SUPPORT PROGRAMS.—The regulations shall specify to what degree participation in the price support and production adjustment program established for the applicable crop of the commodity shall be required for participation in the pilot program.

(3) ADDITIONAL REQUIREMENTS.—To be eligible to participate in the pilot program, a producer shall—

(A) attend not less than one seminar conducted by the Cooperative Extension Service;

(B) maintain a separate brokerage account for the purpose of trading futures and options contracts covered by the pilot program; and

(C) compile, maintain, and submit (or authorize the compilation, maintenance, and submission) of such documentation as the regulations governing the program may require to permit a proper record to be kept of the results of all cash, futures, or options trading that may be undertaken under the pilot program by the producer.

(b) PROGRAM TERMS AND CONDITIONS.—The Secretary shall issue regulations or develop contract forms, or both, that set forth the terms and conditions of the program, and the rights and obligations of all of the parties participating in the program (including producers and registered brokers). At a minimum, the terms and conditions shall include:

(1) CONTRACT MONTHS AND STRIKE PRICES.—

(A) IN GENERAL.—The contract months and options strike prices at which participating producers may buy commodity put options in order to receive payments to cover the premiums on the options for each of the 1991 through 1995 crops of corn, and for each of the 1993 through 1995 crops of wheat and soybeans.

(B) TARGET PRICE AND LOAN RATE STRIKE PRICES.—The pilot program shall provide—

(i) a target price strike price for put options that is equivalent to the target price for the commodity involved; and

(ii) a loan rate strike price that is equivalent to the loan rate for the commodity involved.

(C) OTHER OPTIONS STRIKE PRICES.—Other options strike prices for commodities included in the program may be used if the prices are selected and agreed on by the Secretary and the representatives of the commodity futures trading industry designated in accordance with section 1055(a).

(2) ELIGIBLE PORTION OF CROP.—The portion of the crop of an eligible producer that may be used as a basis for acquiring options contracts.

(3) PUT OPTIONS CONTRACTS.—The time when, and the manner in which, put options contracts shall be acquired, held, and liquidated by producers to meet program requirements.

(4) PROGRAM BENEFITS.—

(A) IN GENERAL.—The program benefits to be offered participating producers shall include payments of not more than 15 cents per bushel to cover the cost of option premiums, transaction fees, interest, and other expenses.

(B) RELATIVE BENEFITS.—The Secretary shall inform participants that their participation is voluntary and that neither the United States, the Commodity Credit Corporation, nor representatives of the futures industry can guarantee that the participants will be better or worse off financially as a result of participation in the pilot program than the participants would be if the participants participated solely in price support and production adjustment programs carried out by the Secretary and the Commodity Credit Corporation.

SEC. 1055. COMMODITY FUTURES TRADING INDUSTRY.

(a) CONSULTATION.—The Secretary or the Secretary's designees may consult with representatives of the commodity futures trading industry who are specialists in the trading of futures contracts and futures options contracts, and who are designated by the regulated commodity futures markets that choose to participate in the pilot program.

(b) PROCEDURE.—The designations and consultations may be held without regard to the Federal Advisory Committee Act (5 U.S.C. App. 2). Such Act shall not be applicable to the pilot program carried out under this subtitle, or to the meetings of representatives of the commodity futures trading industry with the Secretary or the Secretary's designees relating to this subtitle.

SEC 1056. COMMODITY CREDIT CORPORATION.

(a) IN GENERAL.—The pilot program established under this subtitle shall be carried out by and through the Commodity Credit Corporation.

(b) FUNDS.—The Corporation shall expend such funds as may be required to conduct the pilot program for futures options contract trading in the manner specified in this subtitle and the regulations issued, and contracts entered into, to carry out this subtitle.

(c) CONTRACTS.—Contracts entered into under this subtitle shall be considered to be program benefit contracts of the Commodity Credit Corporation, and not service or acquisition contracts of the United States.

On page 352, line 7, strike "Subtitle D" and insert "Subtitle E".

On page 352, line 9, strike "1051" and insert "1061".

On page 354, line 2, strike "1061" and insert "1071".

On page 390, line 21, strike "1,685,000" and insert "1,925,000".

On page 390, line 23, strike "1,710,000" and insert "1,950,000".

On page 390, line 25, strike "1,735,000" and insert "1,975,000".

On page 391, line 2, strike "1,760,000" and insert "2,000,000".

On page 391, line 4, strike "1,785,000" and insert "2,025,000".

On page 407, line 19, strike "products." and insert "commodities.".

On page 418, strike line 23 and all that follows through line 5 on page 419, and insert the following new paragraphs:

"(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out—

"(A) the grant program established under section 103;

"(B) the concessional credit sales program established under section 107; and

"(C) titles II and III;

including such amounts as may be required to make payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under the programs described in subparagraphs (A) through (C) for the actual costs incurred or to be incurred by such Corporation in carrying out such programs.

"(2) LIMITATIONS.—Not less than 40 percent of the amounts made available for any fiscal year to carry out title I shall be used—

"(A) to carry out the credit sales program established under section 107; and

"(B) to carry out the grant program established under section 103.

On page 419, line 6, strike "(2)" and insert "(3)".

On page 419, strike lines 24 and 25, and insert "any fiscal year for carrying out section 103, section 107, title II or title III, may be used to carry out any other section or title.".

On page 420, line 9, strike the end quotation marks and the second period.

On page 420, between lines 9 and 10, insert the following new section:

"SEC. 408. COORDINATION OF PUBLIC LAW 480 AND OTHER FOREIGN ASSISTANCE PROGRAMS.

"(a) NOTIFICATION REQUIREMENT.—To facilitate the coordination of programs of assistance under this Act with other foreign assistance programs, the Committees on Agriculture, Foreign Affairs, and Appropriations of the House of Representatives, and the Committees on Appropriations, and Agriculture, Nutrition, and Forestry of the Senate, shall be notified at least 15 days—

"(1) prior to the entering into of any agreement under this Act (including any local currency agreement);

"(2) prior to the adoption, on behalf of the United States, of any amendment to agreement described in paragraph (1) that would increase the amount of assistance to be provided under the agreement or would change the purposes for which such assistance could be used, including any increase or change involving local currencies; or

"(3) prior to the waiver of any payments under section 403.

"(b) PROCEDURES AND PRACTICES APPLICABLE TO NOTIFICATIONS.—The notifications required by subsection (a) shall be treated in the same manner as reprogramming notifications pursuant to section 634A of the Foreign Assistance Act of 1961.".

On page 450, line 13, strike "commodities" and insert "agricultural commodities".

On page 451, line 5, strike "or".

On page 451, line 10, strike the period and insert "; or".

On page 451, between lines 10 and 11, insert the following new paragraph:

"(4) a tribal or inter-tribal organization that promotes the export and sale of one or more Native American agricultural products.".

On page 454, strike lines 20 through 24 and insert the following new paragraphs:

"(3) LEVEL OF COST SHARE ASSISTANCE.—Cost share assistance provided under this section to private organizations as described in subsection (d)(3) shall not exceed 50 percent of the cost of implementing the marketing plan, except that such 50 percent ceiling shall not apply in the case of agricultural commodities with respect to which there has been a favorable decision under section 301 of the Trade Act of 1974 (19 U.S.C. 2411).

"(4) STAGED REDUCTION IN ASSISTANCE.—In the case of any private entities that received assistance under section 1124 of the Food Security Act of 1985 prior to the date of enactment of this Act and with respect to which assistance under this section would be limited under paragraph (3), any such reduction in assistance shall be staged down to the 50 percent ceiling in equal increments over a 5-year period.

On page 468, line 18, strike "products." and insert "commodities.".

On page 499, between lines 9 and 10, insert the following new section:

SEC. 1136. WORLD LIVESTOCK MARKET PRICE INFORMATION.

(a) DEVELOPMENT OF METHODOLOGY.—The Secretary of Agriculture shall develop appropriate methodology for determining the world price of livestock and livestock products and shall gather and analyze appropriate price and cost of production information concerning such products in foreign countries for the purpose of price discovery and to aid in the sale of livestock and livestock products in foreign export markets.

(b) PUBLICATION OF INFORMATION.—Not later than 240 days after the date of enactment of this Act, and periodically thereafter, the Secretary of Agriculture shall publish the information gathered under subsection (a).

On page 519, line 20, strike "AGRONOMIC CROPPING" and insert "ALLEY-CROPPING".

On page 520, line 7, add "and" after the semicolon.

On page 520, strike line 8.

On page 520, line 9, strike "(D)" and insert "(C)".

On page 575, after line 20, add the following new sections:

SEC. 1278. INCREASE IN RESOURCE CONSERVATION AND DEVELOPMENT AREAS.

Section 1536 of the Agriculture and Food Act (7 U.S.C. 3459) is amended by striking "two hundred twenty-five" and inserting "450".

SEC. 1279. CONSOLIDATION OF USDA OFFICES ON INDIAN RESERVATIONS.

(a) ESTABLISHMENT OF DEMONSTRATION PROJECT.—The Secretary of Agriculture shall establish a demonstration project to improve the delivery of Department of Agriculture services to Indian tribes and Indian producers through the establishment of consolidated Federal agricultural offices on not less than 12 Indian reservations.

(b) ENTITIES AS PART OF CONSOLIDATED OFFICE.—An office established under subsection (a) on an Indian reservation shall be composed of representatives of Federal agricultural offices having jurisdiction over the area in which the reservation is located, including—

(1) the Agricultural Stabilization and Conservation Service;

(2) the Soil Conservation Service;

(3) the Farmers Home Administration; and

(4) other offices as determined appropriate by the Secretary of Agriculture;

with such representatives having the same responsibilities and authority to perform or provide such services on the Indian reservation as representatives of county offices of such Federal agricultural agencies.

(c) OTHER SERVICES ON NONPARTICIPATING INDIAN RESERVATIONS.—

(1) IN GENERAL.—With respect to an Indian reservation for which a consolidated Federal agricultural office is not established under subsection (a), the Secretary of Agriculture shall require the local office of the—

(A) Agricultural Stabilization and Conservation Service;

(B) Soil Conservation Service; and

(C) Farmers Home Administration;

that operates in a county in which such Indian reservation exists to establish a consolidated agricultural sub-office at the Tribal headquarters of such reservation and to provide staff for such sub-office as necessary, but in no event for less than one day a week.

(2) RESERVATIONS IN MORE THAN ONE COUNTY.—With respect to an Indian reservation that is located in more than one county, the Secretary of Agriculture, the relevant Federal county agricultural offices, and the Indian tribe shall enter into a cooperative agreement for the provision of the services required under paragraph (1) to avoid duplication of effort.

(3) NUMBER OF RESERVATIONS.—The Secretary of Agriculture ensure the provision of services under this subsection on not less than 12 Indian reservations during the first year after the date of enactment of this Act, and on not less than 10 additional reservations each year during which this section remains in effect.

(d) SELECTION OF RESERVATIONS.—In selecting those Indian reservations on which offices will be established under this section, the Secretary of Agriculture, in consultation with the Bureau of Indian Affairs, the Intertribal Agricultural Council, and the Southwest Indian Agriculture Association, shall consider agricultural acreage within the boundaries of the reservation or tribal jurisdiction, the soil classification of such acreage, and the population of such reservation of tribal jurisdiction.

(e) REPORT.—Not later than 3 years after the date of enactment of this Act, the Secretary of Agriculture shall prepare and submit, to the appropriate Committees of Congress, a report concerning the implementation of this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated in each fiscal year, such sums as may be necessary to carry out this section.

On page 584, between lines 17 and 18, insert the following new subsection:

(d) RIGHT OF FIRST REFUSAL.—Section 335(e)(1)(A) is amended by adding at the end the following new clause:

"(iv) In the case of real property described in clause (i) that was acquired by the Secretary before January 6, 1988, that is (or has been at any time during the 12-month period preceding the date of enactment of this clause) under lease to a person described in subparagraph (C), and that has not been conveyed (or contracted to be conveyed) by the Secretary prior to the date of enactment of this clause, the Secretary shall, during the 30-day period following the date of enactment of this clause, make the person an offer, to be held open for a period of 90 days, to purchase the property on the same terms and conditions that such offers are made in the case of property coming into inventory on or after the date of enactment of this clause.".

On page 584, line 18, strike "(d)" and insert "(e)".

On page 585, line 1, strike "(e)" and insert "(f)".

On page 585, line 18, strike "(f)" and insert "(g)".

On page 585, line 22, strike "(g)" and insert "(h)".

Beginning on page 586, strike line 3 and all that follows through page 588, line 2, and insert the following new subsection:

(i) CONSERVATION EASEMENTS ON WETLANDS ON FMHA INVENTORY PROPERTY.—Section 335 is amended by adding at the end the following new subsection:

"(g)(1) Subject to paragraphs (2) through (5), in the disposal of real property under this section, the Secretary shall establish perpetual wetland conservation easements to protect and restore wetlands or converted wetlands that exist on inventoried property, as determined by the Secretary in accordance with title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

"(2) In establishing the wetland conservation easements on land that is considered to be cropland as of the date of enactment of this subsection, the Secretary shall avoid, to the extent practicable, an adverse impact on the productivity of the croplands, as provided in this subsection.

"(3) In order to avoid the adverse impact, the Secretary shall—

"(A) not establish the wetland conservation easements with respect to wetlands that were converted prior to December 23, 1985, and that have been in cropland use, as determined by the Secretary, in excess of 10 percent of the existing cropland available for production of agricultural commodities on the particular parcel of inventoried property;

"(B) not establish the wetland conservation easements with respect to wetlands that have been frequently planted to agricultural commodities and wetlands described in subparagraph (A), in excess of 20 percent of the existing cropland available for production of agricultural commodities on the particular parcel of inventoried property;

"(C) ensure that the buffer area adjacent to the wetland is generally not more than 100 feet in average width; and

"(D) ensure that access to other portions of the property for farming and other uses is provided.

"(4) The wetland conservation easements shall be placed on wetlands that have a history of haying and grazing, as determined by the Secretary, except that in no case shall the quantity of the wetland subject to the easements exceed 50 percent of the existing forage lands on the parcel of inventoried property. All haying and grazing practices on the wetlands (including the timing and intensity of haying and grazing) shall conform to forage management standards designed to protect wetlands.

"(5) If, despite the limitations contained in paragraph (3), wetland conservation easements established under paragraph (1) would prevent a particular parcel of inventoried property that is to be sold or leased to a borrower described in clause (i), (ii), or (iii) of subsection (e)(1)(C), or to a borrower who is a beginning farmer or rancher, from being a marketable agricultural production unit that is comparable to the parcel as acquired, the Secretary may—

"(A) establish wetland conservation easements on wetland that was converted prior to December 23, 1985, in a quantity that is less than 10 percent of the existing croplands available for production of agricultural commodities on the particular parcel; and

"(B) if the reduction provided in subparagraph (A) is not applicable, or is not sufficient to ensure that the particular parcel would be a marketable agricultural production unit, amend the wetland conservation easements established on the wetlands that have been frequently planted to agricultural commodities to permit the production of agricultural commodities (consistent with title XII of the Food Security Act of 1985) on the wetlands, to the extent necessary to maintain the parcel as a marketable agricultural production unit.

"(6) The Secretary shall provide prior written notification to a borrower considering preservation loan servicing that a wetlands conservation easement may be placed on land for which the borrower is negotiating a lease option.

"(7) The appraised value of the farm shall reflect the value of the land due to the placement of wetland conservation easements.

"(8) Notwithstanding the limitations described under paragraphs (3) and (4), the limitations may be voluntarily, knowingly waived by any person with respect to real property described in paragraph (3) or (4).".

On page 615, line 10, strike "System institution" and insert "insured System institution".

On page 615, between lines 15 and 16, insert the following new subsection:

(a) AUTHORITY TO TERMINATE.—Notwithstanding any other provision of law, effective on the date of enactment of this Act, the California Livestock Production Credit Association may terminate the status of the Association as a Farm Credit System institution.

On page 615, line 16, before "Notwithstanding", insert "(b) REQUIREMENTS.—".

On page 618, between lines 2 and 3, insert the following new section:

SEC. 1352. AUTHORITY OF FARM CREDIT ADMINISTRATION TO REGULATE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.11 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-11) is amended—

(1) in subsection (a), by striking paragraph (1) and inserting the following new paragraph:

"(1) AUTHORITY.—Notwithstanding any other provision of this Act, the Farm Credit Administration shall have the authority to—

"(A) provide for the examination of the condition of the Corporation and its affiliates; and

"(B) provide for the general supervision of the safe and sound performance of the powers, functions, and duties vested in the Corporation and its affiliates by this title, including through the use of the enforcement powers of the Farm Credit Administration under part C of title V."; and

(2) by adding at the end the following new subsection:

"(e) DEFINITION OF AFFILIATE.—As used in this title, the term 'affiliate' shall mean an entity effectively controlled or owned by the Corporation, except that such term shall not include a certified facility or an originator (as defined in paragraphs (3) and (7), respectively, of section 8.0).".

On page 618, line 3, strike "1352" and insert "1353".

On page 618, between lines 7 and 8, insert the following new section:

SEC. 1354. GAO STUDY OF RURAL CREDIT COST AND AVAILABILITY.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of certain matters related to the cost and availability of credit in rural America, including a study of—

(1) the relationship of the role and lending volume of the Farm Credit System to the ability of the System to repay the assistance provided under the Agricultural Credit Act of 1987 (Public Law 100-233) and amendments made by such Act;

(2) the ability of Farm Credit System institutions to be competitive taking into consideration the costs of rebuilding capital, repaying assistance, and capitalizing the Farm Credit Insurance Fund established under section 5.60 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-9);

(3) the rates Farm Credit Banks charge for credit and the rates prevailing in the market for credit of comparable risk and maturity;

(4) the potential for credit pricing practices of rural lending institutions to adversely affect the financial soundness of other lending institutions that provide agricultural credit;

(5) the pricing practices of commercial lending and insurance institutions and whether the practices adequately address the level of risk in agricultural lending;

(6) whether the assistance authorized under the Agricultural Credit Act of 1987, and amendments made by such Act, is being utilized in accordance with the purposes intended by Congress;

(7) the availability and adequacy of credit in rural America for the purpose of financing agricultural production, infrastructure (roads, bridges, and water systems), and rural development;

(8) the prudence and desirability for commercial lenders and Farm Credit System institutions who serve primarily agriculture to broaden lending activity to provide diversity in their portfolios;

(9) the level of competitiveness among the major sector lenders in agriculture, whether competition has increased or decreased in the last 5 years, and whether American producers have benefited from the competitive situation; and

(10) the level of farm lending activity, in relation to the total asset level, of agricultural lending institutions in rural America and the level of investment by the institutions outside of the rural community or area in which the lending institutions are located.

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report on the study conducted under subsection (a) (including any related recommendations) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

On page 636, line 13, strike "and".

On page 636, strike line 21 and insert "genebanks with the United States; and

"(12) research that develops technology that will ascertain the lean content of animal carcasses that will be used for human consumption.' ".

On page 660, line 23, insert "(a) IN GENERAL.—" before "Section".

On page 661, between lines 6 and 7, insert the following new subsection:

(b) COST-REIMBURSABLE AGREEMENTS.—Section 1473 of the Act (7 U.S.C. 3319a) is amended by inserting before "without regard" the following: "and State departments of agriculture and associations thereof".

On page 661, line 11, strike "each" and all that follows through line 12 and insert "fiscal year 1991, $430,000,000 for fiscal year 1992, $440,000,000 for fiscal year 1993, $450,000,000 for fiscal year 1994, and $460,000,000 for fiscal year 1995.' ".

On page 777, strike lines 4 through 11, and insert the following:

SEC. 1485. TRIBALLY CONTROLLED COMMUNITY COLLEGES.

(a) ANNUAL GRANTS.—The Secretary of Agriculture shall make annual grants to accredited tribally controlled community colleges, as defined in section 2(4) of the Tribally Controlled Community Colleges Assistance Act of 1976 (25 U.S.C. 1801(4)), in the amount of $50,000 per institution for the purpose of enabling such colleges to carry out the agriculturally-related research and higher education programs of such colleges.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary in each fiscal year to carry out the activities described in subsection (a).

On page 802, after line 24, add the following new section:

SEC. 1497. RURAL HEALTH INFRASTRUCTURE IMPROVEMENT.

(a) GRANT FOR DEMONSTRATION PROJECT.—The Secretary of Agriculture shall award a grant for the establishment of a project to demonstrate a model approach to improving rural health infrastructure. The project established with such grant shall—

(1) carry out systematic, community-based rural health needs assessments;

(2) identify and coordinate available health services resources;

(3) improve community infrastructure through health education and information and leadership development and training; and

(4) develop community generated health improvement strategies.

(b) PROJECT IMPLEMENTATION.—The project established under subsection (a) shall be implemented through the cooperation of—

(1) an academic medical center with accredited health professions schools, including schools of medicine, dentistry, public health, nursing, and allied health;

(2) the Cooperative Extension System of a land-grant university; and

(3) county-based citizens' organizations concerned with rural health services.

(c) AUTHORIZATION OF APPROPRIATIONS.—There authorized to be appropriated such sums as may be necessary in each fiscal year to carry-out subsection (a). Amounts appropriated under this subsection shall remain available until expended.

On page 861, between lines 19 and 20, insert the following new subtitle:

Subtitle E—Miscellaneous Provisions

SEC. 1571. TALLADEGA NATIONAL FOREST EXPANSION.

(a) ACQUISITION OF LAND BY SECRETARY.—

(1) IN GENERAL.—To protect and manage the timber resources and the scenic, natural, recreation and other resource values associated with certain forest lands in the State of Alabama, the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary"), in cooperation with State and private entities as provided in this section, shall acquire by purchase, donation, exchange or otherwise, lands and interests lying within the boundaries depicted on maps dated December 31, 1990, and entitled "Talladega Forest Expansion", that are on file with the Chief of the Forest Service in Washington D.C.

(2) TECHNICAL ERRORS.—The Chief of the Forest Services may correct technical and clerical errors that appear on the maps referred to in paragraph (1).

(3) REFERENCE.—The lands included within the boundaries depicted on the maps described in paragraph (1) are hereinafter referred to as the "Talladega Expansion Lands."

(b) CONDITIONS.—

(1) IN GENERAL.—Acquisitions made under this section shall be commensurate with appropriated and donated funds and shall be completed by the Secretary notwithstanding any other provision or requirement of law or of any condition precedent.

(2) EXCLUSIONS.—The Secretary may exclude from an acquisition of land under this section—

(A) such rights-of-way, easements and other outstanding rights determined to be unacceptable to the Secretary; and

(B) any small or isolated parcels of land that the Secretary determines are not manageable.

(c) ADMINISTRATION OF ACQUIRED LANDS.—All lands acquired by the Secretary under this section shall be administered under the Act of March 1, 1911 (36 Stat. 961, as amended) (commonly referred to as the Weeks Act). In managing such lands the primary emphasis shall be on the sustained yield of forest products from such land consistent with the traditional uses, including hunting, hiking, public access and conservation of other resource values.

On page 924, line 19, insert "papayas," after "plums,".

On page 981, between lines 11 and 12, insert the following new subtitle:

Subtitle E—Miscellaneous Provisions

SEC. 1771. NATIONAL AGRICULTURAL PEST CONTROL INFORMATION PROGRAM.

(a) PURPOSES.—The purposes of this section are—

(1) to compile a national database on the use of chemical and nonchemical pest control methods on commercially raised crops and livestock; and

(2) to provide information from the national database to the Office of Pesticide Programs of the Environmental Protection Agency for benefit and risk assessments of pesticides.

(b) DEFINITIONS.—As used in this section:

(1) PESTICIDE.—The term "pesticide" means a pesticide as defined in section 2(u) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(u)).

(2) PEST CONTROL INFORMATION.—The term "pest control information" means the information collected by the States under subsection (d)(1).

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(4) STATE.—The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Trust Territory of the Pacific Islands, and American Samoa.

(c) NATIONAL AGRICULTURAL PEST CONTROL INFORMATION PROGRAM.—

(1) ESTABLISHMENT.—The Secretary shall establish in the Agricultural Research Service a national agricultural pest control information program.

(2) INFORMATION.—In carrying out the program established under paragraph (1), the Secretary shall—

(A) specify by regulation the type of information to be submitted, and the manner of submission, by States under subsection (d);

(B) receive, verify, coordinate, and evaluate pest control information;

(C) in conjunction with the Administrator of the National Agricultural Statistics Service, establish and maintain a database containing pest control information; and

(D) publish pest control information not later than 36 months after the date of enactment of this Act, and at the end of each 3-year period thereafter.

(3) LIAISON.—The Secretary shall establish a liaison between the Department of Agriculture and the Environmental Protection Agency on issues concerning the national agricultural pest control information program.

(4) COOPERATION.—In establishing the database and publishing pest control information under subparagraphs (C) and (D) of paragraph (2), the Secretary shall cooperate, to the maximum extent possible, with the Administrator of the Environmental Protection Agency and other users of the pest control information.

(d) PRIORITY PROGRAM.—

(1) ESTABLISHMENT.—The Secretary shall establish and maintain, within the National Agriculture Pesticide Impact Assessment Program (established in Department of Agriculture regulation 9500-2, March 7, 1983), a continuing priority program as described in paragraph (2) to compile data concerning chemical and nonchemical pest controls used in each State for each pesticide or other methods of pest control for the purpose of obtaining timely information on—

(A) crops treated;

(B) number of acres treated in a crop year;

(C) applications in a crop year;

(D) rates of application; and

(E) methods of application.

(2) DATA COLLECTION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each State shall conduct a survey to collect pest control information.

(B) EXISTING INFORMATION.—No State with a continuing program to collect pest control information shall be required to collect additional information.

(3) DATA SUBMISSION.—Not later than 30 months after the date of enactment of this Act, and at the end of each 3-year period thereafter, to be eligible to receive any Federal funds for the collection of pest control information, a State shall submit the information described in paragraph (1) to the Secretary.

(4) GRANTS.—

(A) IN GENERAL.—The Secretary may make grants to States for purposes of collecting pest control information under paragraph (1).

(B) ALLOCATION.—The Secretary shall allocate grants under this subsection among the States based on such regulations as the Secretary prescribes to carry out this subsection.

(C) REIMBURSEMENT.—The Secretary may make grants under subparagraph (A) to any State that has collected and submitted pest control information to reimburse the State for all, or any portion of, the costs incurred by the State in collecting the information.

(D) APPLICATION.—In order for a State to be eligible for a grant under subparagraph (A), the State shall submit an application to the Secretary at such time, in such manner, and containing such agreements, assurances, and information, as the Secretary determines to be necessary to carry out this subsection.

SEC. 1772. NATIONAL AGRICULTURAL CHEMICAL PLASTIC CONTAINER COLLECTION AND RECYCLING STANDARDS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Not later than January 1, 1993, the Administrator of the Environmental Protection Agency may, in consultation with heads of other interested Federal and State agencies, promulgate standards for national agricultural chemical plastic container collection and recycling.

(2) REQUIREMENTS.—The standards shall be designed, to the fullest extent practicable, to—

(A) provide an immediate option to the landfilling of containers;

(B) provide a safe, effective, voluntary, and workable solution to plastic container disposal;

(C) be economically and environmentally sound;

(D) be coordinated with appropriate State, county, and regional entities;

(E) promote incentives to encourage the collection or return of empty containers;

(F) encourage the participation of the private sector;

(G) not be unduly burdensome to small businesses and retail dealers;

(H) not require the submission of confidential business data from registrants for pesticide packaging prior to July 1, 1988; and

(I) not affect the authorities or requirements concerning pesticide containers established under the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) or the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

(3) CONSULTATION.—The Administrator shall consult with the heads of other interested Federal agencies, State lead agencies, agricultural chemical industry groups, plastic industry groups, recycling groups, business groups, environmental groups, agricultural grower groups, and other persons to developing reasonable, practicable, and economic standards to carry out this subsection.

(b) STUDY.—

(1) IN GENERAL.—The Administrator of the Environmental Protection Agency shall conduct a study to determine the feasibility of standards for national agricultural chemical plastic container collection and recycling referred to in subsection (a).

(2) REQUIREMENTS.—In carrying out the study, the Administrator shall to the fullest extent practicable—

(A) determine the feasibility of recycling at least 40,000,000 pounds of plastic, assess the need for and potential uses of recycled plastic containers, and determine if there are any technical, scientific, and geographic barriers to recycling;

(B) recommend criteria for identifying and selecting plastic recyclers who can recycle containers;

(C) recommend criteria for container collection site selection and evaluate the utilization of existing county landfill or designated solid waste regional sites provided for in the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) as sites for containing collection with the goal of eliminating overlapping and duplicative sites;

(D) consider procedures for the proper handling, storage, and transportation of containers to collection sites;

(E) identify and define procedures, criteria, and persons responsible for the inspection and certification of empty containers at collection sites;

(F) define procedures for the identification, separation, and preparation of empty containers in a manner that will ensure the reliability of the recycling standards;

(G) suggest a system for the transportation of collected containers, including (if appropriate) transportation from local sites (through central collection processing sites) to approved recycling operations;

(H) analyze the costs and benefits of recycling agricultural chemical plastic containers produced for the domestic market;

(I) examine methods of funding the collection and recycling of plastic containers and suggest a reasonable, practicable, effective, and efficient means of collecting monies;

(J) recommend the appropriate agency to administer a funding mechanism, including consideration of the Environmental Protection Agency, the Department of Agriculture, the Department of the Treasury, and the Internal Revenue Service;

(K) determine the nature, scope, costs, and benefits of incentives to encourage all agricultural chemical users (including commercial and private applicators, farmers,

and ranchers) to return containers to a central or county location;

(L) specify what additional information needs to be collected by the Administrator;

(M) recommend the appropriate Federal and State role in the implementation and enforcement of national collection and recycling, including consideration of—

(i) amendments to State pesticide plans to include recycling and collection standards;

(ii) necessary enforcement criteria; and

(iii) all applicable Federal laws and regulations;

(N) develop a verification process to ensure that a funding mechanism referred to in subparagraph (I) is collected to carry out collection and recycling, including consideration of the feasibility of—

(i) establishing a tamper-proof seal, hologram, indelible ink-jet code, or some other equivalent method; and

(ii) allotting redemption tickets to persons who return properly-rinsed containers;

(O) identify the effects of plastic material differences between closures and containers, and recommend solutions to any problems;

(P) conform to provisions of law and regulations promoting the safe storage and disposal of pesticides; and

(Q) coordinate Federal regulatory requirements with the Secretary of Transportation to permit appropriate use of recycled plastic into agricultural pesticide plastic containers.

(3) HIGH DENSITY POLYETHYLENE CONTAINERS.—As part of the study required under this subsection, the Administrator shall, in consultation with the heads of other interested Federal agencies, applicable State agencies, agricultural chemical industry groups, plastics industry groups, recycling groups, business groups, environmental groups, agricultural grower groups, and other persons, determine and assess the practical and economic feasibility and environmental benefits of a national agricultural plastic pesticide container collection and recycling project for high density polyethylene containers.

(4) REPORT AND RECOMMENDATIONS.—Not later than September 1, 1991, the Administrator shall submit to Congress—

(A) a report describing the results of the study required under this subsection;

(B) a legislative recommendation for implementation of standards for national agricultural chemical plastic container collection and recycling; and

(C) a legislative recommendation for implementing a funding mechanism for collecting and recycling plastics.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $1,500,000 for fiscal year 1991.

On page 1081, after line 10, add the following new subtitles:

Subtitle C—Investment of Certain Fees

SEC. 1951. PERISHABLE AGRICULTURAL COMMODITIES ACT.

Section 3(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499c) is amended by striking "referred to above:" and inserting the following: "referred to above, except that any operating balances and interest earned may be invested by the Secretary of the Treasury, at the request of the Secretary of Agriculture, in public debt securities with maturities suitable to the needs of the funds, as determined by the Secretary of Agriculture, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration the current market yields on outstanding obligations of the United States of comparable maturities. All interest earned shall be credited to the fund to pay for the services provided under this Act."

SEC. 1952. TOBACCO ADJUSTMENT ACT OF 1983.

Section 213(d) of the Tobacco Adjustment Act of 1983 (7 U.S.C. 511r) is amended by adding at the end the following new sentences: "Any fees collected, late payment penalties, and interest earned shall be credited to the account referred to in this section and may be invested by the Secretary of the Treasury, at the request of the Secretary of Agriculture, in public debt securities with maturities suitable to the needs of the fund, as determined by the Secretary of Agriculture, and bearing interest at rates determined by the Secretary of Treasury, taking into consideration the current market yields on outstanding obligations of the United States of the comparable maturities. Fees and charges, including late payment penalties, and interest earned from the investment of such funds shall be credited to the account referred to in this section.".

SEC. 1953. USER FEES FOR REPORTS, PUBLICATIONS, AND SOFTWARE.

Section 1121 of the Agriculture and Food Act of 1981 (7 U.S.C. 2242a) is amended by adding at the end the following new subsection:

"(d) INVESTMENT.—Any fees collected, late payment penalties, and interest earned shall be credited to the account referred to in this section and may be invested by the Secretary of the Treasury at the request of the Secretary of Agriculture, in public debt securities with maturities suitable to the needs of the fund, as determined by the Secretary of Agriculture, and bearing interest at rates determined by the Secretary of Treasury, taking into consideration the current market yields on outstanding obligations of the United States of the comparable maturities. Fees and charges, including late payment penalties and interest earned from the investment of such funds shall be credited to the account that incurs such costs.".

Subtitle D—Nutrition

SEC. 1955. COMMERCIAL WAREHOUSING AND DISTRIBUTION.

Section 3(d) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended—

(1) by striking "Before the expiration of the 270-day period beginning on the date of the enactment of this Act, the" and inserting "The"; and

(2) by striking paragraphs (1), (2) and (3) and inserting the following new paragraphs:

"(1) evaluate its system for warehousing and distributing donated commodities to recipient agencies designated in section 13(3)(A) (hereinafter in this Act referred to as 'child nutrition program recipient agencies');

"(2) in the case of State distribution agencies that require payment of fees by child nutrition program recipient agencies for any aspect of warehousing or distribution, implement the warehousing and distribution system that provides donated commodities to child nutrition program recipient agencies in the most efficient manner, at the lowest cost to those recipient agencies, and at a level that is not less than the basic level of services determined by the Secretary;

"(3) in determining the most efficient and lowest cost system, consider the use of commercial facilities for providing warehousing and distribution services and both the direct and indirect costs of the child nutrition program recipient agencies;".

SEC. 1956. COMMODITY ACCEPTABILITY INFORMATION.

Section 3(f)(2) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended by striking "semiannually" and inserting "annually".

Subtitle E—Miscellaneous

SEC. 1961. CONFIDENTIALITY OF INFORMATION

Section 1770 of the Food Security Act of 1985 (7 U.S.C. 2276) is amended—

(1) in subsection (a)(1)—

(A) by inserting "in a manner such that the data supplied by any particular respondent is not discernable and" after "aggregate data"; and

(B) by striking "person" and inserting "respondent";

(2) in subsection (a)(2)—

(A) by inserting "the data supplied by any particular respondent or" after "identification of"; and

(B) by striking "person" and inserting "respondent";

(3) in subsection (b)(2)(B), by striking "person" and inserting "respondent";

(4) in subsection (c), by striking "section (a)" and inserting "subsection (a)"; and

(5) by adding at the end the following new subsections:

"(e) For purposes of this section, the term 'respondent' means any—

"(1) individual;

"(2) corporation, partnership, or other business establishment;

"(3) group or association;

"(4) State or local agency or instrumentality; and

"(5) any other entity that provided information to the Department of Agriculture pursuant to a provision of law referred to in subsection (d) of this section.

"(f) Nothing in this section will affect the availability of such information under State or local law.".

SEC. 1962. RECORDKEEPING AND SERVICE CENTER IMPROVEMENT.

(a) PURPOSE.—The Secretary of Agriculture shall establish and implement a program that is designed to minimize the amount of paperwork, and the time needed to complete such paperwork, required of producers that participate in programs administered by the Secretary of Agriculture.

(b) REPORT.—Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate, a report that contains specific proposals for—

(1) reducing and simplifying the recordkeeping and other paperwork required of agricultural producers and cooperatives (hereinafter referred to in this section as "producers") who apply for participation in, or attempt to comply with the requirements of—

(A) Federal agricultural price and income support programs administered by the Secretary of Agriculture, including programs under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.);

(B) Voluntary or mandatory soil or water conservation programs administered by the Secretary of Agriculture, including programs under title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.); and

(C) other agriculturally related programs administered by the Secretary of Agriculture and related agency heads; and

(2) consolidating and relocating county offices of various agencies and operations of the Department of Agriculture to provide for more convenient and efficient public access to, and the more efficient use of, publicly owned or leased property; and

(3) statutory changes that are required to reduce paperwork burdens on producers.

(c) EVALUATION.—

(1) IN GENERAL.—In preparing the report required under subsection (b), the Secretary of Agriculture shall undertake a thorough examination of the feasibility of reducing paperwork and recordkeeping requirements imposed on agricultural producers by the Department of Agriculture by permitting such producers to have access to an existing subsequently developed computer network or system with the capability to—

(A) receive electronic transmissions, from computer terminals on farms or other remote locations, of all or a portion of any information required to be provided by such producers;

(B) provide any such producer with updated electronic information and data pertinent to the agricultural operation and marketing of such producer; and

(C) provide producers with information-sharing through audio conferencing.

(2) COMPUTER FEES AND USER CATEGORIES.—

(A) COMPUTER FEES.—In determining the feasibility and costs of providing a computer network or system as described in paragraph (1), the Secretary of Agriculture may consider the imposition of a nominal user fee on producers and others who desire to have access to and the use of such a network or system. The amount of such fee should be sufficient to partially or entirely defray the costs (after considering any savings to the Department of Agriculture) associated with the operation, maintenance, and future expansion of such network or system attributable to producer use thereof, but shall not include any reimbursement for existing equipment or equipment capability or for any costs associated with the initial establishment of such network or system.

(B) USER CATEGORIES.—In determining an appropriate amount to be imposed as a user fee under subparagraph (A), the Secretary of Agriculture shall examine additional categories of users who may be permitted access to the computer network or system, and examine safeguards that would be reasonably necessary to limit file access consistent with the provisions of the Privacy Act of 1974 (5 U.S.C. 552a et seq.) and any other relevant statutory or regulatory provisions governing disclosure of individuals or proprietary information.

(3) RECOMMENDATIONS.—In the report required under subsection (b), the Secretary of Agriculture shall include a detailed summary of the examination conducted under this section and recommendations regarding the feasibility of providing producers and other users with access to such computer network or system, and the appropriate amount of user fees that shall be imposed for such access and use, if any, and the categories of users who should be granted access to such network or system.

(d) IMPLEMENTATION.—

(1) IN GENERAL.—To the extent practicable, the Secretary of Agriculture shall take steps necessary to implement the recommendations contained in the report required under subsection (b).

(2) REPORT.—Not later than 180 days after the submission of the report required under subsection (b), the Secretary shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate, a report that describes the steps taken to implement the recommendations contained in the report required under subsection (b).

SEC. 1963. WINE AND WINE GRAPE INDUSTRY STUDY.

(a) STUDY.—The Secretary of Agriculture shall conduct a study to determine the most effective manner in which the Department of Agriculture may work with and support the United States wine and wine grape industry. Such study shall—

(1) be designed to determine whether existing Department of Agriculture programs could be improved to more effectively assist and support the United States wine and wine grape industry;

(2) be designed to determine whether new methods or programs implemented by the Department of Agriculture could enhance wine and wine grape production and processing and expand markets for United States wine and wine grapes; and

(3) be conducted in consultation with local, State, and national associations or organizations of the United States wine and wine grape industry.

(b) REPORT.—Not later than December 31, 1991, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate, a report that contains a description of the determinations made in the study conducted under subsection (a). Such report shall also include any recommendations for legislation that the Secretary determines may be necessary to implement the programs or methods described in subsection (a).

SEC. 1964. GRAIN-BASED ALCOHOL FUELS RESEARCH.

(a) ESTABLISHMENT.—The Secretary of Agriculture, in consultation with the Secretary of Energy, shall establish an alcohol fuels research program to determine the methods for, and the economic advantages of, utilizing offgrade grain in the production of clean fuels from renewable resources.

(b) PRIORITY RESEARCH.—The primary objective of the program established under subsection (a) shall be to encourage alcohol fuels research concerning grain and other agricultural crops and waste materials that would—

(1) convert cellulose and hemicellulose into sugars;

(2) convert 5- and 6-carbon sugars into ethanol;

(3) convert off-grade grains into ethanol, especially its derivative, ethyl tertiary butyl ether;

(4) utilize membranes to separate ethanol from process streams rather than using fossil fuel energy;

(5) improve the quality and value of by-products to increase digestibility and performance of livestock, poultry, and fish; and

(6) develop new markets for such byproducts.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $20,000,000 for each of the fiscal years 1991 through 1995 to carry out the program established under subsection (a).

REID AMENDMENT NO. 2305

Mr. REID proposed an amendment to the bill S. 2830, supra, as follows:

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

SEC. . It is the sense of the Senate that Federal nutrition programs are important elements of our national food and agricultural policy. It is further the sense of the Senate that when legislation reauthorizing Federal nutrition program is considered in the Senate, such programs should be authorized at levels that will meet recognized national needs.

REID (AND OTHERS) AMENDMENT NO. 2306

Mr. REID (for himself, Mr. RUDMAN, Mr. CHAFEE, Mr. BRYAN, Mr. BRADLEY, Mr. PELL, Mr. KERRY, and Mr. LAUTENBERG) proposed an amendment to amendment No. 2305 proposed by him to the bill S. 2830, supra, as follows:

At the end of the amendment, add the following new section:

SEC. . MEANS TEST FOR AGRICULTURAL PAYMENTS.

The Food Security Act of 1985 is amended by inserting after section 1001C (7 U.S.C. 1308-3) the following new section:

"SEC. 1001D. MEANS TEST FOR AGRICULTURAL PAYMENTS.

"Notwithstanding any other provision of law, a person (as defined in section 1001(5)(B)(i) shall be ineligible to receive payments under any of the annual programs established for a commodity under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) (other than disaster payments or payments received under conservation reserve programs established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) and as amended by subsequent legislation) for a crop year if the average amount of gross sales of agricultural commodities by the person during the 5 previous crop years is in excess of $500,000 per year.".

PRESSLER AMENDMENT NO. 2307

Mr. PRESSLER proposed an amendment to the bill S. 2830, supra, as follows:

At the end of title XII insert the following new section:

SEC. . REPORT CONCERNING AN INTERNATIONAL AGRICULTURAL CONSERVATION RESERVE.

(a) FINDINGS.—The Congress makes the following findings:

(1) Approximately one-fifth of the world's cropland is experiencing an intolerable rate of soil erosion;

(2) The cost of farm program subsidies is at record levels in many nations;

(3) The United States has taken the initiative of enrolling nearly 34 million acres of agricultural land in a ten-year Conservation Reserve Program;

(4) World food production historically has increased at an annual rate of 2.5 percent, but world food production during the 1980's has increased at an average rate of over 3 percent annually;

(5) All nations would benefit from the decreased agricultural subsidies and stabilized food production an international agricultural conservation reserve could provide.

(b) REPORT TO CONGRESS.—

(1) Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall, in consultation with other federal agencies, prepare and submit a

report to the Congress on the feasibility of negotiating an international agreement or treaty to establish an international agricultural conservation reserve to protect fragile agricultural soils.

(2) The report shall examine the potential for the establishment of an international agricultural conservation reserve under which:

(a) All signatory nations would agree not to subsidize farmers who bring highly erodible virgin land into crop production.

(b) All signatory nations would agree to return a certain percentage of highly erodible cropland to its natural state and keep it out of production for a minimum of 10 years and implement sound conservation practices on such land to control soil erosion.

(c) Provisions would be established to allow a portion of the land placed by signatory nations into the reserve to be returned to production if stocks fell below those levels needed to maintain adequate commodity and food supplies.

KOHL AMENDMENT NO. 2308

(Ordered to lie on the table.)

Mr. KOHL submitted an amendment intended to be proposed by him to the bill S. 2830, supra, as follows:

On page 33, between lines 19 and 20, insert the following new section:

"SEC. 117.

"Not later than January 1, 1992, the Secretary of Agriculture shall—

"(1) conclude the national hearings announced by the Secretary on March 29, 1990, regarding changes in the pricing provisions of Federal milk marketing orders issued under section 8(c) of the Agricultural Adjustment Act (7 U.S.C. 608(c)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, in order to effect any changes in the Federal orders setting minimum prices that milk processors must pay for Grade A milk received from producers; and

"(2) implement the changes referred to in paragraph (1).".

MURKOWSKI AMENDMENT NO. 2309

Mr. MURKOWSKI proposed an amendment to the bill S. 2830, supra, as follows:

Insert at the appropriate place title XIX in the section entitled "Collection of Fees for Inspections Services."

SEC. . ADDITIONAL INSPECTION SERVICES.

(a) AGREEMENTS.—The Secretary of Agriculture, in carrying out regulations prohibiting or restricting the entry of materials that may harbor pests, or diseases, is authorized to enter into agreements with operators or owners of vessels for the purpose of providing inspection services at ocean ports of entry in the United States in addition to the regular or on-call basis currently available in connection with such ships. Any such agreement shall provide for the payment by the operator or owner of an amount determined by the Secretary to be necessary to defray the costs of providing additional service pursuant to such agreement.

DOMENICI AMENDMENT NO. 2310

Mr. DOMENICI proposed an amendment to the bill S. 2830, supra, as follows:

On page 929, between lines 18 and 19, insert the following new section:

SEC. 1730. CHECKOFF PROGRAM FOR WOOL.

Section 708 of the National Wool Act of 1954 (7 U.S.C. 1787) is amended by striking out "two thirds" each place that such appears and inserting in lieu thereof "a majority".

GRASSLEY AMENDMENT NO. 2311

Mr. GRASSLEY proposed an amendment to the bill S. 2830, supra, as follows:

Strike out paragraph (5) of section 1617(a) and insert in lieu thereof the following new paragraph:

"(5) use any packaging materials, storage containers or bins that contain fungicides, preservatives, or fumigants;".

FEDERAL COMMUNICATIONS COMMISSION REAUTHORIZATION ACT

INOUYE AMENDMENT NO. 2312

Mr. CRANSTON (for Mr. INOUYE) proposed an amendment to the bill (S. 1022) to amend the Communications Act of 1934 to provide authorization of appropriations for the Federal Communications Commission, and for other purposes, as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Federal Communications Commission Authorization Act of 1990".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) Section 6 of the Communications Act of 1934 (47 U.S.C. 156) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. (a) There are authorized to be appropriated for the administration of this Act by the Commission $109,831,000 for fiscal year 1990 and $119,831,000 for fiscal year 1991, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each of the fiscal years 1990 and 1991.

"(b) In addition to the amounts authorized to be appropriated under the section, not more than 4 percent of the amount of any fees or other charges payable to the United States which are collected by the Commission during fiscal year 1990 are authorized to be made available to the Commission until expended to defray the fully distributed costs of such fees collection.

"(c) Of the amounts appropriated pursuant to subsection (a) for fiscal year 1991, such sums as may be necessary not to exceed $2,000,000 shall be expended for upgrading and modernizing equipment at the Commission's electronic emissions test laboratory located in Laurel, Maryland.".

COMMERCIAL RADIO OPERATOR EXAMINATIONS

SEC. 3. Section 4(f) of the Communications Act of 1934 (47 U.S.C. 154(f)) is amended by adding at the end the following new paragraph:

"(5)(A) The Commission, for purposes of preparing and administering any examination for a commercial radio operator license or endorsement, may accept and employ the services of persons that the Commission determines to be qualified. Any person so employed may not receive compensation for such services, but may recover from examinees such fees as the Commission permits, considering such factors as public service and cost estimates submitted by such person.

"(B) The Commission may prescribe regulations to select, oversee, sanction, and dismiss any person authorized under this paragraph to be employed by the Commission.

"(C) Any person who provides services under this paragraph or who provides goods in connection with such services shall not, by reason of having provided such service or goods, be considered a Federal or special government employee.".

TRAVEL REIMBURSEMENT PROGRAM

SEC. 4. Section 4(g)(2)(D) of the Communications Act of 1934 (47 U.S.C. 154(g)(2)(D)) is amended by striking "1989" and inserting in lieu thereof "1992".

COMMUNICATIONS SUPPORT FROM OLDER AMERICANS

SEC. 5. Section 6(a) of the Federal Communications Commission Authorization Act of 1988 (47 U.S.C. 154 note) is amended by striking "and 1989" and inserting in lieu thereof ", 1989, 1990, and 1991".

HAWAII MONITORING STATION

SEC. 6. (a) Section 9(a) of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended—

(1) by striking "and 1990" and inserting in lieu thereof ", 1990, 1991, and 1992";

(2) in paragraph (4) by striking "a facility at the new location" and inserting in lieu thereof "facilities at new locations"; and

(3) in paragraph (6) by striking "a facility at a new location" and inserting in lieu thereof "facilities at new locations".

(b) Subsection (b) of section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended to read as follows:

"(b) The Administrator of General Services is authorized to dispose of, only to the State of Hawaii, as much of the real property (including improvements thereon) at the present location of the Hawaii Monitoring Station as is necessary for the purposes of relocating, at a minimum, the antennas associated with the Monitoring Station.".

(c) Section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended by striking subsections (c) and (d), by redesignating subsection (e) as subsection (i), and by inserting immediately after subsection (b) the following new subsections:

"(c) Pursuant to the authority provided in subsection (b), the Administrator of General Services shall sell and convey to the State of Hawaii the real property and improvements thereon described in subsection (b) on an expedited basis, including provisions for lease-back as required.

"(d) In consideration of such sale, the State of Hawaii shall agree to—

"(1) pay to the General Services Administration an amount not less than the fair market value, as determined by the Administrator of General Services, of the property to be conveyed under subsection (c), or

"(2) convey to the Federal Communications Commission real property that would be suitable, as determined by the Commission, for the relocation of the Hawaii Monitoring Station and, in addition, pay to the General Services Administration an amount

equal to the difference between the fair market value of the two properties, as determined by the Administrator of General Services, if the Federal property conveyed is of greater value.

"(e) The General Services Administration shall reimburse the Federal Communications Commission from the net proceeds of such sale for all of the expenditures of the Commission associated with the relocation of the Hawaii Monitoring Station. Any such reimbursed funds received by the Commission shall remain available until expended.

"(f) The net proceeds of such sale, less any funds reimbursed to the Federal Communications Commission pursuant to subsection (e), and less normal and reasonable charges by the General Services Administration for costs associated with such sale, shall be deposited in the general funds of the Treasury.

"(g) If the General Services Administration and the State of Hawaii are unable to execute a contract for sale as required by this section or complete any other transaction necessary to carry out such sale, the Administrator of General Services shall not proceed to public sale of the property described in subsection (b).

"(h) The Hawaii Monitoring Station shall continue its full operations at its present location until new facilities have been built and are fully operational.".

(d) Subsection (i) of section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024), as so redesignated by subsection (c) of this section, is amended by striking ", in fiscal years 1989 and 1990".

TARIFF NOTICE PERIOD

SEC. 7. (a) Section 203(b)(1) of the Communications Act of 1934 (47 U.S.C. 203(b)(1) is amended by striking "ninety days notice" and inserting in lieu thereof "one hundred and twenty days' notice".

(b) Section 203(b)(2) of the Communications Act of 1934 (47 U.S.C. 203(b)(2)) is amended by striking "ninety days" and inserting in lieu thereof "one hundred and twenty days".

AMATEUR RADIO SERVICE RECIPROCAL PERMITS

SEC. 8. (a) Section 303(*l*)(3) of the Communications Act of 1934 (47 U.S.C 303(*l*)(3) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

(b) Section 301(c) of the Communications Act of 1934 (47 U.S.C. 310(c)) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "Multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

WILLFUL OR MALICIOUS INTERFERENCE

SEC. 9. Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end the following new section:

"WILLFUL OR MALICIOUS INTERFERENCE

"SEC. 333. No person shall willfully or maliciously interfere with or cause interference to any radio communications of any station licensed or authorized by or under this Act or operated by the United States Government.".

APPLICABILITY OF FORFEITURES TO APPLICANTS

SEC. 10. The first sentence of section 503(b)(5) of the Communications Act of 1934 (47 U.S.C. 503(b)(5)) is amended by inserting "and if such person is not an applicant for a license, permit, certificate, or other authorization issued by the Commission," immediately before "unless, prior".

CHILDREN'S TELEVISION ACT

WIRTH (AND OTHERS) AMENDMENT NO. 2313

Mr. CRANSTON (for Mr. WIRTH) (for himself, Mr. INOUYE, Mr. HOLLINGS, Mr. METZENBAUM, Mr. LAUTENBERG, and Mr. BURNS) proposed an amendment to the bill (S. 1992) to require the Federal Communications Commission to ensure that broadcasters provide children's television programming that meets the educational and informational needs of the child audience, and for other purposes; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Children's Television Act of 1990".

TITLE I—REGULATION OF CHILDREN'S TELEVISION

FINDINGS

SEC. 101. The Congress finds that—

(1) it has been clearly demonstrated that television can assist children to learn important information, skills, values, and behavior while entertaining them and exciting their curiosity to learn about the world around them;

(2) as part of their obligation to serve the public interest, television station operators and licensees should provide programming that serves the special needs of children;

(3) the financial support of advertisers assists in the provision of programming to children;

(4) special safeguards are appropriate to protect children from over commercialization on television;

(5) television station operators and licensees should follow practices in connection with children's television programming and advertising that take into consideration the characteristics of this child audience; and

(6) it is therefore necessary that the Federal Communications Commission (hereinafter referred to as the "Commission") take the actions required by this title.

STANDARDS FOR CHILDREN'S TELEVISION PROGRAMMING

SEC. 102. (a) The Commission shall, within 30 days after the date of enactment of this Act, initiate a rulemaking proceeding to prescribe standards applicable to commercial television broadcast licensees with respect to the time devoted to commercial matter in conjunction with children's television programming. The Commission shall, within 180 days after the date of enactment of this Act, complete the rulemaking proceeding and prescribe final standards that meet the requirements of subsection (b).

(b) Except as provided in subsection (c), the standards prescribed under subsection (a) shall include the requirement that each commercial television broadcast licensee shall limit the duration of advertising in children's television programming to not more than 10.5 minutes per hour on weekends and not more than 12 minutes per hour on weekdays.

(c) After January 1, 1993, the Commission—

(1) may review and evaluate the advertising duration limitations required by subsection (b); and

(2) may, after notice and public comment and a demonstration of the need for modification of such limitations, modify such limitations in accordance with the public interest.

(d) As used in this section, the term "commercial television broadcast licensee" includes a cable operator, as defined in section 602 of the Communications Act of 1934 (47 U.S.C. 522).

CONSIDERATION OF CHILDREN'S TELEVISION SERVICE IN BROADCAST LICENSE RENEWAL

SEC. 103. (a) After the standards required by section 102 are in effect, the Commission shall, in its review of any application for renewal of a television broadcast license, consider the extent to which the licensee—

(1) has complied with such standards; and

(2) has served the educational and informational needs of children through the licensee's overall programming, including programming specifically designed to serve such needs.

(b) In addition to consideration of the licensee's programming as required under subsection (a), the Commission may consider—

(1) any special nonbroadcast efforts by the licensee which enhance the educational and informational value of such programming to children; and

(2) any special efforts by the licensee to produce or support programming broadcast by another station in the licensee's marketplace which is specifically designed to serve the educational and informational needs of children.

PROGRAM LENGTH COMMERCIAL MATTER

SEC. 104. Within 180 days after the date of enactment of this Act, the Commission shall complete the proceeding known as "Revision of Programming and Commercialization Policies, Ascertainment Requirements and Program Log Requirements for Commercial Television Stations", MM Docket No. 83-670.

TITLE II—ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

SHORT TITLE

SEC. 201. This title may be cited as the "National Endowment for Children's Educational Television Act of 1990".

FINDINGS

SEC. 202. The Congress finds that—

(1) children in the United States are lagging behind those in other countries in fundamental intellectual skills, including reading, writing, mathematics, science, and geography;

(2) these fundamental skills are essential for the future governmental and industrial leadership of the United States;

(3) the United States must act now to greatly improve the education of its children;

(4) television is watched by children about three hours each day on average and can be effective in teaching children;

(5) educational television programming for children is aired too infrequently either because public broadcast licensees and permittees lack funds or because commercial broadcast licensees and permittees or cable television system operators do not have the economic incentive; and

(6) the Federal Government can assist in the creation of children's educational televi-

sion by establishing a National Endowment for Children's Educational Television to supplement the children's educational programming funded by other governmental entities.

SEC. 203. (a) Part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 394 as section 393A;

(2) by redesignating subparts B, C, and D as subparts C, D, and E, respectively; and

(3) by inserting immediately after section 393A, as so redesignated, the following new subpart:

"SUBPART B—NATIONAL ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

"ESTABLISHMENT OF NATIONAL ENDOWMENT

"SEC. 394. (a) It is the purpose of this section to enhance the education of children through the creation and production of television programming specifically directed toward the development of fundamental intellectual skills.

"(b) There is established, under the direction of the Secretary, a National Endowment for Children's Educational Television. In administering the National Endowment, the Secretary is authorized to make grants to persons proposing to create and produce educational television programming for children. The Secretary shall consult with the Advisory Council on Children's Educational Television in the making of the grants. The grants shall be made on the condition that the programming shall—

"(1) during the first two years after its production, be made available only to public television licensees and permittees and noncommercial television licensees and permittees; and

"(2) thereafter be made available to any commercial television licensee or permittee or cable television system operator, at a charge established by the Secretary that will assure the maximum practicable distribution of such programming, so long as such licensee, permittee, or operator does not interrupt the programming with commercial advertisements.

The Secretary may, consistent with the purpose and provisions of this section, permit the programming to be distributed to persons using other media, establish conditions relating to such distribution, and apply those conditions to any grant. The Secretary may waive the requirements of paragraph (1) of this subsection if the Secretary finds that neither public television licensees and permittees nor noncommercial television licensees and permittees will have an opportunity to air such programming in the first two years after its production.

"(c)(1) The Secretary, with the advice of the Advisory Council on Childen's Educational Television, shall establish criteria for making grants under this section. Such criteria shall be consistent with the purpose and provisions of this section and shall be made available to interested parties upon request.

"(2) Applications for grants under this section shall be submitted to the Secretary in such form and containing such information as the Secretary shall require by regulation.

"(d) Upon approving any application under this section, the Secretary shall make a grant to the applicant in an amount determined by the Secretary, except that such amounts shall not exceed 75 percent of the amount determined by the Secretary to be the reasonable and necessary cost of the project for which the grant is made.

"(e)(1) The Secretary shall establish an Advisory Council on Children's Educational Television. The Secretary shall appoint ten individuals as members of the Advisory Council and designate one of such members to serve as Chairman.

"(2) Members of the Advisory Council shall have terms of two years, and no member shall serve for more than three consecutive terms. The members shall have expertise in the fields of education, psychology, child development, or television programming, or related disciplines. Officers and employees of the United States shall not be appointed as members.

"(3) While away from their homes or regular places of business in the performance of duties for the Advisory Council, the members of the Advisory Council shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with 5703 of title 5, United States Code.

"(4) The Advisory Council shall meet at the call of the Chairman and shall advise the Secretary concerning the making of grants under this section.

"(f)(1) Each recipient of a grant under this section shall keep such records as may be reasonably necessary to enable the Secretary to carry out the Secretary's functions under this section, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such grant, the total cost of the project, the amount and nature of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to a grant received under this section.

"(g) The Secretary is authorized to make such rules and regulations as may be necessary to carry out this section, including those relating to the order of priority in approving applications for projects under this section or to determining the amounts of grants for such projects.

"(h) There are authorized to be appropriated $10,000,000 for fiscal year 1991 for the Secretary to carry out the provisions of this section. Sums appropriated under this subsection for any fiscal year shall remain available for payment of grants for projects for which applications approved under this section have been submitted within one year after the last day of such fiscal year.

"(i) For purposes of this section—

"(1) the term 'educational television programmming for children' means any television program which is directed to an audience of children who are 16 years of age or younger and which is designed for the intellectual development of those children, except that such term does not include any television program which is directed to a general audience but which might also be viewed by a significant number of children; and

"(2) the term 'person' means an individual, partnership, association, joint stock company, trust, corporation, or State or local governmental entity.".

(b) Section 397 of the Communications Act of 1934 (47 U.S.C. 397) is amended—

(1) in paragraph (2) by striking "subpart C" and inserting in lieu thereof "subpart D"; and

(2) in paragraph (15)—

(A) by inserting "and subpart B" immediately after "subpart A"; and

(B) by striking "subpart B, subpart C" and inserting in lieu thereof "subpart C, subpart D".

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. FORD. Mr. President, I would like to announce for the Senate and the public that a hearing before the Subcommittee on Energy Research and Development has been rescheduled.

The purpose of the hearing is to receive testimony on the current operations and future mission of the Department of Energy's national laboratories.

The hearing, originally scheduled to take place on Thursday, July 26, 1990, at 9:30 a.m., will take place on Wednesday, July 25, 1990, at 9:45 a.m. in room SD–366 of the Senate Dirksen Office Building in Washington, DC.

Those wishing to provide written testimony for the printed hearing record should send it to the Subcommittee on Energy Research and Development, U.S. Senate, Washington, DC 20510, Attn: Mary Louise Wagner.

For further information, please contact Mary Louise Wagner at (202) 224–7569.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENT AFFAIRS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Thursday, July 19, at 9:30 a.m. for a hearing on the subject: Oversight and reauthorization of McKinney Act programs.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on July 19, 1990, at 10 a.m. on the Federal collection of information on foreign investment in the United States.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate, Thursday, July 19, 1990, at 10 a.m. to conduct a hearing on modernizing the regulation of financial services.

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

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate, Thursday, July 19, 1990 at 2 p.m. to conduct hearings on S. 2827, legislation to limit liability of financial institutions and bank regulatory agencies for nonculpable liabilities and consideration of other environmental risks to lenders.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRANSTON. Mr. President, I ask unanimous consent that the full committee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 9:30 a.m. Thursday, July 19, 1990, for a hearing to receive testimony from Presidential nominees Calvin A. Kent to be Administrator of the Energy Information Administration; Paul L. Ziemer to be Assistant Secretary of Energy for Environment, Safety and Health; and David H. Leroy to be nuclear waste negotiator.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, July 19, at 1:30 p.m., for a hearing on work force preparedness.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, July 19, 1990, at 2 p.m. to hold a closed hearing on intelligence matters.

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

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet on July 19, 1990, beginning at 2 p.m., in 485 Russell Senate Office Building, on S. 2645, the Urban Indian Health Equity Act.

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

COMMITTEE ON THE JUDICIARY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on July 19, 1990, at 2 p.m., to hold a hearing on the nomination of Michael Boudin, to be U.S. district judge for the District of Columbia, Carol Bagley Amon, to be U.S. district judge for the Eastern District of New York, Charles W. Pickering, Sr., to be U.S. district judge for the Southern District of Mississsippi, and William M. Skreyny, to be U.S. district judge for the Western District of New York.

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

SUBCOMMITTEE ON IMMIGRATION AND REFUGEE AFFAIRS

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Subcommittee on Immigration and Refugee Affairs, of the Committee of the Judiciary, be authorized to meet during the session of the Senate on July 19, 1990, at 11:45 a.m., to hold a markup on S. 1629, a bill to establish clearly a Federal right of action by aliens and U.S. citizens against persons engaging in torture or extrajudicial killings, and for other purposes; S. 953, a bill to amend the Immigration and Nationality Act to revise the grounds of exclusion for admission into the United States; S. 1263, a bill to treat Hong Kong as a separate foreign state for purposes of applying the numerical limitations on immigration; and H.R. 639, a bill to amend the Immigration and Nationality Act to provide for special immigrant status for certain aliens who have served honorably in the Armed Forces of the United States for 4 years.

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

ADDITIONAL STATEMENTS

RUNNING THE BASES WITH FAY VINCENT: A BASEBALL COMMISSIONER FOR THE NINETIES

● Mr. WIRTH. Mr. President, all of us enjoy a rousing game of baseball. There's no substitute for the crack of a bat, the thrill of a high fly to left, or the call of the ump: "Play ball." Baseball is truly the national sport and a proud part of our American heritage.

The man who reigns over the baseball kindgom is a soft-spoken, but determined baseball fan, Fay Vincent. I have had the pleasure of getting to know Fay well over the last 2 years or so, first while he served as deputy to the late baseball commissioner, Bart Giamatti, and more recently, as he serves in that capacity himself. As chairman of the Senate Task Force on Expansion of Major League Baseball, I have had the opportunity to work closely with Fay and always found him approachable, a good listener, and a hard—but fair—negotiator.

Recently, the Washington Post wrote a delightful article on Fay that I believe catches many of the facets of this good man's character. For those of my colleagues who may have missed it, I ask that it be reprinted in the RECORD.

The article follows:

[From the Washington Post, July 10, 1990]

UP TO BAT FOR BASEBALL—COMMISSIONER FAY VINCENT'S FIELD OF DREAMS

(By Paul Hendrickson)

BOSTON.—The apparent contradictions of an ungainly man, who finds it difficult just to walk, presiding over an enterprise, a pastime, that offers such displays of godlike physical grace. "Yes, I've thought of that," Francis T. Vincent Jr. says, savoring the irony. "And maybe that's some of the reason they seem to like me."

He's in a little white golf cart and he's moving on the rim of the infield. His yellow cane is propped between his legs. One shoelace is untied. The contest is about 90 minutes off and early evening New England land light, a painter's light, is splashing across the playing surface of Fenway Park. Somewhere inside, concessionaires are boiling thousands of Fenway Franks, wrapping soggy tasty buns in little wedges of tinfoil for the night's vending onslaught.

But down here, on the edge of this napkin of immaculate clipped green, Beantown autograph hounds are leaning in for a signature. They're handing over ticket stubs, game programs, new balls, their grade school catchers' mitts. The commissioner of baseball—such a lovely and sonorous title—is signing them all, whatever they got, is signing in his small, neat hand his Irish American and almost girlish-sounding name, "Fay Vincent."

All the while he keeps up the steady patter, the expert pepper.

"Hiya, commish."

"Hi yourself."

"So whaddaya think of Fenway, Fay?"

"What do I think? I think Fenway's one of the cathedrals of the game."

"You been to Chicago yet, Mr. Commissioner?"

"I'll be there at the All-Star Game on the 10th."

"Fay, who makes the rules?

"Depends on the rules."

"How 'bout that Canseco's 23 million?"

"He did okay, wouldn't you'd say?"

"So you gonna punish ol' Steinbrenner and make him sell his Yankees, Mr. Vincent?"

"You're not trying to rush our investigation, are you? You want me to be fair in this thing."

(Mystified little kid loudly at the rail to his baseball mom:) "Mommy, who is this man?"

(Mom in a stage-whisper answer, her pan as dead as dishwater:) "Herbie, that's the guy who never has to sit behind a pole."

He's been in the job 10 months, and he hasn't sat behind a pole yet—nor will he in tonight's 61st All-Star Game at Wrigley Field. It wouldn't be wholly accurate to call him giddy over his good fortune, but on the other hand he says, "The wonderful thing is I finally got it lined up this time, avocation and vocation."

If initially the eighth czar in the game's history was perceived by some to be a drab business type following the late lamenated Renaissance scholar, what Fay Vincent has been steadily proving ever since is that first impressions are often wrong, and sometimes the No. 2 guy turns out to be the biggest surprise of all.

"It's more visible than I ever would have imagined, it's more fun than I ever would have imagined," he says, sounding like somebody in Booth Tarkington. That would be one level of truth about him, the seeming

boyish Booth Tarkington guilelessness. There are other levels.

The circumstances by which Fay Vincent became commissioner of baseball was the sudden death last Sept. 1 of his great good friend, A. Bartlett Giamatti. Vincent was Bart Giamatti's deputy, a post that Giamatti had specially created for Vincent, who'd come into baseball after a career in law and the corporate world. But relatively few outside those spheres knew him. Baseball certainly hadn't heard of him. In retrospect it almost seems as if Fay Vincent was Bart Giamatti's great secret, one he was going to empower much sooner than anybody dreamed.

If Vincent was a great secret, Bart Giamatti was a celebrity in America, a bearish little orator who subscribed to Variety and wore a Vandyke and had degrees in comparative literature and possessed the soul of a natural hambone. He brought both intellectuality and fandom to the office. He'd once been president of Yale, not a bad preparation for the complexities of the $1.1 billion business that is modern baseball. But Bart Giamatti died at 51 of a coronary after just five months in the job. The loss to baseball seemed huge. Fate had its own designs. A best friend got in.

And thus far the marks on Vincent are high.

"In my view he's got everything you'd want in a baseball commissioner, but more importantly I think he's got everything you'd want in a human being," Says Larry Lucchino, president of the Baltimore Orioles.

"What you see with Fay is what you get—and isn't that the ultimate compliment?" says Bud Selig, president of the Milwaukee Brewers.

"Nothing I've ever seen suggests this is a guy who has to go out and impress other people," says Donald M. Fehr, executive director of the players' union, and as such a man not naturally disposed to saying nice things about commissioners. Commissioners, after all, come into the job from the owners' side of things. Some commissioners have been perceived as little more than the stooges of greedy owners.

Some Fay Vincent bio and stats, not particularly the kind you'd get on the back of a Topps bubble gum card:

He's 52 and wears plain suits and plain watches and plain ties and even plainer shoes—never mind that he is worth somewhere in excess of $20 million.

He loves Cuban cigars.

He carries a small Swiss Army knife.

He's against the designated hitter rule.

He's been reading a biography of Coleridge and another of George Marshall. Just finished a book on Wordsworth.

He has a moonish face and a receding hairline and thick ankles and a triple chin. And yet, for such inelegance, there is the strangest elegance about him.

He was once president of Columbia Pictures. Under his leadership the studio produced "Kramer vs. Kramer" and "Tootsie." But also, it should be noted, "Ishtar."

"I never read a script," he says. You also wouldn't have found him hanging out at Spago. His office was in New York and movies were never the passion, they were the business. He was a CEO. "Running a movie company is very much an exercise in risk management," he says, something bracing in his voice.

When Coca-Cola bought out Columbia, Vincent went along. He held several key executive posts at Coke but never the top job, and eventually he saw the writing on the wall. He was taken out of the entertainment division and put into Coke International. "I couldn't get motivated about selling Sprite in Thailand," he says, though there is probably a little more to it than that. But anyway, baseball and Bart Giamatti's offer came along at just the right moment.

He used to play for the Putnam Avenue Grammer School nine. This was back in Hamden, Conn., in the late '40s. Putnam's uniforms were gray flannel and the commish can see them yet, because somewhere in their hearts, no matter what heights they've gone to, these are all just small-town boys in baggy woolen uniforms dreaming of the bigs.

"You see, we learn failure from baseball as kids," he says. "It's one of our earliest significant failures. We know by 14 it's over. But that's all right, it's a failure we can live with. That's why we come back to the game. That's why our devotion is so lifelong. You don't feel betrayed by yourself when you fail in baseball."

His Greenwich phone number is listed in the book. Doesn't believe in unpublished numbers.

He can say things such as, "Well, I don't know the answer to that. Sorry."

And yet . . . during the Pete Rose investigation, which wracked baseball for months, Vincent—who was overseeing the case for Giamatti—asked Rose flatly if he'd ever bet on baseball. Rose said no, he wasn't that stupid. Vincent said that was a very significant answer. It was ground-zero for the investigation, he said. It was an on-the-record denial, and if it was a lie, he said, that was going to be a very important fact.

Hardball. Today the disgraced Pete Rose is locked on the outside of a game he'd give anything to get back into. (Under baseball's rules, he can apply for reinstatement next month).

Asked at a Boston sports editors' convention what expectations he had for the outcome of the investigation of George Steinbrenner, owner of the Yankees, the Commissioner responded immediately: "My expectations are well under control."

The Steinbrenner case seems just one more larger or smaller black eye for the game. It is a murky case and at issue are the bad-boy owner's antagonistic relationship with former Yankee outfielder Dave Winfield, and the exact nature of a $40,000 payment Steinbrenner made to admitted gambler Howard Spira in January. (According to a spokesman for the commissioner, the results of the investigation will probably not be announced for at least two more weeks.) Vincent himself took charge of the recent hearings; last Thursday's went 7½ hours.

This is Vincent's third crisis in less than a year on the job. The other two crises—seemingly more difficult than this one—were the San Francisco earthquake during the World Series, and the bitter 32-day owners' lockout this past spring. Of the quake, the game's commissioner seemed to get things in focus awfully fast. The series, he said in a much-quoted remark, was "our modest little sporting event," and what was that next to the needs of a devastated community?

He practiced high-powered law in New York and Washington and also worked briefly at the Securities and Exchange Commission. In the '70s, when he lived in Washington, he was just another weekend fan eating hot dogs at Memorial Stadium in Birdland. He'd take his twin sons with him, which is probably one reason the boys have turned into passionate fans themselves. Last summer, one of the Vincent twins and a pal drove across America, hitting every major league ballpark and some minor ones too. Then they came home and wrote up a report for Dad. It's an unfair world but somebody's got to do these jobs.

In the mid-'50s, he fell off an icy ledge in a crazy prank in his first semester at college and crushed several vertebrae and almost paralyzed himself for life. Struggling to learn to walk again, the boy who would never make it to the bigs used to lie in bed and wait for the Yankees to come on TV. If it was a rainout, the disappointment was total.

And that boy's legs? Well, he eventually recovered them to 50 percent, which is to say he couldn't run, or even walk very far, but on the other hand he could go for short distances so that you couldn't really tell about his injury if you didn't know. That state lasted for about 25 years. Then about four years ago the arthritis set in, ruined his hip, and now it's pretty much torture for Fay Vincent to get across a room, or off a dais, or down a stadium ramp.

"Yes, I was trying to walk again," he says, remembering the summer of '57, when the Yankees meant so much. "There was a lot of therapy. I remember feeling hurt, yes, and somewhat embarrassed and foolish. My father was devastated because he was so much a man of . . . the body. In a way, *he* was the one depressed. On the other hand he was older, of course, so maybe he saw what it would mean. I was 18. When you're 18, you're A, immortal, and B, omnipotent."

Fay Vincent the elder was captain of the Yale football team. The son never came close to living up to the father's athletic legends. Fay Vincent doesn't say it in so many words, but his father is a major reason he didn't attend Yale as an undergraduate: The shadow was too long. (He did get to Yale for law school.) But this isn't a father-conflicted son. Mention his dad now and his voice drops soft as a bunt down third.

"He would have so enjoyed this," he says. "Particularly my relationship with umpires. The fact that I can hang around with *umpires*, that's an amazing thing." There's no irony here. Vincent's dad, deceased, was an umpire of amateur Connecticut baseball games until he was 76. Before that, Francis T. Vincent Sr. was an official in both the National Football League and the old All-American Conference. "My father would come home and tell us what people yelled at him all day," he says, in the kind of remark that can encapsulate a history.

How well does Fay Vincent know baseball? It's a little hard to tell. Yes, he goes for the lyric slant of light across the grass, but also for the 3-6-3 double play. He says he's not a box score maven.

Like Giamatti, Vincent is something of an intellectual on the game he loves, but one with the good sense not to try to mess with unknowables. "We really don't know what makes up this special relationship between baseball and the American soul," he says. "We just know that it's so. So let's leave it alone. . . . Baseball's relationship to the American people is not something you can define. It can't be done."

At a game in Baltimore a couple weeks ago, he got to ask DiMaggio himself about hitting the fastball. Think of it, Joltin' Joe and the Hamden Kid together in a box seat. If the old man could see him now. "I asked if he guessed what they'd be throwing. He said he did, at least to the extent of the fastball." One can almost hear that conversation: The great DiMaggio, ever laconic,

ever gracious, allowing as how he could pretty much tell by a sixth sense when the heater was coming in.

Though the marks are high, Vincent has not played an error-free game. Midway through this spring's lockout, he bonered a big one by suddenly announcing at a press conference his proposal that the owners open the camps in return for a promise by the players not to strike during the season. Don Fehr and the others in the union denounced that as a publicity stunt. He seemed momentarily to lose the goodwill he had built up in so brief a time. But he got it back.

Similarly, there was a moment of seeming bad judgment during the Pete Rose case. Vincent, a skilled lawyer, coordinated the legal aspects for Giamatti. Before the case was resolved, Giamatti signed a letter to a federal sentencing judge on behalf of one of Rose's chief accusers, who was an admitted felon. Rose and his attorneys contended the letter was evidence that Giamatti has prejudged Rose. For a moment it seemed as if the whole touchy Rose investigation might blow up in the faces of the commissioner and the deputy commissioner.

Fay Vincent used to hang around with George Bush's kid brother, Bucky. This was back before being George Bush's kid brother was a lot of cheese. In prep school Bucky Bush as 6 feet 5 and weighed 270 and played on the line for Hotchkiss. (Now he's in investments in St. Louis.) Fay Vincent—another lineman on that Connecticut preppie football eleven—was 6 feet 3 and 240.

One summer (this wasn't long before the accident) the two New England behemoths went West with the country and worked as apprentice roughnecks in the Texas oil fields. Some of the oil rigs belonged to a future president of the United States. Bucky and Fay drove out to Midland in a Renault that was so tiny it couldn't take both of them in the front seat at the same time. They used to pick the car up for kicks at gas stations, just to thrill the locals.

"We made $150 a week that summer and worked seven days a week," he says. "Johnny Cash was big on the radio. The oil workers used to call me Big'un. They'd say, 'Big'un, we're going down to Del Rio tonight, you coming'? I'd say, 'Uh, no, I don't think I'll go this time.' See, they were going to whorehouses in Mexico."

One more fact about him: Fay Vincent once wanted to be a Jesuit. The Jebbies, ever farsighted—at least insofar as delivering to America a future all-star commissioner—said sorry, couldn't take him, because a priest has to be able to say mass publicly, and he had a physical affliction. "Maybe they were right," a devout man says, letting another youthful dispppointment go.

With something of the quality of dream: "The experience of going to a game. I mean, white uniforms at night on grass. It's so . . . beautiful." You're sure he's going to add, "If you build it, he will come."

He's sitting in a suite in a Boston hotel. He's been talking about baseball for almost two hours. The Red Sox will play Toronto at Fenway this evening, and this fact alone seems to lighten Fay Vincent's heart.

His watch, with its inexpensive-looking expandable band, has slid halfway down his wrist, to the backside of his beefy hand. He is rumpled and easy. No airs here.

He's talking about Giamatti. It was a midlife friendship, and how many people ever got a chance at one of those? They met in 1978 at a dinner for seven in Princeton. It just clicked.

Memory-click:

"Something happened one time, I can't remember what it was, I was walking slowly. And of course Bart wasn't a great walker either, Bart has lots of physical problems, you know, not just his heart. Anyway, maybe I said something about the people who run other big-time sports, how much better shape they must be in than we are. And Bart said, 'Well, Fay, don't worry, we won't challenge Pete Rozelle to a race. We'll challenge him to a think."

Fay Vincent, Williams College, class of '60, Phi Beta Kappa, cum laude.

The weekend before Giamatti died, the two were in a chartered King Air going to their respective homes, Fay's on the Cape, Bart's on Martha's Vineyard. (Because of his walking problems, he often flies charter; airport corridors are murder.) The Rose case had just been settled and Giamatti was even more expansive than usual. There had been tough moments, and some mistakes, but they had saved the game, "You know, it was an experiment, Fay, the two of us," Giamatti said, "It's working."

The next weekend, same charter, they said goodbye again at the Vineyard airport. Vincent flew on to Harwich. He was having a cigar on his deck in the sunshine when the call came. The report was incomplete, but he somehow knew Bart was dead. There was something just too final in the words "cardiac arrest." Call it sixth sense.

"Why, Valerie Vincent," Fay Vincent says suddenly, his whole face lighting. "Where are your bags?" The commissioner's wife has just walked into the room. She's thin and pert. People say she's the one who raised the three Vincent children. The two have been married 25 years.

"I'm such a gracious winner," Fay Vincent says, turning back to the interview. It's as though a man is taking a puff on an imaginary cigar.

The phone rings. An assistant gets up to get it. The extension cord won't reach over to the chair where Vincent is. "It's okay, Rich, I'll get up," he says easily. He pulls himself up with his cane, hanging for several tentative seconds in the smooth climatized air. There's something slack and concave about him, as though he's destined to go crashing to the floor. He doesn't.

He's had sodas and ice cream bars and a couple of Fenway Franks, onto each one of which he's squirted Gulden's mustard out of a little plastic tube. He keeps asking everybody around him if he or she won't have something else to eat. He's like a benevolent monarch.

"I predict Hall of Fame," he says when Dwight Evans smashes one.

The commissioner's box, right at the Red Sox dugout, has nine seats. They're filled with some old friends, his wife, a bodyguard named Phil Knect, Knect's a former New York cop who's looked after the boss since Columbia Pictures.

The lights are on. White uniforms are moving on a field of dreams with godlike physical grace.

The mayor of Boston, Raymond L. Flynn, son of Eire, comes up to gas. The pastor of St. Monica's in South Boston is with the mayor. Both the padre and the pol are in mufti, two Boston boys cheering on the lads at the local ball yard.

"It's a Catholic game, you know, Mr. Commissioner," the priest says to Vincent. "It allows for mistakes and forgiveness."

On the mound, Roger Clemens is throwing aspirin tablets. Which is to say the Sox ace has some heat this evening. (Boston will win, 4-3, sweeping the series with Toronto, and permitting the morning scribes to enthuse, in spite of themselves, about pennant fever.)

"I went to high school with his sister," Valerie Vincent tells you, when you ask how they met. "He's a real fan. He's probably never been happier in a job. Back when I met him, I knew there were three teams. The Yankees, the Red Sox and the Cleveland Indians."

Is he in pain most of the time? She nods.

Harry Mazadoorian, Vincent's law school roomie, who's made his own effort at depleting the hot dog industry in New England: "He especially likes to remember his old friends. I think you'd find that's one of his most endearing traits. He invites me to games all the time."

The man himself, softly: "Bart never got here. This was his favorite team, his favorite ballpark. And he never got here. The Rose thing just kept him tied down."

An hour later, the commissioner of baseball is making his way in the dark along Van Ness Street. He's trying to get to his car. Several aides are with him. The car can't be brought to the commissioner because the street is clogged with revelers and TV semitrailers. But that's okay, the commish will walk. Beantowners don't recognize him in these shadows. Fay Vincent's just some ungainly, contented fan with a cane, going home.●

RECENT PROBLEMS AT HUD

● Mr. MACK. Mr. President, below is an article, Julian L. Simon's "Why More HUD's May Lie Ahead," from the July 17 edition of the Washington Times. Simon writes of the recent problems at HUD, suggesting that too much emphasis has been on "who is to blame" rather than the system from which the problems stemmed.

As ranking member of the HUD Investigative Subcommittee, created specifically to examine recent problems at HUD, I have heard testimony which is consistent with Simon's suggestions.

Since the 1930's, America's housing policy has focused largely the supply. This method of providing housing assistance has often been associated with middlemen, consultants, and lawyers benefiting from the system. And it is precisely these middlemen who continue to oppose changing the system. Conversely, it is the low-income tenants themselves who often seek to change Federal housing policy by supporting changes that would result in their empowerment; that is, tenant management and ownership and tenant-based direct rental assistance.

On June 27, the Senate passed a housing bill which includes some of these concepts of empowerment. Although the bill's major emphasis still retains much of the current system that empowers middlemen, it has elements of change that hopefully represent the beginning of a new direction in our housing policy.

Mr. President, I ask that the article mentioned earlier be printed in the RECORD.

The article follows:

[From the Washington Times, July 17, 1990]

WHY MORE HUDs MAY LIE AHEAD

(By Julian L. Simon)

The HUD scandal is juicier than ever. It is a journalist's dream at a time when there is so little international and domestic bad news to write about. It meets the crucial criterion for newsworthiness—opportunity to analyze who is to blame.

The latest "blamee" to take the fall is Congress. The Washington Post faults legislators for their lack of oversight and forecasts more scandals because "So Many Share the Scandal's Blame . . . And So Few Will Pay."

That analysis is wrong. Blame and punishment may make us feel good, but no amount of fingerprinting or jail sentences will prevent repetitions in the future.

The real problem is a system in which bureaucrats are given responsibility for allocating goodies—in this case, spreading funds among suppliers of housing services. The newly announced congressional plan to "plug loopholes" offers just Band-Aids, not a cure.

As long as we focus on people rather than structure, we will have abuses and scandals. But journalists and politicians are drawn to analyses of personal characteristics as a moth is attracted to the flame.

For example, when the story broke last June, the Wall Street Journal's front-page story talked about how Deborah Dean, 33, ran a shoddy operation involving billions of dollars at the Department of Housing and Urban Development. The story referred to her and her associates as young adults and a "kiddie corps." It asked: "Where were the grown-ups?"

Two pages later, a headline spoke about "China's Old Men" in a story about the transfer of power after the Tiananmen Square massacre and crackdown. The story referred to the Chinese leaders as "old guys in their 80s."

Both stories imply that officials' ages are important determinants of their activities and decisions. They suggest that if people of more "appropriate" ages were put into office, the public would be better served.

Those stories illustrate a recurrent fallacy in human thinking. In a book titled "Human Inference," Robert Nisbet and Lee Ross review extensive studies showing that people are likely to err by explaining events by recourse to the characteristics of the actors instead of the structural conditions of the situation. In both China and HUD, the key element is the existence of a governmental entity that puts money or power, or both, at the disposal of officials. As long as that condition exists, the likelihood of abuse exists. Sometimes the public gets lucky and the officials are honest and humble. But inevitably some officials will take advantage of the opportunities.

Consider, for example, a current bone of contention—HUD's method of setting rents for housing it subsidizes. A developer in Washington state took HUD to court and won a suit charging that HUD's formula is unsound. But any conceivable bureaucrat-set formula will favor some developers over others. That opens the door to a never-ending cycle of lobbying and bribery intended to alter the formula is set.

The solution, then, is not to call for better officials—of the right age, say. The solution is to change the system.

A letter to the editor in The Washington Post agrees in placing the blame on the structure of the HUD program: "What they are trying to clean up is inherently corrupt and corruptible." But the writer offers a different solution of "direct construction of socially owned housing." That is the Polish system. As a result, Polish couples register newborn babies for apartments, hoping that the children will reach the top of the list by the time they marry. And of course that "solution" provides huge opportunity for corruption.

The only solution that does not create new opportunities for corruption is to put the market to work, not just on the supply side but on the demand side as well. On the demand side, that means giving poor people the money they need, either as straight income grants or as money earmarked for housing. The former is much better, but the latter is more politically palatable. Like any shift from centralization toward markets, such a program is opposed by the bureaucrats who would lose their jobs and opportunities for graft.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 for Mr. Brad Figel, a member of the staff of Senator BOB PACKWOOD, to participate in a program in the Republic of Indonesia, sponsored by the United States-Asia Institute, from August 15 to 25, 1990.

The committee has determined that participation by Mr. Figel in the program in the Republic of Indonesia, at the expense of the United States-Asia Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Joan Hogan Gillman, a member of the staff of Senator CHRISTOPHER DODD, to participate in a program in England, funded by the British Council and cosponsored by the Liaison Group for International Educational Exchange, from May 27 to June 2, 1990.

The committee has determined that participation by Ms. Gillman in the program in England, at the expense of the Liaison Group for International Educational Exchange, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 for Pamela Kruse, a member of the staff of Senator JAMES M. JEFFORDS, to participate in a program in England, funded by the British Council and cosponsored by the Liaison Group for International Educational Exchange, from May 27 to June 2, 1990.

The committee has determined that participation by Ms. Kruse in the program in England, at the expense of the Liaison Group for International Educational Exchange, is in the interest of the Senate and the United States.●

BALANCED BUDGET AMENDMENT

● Mr. MACK. Mr. President, I was very disappointed to see that the House of Representatives again turned down a balanced budget amendment to the Constitution. The House's action made an article in Wednesday's Wall Street Journal by James M. Buchanan very timely. Buchanan argues that the death of socialism throughout the world has accentuated the need for constitutional constraints on governments. I commend his article to my colleagues and I ask consent that the article be reprinted in the RECORD.

The article follows:

SOCIALISM IS DEAD; LEVIATHAN LIVES

(By James Buchanan)

More than a century ago, the German philosopher Friedrich Nietzsche announced the death of God. This dramatic statement was intended to suggest that religion had cease to serve as an organizing principle for the lives of individuals or for the rules of their association. Since Nietzsche, the God pronounced dead was replaced in man's consciousness by "socialism." and I want to match Nietzsche's announcement with the comparable one that "socialism is dead"—a statement that seems much less shocking than Nietzsche's because it is being heard throughout the world in 1990.

In a very real sense, the loss of faith in socialism is more dramatic than the loss of faith in God, because the god that was socialism took on forms that were directly observable. There were no continuing unknowns waiting to be revealed only in another life, and the promised realization of the socialist ideal could not be infinitely postponed. Socialism promised quite specific results; it did not deliver.

One can only look back in amazement at the monumental folly that caused the intellectual leaders of the world, for more than a century, to buy into what F.A. Hayek called the "fatal conceit" that socialism embodies. How did we come to be trapped in the romantic myth that politically organized authority could satisfy our needs more adequately than we might satisfy them ourselves through voluntary agreement, association and exchange?

SOCIALISTS EVERYWHERE

This fatal conceit was almost universal. Let us now beware of current attempts to limit acceptance of the socialist myth to

those who were the explicit promulgators and defenders of the centrally planned authoritarian regimes of the Soviet Union and its satellites. There were socialists everywhere, in all societies and, even in the face of the evidence that continues to accumulate, there are many who still cannot escape from the socialist mind-set. And even for those of us who have, however begrudgingly, acknowledged that the socialist god is dead, there may not have emerged any faith or belief in any non-socialist alternative. We may not accept the alternative represented by the free market or enterprise system, even as tempered by elements of the welfare state.

Socialists everwhere, confronted with the evidence that economics organized, wholly or partially, on socialist principles cannot deliver the goods, are now making desperate efforts to redefine the term "socialism," which British socialist and scholar Alec Nove defined in 1987 as a society in which "the means of production of goods and services are not in private hands."

It is now almost universally acknowledged that a private-ownership, free-enterprise economy "works better" than Mr. Nove's socialized economy, in which decisions are made by state or cooperative agencies. The individualized market economy "works better" than the socialized economy in the sense that it produces more goods. But it also works better in the sense that it allows individuals more liberty to choose where, when and to what purpose they will put their capacities to produce values that they expect others to demand.

A threshold was crossed in the 18th century when we learned how the rule of law, stability of private property and the withdrawal of political interference with private choices could unleash the entrepreneurial energies that are latent within each of us. Humankind seemed near to the ultimate realization of its social potential. How did the socialist vision emerge to threaten, and in part forestall, this future? And why did the principles of classical political economy, which seemed so strongly to suggest the relative superiority of a market economy, lose their persuasive powers so quickly?

We must, I think, appreciate the rhetorical genius of Marx and his ability to convert arguments advanced in support of market organization into what could be made to appear to be support for a particular distributional class, the capitalists. By clever substitution of emotion-laden terminology, the market system became "capitalism," and the search of every person for his own advantage became the profit-seeking of the greedy capitalists. This rhetorical genius, coupled with totally erroneous economic analysis embedded into pseudoscientific jargon about the laws of history, was highly successful in elevating the distributional issue to center stage, to the relative neglect of the allocational and growth elements that were central in the classical teachings.

(I speak as one who shared fully in the socialist mind-set, from which, thanks to Frank Knight, I escaped relatively early in my career. But I appreciate the appeal of the Marxist-socialist ideas even if, now, I cannot explain it.)

Recall that during its early decades, the Soviet Union was held out as paradise by socialists in the West. After World War II, Eastern Europe was absorbed into the Soviet political orbit and the countries of Western Europe socialized their economies to greater or lesser degrees. Even where economies were largely allowed to remain free, Keynesian-inspired macromanagement was supported by arguments about the tendency of capitalism to generate massive unemployment.

Between the early 1960s and today, socialism became ill and died. What happened? There were two sides to the coin: "market success" and "political failure." The accumulation of empirical evidence must ultimately dispel romance. And the evidence did indeed accumulate to demonstate that free-market economies performed much better than politically directed or planned economies. Contrast, for example the West German Wirtschaftwunder with the demonstrable failures of the socialist experiments in Britain in the late 1940s and early 1950s. Honest evaluation suggested that the centralized economies of the Soviet Union, China and East European countries were not successful in producing goods and services.

Ideas also matter. And here the record of the academic economists remains, at best, a very mixed bag. The welfare economists of the early and middle decades of this century were almost exclusively concerned with demonstrating the failures of markets, in order to provide a rationale for political interferences. But the public-choice revolution in ideas about politics, and political failures, was also sparked primarily by academic economists.

When the behavioral models of economics are applied to "public choosers"—to those who participate variously in political roles, as voters, politicians, bureaucrats, planners, party leaders, etc.—the romantic vision that was essential to the whole socialist myth vanishes. If those who make decisions for others are finally seen as just like everyone else, how can the awesome delegation of authority that must characterize the centralized economy be justified?

This loss of faith in politics, in socialism broadly defined, has not, however, been accompanied by any demonstrable renewal or reconversion to a faith in markets, the *laissez-faire* vision that was central to the teachings of the classical political economists. There remains a residual unwillingness to leave things alone, to allow the free market, governed by the rule of law, to organize itself. We are left, therefore, with what is essentially an attitude of nihilism toward economic organization. There seems to be no widely shared organizing principle upon which persons can begin to think about the operations of a political economy.

It is in this setting, which does seem to be descriptive of the era into which we are so rapidly moving, that the natural forces that generate the Leviathan state emerge and assume dominance. With no overriding principle that dictates how an economy is to be organized, the political structure is open to exploitation by the pressures of well-organized interests. The special-interest, rent-seeking, churning state finds fertile ground for growth in this environment. And, depending on the relative strength of organized interests, we observe quite arbitrary, politicized interferences with markets.

This setting, which I have referred to as Leviathan, has much in common with the mercantilist-protectionist politics that Adam Smith attacked so vehemently in "The Wealth of Nations" in 1776. The same barriers that Adam Smith sought to abolish are everywhere resurging; and the same arguments are heard, both in support and in opposition. The arguments for Leviathan's extensions are not versions of the socialist's dream; they are, instead, simple efforts to claim a public interest in a single sector's private profit.

CONSTITUTIONAL CONSTRAINTS

There will be no escape from the protectionist-merchantilist regime that now threatens to be characteristic of the post-socialist politics in both Western and Eastern countries so long as we allow the ordinary or natural outcomes of majoritarian democratic processes to operate without adequate constitutional constraints. If we know that politics fails and that its natural proclivity is to extend its reach beyond tolerable bounds, we must incorporate constraints into a constitutional structure. A depoliticized economic order is within the realm of the possible, even if the accompanying faith in market organizations is not fully regained. We can protect ourselves against the appetites of the monster that the Leviathan state threatens to become.

The organized polities of the nation-states, and the associations among those states, must be kept within constitutional boundaries. The death throes of socialism should not be allowed to distract attention from the continuing necessity to prevent the overreaching of the state-as-Leviathan, which becomes all the more dangerous because it does not depend on an ideology to give it focus. Ideas, and the institutions that emerge as these ideas are put into practice, can be killed off and replaced by other ideas and other institutions. The machinations of interest-driven politics are much more difficult to dislodge. Let us get on with the task.

(Mr. Buchanan, a Nobel laureate in economics, is professor of economics at the Center for Study of Public Choice at George Mason University. This article is adapted from a speech he delivered in Sydney, Australia, in March.)●

TOTAL FORCE POLICY

● Mr. SYMMS. Mr. President, as we face the probability that the U.S. defense budget will continue to be an area from which we make spending cuts, we will have to address the topic of military force mix and structure. As the defense budget undergoes transition, so must our existing military force mix and structure policies. Yet, before we hastily begin to slash various areas of military resource allocation, we must first determine what military challenges confront us now and in the future. Neglecting to responsibly assess new global military requirements before we decide how or where to make defense cuts, Mr. President, would certainly be putting the cart before the horse.

Facing inevitable budgetary cuts, the size of our Armed Forces is very likely to be smaller. How then will we manage force structure and mix to achieve the best possible defense in the most efficient and economical manner? We have a feasible solution to this problem in our total force policy. Unfortunately, however, total force policy has not yet been adequately implemented. For the total-force concept to function as it was intended by Congress, our Reserve Force must be readily available to augment what will soon be smaller Active

Forces. Congress provided for this by approving 10 U.S.C. 673(b).

This provision has yet to be employed despite its need in Grenada, the Persian Gulf, and Panama where proper use of this authority would have provided necessary support to the Active Force involved. I would like to bring to the attention of my colleagues an article written by Admirals Zumwalt and Bagley, both of whom have distinguished military careers and extensive international and defense expertise. I commend their thoughts about total force policy to you and agree with them completely that an increased reliance on our Guard and Reserves means that it is absolutely imperative that we be able to access these means with the full confidence that they will be able to perform as required. If we cannot confidently depend on them, or if they cannot perform adequately, then we have not a total force, but a hollow force.

I call upon the civilian and uniformed leaders within the administration to take a strong and supportive role in affirming ready and reliable access to our Reserves through appropriate use of 10 U.S.C. 673(b). I would add that interest conflicts within the services as well as on the political front must be set aside while we find a successful solution to this pressing matter of national security.

Mr. President, I request that the text of the article by Admirals Zumwalt and Bagley be printed in the RECORD following my remarks.

The article follows:

[From Aerotech News and Review, Mar. 30, 1990]

THE ZUMWALT-BAGLEY REPORT: A NEW "TOTAL FORCE" FOR THE NINETIES?

(By Elmo R. Zumwalt, Jr. and Worth H. Bagley)

Faced with sweeping changes around the world, the wheels have begun to turn in a laborious, bureaucratic process to redefine America's force structure for the "nineties" and into the next century. By means of legislative fiat, an uneasy Congress mandated that the Department of Defense (DOD) conduct a "Total Force" assessment to update what many in the Congress considered an enfeebled defense policy for the structuring and employment of our armed forces.

The assessment, as per the legislative directive, is being conducted by a high level body of DOD, Service, and uniformed manpower officials. As might be expected, this effort will involve a "cast of thousands."

With deadlines set for an initial report in September and the final report by year's end, the members have now met twice. With each of the Services generally comfortable with their present methods of determining force structure and mix, it's doubtful they will strongly suggest any change in the status quo. However, budget realities and Congressional pressure will be the determining factor and undoubtedly will compel change if DOD and the Services are less than forthcoming in their review of the "Total Force."

But, as it is, the Total Force Policy should take little review; it is as viable and logical a plan today as when it came into existence as a concept in the early '70s. It is as flexible an approach to defense manning and structuring as we could hope to devise. All that is needed are decision makers with the will to implement it.

With its genesis in an earlier era not dissimilar to that of today—major cuts in defense spending, withdrawal of U.S. forces from critical geopolitical arenas, and the ending of the draft—the Total Force concept was implemented to meet the worldwide defense and other interests of the U.S., given our reduced resources to do so. Its basic approach was to maintain an active duty force capable of meeting anticipated day-to-day defense needs while having a substantially larger and better trained and equipped Guard and Reserve structure readily available to augment and reinforce their active counterparts as needed. Such a policy had as one of its chief objectives economy of force in that major manpower and mission resources could be placed in the less costly Reserve system and yet be available in times of a national need in situations short of national mobilization. The linchpin in this new policy was access to the Reserve Force. If there were no ready access to the Reserve for operational missions and contingencies, then the "Total Force" would be a hollow shell and collapse. Taxpayers would rightly question the multi-billion dollar investment in a conventional force that could be used only in a general (and increasingly unlikely) mobilization for global war. Congress solved the accessibility issue of the Guard and Reserve by legislation known widely as the "200K" call-up authority (Title 10, Section 673(b)).

The legislative history of Section 673(b) is quite clear in its intent. First starting with a ceiling of 50,000, then increasing the number of drilling Reservists which the President may recall to 100,000 and then to 200,000 the Congress clearly meant to give the President the authority and flexibility to access the manpower and resources of the Reserve component for any operational mission. This authority was to be exercised on a regular basis to "reinvigorate" the Guard and Reserve and make the "Total Force" a reality in both fact and deed.

There is today nothing in the dual problems of force structure and force mix that the Total Force Policy cannot address, as long as DOD and Administration decision makers are willing to take an affirmative stand on the use of the "200K" callup. Unfortunately, many in DOD—both uniformed and civilian—have not the foggiest idea of what Section 673(b) is, others do not want to disturb present arrangements, while for still others it falls into the "hard political problem/make head hurt" category.

Further, to say, as some do, that, "no service has ever asked for an involuntary recall" is slightly disingenuous, masks how this town conducts business, and neatly sidesteps the real issue. Section 673(b), as the Congress envisioned it, could have (many say should have) been used to provide needed Reserve support in Grenada, the Persian Gulf, present drug interdiction activities and in Panama. In each of these instances where Reserve volunteers provided and continue to provide inestimable service, the burden has been on them and their relationships with their civilian employers have been jeopardized.

It will be interesting then to read the conclusions of the DOD panel. Will they state clearly, as has the Reserve Forces Policy Board, that accessibility of Reserve manpower and resources is the key to a continued, viable total Force Policy? Then will they have the courage to state that with guaranteed accessibility to the Reserve component, the Total Force Policy has the flexibility to adapt and meet present and future force structure and force mix needs as circumstances dictate? Or, will the panel follow the Army's weak approach subsequent to Panama? There, as in Grenada, certain specialized units which exist predominantly in the Reserves were desperately needed and not readily accessible because political authority was unwilling to exercise the Section 673(b) call up, resulting in unnecessary operational problems. Having been twice stung, the Army does not want to face the unavailability issue in future contingencies. Unfortunately, in seeking a resolution of this problem, rather than making the Reserves accessible for future needs by calling for use of the unused Section 673(b), they seek the insufficient and costly approach of transferring. Reserve units back into the active Army.

Let us hope that DOD will show the common sense and leadership to keep a good policy; one that can meet our needs for the future—a "Total Force" in word and deed that capitalizes on the strengths and advantages of both active and Reserve components. This cannot be done without ready access to our Guard and Reserve.●

ANNIVERSARY OF CYPRUS INVASION

● Ms. MIKULSKI. Mr. President, tomorrow marks the 16th anniversary of the Turkish invasion of Cyprus.

In 1974 the Turks used a moment of political instability in Greece to send troops to Cyprus and created an artificial division on the island that persists to this day.

Repeated attempts to negotiate a settlement and reunite the island have failed. Most recently, a vigorous effort by U.N. Secretary General Perez de Cuellar met with the same fate.

Many of us felt that this U.N. initiative might meet with some success in light of the efforts of the highly capable new President of Cyprus George Vassiliou. President Vassiliou showed himself to be accommodating and flexible during the talks, but Turkish Cypriot leader Rauf Denktash once again scuttled any chance of an agreement.

Most recently the Government of Cyprus has turned to the European Community for assistance. Not only has Cyprus applied for EC membership, but it has also appealed to the EC membership to help resolve the partition crisis. In response, the EC has stated that a lasting solution to the Cyprus problem must be based on the independence, unity, sovereignty, and territorial integrity of the Republic of Cyprus, in accordance with the relevant U.N. resolutions.

I am pleased to see the EC taking a constructive role in this issue, but EC participation is no substitute for a per-

sistent, forceful engagement by the U.S. Government.

Once again, I encourage the Bush administration to make Cyprus a high priority in its foreign policy agenda.●

THE CONFLICT IN CYPRUS

● Mr. SIMON. Mr. President, tomorrow, July 20, is the 16th anniversary of the Turkish invasion of Cyprus. It is tragic that, at a time when walls are crumbling around the world and long-standing conflicts are being peacefully resolved, the green line between the Republic of Cyprus and the Turkish-occupied northern part of the island remains in place.

I have spoken on this issue several times in recent weeks, Mr. President, because frankly, I am increasingly frustrated with the lack of progress toward good faith negotiations. The conflict in Cyprus has festered for too many years and caused too much suffering. Ankara, unfortunately, has not been cooperative in the United Nations' effort to bring about a solution. And there is frustration in great part because we know that this conflict could have been and should have resolved years ago. And it is clear that the United States has to be a greater catalyst for change than we have been to date.

At the end of June, I introduced a bill, S. 2808, that I think will send a strong and clear message to our friends in Turkey that the United States wants to see a resolution in Cyprus. My bill would gradually wind down United States military and economic assistance to Turkey over the 5-year period beginning in fiscal year 1991 and running through fiscal year 1995, reducing funds by 20 percent each year. The cuts are conditioned on one simple step: All Turkish military forces in excess of the 1960 Treaty of Guarantee must leave Cyprus, and all illegal colonists must be withdrawn as well. This is not an unreasonable step.

Mr. President, the time has come for progress on this issue. Relationships among former adversaries in Europe have improved dramatically. We should be encouraging more positive movement between Turkey and Greece. I believe that my bill, S. 2808, will have that effect. We have to say to our good friends in Turkey, and they are our good friends, that there is a price to pay for violating international law. There is a price to pay for military occupying 40 percent of a sovereign state.

I hope that this bill will be overtaken by the course of events. Turkey and Greece are two of our closest allies, and I hope that in Cyprus, as in so many other European nations of late, the cause of freedom will triumph and will lead to a peaceful settlement.

But tomorrow we will recall the unhappy anniversary of the Turkish invasion, and we must recognize that 40 percent of the island is still occupied. Mr. President, I invite my colleagues to join with me and cosponsor S. 2808, and I urge Mr. Denktash in northern Cyprus and the Turkish Government in Ankara to negotiate a quick and fair settlement to end the division of Cyprus.●

REMEMBERING CAPTIVE NATIONS WEEK

● Mr. DECONCINI. Mr. President, 31 years ago, in July 1959, President Eisenhower signed into law a congressional resolution that calls on the President to designate the third week in July as Captive Nations Week. The resolution has since become a heartfelt American tradition as well as part of our legislative history. Its purpose is to demonstrate solidarity with those Europeans and others whose liberty had been snuffed out by Communist regimes, and to remind the leaders of those regimes that the American people and the American Government would neither forget nor accept the abrogation of the right of peoples to determine their own fate.

Today, in July 1990, America's hopes for the restoration of freedom, sovereignty and self-determination for all peoples are closer to realization than at any time since the end of World War II. The revolutions of 1989 and the elections of 1990 have resulted in the formation of non-Communist governments in most of Eastern Europe and the Baltic States, and the impending reunification of Germany under a democratically elected government. The forcible division of Europe is about to be overcome. Within the Soviet Union, people of many nationalities are awakening to proclaim their right to sovereignty and to decide how they will live. Their inspiring efforts remind us that the spirit of freedom is inherent in all humankind and that the striving for freedom by one people buoys and bolsters others engaged in the same struggle.

The events of the recent past testify to the determination of peoples to realize this most fundamental human dream, even at great risk and cost. And as we look at Europe in July 1990, we see the vindication of our hopes in the indomitable will of the peoples of Europe to rule themselves. The annual commemoration of Captive Nations Week has for 31 years served the noble cause of rememberance. Let us today anticipate a commemoration that goes farther than merely remembering. Let us today anticipate a commemoration that greets the free people of Europe, and welcomes them into the democratic community of nations. We look forward to the day when all captive nations can share in the blessings of liberty.●

YOUTH AND DRUGS

● Mr. SIMON. Mr. President, some weeks ago, I had the opportunity to visit the White Oak Center in Peoria, IL, that is doing a remarkable job of dealing with people who have some serious problems.

White Oak Center is a center for people who have a chemical dependency problem.

I have read an article by Dr. John F. Gilligan that appeared in the Peoria Journal Star, and I realize I should not simply keep it in my files but share it with my colleagues in the Senate and those who read the CONGRESSIONAL RECORD.

While the article is about drugs, it is really much more than an article about drugs. It is an article that calls upon us to redirect our society and our leadership.

Frankly, we had leadership, particularly under the Reagan administration, that appealed to the greed in us rather than the noble in us.

There has been an improvement in that regard in the Bush administration, though it still is a long way from the solid, committed, dedicated humanitarian leadership that the Nation needs.

In the article, Dr. Gilligan says,

> Our young are more concerned about acquiring Gucci shirts than community involvement.

He also says,

> What is it that youth hear from adults? Don't do drugs! Don't smoke! Don't drink, but if you do, don't drive! Finish school, so you won't be a bum. Study hard, so you can get a good job! Don't have sex, but if you do, don't get pregnant or get her pregnant! This is what youth hear most from adults.
>
> These are not ideals. These are not visions. They are only prescriptions to avoid the sinkholes of life. They don't tough young hearts or sire their enthusiasm.

Dr. Gilligan then says,

> A call for greatness is required. We adults, however, must first resolve our own uncertainties and ambivalences about how life ought to be lived. Convictions just don't sound very convincing when there is no belief within.
>
> How about us challenging youth to make the world a little bit better? There are numerous challenges: poverty, the environment, the homeless, racism, hunger, hate, illiteracy, and mental retardation are just a few examples. Who knows, calling youth to greatness might even change us in the process.
>
> Such involvement liberates one from self-centeredness, inspires hope in others, promotes commitment to the common good, and in general just cleanses the social fabric of a community.

Dr. Gilligan's immediate audience is for parents, it could just as well been written for the U.S. Senate.

His article suggests that what we need to deal with the problem of chemical dependents in our society is not simply tougher law enforcement,

but a vision, a dream, a sense of compassion of all of humanity.

I ask that the article be printed in the RECORD at this point.

The article follows:

[From the Peoria (IL) Journal Star, Mar. 4, 1990]

YOUTH AND DRUGS: PARAMOUNT NEED IS LEADERSHIP, VISION—NOT PRESCRIPTIONS TO AVOID THE SINKHOLES OF LIFE

(By John F. Gilligan, Ph.D.)

Let's not kid ourselves, there is more to the American drug problem than meets the eye. It is also a symptom of a deeper malaise within society itself. And, what is it?

Simply stated, it's spiritual atrophy. There has been a loss of beliefs, values and convictions that use to provide direction and guidance in living life.

The slow erosion of convictions that at one time unified families, communities and our nation has created a psyche of doubt and uncertainty. "I just don't know what to believe anymore," is frequently heard in private conversations. In such a climate, it is little wonder that an addiction to immediate gratification takes root.

Look at youth as an example. Why? Because youth usually reflect the trends and values shaping society. Furthermore, the future of our country resides in them.

There is, sadly, more truth than comedy in young people's statements that "greed is good." Recent polls reveal that our young are more concerned about acquiring Gucci shirts than community involvement. Where do they get this from? Is Ivan Boesky the only one to blame?

What is it that youth hear most from adults? Don't do drugs! Don't smoke! Don't drink, but if you do, don't drive! Finish school, so you won't be a bum. Study hard, so you can get a good job! Don't have sex, but if you do, don't get pregnant or get her pregnant! This is what youth hear most from adults.

These are not ideals. These are not visions. They are only prescriptions to avoid the sinkholes of life. They don't touch young hearts or stir their enthusiasm.

Where will youth learn and from whom will they learn that there is more to life than money, power, fame and self-interest?

Youth need to see and hear our ideals and visions. If they don't hear them from us—parents, teachers, coaches, employers, ministers—then we abandon them to a culture of flux not known for its articulation of ideals and convictions.

So, what is to be done?

A call for greatness is required. We adults, however, must first resolve our own uncertainties and ambivalences about how life ought to be lived. Convictions just don't sound very convincing when there is no belief within.

How about us challenging youth to make the world a little bit better? There are numerous challenges: poverty, the environment, the homeless, racism, hunger, hate, illiteracy and mental retardation are just a few examples. Who knows, calling youth to greatness might even change us in the process.

Such involvement liberates one from self-centeredness, inspires hope in others, promotes commitment to the common good, and in general just cleanses the social fabric of a community.

Youth need leadership that sets forth a vision to be pursued. And, we adults have the responsibility to provide that leadership. As the Book of Proverbs says: "Where there is no vision the people perish."

SUPERFUND LIABILITY DRIES UP CREDIT

● Mr. D'AMATO. Mr. President, a credit crunch is devastating many farmers, small businesses, contractors, and manufacturers. This credit crunch is different, because it is not based on economics or interest rates. Instead, lenders are refusing to lend any amount at any price if they suspect that a property might be contaminated with hazardous waste.

The reason is that the lender, rather than the owner or borrower, can be held responsible for the full cost of cleaning up a hazardous waste site. The cost of such a cleanup may run into the millions of dollars.

The problem stems from a series of court decisions that have reversed the intent of Congress in enacting the Comprehensive Environment Response Compensation and Liability Act [CERCLA], which we all know as Superfund. Congress originally included protection in the law that insulated innocent lenders from liability for hazardous spills. Lenders have been shocked by court decisions that have held lenders responsible for the full cost of cleaning up hazardous waste, even if the lender in no way caused or contributed to the contamination.

Cleanups of this sort can be very expensive, easily running into the millions of dollars. Lenders therefore not only risk losing the amount of their loan, but face an open-ended liability for cleanups that can exceed the value of the property.

CERCLA contained three provisions that were intended to protect lenders from liability for releases of hazardous substances by their borrowers. The first proviso exempted from liability a person "who, without participating in the management of a vessel or facility, holds inidicia of ownership primarily to protect his security interest." In other words, if a lender merely collateralized a loan with a lien on property he would not be liable.

The second lender protection in the Superfund law is called the innocent landowner defense. If a lender can show that the property was acquired after the hazardous substance was placed there, and that the lender did not know the property was contaminated after making reasonable inquiries in the previous uses of the property, the lender is not liable.

Finally, Congress provided that if the release of a hazardous substance was caused solely by "an act of omission of a third party" the lender is relieved of liability.

Clearly, Congress intended to exempt innocent lenders from liability. On the other hand, if a lender was in fact responsible for contamination, the lender should have the same liability for cleanup as anyone else.

The number of businesses affected by this situation is very large. Every farmer uses pesticides, fertilizers, and fuels. Every gasoline station, auto dealer, and trucking company has fuel tanks and handles waste petroleum products. Dry cleaners, metal finishers, chemical manufacturers, paint stores, and many other businesses all use hazardous materials of various sorts.

Let me cite two examples from New York State of the impact of CERCLA on lenders.

An upstate New York Farm Credit Association foreclosed on a large fruit farm. Later, they discovered that pesticides had been stored in a building with a leaking roof. Before the farm could be sold, the association had to spend $60,000 to remove and dispose of soil from the barn floor and other tainted material. In addition, the association has established a reserve fund of $200,000 just in case additional cleanup is required, even though the property has been sold.

In another case, the Marine Midland Bank was asked to make a $50 million loan to finance the acquisition of a western New York company that is an industrial solvents manufacturer and metal processor. Because of potential CERCLA liability, the bank thought an environmental audit was necessary. However, the buyer refused to pay the $250,000 cost of an audit, and the deal fell through. The bank missed out on the interest, fees, and related business the transaction would have produced.

In order to protect themselves, lenders are increasingly requiring environmental audits before they make loans. These audits can be quite expensive, and obviously add to the cost of borrowing, since the borrower must pay for them. An initial environmental assessment ususally costs about $1,500 to $2,000. If that preliminary check indicates the presence of contamination, a thorough audit can routinely cost up to $150,000 or more.

Private lenders are not the only parties that can be found liable under these court interpretations. Governmental agencies, such as the Small Business Administration or even State guaranty agencies can be held liable. I am certain that Congress did not intend that.

Furthermore, liability under CERCLA may extend not only to a lender, but to a trustee or fiduciary who holds title to or controls a property that is contaminated as part of a trust or estate. Thus, if a bank trust department accepts an assignment to administer an estate, the bank could find itself liable for the full cost of any necessary environmental cleanup. Congress surely never intended that.

This is a crisis that need never have happened. It certainly was never the intention of Congress to create such a situation. It is a problem that cries out for prompt resolution.

Fortunately, my colleague, the senior Senator from Utah [Mr. GARN] has introduced S. 2827, the Federal Deposit Improvement Act of 1990, which contains provisions that restore the original intent of the Superfund legislation, and will restore the confidence of lenders to make loans to deserving and creditworthy borrowers.

Let me stress that this legislation protects innocent lenders who are not responsible for hideous spills. But if a lender is indeed responsible for any contamination, he is held to the same standard of liability as any other polluter. I think that is fair and right.

The other provisions of this bill address deficiencies in FIRREA that have been identified by the FDIC. Some of these have merit and others may require additional scrutiny. However, I do believe that it is important to look at what we can do this year to ameliorate some of the more glaring shortcomings of FIRREA. Nevertheless, I am cosponsoring S. 2827, and I look forward to its speedy passage.●

PUBLIC BROADCASTING

● Mr. SIMON. Mr. President, a few years ago, I wrote a column expressing my concern about the future of public broadcasting. The Public Broadcasting System [PBS] has an excellent reputation for quality programming, but I see a trend that concerns me.

Increasingly, the programs on PBS are preceded by "The following program is brought to you through the courtesy of * * *." While those corporations who support PBS are to be commended, it is troublesome that public broadcasting is turning to the private sector for an ever-growing share of its budget. The implications of this trend are clear: PBS will be forced to show only those programs that attract a large audience and, therefore, attract sponsors. This is not my vision of public broadcasting, and I do not believe we should continue heading in this direction.

I recently had the opportunity to meet Jerry Landay, a visiting associate professor in the Journalism Department at the University of Illinois. He shared with me an op-ed piece that makes several important points about financing public broadcasting. I urge my colleagues to take a few minutes to read and think about what Professor Landay has written. I am grateful to Professor Landay for his concern, and I hope that what he has written will persuade others to join in this dialog.

I ask that the text of Dr. Landay's article be printed in the RECORD.

The article follows:

PAYING PUBLIC BROADCASTING'S WAY

(By Jerry M. Landay)

The radio-television critic of the New York Times, Walter Goodman, raises the right question in a passing reference to corporate funding of programs on public television (5/28/90): how best to pay for the system. The matter, sadly, has never had much sex appeal. It's an issue whose time has come.

Radio and television sets are the most potent instruments ever given to a society for informing and educating the body politic, for provoking democratic discourse, for setting a public agenda. In Eastern Europe, broadcasting has been the spark for fundamental political and economic change.

But the American commercial broadcasting system, by design, remains dedicated to the engineering of consent through electronic bread and circuses.

In the hands of the ad-mass industry, commercial broadcasting is a Johnny One-Note which produces and distributes back-to-back amendments designed to deliver huge audiences to commercial clutter, with hardly a concession to intelligence.

The networks spend $3 billion a year developing and producing an appallingly narrow range of program product, from sitcom to mayhem. Compare that with the 44 million federal dollars a year we grudgingly give public broadcasting for alternative program services that attempt to reflect the wider horizons of human affairs.

Only public broadcasting has devoted a sensible amount of air space to a timely understanding of Gorbachev's Russia. PBS's American Experience is the only regular, original program series on U.S. history. In this age of science and technology, NOVA is the only regular long-form science series on the American airwaves. In the entire 10,000-station "electric" spectrum in America, only the 300 stations of PBS carry sensible, non-polluting children's programming on-air, including instructural services to classrooms. National Public Radio provides the only mature daily news service on the airwaves. Its budget is small, and getting smaller.

It's impossible to get a true sense of our world from the abbreviated product of commercial broadcast newsrooms. We've bought into the specious industry myth that the "electric" media can't tell us a complicated story without being wallpapered by moving images; in fact, that television news can't tell us a complicated story of any kind. Thus, the commercial industry frees itself from having to explore the gray zones where provocative journalism must go.

So, television audiences have been denied probing examinations of possible presidential involvement in Iran-Contra, the S&L bail-out, the complexities of the budget deficit and the national debt.

Fifty-five per cent of American households can't receive, or afford, cable. With all the hullaballoo about the global reach of C-N-N, its staple is a recycled and extended version of precisely what network newsrooms do.

In the mid-'60s, a broadcasting industry embattled by payola and quiz-show scandals capitulated to the creation of a public broadcasting alternative. But a coalition of political gatekeepers and yahoos manacled the new system by refusing to provide adequate financing on a long-term basis.

In 1989, the average public television station received a scant 17 percent of its funding from the federal government. States and localities provided another 23 percent. Foundation grants dwindled to only four percent of the total. About 22 percent was raised by unrelenting, audience-eroding on-air solicitation campaigns. So-called "enhanced underwriting" by business and industry, an ill-disguised concession to the commercial system, delivered 16 percent last year, a growth of four percent in five years.

As of April, viewer giving was off by about seven percent, making the public system more dependent than ever on largesse from business. Its interests hardly foster diversity. A decided lack of corporate interest nearly scuttled the airing of a recent documentary series on the history of the civil rights movement, and an upcoming series on the '60s.

Federal deficit problems offer little hope for fiscal relief from Congress.

There is a sensible way to put public broadcasting on a sound, long-term footing, reversing the "unregulation" of the Reagan years. Just as truckers effectively pay a "use" fee for public highways through gasoline taxes, commercial communicators must help pay for their hugely profitable exploitation of the public air; specifically, through a tax on on-air advertising billings, or on the profits of commercial stations, networks, and cable providers, or through a "spectrum" access fee on their frequency or cable-box channel allocations.

Viewers and listeners who benefit directly from public broadcasting must help as well, through an excise tax on their set purchases, or an annual set-licensing fee, as in Great Britain. A positive side-effect would be to spare them from those nettlesome fund drives.

It's also time to consider the formation of a public entity, which might be called P-P-B, People for Public Broadcasting. The citizens' group would lobby for the system, raise public funds for it, and provoke the kind of public debate and discussion on the role of "electric" media in society that America has so far managed to evade.

Political maturity is required here. The "tube-face" is where 98 percent of American homes plug into the world. It's time for politicians and ideologues to affirm that the audience's right to programs of quality is not a partisan matter.●

CORRECTING THE ENGROSSMENT OF S. 1970

Mr. LUGAR. Mr. President, I ask unanimous consent that in the engrossment of S. 1970, the language that was amendment No. 2116 be modified by the following technical corrections that I now send to the desk.

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

Mr. LUGAR. I have been informed by Senator ROTH who has drafted these modifications that he has discussed the changes with Senator SIMON and Senator DIXON, as well as Senator HEINZ and Senator WIRTH. There is agreement the language referred to needs to be modified. I urge my colleagues to agree to this unanimous-consent request.

The PRESIDING OFFICER. The request has been agreed to.

The modification is as follows:

MODIFICATION TO THE LANGUAGE OF AMENDMENT No. 2116 OF S. 1970

On page 55, line 20 and 21, strike out "EMBEZZLEMENT".

On page 55, line 23, insert "Institutions" after "Financial".

On page 57, line 4, strike out "412" and insert "411".

On page 57, line 14, insert "new" after "1".

On page 59, line 16, strike out "401" and insert "411".

On page 63, line 19, strike out "the" after "for".

On page 64, line 7, strike out "to".

On page 66, line 10, strike out "PETITION" and insert "REQUEST".

On page 68, line 10, strike out "425( )" and insert "435(c)".

On page 69, in the matter which follows line 9, strike out "special awards" and insert "special rewards".

On page 70, line 14, strike out "rewards" and insert "awards".

On page 71, line 5, strike out "3059A(d)" and insert "3059A(e)".

On page 72, line 25, strike out "(c)" and insert "(3)".

On page 74, line 11, insert "," after "nature".

On page 75, line 20, strike out "(1)".

On page 75, line 24, insert "the" after "if".

On page 76, line 19, strike out "to".

On page 77, line 13, strike out "435(b) or (c)" and insert "435(c)".

On page 78, line 16, strike out "PETITION" and insert "REQUEST".

On page 78, line 19, strike out "436(d)(2)" and insert "436(d)(1)(B)".

On page 79, line 1, strike out "436(d)(2)" and insert "436(d)(1)(B)".

On page 79, line 22, strike out "3059A(d)" and insert "3059A(e)".

On page 81, line 16, insert "Institutions" after "Financial".

On page 81, line 18, strike out "this".

On page 82, line 10, strike out "this".

On page 87, line 12, strike out "General;" and insert "General's".

AUTHORIZATION OF APPROPRIATIONS FOR THE TAFT INSTITUTE

Mr. CRANSTON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1939.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1939) entitled "An Act to extend the authorization of appropriations for the Taft Institute," do pass with the following amendment:

Strike out all after the enacting clause and insert:

That section 1373 of the Education Amendments of 1980 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1373. There are authorized to be appropriated to carry out this subpart—

"(1) $750,000 for fiscal year 1990;

"(2) $500,000 for fiscal year 1991; and

"(3) $250,000 for fiscal year 1992.

No funds are authorized to be appropriated to carry out this subpart for fiscal year 1993 or any succeeding fiscal year.".

SEC. 2. It is the sense of the House of Representatives to reject any extraneous amendments not related to the subject of this bill.

Mr. CRANSTON. Mr. President, I move that the Senate disagree with the House amendment, agree to a request for a conference, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer [Mr. BINGAMAN] appointed Mr. KENNEDY, Mr. PELL, Mr. DODD, Mr. HATCH, and Mrs. KASSEBAUM conferees on the part of the Senate.

FEDERAL COMMUNICATIONS COMMISSION AUTHORIZATION ACT

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 406, S. 1022, the Federal Communications Commission reauthorization.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1022) to amend the Federal Communications Act of 1934.

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

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause, and inserting in lieu thereof the following:

That this Act may be cited as the "Federal Communications Commission Authorization Act of 1989".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) Section 6 of the Communications Act of 1934 (47 U.S.C. 156) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

SEC. 6. (a) There are authorized to be appropriated for the administration of this Act by the Commission $109,831,000 for fiscal year 1990 and $119,831,000 for fiscal year 1991, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each of the fiscal years 1990 and 1991.

"(b) In addition to the amounts authorized to be appropriated under this section, not more than 2 percent of the amount of any fees or other charges payable to the United States which are collected by the Commission shall be available to the Commission until expended to defray the fully distributed costs of such fees collection.".

COMMERCIAL RADIO OPERATOR EXAMINATIONS

SEC. 3. Section 4(f) of the Communications Act of 1934 (47 U.S.C. 154(f)) is amended by adding at the end the following new paragraph:

"(5)(A) The Commission, for purposes of preparing and administering any examination for a commercial radio operator license or endorsement, may accept and employ the services of persons that the Commission determines to be qualified. Any person so employed may not receive compensation for such services, but may recover from examinees such fees as the Commission permits, considering such factors as public service and cost estimates submitted by such person.

"(B) The Commission may prescribe regulations to select, oversee, sanction, and dismiss any person authorized under this paragraph to be employed by the Commission.

"(C) Any person who provides services under this paragraph or who provides goods in connection with such services shall not, by reason of having provided such service or goods, be considered a Federal or special government employee.".

TRAVEL REIMBURSEMENT PROGRAM

SEC. 4. Section 4(g)(2)(D) of the Communications Act of 1934 (47 U.S.C. 154(g)(2)(D)) is amended by striking "1989" and inserting in lieu thereof "1991".

COMMUNICATIONS SUPPORT FROM OLDER AMERICANS

SEC. 5. Section 6(a) of the Federal Communications Commission Authorization Act of 1988 (47 U.S.C. 154 note) is amended by striking "and 1989" and inserting in lieu thereof ", 1989, 1990, and 1991".

HAWAII MONITORING STATION

SEC. 6. (a) Section 9(a) of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended by striking "and 1990" and inserting in lieu thereof ", 1990, 1991, and 1992".

(b) Section 9(e) of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3025) is amended by striking ", in fiscal years 1989 and 1990".

TARIFF NOTICE PERIOD

SEC. 7. (a) Section 203(b)(1) of the Communications Act of 1934 (47 U.S.C. 203(b)(1)) is amended by striking "ninety days notice" and inserting in lieu thereof "120 days' notice".

(b) Section 203(b)(2) of the Communications Act of 1934 (47 U.S.C. 203(b)(2)) is amended by striking "ninety days" and inserting in lieu thereof "120 days".

AMATEUR RADIO SERVICE RECIPROCAL PERMITS

SEC. 8. (a) Section 303(l)(3) of the Communications Act of 1934 (47 U.S.C. 303(l)(3)) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

(b) Section 310(c) of the Communications Act of 1934 (47 U.S.C. 310(c)) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

WILLFUL OR MALICIOUS INTERFERENCE

SEC. 9. Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end the following new section:

"WILLFUL OR MALICIOUS INTERFERENCE

"SEC. 333. No person shall willfully or maliciously interfere with or cause interference to any radio communications of any station licensed or authorized by or under this Act or operated by the United States Government.".

MOBILE RADIO SERVICE

SEC. 10. Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.), as amended by section 9 of this Act, is further amended by adding at the end the following new section:

"MOBILE RADIO SERVICE

"SEC. 334. (a) When any public or private mobile radio services licensee is notified in writing by a Federal, State, or local law enforcement agency, acting within its jurisdiction, that such agency has obtained a judicial determination that there is probable cause to believe that a mobile radio unit is being used by any individual for the purpose of transmitting or receiving information in connection with the manufacture, distribution, importation, exportation, or sale of a controlled substance in violation of Federal, State, or local law, the licensee shall, after reasonable notice to the subscriber, discontinue service to the mobile radio unit being used by such individual. The licensee shall not be subject to damages or to any civil or criminal penalty or forfeiture for discontinuing such service.

(b) When a public or private mobile radio services licensee obtains notification in writing of a determination by a Federal, State, or local court or administrative body, acting in accordance with its jurisdiction and authority, that a person receiving, or seeking to receive, mobile radio service from the licensee is not lawfully in possession of the mobile radio unit through which service is or would be provided, the licensee shall, after reasonable notice to the subscriber, discontinue service or refuse service to such person. The licensee shall not be subject to damages or to any civil or criminal penalty or forfeiture for discontinuing or refusing such service.

"(c) Nothing in subsection (a) or (b) shall be deemed to prejudice the right of any person affected thereby to secure an appropriate determination, as otherwise provided by law, in a Federal court or a State or local tribunal or agency, that mobile radio service to such person should not be discontinued or refused or should be restored.".

AMENDMENT NO. 2312

Mr. CRANSTON. Mr. President, on behalf of Senator INOUYE, I send a substitute amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mr. CRANSTON], for Mr. INOUYE, proposes an amendment numbered 2312.

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

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

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Federal Communications Commission Authorization Act of 1990".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) Section 6 of the Communications Act of 1934 (47 U.S.C. 156) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. (a) There are authorized to be appropriated for the administration of this Act by the Commission $109,831,000 for fiscal year 1990 and $119,831,000 for fiscal year 1991, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscretionary costs, for each of the fiscal years 1990 and 1991.

"(b) In addition to the amounts authorized to be appropriated under this section, not more than 4 percent of the amount of any fees or other charges payable to the United States which are collected by the Commission during fiscal year 1990 are authorized to be made available to the Commission until expended to defray the fully distributed costs of such fees collection.

"(c) Of the amounts appropriated pursuant to subsection (a) for fiscal year 1991, such sums as may be necessary not to exceed $2,000,000 shall be expended for upgrading and modernizing equipment at the Commission's electronic emissions test laboratory located in Laurel, Maryland.".

COMMERCIAL RADIO OPERATOR EXAMINATIONS

SEC. 3. Section 4(f) of the Communications Act of 1934 (47 U.S.C. 154(f)) is amended by adding at the end the following new paragraph:

"(5)(A) The Commission, for purposes of preparing and administering any examination for a commercial radio operator license or endorsement, may accept and employ the services of persons that the Commission determines to be qualified. Any person so employed may not receive compensation for such services, but may recover from examinees such fees as the Commission permits, considering such factors as public service and cost estimates submitted by such person.

"(B) The Commission may prescribe regulations to select, oversee, sanction, and dismiss any person authorized under this paragraph to be employed by the Commission.

"(C) Any person who provides services under this paragraph or who provides goods in connection with such services shall not, by reason of having provided such service or goods, be considered a Federal or special government employee.".

TRAVEL REIMBURSEMENT PROGRAM

SEC. 4. Section 4(g)(2)(D) of the Communications Act of 1934 (47 U.S.C. 154(g)(2)(D)) is amended by striking "1989" and inserting in lieu thereof "1992".

COMMUNICATIONS SUPPORT FROM OLDER AMERICANS

SEC. 5. Section 6(a) of the Federal Communications Commission Authorization Act of 1988 (47 U.S.C. 154 note) is amended by striking "and 1989" and inserting in lieu thereof "; 1989, 1990, and 1991".

HAWAII MONITORING STATION

SEC. 6. (a) Section 9(a) of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended—

(1) by striking "and 1990" and inserting in lieu thereof ", 1990, 1991, and 1992";

(2) in paragraph (4) by striking "a facility at the new location" and inserting in lieu thereof "facilities at new locations"; and

(3) in paragraph (6) by striking "a facility at a new location" and inserting in lieu thereof "facilities at new locations".

(b) Subsection (b) of section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended to read as follows:

"(b) The Administrator of General Services is authorized to dispose of, only to the State of Hawaii, as much of the real property (including improvements thereon) at the present location of the Hawaii Monitoring Station as is necessary for the purposes of relocating, at a minimum, the antennas associated with the Monitoring Station.".

(c) Section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024) is amended by striking subsections (c) and (d), by redesignating subsection (e) as subsection (i), and by inserting immediately after subsection (b) the following new subsections:

"(c) Pursuant to the authority provided in subsection (b), the Administrator of General Services shall sell and convey to the State of Hawaii the real property and improvements thereon described in subsection (b) on an expedited basis, including provisions for lease-back as required.

"(d) In consideration of such sale, the State of Hawaii shall agree to—

"(1) pay to the General Services Administration an amount not less than the fair market value, as determined by the Administration of General Services, of the property to be conveyed under subsection (c), or

"(2) convey to the Federal Communications Commission real property that would be suitable, as determined by the Commission, for the relocation of the Hawaii Monitoring Station and, in addition, pay to the General Services Administration an amount equal to the difference between the fair market value of the two properties, as determined by the Administrator of General Services, if the Federal property conveyed is of greater value.

"(e) The General Services Administration shall reimburse the Federal Communications Commission from the net proceeds of such sale for all of the expenditures of the Commission associated with the relocation of the Hawaii Monitoring Station. Any such reimbursed funds received by the Commission shall remain available until expended.

"(f) The net proceeds of such sale, less any funds reimbursed to the Federal Communications Commission pursuant to subsection (e), and less normal and reasonable charges by the General Services Administration for costs associated with such sale, shall be deposited in the general funds of the Treasury.

"(g) If the General Services Administration and the State of Hawaii are unable to execute a contract for sale as required by this section or complete any other transaction necessary to carry out such sale, the Administrator of General Services shall not proceed to public sale of the property described in subsection (b).

"(h) The Hawaii Monitoring Station shall continue its full operations at its present location until new facilities have been built and are fully operational.".

(d) Subsection (i) of section 9 of the Federal Communications Commission Authorization Act of 1988 (Public Law 100-594; 102 Stat. 3024), as so redesignated by subsection (c) of this section, is amended by striking ", in fiscal years 1989 and 1990".

TARIFF NOTICE PERIOD

SEC. 7. (a) Section 203(b)(1) of the Communications Act of 1934 (47 U.S.C. 203(b)(1)) is amended by striking "ninety days notice" and inserting in lieu thereof "one hundred and twenty days' notice".

(b) Section 203(b)(2) of the Communications Act of 1934 (47 U.S.C. 203(b)(2)) is amended by striking "ninety days" and inserting in lieu thereof "one hundred and twenty days".

AMATEUR RADIO SERVICE RECIPROCAL PERMITS

SEC. 8. (a) Section 303(*l*)(3) of the Communications Act of 1934 (47 U.S.C. 303(*l*)(3) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

(b) Section 310(c) of the Communications Act of 1934 (47 U.S.C. 310(c)) is amended by striking "bilateral agreement between the United States and the alien's government" and inserting in lieu thereof "multilateral or bilateral agreement, to which the United States and the alien's government are parties,".

WILLFUL OR MALICIOUS INTERFERENCE

SEC. 9. Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end the following new section:

"WILLFUL OR MALICIOUS INTERFERENCE

SEC. 333. No person shall willfully or maliciously interfere with or cause interference to any radio communications of any station licensed or authorized by or under this Act or operated by the United States Government.".

APPLICABILITY OF FORFEITURES TO APPLICANTS

SEC. 10. The first sentence of section 503(b)(5) of the Communications Act of 1934 (47 U.S.C. 503(b)(5)) is amended by inserting "and if such person is not an applicant for a license, permit, certificate, or other authorization issued by the Commission," immediately before "unless, prior".

Mr. INOUYE. Mr. President, we now have before us S. 1022, legislation to reauthorize the Federal Communications Commission [FCC or Commission] for fiscal years 1990 and 1991. We have been meeting with our House counterparts to resolve any differences between the bill already passed by the House and the Senate bill as reported out of committee. I believe we have reached agreement on most, if not all, of the differences between the two bills. The substitute has been cleared with the ranking members on both sides of the aisle, and I am aware of no objection to it. I thus would like to take up my substitute to S. 1022 as reported and move for its passage by the full Senate at the conclusion of my remarks.

Before I do so, I would like to review briefly the provisions of the substitute I am offering:

FUNDING LEVELS

The substitute authorizes $109,831,000 in funding for fiscal year 1990, which is the same amount contained in the Senate and House bills and is the same amount requested by the President. For fiscal year 1991, the substitute retains the figure of $119,831,000 contained in the Senate bill, as reported, rather than the figure of $121,478,000 contained in the House bill. The President requested an appropriation of $117,998,000 for fiscal year 1991. Since the President's request is well below the amount authorized by the Senate bill, as reported, we have chosen to accept the figure in the Senate bill, as reported, in order to be fiscally responsible.

FCC FEES RETENTION

The substitute accepts the provision in the House bill that authorizes 4 percent of any fees or other charges collected by the Commission during fiscal year 1990 to be "authorized to be made available to the Commission until expended." This provision is intended to help defray the FCC's fully distributed costs of enforcing the fee collection provisions in section 8 of the Communications Act.

The House bill had authorized the FCC to retain 4 percent of these fees for both fiscal years 1990 and 1991. The Senate bill, as reported, declares that 2 percent of the fees collected by the Commission "shall be available" for both fiscal years.

The substitute accepts the House's 4-percent figure for fiscal year 1990 only and the House wording out of recognition that the FCC's costs of enforcing this congressionally mandated fees provision will be substantial and that even the 4-percent figure will not compensate the Commission completely for its costs of collecting the fees. Even at the 4-percent level, the FCC informs us that it is likely to incur costs in collecting these fees that are $1.5 million greater than the amounts retained in fiscal year 1990. Because the FCC's fiscal year 1990 appropriation passed the Senate before the reconciliation bill was enacted, the appropriation level did not account for this additional expense. The substitute bill would allow the FCC to retain 4 percent of these fees for only fiscal year 1990 in recognition of the unfairness of this unique situation.

LAUREL LABS

The substitute includes the House statutory provision concerning the upgrading and modernizing of the Commission's test laboratory in Laurel, MD. As in the House bill, the substitute directs that no more than $2 million "shall be expended" for upgrading this laboratory. Although the Senate bill, as reported, did not contain statutory language directing the expenditure of funds for the laboratory, the Commerce Committee explicitly expressed its intention that the FCC expend such funds for this purpose. The committee amended S. 1022 as introduced to increase the FCC's authorized funding for fiscal year 1991 by $2 million—from $117,831,000 to $119,831,000—before reporting the bill. The committee report accompanying the bill expressly declares that the $2 million "is to be used for the sole purpose of modernizing the FCC's Electronics Emissions Test Laboratory in Laurel, MD." (Senate Report 101-215, p. 2). Thus, by accepting the House statutory language a requirement that the Commerce Committee has already imposed in its report.

TRAVEL REIMBURSEMENT PROGRAM

The substitute bill also extends the FCC's travel reauthorization program until 1992. Both the Senate bill, as reported, and the House bill would have extended the program until 1991. The substitute extends the program an additional year because of its demonstrated success. Such an extension should also permit the FCC to continue to implement the travel reimbursement program through the end of fiscal year 1992 even if the next FCC authorization bill is not passed until after the end of 1991.

HAWAII MONITORING STATION

In the FCC Authorization Act of 1988, the Congress included a provision permitting the FCC to move the Waipahu, Oahu, monitoring station to a new suitable location. The bill reported by the Senate would have extended by 2 years the FCC's authority to relocate the monitoring facility. The House bill contained no provisions concerning this monitoring station.

The substitute extends the FCC's authority to relocate the monitoring station for 2 years until 1992. The substitute also, however, makes some substantial changes in the authorizing language to ensure that the land currently being used for the Hawaii monitoring station is sold to the State of Hawaii, which has a strong public interest in acquiring the property.

Under the new language contained in this substitute, the Administrator of the General Services Administration [GSA] shall sell to the State of Hawaii as much of the land associated with the Hawaii monitoring station as is necessary to relocate, at a minimum, the antennas associated with the monitoring station. The State of Hawaii is permitted either to pay their fair market value, as determined by the Administrator of the GSA, of the property it acquires or to swap another piece of property for the property acquired from GSA and pay the difference in price between the two properties, if the value of the property conveyed by the State of Hawaii is less than the value of the property it receives. These provisions do not foreclose the State of Hawaii from buying or selling these properties in conjunction with or as an agent for a third party that the State of Hawaii deems appropriate. Together, these provisions should provide the FCC, the GSA, and the State of Hawaii with sufficient flexibility to allow them to reach an agreement on the disposition of this property expeditiously.

As in the Senate bill, the substitute ensures that the Hawaii monitoring facility will continue to fully operate in the present location until new facilities are fully operational at a new location. The GSA shall reimburse the FCC for the expenses of the relocation from the net proceeds of the sale. Any

excess funds from the sale of the property will be deposited into the general funds of the Treasury.

The language further directs that the provisions of this section should in no way disrupt or defer the ongoing programs or regulatory activities of the Commission by diverting appropriated funds to the relocation of the Hawaii facilities. While we assume that the sale of the property will result in adequate funds for the relocation of the monitoring facilities, if this does not occur, the FCC should immediately inform the committee, and a supplemental appropriation can then be considered that would cover any shortfall.

STOLEN MOBILE TELEPHONES OR TELEPHONES USED FOR DRUG DISTRIBUTION

The substitute does not contain the provisions in the Senate bill, as reported, concerning the procedures to be followed if there is a suspicion that a mobile radio unit is stolen or is being used to engage in the illegal distribution of a controlled substance. These provisions were not included in the House bill. These provisions raise several important issues which deserve to be studied in greater detail before they are adopted into law. We have thus agreed to drop these provisions so that both Houses of Congress can explore these issues more fully.

TECHNICAL AMENDMENT

In the Omnibus Budget Reconciliation Act of 1989, Public Law No. 101-239, Congress amended section 503(b)(2) of the Communications Act in a manner that, as the conference report made clear, was intended, inter alia, to "clarif[y] and confim [] the FCC's authority to impose forfeitures on applicants who engage in misconduct during the application process." Unfortunately, however, Congress did not amend section 503(b)(5) of the act, which by its terms requires that a citation, rather than a forfeiture, be issued to a first-time offender who does not hold a Commission authorization. In order to correct this apparent anomaly, and to clarify that the Commission need not first issue a citation before imposing a forfeiture on an applicant for a Commission authorization, the substitute includes a technical amendment to section 503(b)(5). This provision was not contained in either the Senate bill, as reported, or the House bill but is not controversial and is consistent with the intent of Congress.

FCC TRADE AUTHORITY

The House adopted a provision—Section 9 of the House bill—that would have given the FCC explicit authority to assess the impact of its public interest decisions "on the foreign commerce of the United States." The substitute bill being considered today does not contain any similar provision. This omission should not be taken as an indication of any less concern about the FCC's ability to consider trade matters when making its decisions. Rather, the decision not to include this provision simply reflects the belief of the Congress that the FCC already has ample authority to consider the impact of its decisions on foreign commerce before making those decisions.

UNCHANGED PROVISIONS

The substitute bill includes all the other provisions that were contained in both the Senate bill, as reported, and the House bill. These provisions are as follows:

The Commission is given additional authority to prevent willful or malicious interference to radio communications.

The Commission can extend the tariff notice period from 90 to 120 days with the extra time used primarily for the processing of access charge tariffs.

The Commission may accept and employ the services of qualified persons to prepare and administer commercial radio operator exams for a fee that the Commission determines is appropriate, without those persons being considered Federal employees.

The Older Americans Program is extended for an additional 2 years until the end of 1991.

The Commission may permit aliens to operate over the amateur radio frequencies based on multilateral treaties as well as bilateral treaties.

Mr. President, this consensus bill reflects the efforts of the members on both sides of the aisle. I appreciate the concerns and the cooperation shown by the chairman of the Commerce Committee, Senator HOLLINGS, the ranking minority member of the Commerce Committee, Senator DANFORTH, the ranking minority member of the Communications Subcommittee, Senator PACKWOOD, and their staff. I believe that this bill accomplishes several objectives that will help smooth the regulatory and administrative process and also reflects the goodwill shown by the new Chairman and Commissioners at the FCC. For all these reasons, I offer my substitute amendment and urge my colleagues to support it.

Mr. HOLLINGS. Mr. President, I support the substitute amendment being offered by my colleague Senator INOUYE to S. 1022, the Federal Communications Commission reauthorization bill. I commend the distinguished chairman of the Commerce Committee's Communications Subcommittee for his leadership in crafting this bipartisan piece of legislation and bringing it to the floor. I believe it is important for us to continue our efforts to oversee the activities of the FCC. The FCC is dealing with a number of critical issues—for example, the financial interest and syndication rules, price caps for the telephone companies, the deregulation of AT&T, the comparative broadcast proceedings, and cable regulation—that have tremendous implications for the communications industry. This bill has provided us with a useful vehicle for monitoring the FCC's recent activities and includes a number of noncontroversial provisions that should be helpful in shaping and enforcing our communications policies of the future.

As you know, Mr. President, the FCC and I have had our differences over the years. Nevertheless, the new group of FCC Commissioners, led by the new FCC Chairman, Mr. Al Sikes, appears to be more receptive to the concerns of Congress than their predecessors. Let me remind them, however, I, and the rest of my colleagues, will continue to subject their decisions to a high degree of scrutiny because of the importance of the issues they must consider. I look forward to working with the FCC on the issues before the Commission and Congress this year and in the future.

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

The amendment (No. 2312) was agreed to.

Mr. CRANSTON. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DANFORTH. Mr. President, today the Senate is considering legislation to reauthorize the Federal Communications Commission for fiscal years 1990 and 1991. I want to express my support for the substitute amendment offered by Senator INOUYE, chairman of the Communications Subcommittee.

This legislation authorizes the continued operation of a very important governmental body. Now more than ever, the Commission plays a crucial role in the oversight and regulation of the communications industry in this country. As we have moved into the Information Age, a premium has been placed on the need for rapid and efficient communication. Television and radio broadcasts, along with our telecommunications network, are the roadways by which information travels within American society. In their role, Chairman Alfred Sikes and the Commissioners have continued to encourage the economic strength and technological leadership of U.S. industry. This is reflected in the Commission's work to set a standard for high-definition television by 1993.

The amendment currently before the Senate authorizes $109,831,000 for fiscal year 1990 and $119,831,000 for fiscal year 1991. The FCC has been appropriated the full $109,831,000 for fiscal year 1990. The bill will also allow the FCC to keep 4 percent of the cost of regulation fees it collects in

fiscal year 1990 in order to defray the costs of collecting such fees, which is consistent with the House FCC authorization. Finally, the bill will allow the FCC to upgrade its laboratory testing facilities.

Mr. President, I would like to commend Senator INOUYE for his work in developing this legislation. I urge its passage.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Commerce Committee be discharged from further consideration of H.R. 3256; that the Senate proceed to its immediate consideration; that all after the enacting clause be stricken; that the text of S. 1022, as amended, be inserted in lieu thereof; that the bill be read for a third time and passed; and a motion to reconsider the vote be laid on the table.

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

So the bill (H.R. 3256), as amended, was passed.

Mr. CRANSTON. Mr. President, I ask unanimous consent that S. 1022 be indefinitely postponed.

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

CHILDREN'S TELEVISION ACT

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 424, S. 1992, the Children's Television Act of 1990.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1992) to require the Federal Communications Commission to ensure that broadcasters provide children's television programming that meets the educational and informational needs of the child audience, and for other purposes.

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

There being no objection, the Senate proceeded to the immediate consideration of the bill.

Mr. INOUYE. Mr. President, we are here today to consider S. 1992, legislation to ensure that television stations better serve our Nation's children. The legislation imposes limits on the amount of time that can be devoted to commercials during a children's television program and requires the FCC to consider at renewal time whether the licensee has met the educational and informational needs of children in its programming.

This legislation is the result of the efforts of the members of the Commerce Committee and other Senators, including Senators WIRTH, METZENBAUM, and LAUTENBERG. Senator WIRTH has been working on this issue for over 15 years and without his persistence, we would not be here today to take this step for our children. I also want to thank Senators METZENBAUM and LAUTENBERG for their dedication and assistance in getting us to this point today. Finally, I want to thank the broadcasters for their cooperation and assistance on this legislation.

For the past 25 years, Federal policymakers have discussed the obligations of broadcasters to program for children. As far back as 1960, the FCC decided to include children as one of the groups whose programming needs had to be met by television broadcasters. Over a decade later, in 1974, the Commission issued the Children's Television Report and Policy Statement which concluded that broadcasters have a special obligation to serve children as a "substantial and important" community group and that children's programming should be aired throughout the weekly schedule.

In 1984, the FCC issued a report, "Television Programming for Children." The thrust of this report was to adhere to the general, voluntary obligations in the 1974 report. It concluded that broadcasters should not have any specific programming requirements. In another proceeding, the Commission determined that broadcasters should not be subject to any advertising restrictions. In both cases the Commission stated that it believed that the interests of children could be best protected by having the marketplace work, with virtually no interference by the Government.

In 1987, the Court of Appeals ruled that the FCC had not sufficiently justified its repeal of the advertising guidelines for children's programming and ordered the FCC to review its decision. The court then required the FCC to reconsider its action. So far, no Commission action has been taken. It was because of the Commission's reluctance to act to enhance children's television that the Congress has had to step in.

The amendment being offered today to this legislation has several provisions:

First, it extends the commercial time limits to children's programming carried on cable television;

Second, it revises the language concerning the obligation of television licensees to serve the needs of children by requiring that the FCC consider, at renewal time, whether a licensee met the educational and information needs of children through its overall programming, including programming specifically designed to meet such needs;

Third, it deletes the provision of this legislation that requires the FCC to act within 90 days when it considers complaints concerning advertising matter broadcast during children's programming; and

Fourth, it incorporates the National Endowment For Children's Educational Television Act of 1989 as a new title II—this provision is identical to S. 797 as passed by the Senate last year.

As to the consideration of children's television service in licensee renewal, the congressional concern is obvious. Our children are this Nation's most valuable resource, and we need to pay special attention to their needs. Child by child, we build this Nation. They are the future of the Nation, and we need to ensure that they are equipped to meet this enormous responsibility.

Children, especially young children, watch television a great deal. You are all familiar with the startling statistic that by the time a child graduates from high school, he or she will have spent more time in front of the television set than in the classroom. Television is thus the child's window to the world. To some reasonable extent, it should not only entertain, but also inform and educate.

The commercial broadcaster is a public trustee, given free use of a valuable portion of the spectrum in exchange for volunteering to serve the public interest. There is no greater obligation in this respect than to provide some reasonable amount of public service for the unique child audience. The FCC has stressed this obligation since 1974.

What Congress is saying, in S. 1992, is that broadcasters must focus on this critically important area of public service to children throughout its license term, and at the time of renewal, must submit a showing to the FCC that it has reasonably met this bedrock duty. That requirement of a specific showing at renewal is new. Congress is singling out this area for special focus by both the broadcaster and the FCC.

We have left the licensee the greatest possible flexibility in how it discharges its public service obligation to children. We recognize that there is a great variety of ways to serve this unique audience—including programming specially designed to entertain and inform children; family and adult programming that can also contribute to the information needs of children; and cooperative efforts with noncommercial stations to produce and

present educational fare. The list can be extended as far as the imagination of the creative broadcaster and must rely on the good-faith, dedicated judgment of the broadcaster. As the Commission aptly stated in 1974:

> There can be success here only if the broadcaster, to a reasonable extent, puts the profits second and the children first.

Some question has been raised as to the constitutionality of this requirement. I am frankly amazed and baffled. The premise of the Communications Act is that from the many who wish to broadcast, the Government selects some entities to be short-term licensees serving the public interest, and enjoins anyone else using the channel. The licensee is thus a fiduciary for all of those prevented by the Government from using the channel, and its license will be renewed as long as it meets this fiduciary obligation. If the licensee cannot be required to render public service—to children as in this legislation—because that interferes with the editorial discretion of the licensee, that means that the entire act is a farce. We have given away free a precious resource on a wholly unenforceable basis—the licensee is free to play old movies or run advertisements all day and cannot be called into account.

The previous administration opposed this measure on the ground of improper interference with editorial autonomy. The administration would have overturned a 50-year old broadcast scheme that has well served this Nation. The Supreme Court has sustained the constitutionality of the broadcast scheme in an unbroken series of decisions, from 1943 to last month's *Metro Broadcasting Inc.* versus *FCC* (No. 100-453, decided June 27, 1990).

In meeting its obligations under this section, the committee believes that a broad range of both programming and nonbroadcast efforts can meet the standard of service to the child audience required by new section 4. The committee notes that general purpose programming, including programming that is not subject to the commercial guidelines under section 3, can have an informative and educational impact [see "Children's Television Programming," 96 FCC 2d 634, n.39 (1984)] and thus can be relied upon by broadcast licenses as contributing to meeting their obligation in this important area. This is particularly true where special nonbroadcast efforts are undertaken in connection with a licensee's programming to enhance the educational or informational value of such programming to children, and the bill provides that the Commission shall take such efforts into account in determining whether a licensee has met the standard required by section 4. Such efforts might include, for example, the distribution of study guides or reading scripts prior to the broadcast of a program.

Similarly, the committee believes that licensees can serve the educational and informational needs of children by producing or supporting programming which is specifically designed to meet those needs and is intended for broadcast by other—primarily public—stations. The committee believes such efforts, which increase the overall availability of educational children's programming in the licensee's marketplace, should be encouraged. Therefore, the bill provides that the Commission shall also consider any efforts made by a licensee in this area in determining whether the licensee has met the standard required by section 4.

The Commission would, of course, expect that each station will itself broadcast some programming specifically designed for children to serve their educational and informational needs. Educational and informational needs encompass not only intellectual development, but also the child's emotional and social development. Prosocial programming which assists children to discover more about themselves, their families, and the world would qualify. In order to fulfill the obligation imposed under this new subsection, each broadcast licensee must demonstrate that it has provided the child audience with programming which serves its unique educational and informational needs. Under this legislation, the mix is left to the discretion of the broadcaster taking into account what other stations, including noncommercial ones, are doing in this important area. See, Action for Children's Television, supra, 756 F2d at 901-02. The committee thus expects that, in devising this programming, broadcasters shall consider the special characteristics of various segments of the child population and its needs in the current situation. The committee expects that the Commission will continue to defer to the reasonable programming judgments of licensees in this field.

The committee does not intend that the FCC interpret this legislation as requiring or mandating quantification standards governing the amount or placement of children's educational and informational programming that a broadcast licensee must air to pass a license renewal review pursuant to this legislation.

The committee expects licensees to be in compliance with the commercial time limits and the programming standard set forth in title I by September 1991. To facilitate compliance with this act, the committee directs the FCC to provide prompt notice of the requirements of this act.

Concerning the commercial time limits, set forth in subsection (3)(c), the committee intends that the Commission shall evaluate whether the advertising duration limitations for the weekends and weekdays should be equalized. The committee recognizes that it is reimposing regulations similar to those existing prior to deregulation. The committee encourages the FCC to examine the issue of equalization in light of subsequent changes in the children's marketplace that might make equalization appropriate.

Just as with other requirements imposed on broadcasters, such as equal opportunities, it is not the intention of the committee that a cable operator incur any liability for violation of the Commission's rules promulgated pursuant to this act for any secondary transmission of a primary transmission of a broadcast television station licensed by the Commission.

In closing, I urge my colleagues to support this important measure.

Mr. HOLLINGS. Mr. President, today I urge my colleagues to support the Children's Television Act of 1990, and I join wholeheartedly in the remarks of my colleague, Senator INOUYE, on this bill. S. 1992, as amended, represents a consensus of Commerce Committee members. It also represents the culmination of years of work by the Commerce Committee, and in particular the chairman of the Communications Subcommittee, Senator INOUYE, and by many other members, including Senators WIRTH, METZENBAUM, and LAUTENBERG. In addition, I want to commend the broadcast industry for their efforts to help craft legislation to further the interests of this Nation's children.

S. 1992, as amended, is designed to ensure that television programming aimed at our children is responsive to their needs and interests. It also limits the amount of time that can be devoted to commercials during children's programming. In view of the educational crisis this country faces today, we must do all we can to enhance and increase the educational material to which our children are exposed.

American children spend more time watching television than any activity other than sleep. Furthermore, it is well-documented that children under certain ages, unlike adults, are not capable of distinguishing programs from commercials. Thus, television has the ability to influence significantly our children's development. Moreover, it is clear that market forces alone have not worked to improve the quality or quantity of meritorious children's programming available on commercial television. The FCC has has ample opportunity to address these concerns, but has failed to act. Consequently, the responsibility to protect the interests of our Nation's children has fallen on Congress. The legislation before us today represents a sound exercise of that important responsibility.

In addition, we are adding to this legislation the provisions of a bill we already have passed, S. 797, authored by my colleague Senator INOUYE, and which I cosponsored, establishing an Endowment for children's educational programming. This Endowment would provide funding for educational and informational children's programming. The programming produced with the assistance of the Endowment ultimately will be available to anyone who wants to air it, including broadcast stations, cable systems, and schools. This program also will further the important educational interests of our children and enhance significantly the educational function of children's television programming.

Mr. President, at this point I would like to take a few moments to clarify and amplify several of the provisions in this bill relating to the endowment.

There is an emerging bipartisan consensus in this Nation that we must focus more of our collective attention and national resources on educating our Nation's children. The next generation likely will confront enormous challenges, international in scope and extraordinarily complex in nature. America's ability to retain its primacy as a worldwide economic and technological leader ultimately will depend on how well-prepared and well-educated our children are in relation to their peers in other nations.

The National Endowment for Children's Educational Television of 1990, which is incorporated in the legislation before us today and which was developed with the cooperation of dedicated producers and public television leaders, is an important and historic component of a multifaceted program to improve our children's educational experience. Although the medium of television has enormous potential as an educational tool, as illustrated by the success of programs such as "Sesame Street," "Reading Rainbow," "Square One TW," "3-2-1 Contact," and "The Electric Company," far more needs to be done to realize the educational promise of children's television.

This legislation directly addresses one of the keys to enhanced utilization of television for educational purposes: funding of educational programming. For a variety of reasons, funding to develop high-quality educational programming has been scarce and generally inadequate. The creation of the endowment will provide targeted funds for grants to help rectify that marketplace problem.

It is the intent of the committee that moneys authorized to be appropriated under this act be used in a manner that will yield the maximum educational results per dollar expended. The Secretary of Commerce should determine whether this goal can be realized by concentrating funding on a few projects that really can make a difference, rather than by spreading the amounts among many small projects. The eligible programming should be specifically designed to serve the educational, informational, and developmental needs of children, with the objective of improving intellectual skills and better preparing young viewers to learn by establishing a solid emotional and social foundation for intellectual advancement. The programs may range form instructional material primarily intended for classroom use across a wide array of programming formats, including prime-time environment.

Consistant with the goal of maximizing the return on these programming dollars, grants may cover the costs of public awareness and ancillary materials that are program related. for example, they could be used to provide companion printed materials such as books or manuals or computer software for interactive video applications.

The committee recognizes that the enthusiastic participation of the creative production community is critical to the success of the Endowment. There must be sufficient marketplace incentives and a sufficient comfort level within that community to ensure such involvement. To that end, the committee intends that producers of programming funded by endowment grants own the rights to the programming so long as such rights are consistent with the purposes of this act. The Secretary shall ensure that programming funded through the endowment is widely available to commercial broadcasters, cable television, home video, and other distribution systems that will reach our Nation's children, after it has been carried on public or noncommercial television for 2 years. Furthermore, although programming is to be exhibited only on public or noncommercial television for the first 2 years after its production, the Secretary retains the discretion to establish arrangements to meet the legitimate needs of producers, licensees, and the public regarding exhibition and distribution of such programming, so long as these arrangements also meet the goal of distributing the programs as widely as possible. In exercising such discretion, the Secretary shall take into account the continued level of support for this programming, as demonstrated by the willingness of public television licensees across the Nation to continue to exhibit such educational programming for more than 2 years following production.

I believe that this legislation represents a giant step forward for our Nation's children. Our responsibility today is to enact this legislation to protect our children and enhance their educational opportunities. I urge my colleagues to support S. 1992 as amended.

Mr. WIRTH. Mr. President, I have been concerned with the state of children's television in this country for many years. Television is a unique medium that offers incredible opportunties to enrich the lives of America's children. Virtually every developed country in the world devotes more resources than we do on educational television for children. In contrast, our broadcasters often ignore the child audience or offer cartoon programs that are principally designed to promote toys to children. We can do better than this. Indeed, we must do better if we expect America's youth to enjoy the same opportunities to learn from television as children from countries where television is used more wisely as an educational resource.

America's television broadcasters are licensed to serve the public interest. That obligation ought to include programming designed to serve the educational and informational needs of children. But that is not the case today. Because the Federal Communications Commission has loosened its previous requirements in this area, commercial broadcasters have virtually abandoned any efforts to provide children's educational content. Hearings on this topic have revealed study after study which demonstrates that educational programs have literally disappeared from the airwaves on all but PBS stations. Clearly, television's potential to benefit the child audience is not being adequately tapped. Approval of the legislation now at hand could finally reverse this trend.

Today, I offer a substitute amendment to S. 1992 that I am convinced will make important improvements in television's service to America's children. The amendment incorporates the most important element of the legislation I have proposed during the last several Congresses—a requirement that each television licensee provide programming specifically designed for children. Under this new programming standard, a station must serve children's educational and informational needs and in doing so must provide programs devised with children's special learning needs and capabilities in mind. I believe this aspect of the legislation is crucial and a most important accomplishment.

To stipulate that stations must provide programming "specifically designed for children" might seem redundant to some. How could one provide programs to serve the child audience without designing the content with the children's unique interests, needs, and information-processing capabilities in mind? That's a good question, and one I puzzled over long and hard as discussions about this measure proceeded. Earlier attempts to establish a children's programming standard seemed to suggest that content di-

rected at general audiences could somehow fulfill a licensee's obligation in this area. But that perspective overlooks all that we know about how children understand and learn from television.

Children differ tremendously from adults in their thinking and reasoning capacities. While even very young children can make some limited sense out of most television content, the most effective way to communicate to children is to target their particular level of cognitive abilities. Just as one wouldn't try to teach a third-grader how to read by using a college-level text, it makes little sense to suggest that children's needs can be adequately served by programming primarily intended for adults, even if that programming is wholesome family viewing that includes important social lessons.

Under the standards included in this legislation, each television licensee must provide at least some programming specifically designed for children in order to qualify for license renewal. This requirement is unequivocal. Stations may also strengthen their efforts at serving the needs of children in their community by distributing support materials to enhance the value of the educational programming they provide, or by producing or otherwise supporting educational programming broadcast on another station in the same community. Either of these actions could be considered by the FCC in evaluating compliance with this legislation. Finally, licensees must also adhere to appropriate limits on the amount of commercial content presented during their children's programming, another area in which FCC deregulation has led to abuses of the child audience.

Since the FCC rescinded its previous limits on children's advertising in 1984, the marketplace has responded by continually increasing the commercial pitches on children's television. Such increases take unfair advantage of young children who lack the capability to recognize and defend effectively against commercial persuasion.

If a policy limiting children's advertising is appropriate for broadcast television, it is equally important to apply that policy to cable programming. A child is affected no differently by an advertisement seen on a broadcast or a cable station, and thus it makes good sense to apply the advertising limits included in this measure to both sources of children's programming, as the amendment I offer will do.

I should note that program-length commercials [PLC's] are not directly addressed by the substitute legislation. In my original proposal, S. 1215, a provision was included that would categorize such programming as advertising content and thus subject it to the time restrictions on commercial minutes. Let me be emphatic—I continue to support this approach and think it is badly needed.

How bad have things gotten? Consider the case of "Video Power," a new syndicated children's program set to debut in the fall. According to the Wall Street Journal, April 30, 1990, the show's child-host, Johnny Arcade, will "rattle off news items, such as countdowns of top hit video games. Sandwiched in the minute-long countdowns will be 10-second or 20-second commercials, without so much as a pause between the news and the commercials." I wonder how much sense it makes to limit the commercial minutes a station can present during program breaks when there are no limits at all on the advertising permitted during the programs themselves.

At a time when the Federal Trade Commission [FTC] is moving against program-length commercials targeted to adults, it is unfortunate that no one is taking action to limit such crass commercialism directed at children. In the spirit of compromise, my amendment excludes the restriction I had previously proposed for the PLC's in order to accomplish the important gains that the rest of this legislation will realize.

By no means, however, does this measure abandon the issue of children's product-related programming. Under my amendment, the FCC would be required to complete its pending rulemaking on children's advertising policies within 6 months after enactment of this legislation. This rulemaking proceeding, which was ordered by the U.S. Court of Appeals more than 3 years ago, requires the Commission to evaluate the special needs of children in reassessing whether restrictions should be maintained on the overall amount of commercial content presented during children's programming. Included among the issues addressed is the topic of children's program-length commercials.

Because the Commission has already gathered extensive information on this topic, and their final report is long overdue, the most expeditious course is clearly to force the FCC to act. My amendment does just that. Should the Commission fail to adequately resolve this issue, I will again pursue appropriate legislative remedies, and have been pledged the support of my good friends Senators HOLLINGS and INOUYE, who both share my concerns in this area.

Finally, I should not that my amendment also incorporates Senator INOUYE's legislation to create a National Endowment for Children's Television. The need for such a program to support and promote the development of worthwhile educational children's programming has been clearly demonstrated over the years. The marketplace has simply failed to produce such content on its own, in large part because the advertiser-driven television industry does not find children's programming to be a particularly lucrative venture. The endowment will help ensure that television's potential to influence the lives of America's children in a positive fashion is at last fully realized.

The endowment has already been approved by this body, but has not yet been addressed by the House. The proposal remains unchanged from the previous version the Senate has already approved.

This amendment provides for meaningful reform and improvement in children's television. Though there is always more that could be done, I have no reservations about endorsing this proposal. It is a substantial accomplishment, and heralds a major shift in the way in which television will address America's children. Broadcasting in this country remains a privilege, not a right, and those who hold that privilege reap substantial economic benefits. With the enactment of this measure, we can soon expect America's broadcasters to meet the very specific obligation of serving the educational needs of America's children. I am pleased that this package is before us now and I thank Senators INOUYE and HOLLINGS for their assistance in crafting this amendment and bringing the legislation to the floor. I urge my colleagues to join me in supporting this important measure.

Mr. LAUTENBERG. Mr. President, I rise in support of the Children's Television Education Act of 1990.

America's educational system must work harder and harder to prepare our children to compete. Television, with its immense power, has the capacity to assist in that effort, to help educate and inform our children. It can arouse their curiosity about the world around them.

Educating and informing our children should not be an option that broadcasters can choose to pursue or not pursue. It is part of their legal obligation to serve the public. In return for the privilege of using the public's airwaves, as public trustees, they should use the medium to serve our children.

Unfortunately, commercial television broadcasters have failed the children of this Nation. They air precious little programming directed toward children, even less of some educational or informational value. They overwhelm our children with advertising messages; some programs are nothing more than commercials, hawking toys or other products.

When one looks at the market's incentives, their performance is no surprise. Left to their own devices, broadcasters will sell children short. Indeed,

broadcasters who want to serve children, do so at their commercial peril.

This is a classic case that justifies regulation. For years under different leadership, the FCC agreed. In 1974, the FCC adopted its children's television policy statement that set out broadcasters' duty to serve the unique needs of children. Broadcasters were required to air a reasonable amount of programming designed for specific child audiences.

However, in 1984, the Commission in its report on children's television programming and advertising practices let it be known to broadcasters that they need not pay special attention to our Nation's children. The FCC dropped the requirement for age-specific programming. It stated that a broadcaster's duty to serve children could be reduced if children were served by other, unrelated media, like cable TV or VCR's. The Commission also removed the limits on the amount of time that could be taken by commercial ads during a children's program. The U.S. Court of Appeals found that decision unfounded.

Mr. President, the legislation we have before us establishes in the law some minimum requirements on broadcasters.

It limits the amount of time that can be consumed by commercials in each hour of children's programming. The limit would be 10.5 minutes on the weekend and 12 minutes on the weekdays. The limit would also apply to cable television.

It requires the FCC to complete a proceeding on the issue of program length commercials.

Lastly and most important, it restores the special obligation of broadcasters to serve the education and informational needs of children, through not just its overall programming, but programming specifically designed to such children's needs.

Passage and enactment of this legislation—to restore a basic obligation of television broadcasters to serve our children—is long overdue.

Mr. President, I urge my colleagues to support this legislation.

Mr. BURNS. Mr. President, I would like to join my distinguished colleagues in supporting passage of this substitute to S. 1992, the Children's Television Act of 1990.

This substitute is a vast improvement over the original bill that was reported by the committee last November. I opposed that bill, and was prepared to urge the administration to veto it if necessary. It simply went too far in too many areas, and destroyed the compromise that had been in place since the 100th Congress, among Members, the broadcast industry, and public interest groups.

As a result, it took a lot of hard work by a lot of people to get us here today. But first, however, it took Senator INOUYE's willingness to listen to the concerns that I had, and a lot of other people had, about the original version of S. 1992. I commend him for being openminded in this process, and for agreeing to postpone further action on the bill in an effort to see if a new compromise could be reached. He and I agree that while children are our Nation's most precious resource, and that part of a television station's public interest obligations includes serving the child audience, legislation to further those goals is more easily achieved through consensus, not confrontation.

What emerged from these ultimately successful efforts for a compromise is a good bill. It protects children from overcommercialization in their television and cable programs, while acknowledging that advertising is what makes these programs possible.

For the first time, broadcasters' public interest obligations will be spelled out in statute, but unnecessary and unconstitutional programming standards included in earlier bills are avoided.

As they compete in an increasingly complex video marketplace, television stations will have the flexibility they need to serve the child audience in their local communities. Stations will be able to take into account what other children's programming is available in their community in determining their own programming mix.

The bill establishes that each station will have to provide some programming specifically designed for children to serve their educational and informational needs, yet it recognizes that children also are served by family and overall programming aired by a station. Therefore, the FCC also must take that programming into account.

Stations also will be able to help fulfill their obligations to children if they voluntarily engage in nonbroadcast efforts that enhance the educational and informational value of their programming. Similarly, stations that voluntarily support children's educational and informational programming that airs in their markets also will receive credit for that support at the FCC.

To sum up, Mr. President, a bill that had committee members on board, together with the National Association of Broadcasters and Action for Children's Television, is worthy of passage. I urge all of my colleagues to join me in voting for this compromise.

Mr. DANFORTH. Mr. President, I am pleased to support the substitute amendment that Senator INOUYE is offering today to S. 1992, the Children's Television Act. This measure has three main provisions. First, it limits the time that can be devoted to advertising in all children's television programming. Second, it requires the Federal Communications Commission to determine, in broadcast license renewal proceedings, whether the television broadcaster has served the educational and informational needs of children in its programming. Third, it establishes a national endowment to fund educational children's television programming.

I did not support the bill that was ordered reported by the Commerce Committee last October. That bill was unacceptable to most of my fellow Republicans on the committee and was strongly opposed by the broadcasting industry. Over the past several months, however, Senators CONRAD BURNS, DANIEL INOUYE, TIM WIRTH, and others have engaged in lengthy negotiations in an effort to forge a consensus. Mr. President, they have succeeded, and I applaud the results of their hard work.

Mr. President, this substitute retains the best elements of the earlier bills, while solving problems with those bills. The substitute satisfies the concerns that many raised by deleting programming standards that were unnecessarily intrusive in the broadcasters' programming decisions, and indeed, unconstitutional.

I am especially pleased that this measure includes my amendment to apply the advertising limits to children's programming on cable television. Children do not distinguish between cable and over-the-air broadcasts when they watch television. This language ensures that they will be protected from excessive advertising from either source.

This is a good bill. It serves the interests of children without imposing unreasonable burdens on broadcasters and cable operators. Therefore, I recommend its immediate passage.

AMENDMENT NO. 2313

(Purpose: To make an amendment in the nature of a substitute)

Mr. CRANSTON. Mr. President, in behalf of Senators WIRTH, INOUYE, and HOLLINGS, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from California [Mr. CRANSTON], for Mr. WIRTH, (for himself, Mr. INOUYE, Mr. HOLLINGS, Mr. METZENBAUM, Mr. LAUTENBERG, and Mr. BURNS), proposes an amendment numbered 2313.

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

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

The amendment is as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Children's Television Act of 1990".

TITLE I—REGULATION OF CHILDREN'S TELEVISION

FINDINGS

SEC. 101. The Congress finds that—

(1) it has been clearly demonstrated that television can assist children to learn important information, skills, values, and behavior while entertaining them and exciting their curiosity to learn about the world around them;

(2) as part of their obligation to serve the public interest, television station operators and licensees should provide programming that serves the special needs of children;

(3) the financial support of advertisers assists in the provision of programming to children;

(4) special safeguards are appropriate to protect children from overcommercialization on television;

(5) television station operators and licensees should follow practices in connection with children's television programming and advertising that take into consideration the characteristics of this child audience; and

(6) it is therefore necessary that the Federal Communications Commission (hereinafter referred to as the "Commission") take the actions required by this title.

STANDARDS FOR CHILDREN'S TELEVISION PROGRAMMING

SEC. 102. (a) The Commission shall, within 30 days after the date of enactment of this Act, initiate a rulemaking proceeding to prescribe standards applicable to commercial television broadcast licensees with respect to the time devoted to commercial matter in conjunction with children's television programming. The Commission shall, within 180 days after the date of enactment of this Act, complete the rulemaking proceeding and prescribe final standards that meet the requirements of subsection (b).

(b) Except as provided in subsection (c), the standards prescribed under subsection (a) shall include the requirement that each commercial television broadcast licensee shall limit the duration of advertising in children's television programming to not more than 10.5 minutes per hour on weekends and not more than 12 minutes per hour on weekdays.

(c) After January 1, 1993, the Commission—

(1) may review and evaluate the advertising duration limitations required by subsection (b); and

(2) may, after notice and public comment and a demonstration of the need for modification of such limitations, modify such limitations in accordance with the public interest.

(d) As used in this section, the term "commercial television broadcast licensee" includes a cable operator, as defined in section 602 of the Communications Act of 1934 (47 U.S.C. 522).

CONSIDERATION OF CHILDREN'S TELEVISION SERVICE IN BROADCAST LICENSE RENEWAL

SEC. 103. (a) After the standards required by section 102 are in effect, the Commission shall, in its review of any application for renewal of a television broadcast license, consider the extent to which the licensee—

(1) has complied with such standards; and

(2) has served the educational and informational needs of children through the licensee's overall programming, including programming specifically designed to serve such needs.

(b) In addition to consideration of the licensee's programming as required under subsection (a), the Commission may consider—

(1) any special nonbroadcast efforts by the licensee which enhance the educational and informational value of such programming to children; and

(2) any special efforts by the licensee to produce or support programming broadcast by another station in the licensee's marketplace which is specifically designed to serve the educational and informational needs of children.

PROGRAM LENGTH COMMERCIAL MATTER

SEC. 104. Within 180 days after the date of enactment of this Act, the Commission shall complete the proceeding known as "Revision of Programming and Commercialization Policies, Ascertainment Requirements and Program Log Requirements for Commercial Television Stations", MM Docket No. 83-670.

TITLE II—ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

SHORT TITLE

SEC. 201. This title may be cited as the "National Endowment for Children's Educational Television Act of 1990".

FINDINGS

SEC. 202. The Congress finds that—

(1) children in the United States are lagging behind those in other countries in fundamental intellectual skills, including reading, writing, mathematics, science, and geography;

(2) these fundamental skills are essential for the future governmental and industrial leadership of the United States;

(3) the United States must act now to greatly improve the education of its children;

(4) television is watched by children about three hours each day on average and can be effective in teaching children;

(5) educational television programming for children is aired too infrequently either because public broadcast licensees and permittees lack funds or because commercial broadcast licensees and permittees or cable television system operators do not have the economic incentive; and

(6) the Federal Government can assist in the creation of children's educational television by establishing a National Endowment for Children's Educational Television to supplement the children's educational programming funded by other governmental entities.

SEC. 203. (a) Part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 394 as section 393A;

(2) by redesignating subparts B, C, and D as subparts C, D, and E, respectively; and

(3) by inserting immediately after section 393A, as so redesignated, the following new subpart:

"SUBPART B—NATIONAL ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

"ESTABLISHMENT OF NATIONAL ENDOWMENT

"SEC. 394. (a) It is the purpose of this section to enhance the education of children through the creation and production of television programming specifically directed toward the development of fundamental intellectual skills.

"(b) There is established, under the direction of the Secretary, a National Endowment for Children's Educational Television. In administering the National Endowment, the Secretary is authorized to make grants to persons proposing to create and produce educational television programming for children. The Secretary shall consult with the Advisory Council on Children's Educational Television in the making of the grants. The grants shall be made on the condition that the programming shall—

"(1) during the first two years after its production, be made available only to public television licensees and permittees and noncommercial television licensees and permittees; and

"(2) thereafter be made available to any commercial television licensee or permittee or cable television system operator, at a charge established by the Secretary that will assure the maximum practicable distribution of such programming, so long as such licensee, permittee, or operator does not interrupt the programming with commercial advertisements.

The Secretary may, consistent with the purpose and provisions of this section, permit the programming to be distributed to persons using other media, establish conditions relating to such distribution, and apply those conditions to any grant. The Secretary may waive the requirements of paragraph (1) of this subsection if the Secretary finds that neither public television licensees and permittees nor noncommercial television licensees and permittees will have an opportunity to air such programming in the first two years after its production.

"(c)(1) The Secretary, with the advice of the Advisory Council on Children's Educational Television, shall establish criteria for making grants under this section. Such criteria shall be consistent with the purpose and provisions of this section and shall be made available to interested parties upon request.

"(2) Applications for grants under this section shall be submitted to the Secretary in such form and containing such information as the Secretary shall require by regulation.

"(d) Upon approving any application under this section, the Secretary shall make a grant to the applicant in an amount determined by the Secretary, except that such amounts shall not exceed 75 percent of the amount determined by the Secretary to be the reasonable and necessary cost of the project for which the grant is made.

"(e)(1) The Secretary shall establish an Advisory Council on Children's Educational Television. The Secretary shall appoint ten individuals as members of the Advisory Council and designate one of such members to serve as Chairman.

"(2) Members of the Advisory Council shall have terms of two years, and no member shall serve for more than three consecutive terms. The members shall have expertise in the fields of education, psychology, child development, or television programming, or related disciplines. Officers and employees of the United States shall not be appointed as members.

"(3) While away from their homes or regular places of business in the performance of duties for the Advisory council, the members of the Advisory Council shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with 5703 of title 5, United States Code.

"(4) The Advisory Council shall meet at the call of the Chairman and shall advise the Secretary concerning the making of grants under this section.

"(f)(1) Each recipient of a grant under this section shall keep such records as may

be reasonably necessary to enable the Secretary to carry out the Secretary's functions under this section, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such grant, the total cost of the project, the amount and nature of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to a grant received under this section.

"(g) The Secretary is authorized to make such rules and regulations as may be necessary to carry out this section, including those relating to the order of priority in approving applications for projects under this section or to determining the amounts of grants for such projects.

"(h) There are authorized to be appropriated $10,000,000 for fiscal year 1991 for the Secretary to carry out the provisions of this section. Sums appropriated under this subsection for any fiscal year shall remain available for payment of grants for projects for which applications approved under this section have been submitted within one year after the last day of such fiscal year.

"(i) For purposes of this section—

"(1) the term 'educational television programming for children' means any television program which is directed to an audience of children who are 16 years of age or younger and which is designed for the intellectual development of those children, except that such term does not include any television program which is directed to a general audience but which might also be viewed by a significant number of children; and

"(2) the term 'person' means an individual, partnership, association, joint stock company, trust, corporation, or State or local governmental entity.".

(b) Section 397 of the Communications Act of 1934 (47 U.S.C. 397) is amended—

(1) in paragraph (2) by striking "subpart C" and inserting in lieu thereof "subpart D"; and

(2) in paragraph (15)—

(A) by inserting "and subpart B" immediately after "subpart A"; and

(B) by striking "subpart B, subpart C" and inserting in lieu thereof "subpart C, subpart D".

Mr. INOUYE. I would like to ask my good friend, Senator WIRTH, to clarify with me the nature of the programming that would be required by this substitute amendment. What must a broadcaster do to comply with this act?

Mr. WIRTH. As I am sure Senator INOUYE and many of my colleagues appreciate, this legislation is intended to reverse the trend of the 1980's, which has seen commercial television broadcasters virtually abandon their efforts at children's educational programming. My concern throughout the drafting of this legislation has been to ensure that the final language we employ results in just such a reversal. My concern has been that stations might claim that general audience programs that have merit for children, as some family-oriented shows certainly do, alone would fulfill this new obligation. If this outcome occurred, then our effort would have failed. Nothing would have changed in terms of the absence of educational programs uniquely designed for children. That is the area where the marketplace has clearly failed to deliver content essential to the public interest.

To meet the license renewal standard in the amended S. 1992, the broadcast licensee must do two things. First, it must comply with the advertising limits included in this legislation. These are clearly stated and leave little room for interpretation. Second, and more to the point of Senator INOUYE's question, a broadcast licensee must demonstrate it has provided programming specifically developed with the educational and informational needs of children in mind.

Programming that is provided to fulfill this obligation can certainly be designed to be entertaining to children. Indeed, one might hope this would be the case in order to maximize the attractiveness of such content to child viewers, thereby increasing its reach and impact on America's youth. There are several examples of very educational children's programs provided on public broadcasting stations that are so entertaining that they are among children's favorite shows.

But regardless of the entertainment value of the programs offered, the essential element this legislation requires is that some content is offered that takes into account the unique characteristics of the child audience. Young children possess a more limited ability to comprehend programming intended for general audiences. An effort must be made by the licensee to take into account the special characteristics of the various segments of the child audience and their needs.

At the same time, broadcasters can also count among their service to childen programs primarily intended for general audiences which also serve the needs of children. It would be arbitrary and against common sense to suggest that such efforts hold no value for children. However, a licensee cannot rely only on general audience programming to meet its obligation under this legislation. No matter how worthwhile and educational a general purpose adult program may be for the older child, standing alone, it often does not meet the needs of younger children.

Under this act, the FCC will have the responsibility to weigh broadcaster's efforts at serving the educational and informational needs of children in their community, both in the ordinary and comparative renewal situation. To fulfill the required standards, each licensee must demonstrate that some educational and informational programming targeted specifically at children was provided. Of course, it is expected that the FCC, in evaluating the licensee's compliance with this provision, will defer to the licensees judgement to determine how to serve the educational and informational needs of children in its community.

Mr. INOUYE. I am pleased with this explanation. This legislation will prod the Nation's broadcasters to deliver educational children's programming of great value to America's youth. That is not too much to ask of those licensed to operate on the publicly owned airwaves, and such service is clearly in the public interest.

Mr. WIRTH. I have one further concern related to the use of programs primarily to promote products to children—a practice the FCC has termed "program-length commericals." As you know, I have proposed restrictions on such programming when it is targeted at children, but that proposal has been opposed by others and is not included in the amended legislation. It would be a shame if the educational programming stimulated by this measure was wrapped in such a cloak of commercialism, which conceivably could occur. How are we to proceed on this other important issue?

Mr. INOUYE. The limitation on the amount of commercial content that is included as part of this act is based on a recognition that children deserve special protection from excessive television advertising. There is research evidence documenting that young children possess a more limited ability to recognize commercial persuasion. For these same reasons, the FCC currently has a policy that requires licensees to maintain a clear separation between programs and commercials targeted at children. At one time the Commission restricted program length commercials. That policy was effectively eliminated in the mid-1980's.

Thus, as my friend Senator WIRTH suggests, we have a problem with policy in this area. The FCC holds that children's programs and commercial content must be clearly separated.

However, concerns have been raised about programs whose primary purpose appears to be the promotion of products to children. I believe the most expeditious means of reaching a resolution here is to get the FCC to act on this topic. This legislation instructs the FCC to complete its related proceeding within 6 months of enactment of this bill. The Commission has been weighing evidence on this topic as the result of a court-ordered remand of their 1984 deregulation of its children's advertising policies. A report from the FCC on this topic is long overdue. Should the Commission fail to adequately resolve this issue promptly, I will support Senator WIRTH in efforts to address this concern.

Mr. METZENBAUM. Mr. President, I am pleased to cosponsor this substitute amendment to S. 1992, the Children's Television Act of 1990.

This legislation works out the differences between the three different bills which have been introduced in the Senate to help improve the quality of children's television programming. As the author of one of those bills, I applaud my friend and colleague, the distinguished senior Senator from Hawaii and chairman of the Communications Subcommittee, for putting together this thoughtful compromise.

The legislation which the Senate is about to adopt will help minimize the commercial pitch and maximize education in television programming geared for kids.

It is long overdue. For far too long, Federal regulators have been allowing broadcasters to focus not on children's developmental needs but on crass commercialism. Instead of inspiring kids to learn, television has been pushing them to buy, buy, buy.

This legislation will improve the situation. But it will not solve all the problems regarding children's television. Advertising manipulation will still be there. There is still, for instance, the problem of those ads involving 900 telephone lines.

Mr. President, I wonder if I could ask my distinguished colleague from Hawaii a question about this matter?

Mr. INOUYE. I would be glad to answer the question of the Senator from Ohio.

Mr. METZENBAUM. The legislation before us does not address the problem of TV advertisements which induce children to call toll telephone lines and which result in driving up parents' phone bills. I understand the Federal Trade Commission is currently investigating a complaint filed by Action for Children's Television regarding this matter. I wonder if my colleague from Hawaii, in his capacity as chairman of the Communications Subcommittee, is also planning to investigate this matter?

Mr. INOUYE. First let me say that I share the Senator from Ohio's concern about pushing small children to pick up the phone to call taped messages. No parental involvement is necessary and the children are encouraged to keep calling and calling. It can be very costly.

I will hold a hearing this year on the general issue of 900 numbers or toll telephone line services. One of the critical topics we will examine will be the advertising of such services to children. I welcome the Senator from Ohio's involvement.

Mr. METZENBAUM. I look forward to working with the Senator from Hawaii on the matter.

Mr. President, I urge my colleagues to vote for the substitute amendment which is currently before us. It is an important piece of legislation.

Mr. INOUYE. Title II of this legislation authorizes the appropriation of funding for the National Endowment for Children's Education Television. This endowment is intended to provide funding for the production of children's educational television programs. Under this legislation, the Secretary of the Department of Commerce, with the advice of the Advisory Council on Children's Educational Television, is required to establish criteria to be used by the Secretary in making grants for the production of such programming. To provide Congress an opportunity to review the criteria developed under this act, we expect the Secretary to submit the criteria to the Congress for review 60 days prior to the date on which the criteria become effective.

Mr. HELMS. Mr. President, when title II of this legislation was first introduced as a separate bill last fall, the distinguished Senator from Hawaii accommodated some reservations I had about the measure. I was concerned that yet another independent endowment with Federal funding would be created without establishing any criteria for picking and choosing among applicants for the funds.

My reservations about this new Endowment for Children's Educational Television were similar to those that I expressed last year in the controversy involving the National Endowment for the Arts [NEA]. The genesis for the NEA controversy, Mr. President, was that the NEA was established with very little guidance as to the quality of what the NEA was suppose to support with our taxes. We have a duty to avoid that same mistake as we create this new endowment.

I remind Senators that the NEA was established in 1965 with an annual budget of $2 million much as this National Endowment for Children's Educational Television was originally meant to be funded with a budget of $2.5 million. Since 1965, however, the NEA's budget has blossomed to around $170 million a year and has created a federally subsidized constituency for its funding that makes it almost impossible to debate commonsense restrictions on what the NEA sees fit to fund with the taxpayers' money.

It is only prudent, therefore, that Congress get some idea of what criteria the National Endowment for Children's Educational Television will use in subjectively choosing among numerous applicants for taxpayer funding. I commend the Commerce Committee and the Senator from Hawaii for recognizing these concerns by requiring the Children's Endowment to establish such criteria and to provide Congress an opportunity to review the suggested criteria before they become effective.

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

The amendment (No. 2313) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1992

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Children's Television Act of 1990".

TITLE I—REGULATION OF CHILDREN'S TELEVISION FINDINGS

SEC. 101. The Congress finds that—

(1) it has been clearly demonstrated that television can assist children to learn important information, skills, values, and behavior while entertaining them and exciting their curiosity to learn about the world around them;

(2) as part of their obligation to serve the public interest, television station operators and licensees should provide programming that serves the special needs of children;

(3) the financial support of advertisers assists in the provision of programming to children;

(4) special safeguards are appropriate to protect children from overcommercialization on television;

(5) television station operators and licensees should follow practices in connection with children's television programming and advertising that take into consideration the characteristics of this child audience; and

(6) it is therefore necessary that the Federal Communications Commission (hereinafter referred to as the "Commission") take the actions required by this title.

STANDARDS FOR CHILDREN'S TELEVISION PROGRAMMING

SEC. 102. (a) The Commission shall, within thirty days after the date of enactment of this Act, initiate a rulemaking proceeding to prescribe standards applicable to commercial televison broadcast licensees with respect to the time devoted to commercial matter in conjunction with children's television programming. The Commission shall, within one hundred and eighty days after the date of enactment of this Act, complete the rulemaking proceeding and prescribe final standards that met the requirements of subsection (b).

(b) Except as provided in subsection (c), the standards prescribed under subsection (a) shall include the requirements that each commercial television broadcast licensee shall limit the duration of advertising in children's television programming to not more than ten and one-half minutes per

hour on weekends and not more than twelve minutes per hour on weekdays.

(c) After January 1, 1993, the Commission—

(1) may review and evaluate the advertising duration limitations required by subsection (b); and

(2) may, after notice and public comment and a demonstration of the need for modification of such limitations, modify such limitations in accordance with the public interest.

(d) As used in this section, the term "commercial television broadcast licensee" includes a cable operator, as defined in section 602 of the Communications Act of 1934 (47 U.S.C. 522).

CONSIDERATION OF CHILDREN'S TELEVISION SERVICE IN BROADCAST LICENSE RENEWAL

SEC. 103. (a) After the standards required by section 102 are in effect, the Commission shall, in its review of any application for renewal of a television broadcast license, consider the extent to which the licensee—

(1) has complied with such standards; and

(2) has served the education and informational needs of children through the licensee's overall programming, including programming specifically designed to serve such needs.

(b) In addition to consideration of the licensee's programming as required under subsection (a), the Commission may consider—

(1) any special nonbroadcast efforts by the licensee which enhance the educational and informational value of such programming to children; and

(2) any special efforts by the licensee to produce or support programming broadcast by another station in the licensee's marketplace which is specifically designed to serve the educational and informational needs of children.

PROGRAM LENGTH COMMERCIAL MATTER

SEC. 104. Within one hundred and eighty days after the date of enactment of this Act, the Commission shall complete the proceeding known as "Revision of Programming and Commercialization Policies, Ascertainment Requirements and Program Requirements for Commercial Television Stations", MM Docket Numbered 83-670.

TITLE II—ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

SHORT TITLE

SEC. 201. This title may be cited as the "National Endowment for Children's Educational Television Act of 1990".

FINDINGS

SEC. 202. The Congress finds that—

(1) children in the United States are lagging behind those in other countries in fundamental intellectual skills, including reading, writing, mathematics, science, and geography;

(2) these fundamental skills are essential for the future governmental and industrial leadership of the United States;

(3) the United States must act now to greatly improve the education of its children;

(4) television is watched by children about three hours each day on average and can be effective in teaching children;

(5) educational television programming for children is aired too infrequently either because public broadcast licensees and permittees lack funds or because commercial broadcast licensees and permittees or cable television system operators do not have the economic incentive; and

(6) the Federal Government can assist in the creation of children's educational television by establishing a National Endowment for Children's Educational Television to supplement the children's educational programming funded by other governmental entities.

SEC. 203. (a) Part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 394 as section 393A;

(2) by redesignating subpart B, C, and D as subparts C, D, and E, respectively; and

(3) by inserting immediately after section 393A, as so redesignated, the following new subpart:

"SUBPART B—NATIONAL ENDOWMENT FOR CHILDREN'S EDUCATIONAL TELEVISION

"ESTABLISHMENT OF NATIONAL ENDOWMENT

SEC. 394. (a) It is the purpose of this section to enhance the education of children through the creation and production of television programming specifically directed toward the development of fundamental intellectual skills.

"(b) There is established, under the direction of the Secretary, a National Endowment for Children's Educational Television. In administering the National Endowment, the Secretary is authorized to make grants to persons proposing to create and produce educational television programming for children. The Secretary shall consult with the Advisory Council on Children's Educational Television in the making of the grants. The grants shall be made on the condition that the programming shall—

"(1) during the first two years after its production, be made available only to public television licensees and permittees and noncommercial television licensees and permittees; and

"(2) thereafter be made available to any commercial television licensee or permittee or cable television system operator, at a charge established by the Secretary that will assure the maximum practicable distribution of such programming, so long as such licensee, permittee, or operator does not interrupt the programming with commercial advertisements.

The Secretary may, consistent with the purpose and provisions of this section, permit the programming to be distributed to persons using other media, establish conditions relating to such distribution, and apply those conditions to any grant. The Secretary may waive the requirements of paragraph (1) of this subsection if the Secretary finds that neither public television licensees and permittees nor noncommercial television licensees and permittees will have an opportunity to air such programming in the first two years after its production.

"(c)(1) The Secretary, with the advice of the Advisory Council on Children's Educational Television, shall establish criteria for making grants under this section. Such criteria shall be consistent with the purpose and provisions of this section and shall be made available to interested parties upon request.

"(2) Applications for grants under this section shall be submitted to the Secretary in such form and containing such information as the Secretary shall require by regulation.

"(d) Upon approving any application under this section, the Secretary shall make a grant to the applicant in an amount determined by the Secretary, except that such amounts shall not exceed 75 percent of the amount determined by the Secretary to be the reasonable and necessary cost of the project for which the grant is made.

"(e)(1) The Secretary shall establish an Advisory Council on Children's Educational Television. The Secretary shall appoint ten individuals as members of the Advisory Council and designate one of such members to serve as Chairman.

"(2) Members of the Advisory Council shall have terms of two years, and no member shall serve for more than three consecutive terms. The members shall have expertise in the fields of education, psychology, child development, or television programming, or related disciplines. Officers and employees of the United States shall not be appointed as members.

"(3) While away from their homes or regular places of business in the performance of duties for the Advisory Council, the members of the Advisory Council shall serve without compensation but shall be allowed travel expenses, including per diem in lieu of subsistence, in accordance with section 5703 of title 5, United States Code.

"(4) The Advisory Council shall meet at the call of the Chairman and shall advise the Secretary concerning the making of grants under this section.

"(f)(1) Each recipient of a grant under this section shall keep such records as may be reasonably necessary to enable the Secretary to carry out the Secretary's functions under this section, including records which fully disclose the amount and the disposition by such recipient of the proceeds of such grant, the total cost of the project, the amount and nature of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to a grant received under this section.

"(g) The Secretary is authorized to make such rules and regulations as may be necessary to carry out this section, including those relating to the order of priority in approving applications for projects under this section or to determining the amounts of grants for such projects.

"(h) There are authorized to be appropriated $10,000,000 for fiscal year 1991 for the Secretary to carry out the provisions of this section. Sums appropriated under this subsection for any fiscal year shall remain available for payment of grants for projects for which applications approved under this section have been submitted within one year after the last day of such fiscal year.

"(i) For purposes of this section—

"(1) the term 'educational television programming for children' means any television program which is directed to an audience of children who are sixteen years of age or younger and which is designed for the intellectual development of those children, except that such term does not include any television program which is directed to a general audience but which might also be viewed by a significant number of children; and

"(2) the term 'person' means an individual, partnership, association, joint stock company, trust, corporation, or State or local governmental entity."

(b) Section 397 of the Communications Act of 1934 (47 U.S.C. 397) is amended—

(1) in paragraph (2) by striking "subpart C" and inserting in lieu thereof "subpart D"; and

(2) in paragraph (15)—

(A) by inserting "and subpart B" immediately after "subpart A"; and

(B) by striking "subpart B, subpart C" and inserting in lieu thereof "subpart C, subpart D".

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

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

The motion to lay on the table was agreed to.

NASA AND THE INTERNATIONAL SPACE YEAR

Mr. CRANSTON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 75.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 75) entitled "Joint resolution relating to NASA and the International Space Year," do pass with the following amendments:

Page 3, line 9, after "applications;", insert "and".

Page 3, strike out lines 10 through 12.

Page 3, line 13, strike out "(6)", and insert "(5)".

Page 3, line 14, strike out "June" and insert "September".

Page 3, line 15, strike out "(5)" and insert "(4)".

Mr. CRANSTON. Mr. President, I move that the Senate concur in the House amendments.

The motion was agreed to.

Mr. CRANSTON. I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

NATIONAL AMERICAN INDIAN HERITAGE MONTH AND NATIONAL SENIOR CITIZENS DAY

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged en bloc from further consideration of the following resolutions: House Joint Resolution 577, designating "National American Indian Heritage Month"; House Joint Resolution 591, designating "National Senior Citizens Day"; and that the Senate proceed to their immediate consideration, en bloc; that the joint resolutions be deemed read a third time and passed; that the preambles be agreed to, and, that the motion to reconsider the passage of these joint resolutions be laid upon the table. I further ask unanimous consent that the consideration of these items appear individually in the RECORD.

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

So the joint resolutions (H.J. Res. 577 and H.J. Res. 591) were passed.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator BRADLEY be recognized at 9 a.m. on Friday, July 20, to offer an amendment relating to the sugar price support level; that there be 60 minutes equally divided and controlled in the usual form; that at the conclusion or yielding back of time, the amendment be laid aside until 9 a.m. on Tuesday, July 24; that there be 60 additional minutes for debate, equally divided and controlled in the usual form; that no amendment to the amendment be in order; and that, at 10 a.m. on Tuesday, the Senate vote on or in relation to the amendment.

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

Mr. MITCHELL. Mr. President, I ask unanimous consent that on Friday, July 20, Senator BOSCHWITZ be recognized at 10 a.m. to offer an amendment relating to maximum ARP levels; that there be 80 minutes equally divided in the usual form; that no other amendments be in order to the Boschwitz amendment; that when all time is used or yielded back the Senate proceed without any intervening action or debate to vote on or in relation to the Boschwitz amendment.

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

ORDERS FOR TOMORROW

MORNING BUSINESS; JOURNAL

Mr. CRANSTON. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:45 a.m., Friday; that following the prayer, the time for the two leaders be reserved for their use later in the day; that upon reservation of the leaders' time, there be a period for morning business not to extend beyond 9 a.m., with Senators permitted to speak therein for up to 5 minutes each.

I also ask unanimous consent that following the prayer the Journal of the proceedings be deemed approved.

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

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. CRANSTON. If there is no further business to come before the Senate today, I ask unanimous consent now that the Senate stand in recess under previous order until 8:45 a.m., Friday, July 20.

There being no objection, the Senate, at 7:45 p.m., recessed until Friday, July 20, 1990, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Senate July 19, 1990:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

STEVEN B. KELMAR, OF PENNSYLVANIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE GERALD L. OLSON, RESIGNED.

EXECUTIVE OFFICE OF THE PRESIDENT

JOSEPH FRANCIS GLENNON, OF FLORIDA, TO BE A MEMBER OF THE ADVISORY BOARD FOR CUBA BROADCASTING FOR A TERM EXPIRING OCTOBER 27, 1991. (REAPPOINTMENT.)

NATIONAL MEDIATION BOARD

KIMBERLY A. MADIGAN, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL MEDIATION BOARD FOR THE TERM EXPIRING JULY 1, 1993, VICE WALTER C. WALLACE, TERM EXPIRED.

IN THE NAVY

THE FOLLOWING NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. JOSEPH S. DONNELL III, U.S. NAVY, [redacted]